

Building a Purposeful Business

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How in a world as uncertain as the one we currently find ourselves in, can businesses and third sector organisations establish a firm footing and positive trajectory that will deliver long-term success? Success that transcends short-term fluctuations in our economy and politics.

'Purpose' is central to delivering this, but the concept is regularly misapplied. It is seen as an opportunity by some and a headache by others. It is not clearly defined. The end-goal behind its pursuit is not always clear.

At our seminar in London this summer, we explored the role of purpose with leaders from blue-chip organisations including RB, Walgreens Boots Alliance, Aviva, Heineken, Unilever and The Walt Disney Company.

Challenging Purpose Wash

It became clear that everyone in the room had an interest in being purposeful, or more specifically, establishing business models that have a positive impact on society and the environment for the long-term. There was a consensus that the point of purpose is to deliver *outputs* that have positive impact, so that companies act as conscious citizens.

True purpose is substantiated. It is about longevity and impact.

As Kate Robertson, Co-Founder of One Young World explained, applying a 'purpose wash', something we see too often at the moment, is expensive and rarely has any lasting benefit.

Creating and Measuring Impact

Businesses are well equipped to create change, owing to their geographic reach, spending power and operational efficiency. However, they must have a measurable impact, akin to what one would expect from a third sector organisation.

Our guest from Girl Effect, Matt Freeman, explained that measuring impact is hard, but necessary. Coming from a development organisation that is wholly focused on impact, he explained that it was unrealistic to expect a comprehensive approach to be established overnight, rather that measuring impact was an iterative process.

Implementing a methodology founded on the Theory of Change was critical in his view. Setting an overall goal and working back from there, to identify the parts required to achieve it, was likely to be the most successful approach.

Social is The New Environmental

Today, most companies manage their environmental impact more effectively than their social impact, said Miguel Veiga-Pestana of RB, thanks to a narrower range of variables, which have become easier to quantify.

'Social is the new environmental', in that the questions being asked around how to make a social impact are very similar to those asked about environmental impact some 15-20 years ago.

There are questions to answer around what to measure, how to measure it and what to report. Crucially, an opportunity does exist for companies that are willing to take a leadership role. They have the opportunity to 'set the pace' and define measurement criteria that could be more widely adopted.

The Importance of Culture

You can't realise purpose without the right culture. It acts as a filter and inspiration that determines the focus, priorities and decisions of employees and people managers.

That begins with selling a vision to employees beyond the next set of quarterly results.

We agreed that 'culture eats strategy for breakfast'. Cultural transformation needs to be driven from the top down, but it is not solely the responsibility of a CEO, rather the leadership team and their direct reports, depending on the size of the organisation. Leading, modelling and advocating purpose, is as important as its conception.

The Power of the Business Case

The final major takeaway for our team at GoodBrand was the unifying power of the business case. A clear mechanism to create 'total value', business and social value together, can unite the aspirations of an organisation's leadership team, its employees and its investors. Achieving this is the route to establishing a purposeful business model, to create a purpose-driven business.

It is this ambition that we aim to deliver upon in our client work and we look forward to sharing that experience and scaling our impact as our journey continues.

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