

# How to Reimagine Corporate Purpose



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When we were children, if we broke a lamp while horsing around or if we spilled our milk while carelessly reaching for the salt, the first thing we said was, “I didn’t do it on purpose.” Our defense was our lack of intent – how could we be held accountable for an accident?

As adults, this excuse doesn’t hold up. If we absolve ourselves from acting with purpose, it is the same as saying, “don’t hold me accountable if things go wrong.” I love that so many leaders of successful enterprises have embraced this truth. We have a choice. We can stumble along and make excuses, or we can be purpose

driven. We can declare our intent, act with transparency, and invite our stakeholders to hold us accountable. For me, the choice is easy.

I am a lucky man. I am privileged to lead a company that has a refreshing sense of urgency, a smart and strategic focus on the future, and a commitment to a new, authentic purpose statement. It is especially awesome that this “new” company dates back almost 200 years.

Navistar can trace its origins to the 1831 invention of the first truly practical mechanical reaper. Our work today is just as transformative and just as essential as it was when we helped farmers feed the nation. Our goal then was to help people accomplish work that mattered. Through the years, we may have lost this perspective. If we did, we found it again when we committed to this purpose statement ...

## ***Reimagining how to deliver what matters.***

Let me unpack this. What does it mean to “deliver what matters”? Who gets to decide? It’s subjective, right? They say that beauty is in the eye of the beholder. And that’s the point here.

We need to do what matters for the people who matter. Our employees. Our dealers. Our shareholders. Our loyal supplier partners. Our big customers with vast fleets. The individual truck driver trying to make it safely and comfortably across the country. And back again. We need to deliver what matters for the owners of the cargo we help transport. And for the parents of our most precious cargo – the school children who ride in our buses.

Delivering what matters means we bring empathy, insight, and intention to everything we do, because we are acting in service to others. We are accountable to the citizens of the world. They expect us to do what’s right not only for our immediate stakeholders, but for the environment, for social justice, and the planet itself. It means working for the kind of prosperity that benefits everyone.

That’s a tall order.

## **“What matters” is not the same for everyone.**

The only way we can fulfill this promise is if every single one of us at Navistar agrees to deliver what matters to the individuals we serve. Implicit here is that we deliver *what* matters *when* it matters. Because “what matters”

is not a fixed thing.

Our sales consultants can help fleet customers by providing essential data that help optimize long-term fuel efficiency and maintenance costs. But what about the Texas business owners whose operations were disrupted by violent weather events? Their needs are much more immediate. So, when we agree to deliver what matters, we agree to meet people where they are right now. That means it isn't always enough to treat people the way *we want to be treated ourselves*; we must exercise empathy and treat people the way *they* want to be treated. They define what matters.

**And that's why our purpose statement insists that we *reimagine how to deliver what matters*.**

Do you have any idea how liberating this is? It means that instead of treating everything as a square peg to be jammed into a round hole, we have the freedom to choose a fresh approach. It means that once we agree that we are all trying to get to the same place, it doesn't matter which path we choose.

We like to think of our shared purpose as a North Star that keeps us moving in the right direction. And it is. But as someone who grew up in Brazil looking at the Southern Cross, that might be a more apt analogy. Sailors in the Southern Hemisphere used that constellation and the imaginary cross formed by its four stars as the constant they could steer by. At Navistar, the fixed point we steer by lies at the intersection of what matters and the innovative, reimaged ways we will deliver that to those who depend on us.

Our shared purpose guides us no matter what our job is and no matter who we are trying to serve. Because if we are ever unsure which direction to turn, the answer will always be, turn in the direction that delivers what matters to the people I am serving.

**Our purpose is change-proof and future-focused.**

Anyone who has known me very long knows that I am a Rush fan. My ring tone is the rock anthem, "Tom Sawyer." I like how it gets my blood pumping and my spirits soaring. But if you've ever listened to the lyrics, you know there is a gem hidden there. When Geddy Lee sings, "He knows changes aren't permanent/But change is," he is revealing another reason to embrace a purpose-driven corporate culture. In an era in which change is unrelenting and accelerating, our best-laid plans will inevitably be disrupted. We need the ability to quickly and continuously right the ship and get back on course.

The pandemic disrupted lives and businesses and economies in ways no one could have predicted. And while technology has been part of the solution, it is also a disruptor. Traditional industries such as trucking are being transformed by electrification, autonomous driving, and many other exciting disruptors. No business or industry is exempt. At Navistar, we are not afraid of change - in fact, it fuels our sense of purpose - our ability to start each day by reimagining the best way to deliver what matters. Acting on this fixed purpose, we always have our bearings, our sense of direction, and the means to not only manage change but to drive it.

And the beautiful thing is, by being purpose driven, Navistar is not only embracing change but empowering our people to design the future. As soon as "what used to work" no longer serves - get rid of it! We hold ourselves accountable for reimagining a better way. This continuous pursuit of a better way is how we build the future.

Yes, our shared purpose is aspirational. I imagine it as a trajectory pointing skyward because continuous improvement doesn't have a finish line. And hopefully, it is inspirational. We all need to feel passionate about the work we are doing. But our purpose is not - can never be - something we frame, hang on the wall, and forget about. It's something we must live.

**Implicit in our purpose is a promise to act.**

To that end, we have a platform that drives action in the here and now. It has four areas of focus:

Our Strategy -- Today this is represented by Navistar 4.0 as our strategic roadmap that informs every business decision and investment over the next several years. If our purpose tells us why we exist, our strategy tells us how to make it real.

Social Impact - One of the amazing things about the trucking industry is that our vast scope and scale mean that we have the potential to do immense good for the people we serve, the communities we are part of, and

the planet we steward for future generations. We are acting on our responsibility to pay it forward.

Image - Our brands represent a promise to our stakeholders. We are accountable for fulfilling that contract. Every day. At every touchpoint.

People - We owe it to the people of Navistar to help them achieve their personal best. Rather than manage people, we want to mobilize them by fueling their creativity and channeling their energy.

Combined, these four areas of focus will drive our sustainable success. Navistar has always been good at delivering the goods. Today, that includes the greater good. That's what makes me so proud of this team and a company that is 180 years young.

We have agreed that we will reimagine the future beginning today. Not by chance. Not on accident. We're doing it all on purpose.