

OPINION

Do some digging to find your company's true purpose

Taking time to think about the fundamentals of your business may feel too luxurious when money and time is tight. But customers can spot when a company's 'Purpose' is a phony one, so it's an investment worth making

It's difficult to miss the extraordinary number of books, research studies and conference speeches about 'Purpose' over the last few years.

There are almost 60,000 books on the subject on Amazon (and over 7,000 specifically on 'Business Purpose'). Even Justin Bieber appeared in London last weekend on his 'Purpose' world tour. It's almost as though it's a new idea.

It's also difficult to disagree with the findings and conclusions of the various sources about its importance in business. The evidence is truly compelling.

Brands with strong ideals grew three times faster over a 10-year period than 'less ideal' competitors. An investment in them would have been 400% more profitable than an investment in the S&P 500, according to the Grow study by Jim Stengel Co.

Research by advertising giant the Havas Group found that 'meaningful' brands have outperformed the stock market by 206% over the last ten years. Unilever says that the highest-performing brands in their portfolio – growing at twice the speed of the others – are purpose-driven brands.

You might also be forgiven for looking at other studies that suggest in a world of increasingly infinite choice, where product and price are laid bare, you just need to hustle in there, get your head down and drive on those grounds.

But here's the thing. In this messy and bombarded world, human beings aren't going to stay awake for much longer to absorb ever more information.

Every day sees 500 million tweets, over four billion Facebook messages, around 500 million hours of YouTube footage uploaded and posted.

Consumers need help to navigate and edit this stuff to stop going mad – and they gravitate to those brands they know and trust. In these challenging times, every marginal advantage counts.

And purpose is not just a marginal advantage. Apart from the business

case above, it's a stronger platform for innovation – Apple is the best example.

Purpose is an extraordinary attraction and retention generator for employees; each year Google gets two million applications for 5,000 vacancies and in a survey, 75% of young people think work should be more than a paycheck.

What's interesting is that retail is not a great purpose-driven sector. Out of ten key categories, it comes ninth. This does not bode well bearing in mind the changes in the industry that demand ever-stronger relationships with customers, with staff and with broader stakeholders and the need for step changes in performance.

Why is that? Talking to a range of retail businesses, there seem to be a number of reasons. Primarily that because of the pace of change, particularly for more traditional retailers who struggle to run profitable stores alongside digital channels, this higher level thinking is just not a priority for time or thought.

Life is about surviving and driving. Staff turnover means investment in engagement looks extravagant.



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Purpose is an extraordinary attraction and retention generator for employees

But also, there is definitely an element of 'Purpose' talk being 'softy and lofty' for hard businesses. Well, you would hardly call Amazon a 'soft business'. Its purpose of 'the earth's most customer-centric company' is the ultimate, purpose-driven Terminator machine for other sectors.

As with Ikea (who aim 'To create a better everyday life for the many people'), this sense of purpose was built in from outset and has driven those respective businesses across all operations, innovation and mainly behaviour.

But it's also possible to re-inject purpose into businesses that have drifted or diluted.

Keep things 'Big, Simple, True'. Big as in higher level. Simple so you can remember it and say it with feeling and a straight face. And true, because in a digital world, phonies get found out with a speed that will take your breath away. That means doing some archaeology on your business to dig up its origins. Best to discover than to artificially construct a purpose.

If not, talking to your people, talking to customers and thinking about the fundamental needs, principles and broader benefits of your business, some truths will emerge that can be crafted and used.

There will need to be symbolic actions to demonstrate and substantiate the purpose so it's not just a form of nice words, cynically received. And perhaps leave out the capital letter attached to 'Purpose'. Doing some purpose on purpose can be just the ticket. **RW**