

# Case study on simon sinek golden circle model

[Business](#), [Company](#)



Simon Sinek developed the Golden Circle Model after researching the activities and philosophies of some of the most successful companies and influential leaders. Sinek discovered a common thread in the way these companies conceptualized, acted and communicated their ideals and products. He realized that there was a stark difference between influential companies and the not-so-successful ones. According to Sinek, most companies believe that clients buy products and service only because of superior quality, fair prices and exquisite designs. This is erroneous thinking, according to Sinek, because influential companies are driven by a different philosophy - the ' why' question.

The ' why' concept is part of a model called the Golden Circle, which Sinek indicated was the core of effective marketing. There are three smaller circles in the model. The innermost one denotes " why", the second one represents " how" and the outermost denotes " what". The difference between the most successful companies and the rest is in the direction they work from relative to the Golden Circle. Conventionally, companies begin from the outer circles and move inwards. This means they move from " what" through " how" and eventually to " why". Influential companies, on the other hand, begin from inside to outside - from " why" towards " what".

Each of the circles represents an aspect of the company which affects the market. The " what" circle denotes the company's products and services. " How" represents the strategies and differentiating features which companies believe influence customer's purchasing decisions. Finally, " Why" represents the philosophies and ideologies which drive companies. For influential firms, this is the starting point for any product development and

the reason for exceptional success.

Sinek gives the example of Apple, whose products are popular globally, to illustrate the “ why” concept. He asserts that Apple’s vision is the reason its products are bought by more clients compared to those of other companies. Apple uses its vision (why) to develop (how) products (what) which challenge conventional models. Apple computers and electronic gadgets (what) have attractive designs (how) inspired by the company’s mission (why).

For any company to excel in marketing and sales, it must convince its client about its intentions and its commitment to quality. Buyers, according to Sinek, purchase product because they believe in the company, not just because of price or quality. Similarly, in such companies, leaders also use the “ why” strategy to gain the loyalty of employees and thus move on as a unit. Successful companies, therefore, compete with themselves and not with other firms. They endeavor to create products based on a philosophy. This is the secret of successful companies.

## **The Michael Porter versus Michael Sandel Debate**

Michael Porter and Michael Sandel are both influential and renowned professors at Harvard University. They have contributed profoundly to marketing issues although they do not agree on some issues. There is an ongoing debate based on each expert’s understanding of the role of corporations in society. While Porter believes that businesses can play a more pragmatic role in society, Sandel is pessimistic, choosing to view businesses as being obsessed with economic gain at the expense of societal good.

Michael Porter believes that businesses are well-positioned to deal with

social problems because of the salaries and taxes they generate. The potential for businesses to make powerful impacts in society is not well-exploited. Unfortunately, firms want to serve only the markets that generate high profits and forget about their social obligations to consumers. Porter argues that the business should have the capacity to provide for all the clients despite their economic status. Hence, their core purpose should be to solve social problems as opposed to gaining materially. He feels that businesses cannot exhaust their markets since they are diverse. All they need to do is to target the diverse market and produce enough to cater for everyone. The purchasing power of consumers does not matter. It is the organization that should find ways for catering for these poor consumers and to meet their social needs. In essence, business firms are not doing enough to meet the needs of clients.

Michael Sandel, on the other hand, laments the monetization of societies by firms. He is not against firms and marketing per se. His concern is with the exploitation of society members by companies. He believes that markets have expanded into areas in which they do not belong. Companies are responsible for the moral implications of their activities and products. However, they must understand that certain issues related to human life have no price. He insists on segmenting markets and having different treatment for each one of them. Sandel points out that marketing effort such as advertising are not directed to the rightful audience. He also insists that business should have some gains from the markets, because that is the core purpose for being in business.

Michael Sandel's argument is more practical since most businesses are

started with the view of making profits. He understands the economic motive of the contemporary organization even if he does not agree with it. Porter's argument that all businesses have a social responsibility is not practical. Not many investors will be willing to risk their money for the sole purpose of meeting societal needs without any gain for themselves. Porter's argument can only hold if all businesses are government-owned or are charitable ventures. Another condition that can enable Porter's argument is if businesses can be supported by other stakeholders, in case the businesses become insolvent. Capitalistic investors will not agree with Porter because social responsibility without concern for economic gain implies that investments are misplaced.

## **Monsanto Marketing Strategy**

Monsanto is a multinational company (MNC) that is involved in the use of technology in production of highly productive seeds. The firm is renowned for GMO (Genetically Modified Organisms) seeds. As an organization, Monsanto has an obligation to several stakeholders. They include investors who want value for their investment; the society which needs high-value seeds which are safe for consumption, and the environment which should be exploited sustainably. The individual clients, on the other hand, also want seeds with maximum yields. Governments, too, are interested in GMOs because they want to enhance food security.

Initially, GMOs were banned from the market because some of them were not 100% safe for human consumption. Monsanto is involved in producing a variety of food crops. For example, the new leaf potato is resistant to blight and has few toxic proteins. Moreover, consumers did not approve of these

foods. For instance, the new leaf potato was withdrawn from the market since consumers had negative attitudes towards it and no one was consuming this product. Advocacy groups and NGOs also questioned the effects of these GMOs on the long term health of human beings and the environment.

Monsanto has a moral obligation to the society and should utilize the societal marketing concept to fulfill its commitments. It must ensure that its products have no negative effect on users both in the short run and in the long run. This is important considering there is still a lot of uncertainty and suspicion surrounding GMOs. Consumers, governments and the general populace need to be educated on the effects of GMOs to eradicate misconceptions.

Monsanto also has to ensure that its activities are not adversely affecting the environment. The development world recognizes the need for a sustainable environment. Any activities which adversely affect the environment and compromise life for future generations should be reconsidered. Monsanto uses advanced technology, which, if not well-managed, can be lethal. In essence, it is crucial that publicly and in its laboratories, Monsanto should create confidence in the public concerning its products.

Monsanto has developed a differentiated, patent-protected product that has superior yields when compared to traditional seeds. Although this marketing strategy has largely been successful, the company is impacted by the probable negative side effects and the potential negative environmental impact of GMOs. To begin with, some authorities do not allow for this patent since they feel that there is no difference between GMOs and other conventional foods. This is not favorable for Monsanto as its products are

unique because of high resistance to adverse conditions and greater production. The firm would also want its consumers to make decisions on GMOs based on full knowledge. In some cases, Monsanto is not required to label its products. Consequently, even the critics of this technology could consume its products unknowingly, and this is morally wrong.

Monsanto is using technology to positively improve the society's well being. However, it must meet its social obligation of ensuring that its products are safe for consumption; managing negative attitudes and erasing any potential fear. GMOs have been associated with cancer, although such claims have not been verified scientifically. Monsanto needs to educate the populace on how these products are developed and how the possible negative effects are mitigated. It is this information that will build confidence in all stakeholders. Once this is done, the company will realize greater profitability while riding on public confidence in its products.