

CHAPTER 1

The Purpose Advantage

THERE IS LITTLE DOUBT THAT COMPANIES FOCUSED MORE DEEPLY on purpose and social good will be positive for their employees and for society at large. But does purpose create a meaningful competitive advantage for *your* enterprise? Few may disagree with the direction of the trends discussed in this book, but many may doubt whether it is the kind of game-changing force—the revolution—that we believe it to be. If you're thinking along these lines or asking yourself similar questions, we understand—you're not alone.

Many of the CEOs and leaders we interviewed, whose companies are already reaping significant benefit from a focus on purpose, suggested that *most* leaders still don't get how important this movement has already become. Inge Thulin, president, CEO, and chairman of 3M, for example, told us that “an enterprise not focused on sustainability for their own products and those of their customers will not exist in 50 years.” Sustainability of course is bigger than just environment, though “being green” consistently tops the societal concerns of talent and consumers alike; it's about that aspirational focus on making things better.

Darren Entwistle, CEO of TELUS, a large, profitable Canadian telecommunications company and a leader in this revolution, is not only convinced that purpose is critical for business success but bluntly adds, “The vast majority of my CEO peers simply don't get the potential of moving in this direction.”

We don't want to scare you into supporting the purpose-driven company philosophy discussed throughout this book, but we do want to show you that the facts all point to a changing world—an age of social good in which purpose increasingly lies at the heart of employee, customer, and investor motivation. We believe that once you understand the facts and the power of the purpose revolution, you won't be able to ignore it any longer. To start, let's consider the business case for purpose. There are three dimensions to explore: the risks of not focusing on purpose, the direct opportunity that comes from purpose, and the indirect benefits that derive from a purpose-driven culture.

THE BUSINESS CASE FOR PURPOSE

In the age of social good, there is great risk in not being a purpose-driven company that perpetuates social good. Take Volkswagen (VW), the German auto manufacturer whose scandal involving manipulating the software on its cars to deceive regulators about the vehicles' emissions cost the company billions of dollars in lawsuits and reparations to dealers, as well as customers. It also started a conversation among the car-buying public. A colleague told us recently about a conversation he had with a group of fellow professionals at a party, half of whom said they would never again buy a VW product. The value of VW stock has been decimated—cut in half—and there is a good chance the scandal will follow the company for years to come.

Many top talent, especially young recruits, now compile lists of companies they simply won't work for. Take the case of Lisa, a top grad from the Wharton School of the University of Pennsylvania, who told us, "My friends and I researched companies we felt were working against values we care about. Companies like Exxon[Mobil], VW, BP [British Petroleum], Monsanto, and about 30 others were on our list. We called it the 'no fly' list." Companies made the list for reasons ranging from environmental damage to ethical lapses.

Recruiters at 3M, Ford, and many other companies tell us that on college campuses, students increasingly come armed with information

about the company's corporate reputation already in hand. One HR exec said to us, "They already know our story; they just want to know if it's real." If recruits believe that your company is serious about its mission, they'll be more open to working with you. If they find that there are holes in your corporate reputation, they won't mind writing you off—there are plenty of other companies out there whose values align with theirs.

Though the risk side is a strong case for purpose, the upside of being purpose driven is even stronger. Consider a 2015 study by IO Sustainability and Babson College titled *Project ROI Report: Defining the Competitive and Financial Advantages of Corporate Social Responsibility and Sustainability*.¹ The research study took a wide path to examine far-reaching data points and do a meta-analysis of whether being good pays off. The report found that "strong corporate responsibility (CR), which is one important part of the purpose equation, increases commitment, affinity, and engagement of employees." Note that *corporate social responsibility* is not synonymous with *purpose*, though it does play a role in how companies drive and activate purpose today.

The study reports that employees would be willing to take a 5 percent pay cut to work for an employer that is committed to social responsibility. Organizations with effective CR programs and approaches can increase productivity by up to 13 percent and reduce the annual quit rate by 3 to 3.5 percent, saving replacement costs of up to 90 to 200 percent of an employee's annual salary for each employee who stays. Over time the average turnover rate can be reduced by 25 to 50 percent.

The study also revealed that strong CR has a meaningful impact on marketing and sales and can "increase revenue by 20 percent; increase price premium up to 20 percent; and increase customer commitment in the total segment of 60 percent." Maybe most telling is that, according to Project ROI, corporate responsibility has the potential to "increase market value by up to 4–6 percent; over a 15-year

period increase shareholder value by USD \$1.28 billion; and avoid market losses from crisis by USD \$378 million.”

As you can see, we’re not talking about chump change here; this is a phenomenon of epic proportions. If you don’t heed the warning signs, you not only leave money on the table but also lose the best and brightest minds. This talent pool is not just domestic, either. One of the most important aspects of this revolution is that the purpose-centered employee is a global phenomenon cutting across borders. A 2016 global survey of 26,151 LinkedIn members in 40 different countries and speaking 16 different languages found that 37 percent of LinkedIn members are “purpose oriented” and “38 percent considered purpose to be equally weighted with either money or status.”²

The countries rating highest on purpose orientation were Sweden (53 percent), Germany (50 percent), the Netherlands (50 percent), Belgium (49 percent), and Poland (48 percent). The United States showed a 40 percent purpose orientation in its workforce. The lowest purpose-oriented country in the study was Saudi Arabia, at 23 percent. For many companies the war for talent is a global fight, so showing how *your* team is helping solve the world’s great challenges is becoming a ticket to engaging talent everywhere a company operates. And it’s not just potential employees—it’s potential new *customers*.

A GLOBAL OPPORTUNITY

One of the greatest opportunities in business today is in reaching the emerging global middle class. What it takes to win this growing market might surprise you. The rise of the middle class in the developing world, particularly in Asia, is a major aspect driving the purpose revolution. China, for example, has brought more people into the middle class and out of poverty in a shorter span of time than any society in human history. The Edelman Goodpurpose Study showed that 80 percent of consumers in China and 71 percent in India were willing to pay more for products from companies with a purpose.³

John Edwin Mroz, founder, president, and CEO of the EastWest Institute and a mentor of ours, spent a great deal of time working at high levels with the Chinese government. Behind the scenes their most senior people told him they were surprised that once they brought so many people into the middle class, expectations changed rapidly. Suddenly, people were demanding a clean environment and more accountability while increasing pressure on the government to address such specific issues as air pollution and food safety.

People in poverty don't generally push businesses to be more responsible, nor do they focus primarily on the sense of purpose they get at work; but once people rise to a higher income level, they begin considering these factors. Right now this is occurring across the developing world in greater numbers than ever before. This rising middle class in the developing world will pressure companies to take purpose and social responsibility very seriously.

In a 2015 *Forbes* article, Bill Fischer points out that the rising Chinese middle class and "growing focus on serving Chinese consumers" is driving companies to shift their culture toward innovation and that the most successful innovations are driven by "pursuing a sense of purpose."⁴ One example of this is Shinho, a Chinese food company which, in the words of Charles Hayes, managing director of IDEO China, is motivated "not just by commercial objectives, but by using their business to improve people's lives."

Shinho's higher aspirations are evident in its mission: *We lead the diet to improve the ecology, so that family peace of mind to enjoy every meal, live music every day.*⁵ Shinho's purpose is realized through its commitment to seven causes: sustainable agricultural cultivation, a reliable diet supply chain, innovative product development, high standards of manufacturing, convenient retail channels, an extreme diet experience, and a full range of food education.

As incomes rise internationally, an emerging desire for meaning is accompanied by disillusionment with modern life. Otto Scharmer, a senior lecturer at the Massachusetts Institute of Technology (MIT),

refers to this idea as the “three divides of modern society”: the nature divide, the social divide, and the spiritual divide. The nature divide is a growing disconnect between global society and our impact on the environment, evidenced most powerfully by the climate change crisis. The social divide is the increasing gap between rich and poor. The spiritual divide is the growing experience of loss of meaning often related to the experience at work.

These growing divides are fueling a wall of energy heading toward contemporary companies worldwide that will pressure them to address all three divides. Companies will soon be scrambling to keep pace with the emerging desires of talent and customers. Those companies perceived as proactively leading for change will become the preferred brands and employers.

THE COMPETITIVE ADVANTAGE STARTS WITH A CLEAR PURPOSE

In the coming chapters, we profile numerous leaders and companies that we believe are in the forefront of the purpose revolution, driving purpose within their organizations and teams while creating a better world in the process. As you’ll see, some of these companies began with a clear purpose woven into the very product they make or service they provide. Others developed their purpose over time, finding what connects with their core values as people and as an organization, and how that relates to their employees and customers. Because unearthing that purpose and communicating it widely is a main tenant of engaging in the purpose revolution, the first step in activating purpose in *your* organization is to articulate a clear, compelling purpose, one that is bigger than simply making money.

To illustrate the potential of purpose to drive business advantage, take the case of Seventh Generation, which has continuously gained customers in large part due to its willingness to clearly and concisely promote its purpose and then back up the words with deeds.

Seventh Generation: Walking the Walk

Founded in 1988 in Burlington, Vermont, Seventh Generation sells cleaning, personal care, and paper products and supplies, with an emphasis on corporate responsibility, sustainability, the environment, and consumer health. The company's mission is "to inspire a consumer revolution that nurtures the health of the next seven generations."⁶

The company's dish and hand soaps, diapers and wipes, botanical disinfectants, and feminine hygiene products are all made with the customer's best interests at heart, using biodegradable, recyclable, and organic materials and avoiding harmful or harsh chemicals and plastics. The company is particularly well known for its laundry detergent—and not just because it keeps people's clothes smelling fresh and clean.

Seventh Generation believes, as many of its customers do, that people should know what ingredients go into their cleaning products. Customers see the company's commitment to sustainability right on the labels, highlighting the key value attributes of its products. For example, on laundry detergent: "No dyes, optical brighteners or synthetic fragrances, Seventh Generation Laundry Detergent... [is] made with plant-based ingredients [and] is a USDA Certified Biobased Product 97%."⁷ On the dishwasher detergent, in addition to no dyes or synthetic fragrances, the label communicates: "Chlorine bleach and phosphate free."⁸ In fact, the company believes so strongly in customer education on this issue that it has taken significant steps toward ingredient transparency for all cleaning-product companies.

The case of a campaign the company ran shows how being purpose driven is good business. In 2014 Seventh Generation led an effort tied to Earth Day aimed at getting the US Congress to pass a bill focused on toxic chemical safety reform, asking people to demand greater regulation over chemical safety. The company ran a full-page ad in the *New York Times*, asking citizens for 100,000 signatures on a petition to get the bill passed. The ad focused on why the issue

mattered for the planet and for society—and it didn't mention the company's products.

Joey Bergstein, Seventh Generation's CEO, says that the ad had a larger impact on sales volume than did all the coupons they offered for a year—even though those directly benefit the customer's wallet. The company tackled an issue that it felt was important to its customers and invited them to get involved directly. The campaign was much more than a simple marketing effort. It solidified Seventh Generation's relationships with its customers and reinforced its mission for good.

The company's current campaign focuses on ingredient disclosure—the Cleaning Product Right to Know Act. The campaign invites people to join the effort to make product labeling transparent and offers clear suggestions on what they can do: “Make sure you're only using products that list their ingredients on the labels” and “Support the Cleaning Product Right to Know Act (H.R. 2728) by contacting your US representative.”⁹

Seventh Generation regularly demonstrates its values and shows that it has skin in the game, inviting its growing customer base to participate when it takes a stand. By showing its customers that they are in this fight together and that its actions align with its customers' needs and principles, the company is already winning the purpose advantage.

While this ad campaign was a genuine expression of Seventh Generation's purpose, it also serves as an example to any organization that wants to close the purpose gap and help consumers make the “good” choices they want to make.

Because we never know what will resonate with customers, it's critical to test your purpose initiatives for business impact. Rather than traditional marketing, such testing is ultimately about building a more authentic relationship with consumers centered around your shared values.

EXERCISE *How Would Your Organization Score on Purpose?*

For this first exercise, we want to get you thinking about purpose in your organization and how you think it would score if tested. Jot down the answers to the following questions and refer back to them as you read subsequent chapters. Be specific in your responses.

- Do you know your company's purpose? What is it, and how does it relate to your work every day?
 - How often do you discuss concepts like purpose or values in formal meetings—or even in informal conversations with peers and colleagues?
 - Based on what you're read so far, do you believe that your company is ahead of the purpose revolution, in line with it, or falling behind it?
 - What issues in your company do you see as roadblocks to driving purpose?
 - Who owns purpose in the company? The CEO? Leaders? All employees? You?
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CHAMPION A CAUSE

Developing a clear purpose isn't always easy. We've heard from numerous leaders who believe that their company is already too established or traditional—or that the product they sell doesn't lend itself to a purpose like Seventh Generation's—to enable a purpose that will strongly resonate with customers and employees. Sure, Seventh Generation's purpose is essentially laid out in its name, but there are many other companies that are leading with purpose and, in so doing, are attracting and retaining top talent and customers.

The way they do this is by championing a cause that aligns with their customers', employees', and other stakeholders' values, beliefs, or ethics. When your company stands for more than a great

product or service, you effect a qualitative shift in the relationship between your company and others. The product or service relationship is transcended, as the company is now viewed as a community member, a valued partner in a group assembled around a common good. Many companies avoid taking a stand to avoid the risk of alienating or turning away potential customers, but people tend to respect companies with the courage to try to right the wrongs that they see in the world.

Championing a cause that you believe in provides hope and builds trust, not just in your company but in business overall. For those companies clear about their own purpose, clear about their customers' values, and clear about their commitment to doing the right thing first, their actions become a way of life—and they need not always be grandiose gestures. Taking a stand can be as simple as sending a clear message during times of uncertainty.

TAKE A STAND

Amid the confusion and emotion over the 2017 Muslim travel ban and talk about building a wall on the US-Mexico border, Anheuser-Busch supported immigration when it ran its Budweiser commercial during the Super Bowl. The portrayal of its cofounder Adolphus Busch, a German immigrant, shows him rising above obstacles and the prejudices of his day to create a great American company. Honoring its own legacy, Anheuser-Busch spoke out against the idea that immigrants are a dangerous lot or that they are coming to the United States to sponge off the system. Rather, the commercial portrayed immigrants as the heart of the entrepreneurial spirit still alive in the country, the true foundation of the American dream.

Howard Schultz, executive chairman and former CEO of Starbucks, also took a public stance on the immigration issue. In response to the Muslim travel ban, he tweeted, “We are living in an unprecedented time, one in which we are witness to the conscience of our country, and the promise of the American Dream, being called into

question.” Despite some calls for boycotting Starbucks by supporters of the travel ban, Schultz stood by his convictions. As reported by TheStreet.com, he announced that “Starbucks is developing plans to hire 10,000 refugees over the next five years across the 75 countries globally where it does business,” and he renewed the company’s commitment to working with Mexico, which is a large source of the coffee maker’s beans.”¹⁰

Leveraging social media like Schultz or mainstream media like Anheuser-Busch are clear, effective ways to champion a cause and work toward a better world. Anheuser-Busch’s reliance on the company’s heritage and immigrant and entrepreneurial roots spoke volumes. Building on a company’s traditions can go a long way.

EXERCISE *The Strength of Heritage*

Consider the following questions to see how you can help activate purpose in your team by looking to your company’s heritage for inspiration.

- What were the values and aspirations of the company founders?
- What good did they promote beyond profit alone?
- What was their vision for a better world?
- What causes did they stand for or support in their day?
- What’s your company’s story of good today, how do you stay true to that story, and what chapter will you add going forward?

As you explore ways to activate your company’s purpose, consider real-time opportunities to express your beliefs and purpose. When you look around, what are the pressing issues? What’s in the news? Where is the debate? Is your company in the game or on the sidelines? Take initiative, strike while the iron is hot on key issues of the day, and send a clear message about where your company stands.

YOUR PEOPLE ARE HUNGRY FOR PURPOSE

As you consider the global implications of the purpose revolution, you may think of this trend as one that is happening *to* your business when in fact it is already taking place *within* your business. Most of us want our work to have purpose—to serve something greater than profits—and we want our legacy to leave a better world for those who come after us, let alone for those of us already here.

The fact that this desire already exists among most employees and customers means we have tremendous assets to draw on as we move in this direction. Rather than having to ignite your company around purpose, the main goal is to harness what is already there.

For example, Canadian National Railway Company (CN), a major rail transport company based in Montreal, set lofty goals to reduce its carbon footprint while also reducing waste and energy use. When Chantale Després, director of sustainability for CN, began her career in sales and marketing, she was intrigued by the emerging trend of customers asking questions about environmental issues. She is herself an example of the many people we have met who have seen their own work satisfaction skyrocket as they navigated to positions within their company where they feel they can make a difference on issues affecting society.

In our discussions with Després, she told us, “As we began our efforts toward becoming greener, we really wanted to find a way to do it from the bottom up. Before we started we surveyed our employee base and found tremendous support for our doing this. We wanted to find a way that every team member could feel part of what we were trying to accomplish.” They created a program called EcoConnexions, a ground-up effort to get people from all over the company more engaged by involving them in attempts to reduce waste and increase efficiency.

Across the company leaders asked employees to step up to become “sustainability EcoChampions” in each of the company’s

railyards throughout North America. The response was overwhelmingly positive. As they rolled out the program to their more than 120 locations, there were often many more people who wanted to be the local EcoChampion than there were positions. “We discovered there were a great many ‘closet’ champions for the environment already out there, and this gave them a way to bring that passion to their work and become program leaders. Not only have we made great progress on reducing our carbon footprint and diverting waste but we find that many newer employees are very interested in what we are doing.” The EcoConnexions program is focused not just on the leaders in each yard but on every person stepping up every day to look for ways to become greener and more efficient.

The point is we don’t have to look outside of our business to find this purpose revolution; it is already happening within our business. Each of us as a leader has likely had our own moments when we feel that the place we work is out of alignment with the purpose we have in our life.

A few years ago, an executive working for one of our clients talked to us about the consistent disconnect she felt between her values and her daily work. She mentioned that every week she was asked to make decisions in her role as an executive that were against her personal values. She dreaded coming into work week after week, knowing that she’d have to make a call on issues she just couldn’t get behind. She questioned her own values as a leader and as an employee and knew that her work didn’t match the high standards she held for herself and the company. She felt she could not express those feelings to her colleagues; there simply wasn’t a place for a purpose conversation. Eventually, she left that job for an organization that she felt was purpose driven, robbing the former company of one of its best performers.

Have you ever felt that way as a leader? What was the impact on your commitment, engagement, and ultimate willingness to work hard for the company? This kind of disconnect is corrosive in any

organization and ultimately means we won't get the best from our people. This disconnect can happen as easily in nonprofit organizations like health care as it can in for-profit companies when employees experience a disconnect between the organization's stated purpose and values and how decisions are made day to day. By leaning into the deeper desire for purpose that already exists in our companies, we can energize people toward success.

Heineken Mexico: Not Just Selling Suds

In looking for companies that exemplify where the purpose revolution is headed, we think Heineken Mexico hits all the checkmarks discussed in this chapter. A global company whose primary consumers are part of an emerging middle class, Heineken Mexico has developed a competitive advantage by getting clear on purpose, activating it within the company, championing a cause, and in the process connecting with employees, customers, and the community in new ways.

When Dolf van den Brink moved to Mexico from the United States in 2015, he saw a country with great potential but also many challenges. As the new CEO of Heineken Mexico—the largest national division for the company worldwide—he understood that one of Heineken's purposes was to “win big” by growing its brands, but he also sensed the opportunity for so much more. The company had a long history of service in Mexico, including starting one of the most respected universities in Monterrey and offering health care to employees and their families in the days when few companies did so. Van den Brink wanted to seize the chance to emphasize Heineken Mexico's commitment to its employees, customers, and maybe—above all—the community at large.

His own experiences working in the Congo connected him to the real difference that companies can make in the communities in which they live and operate. His quest to redefine the purpose of Heineken Mexico began by getting his senior leaders to look at their own personal values. What was their personal purpose in life? What were they trying to create?

“People have this idea of what business is about that is often disconnected from their own personal purpose,” van den Brink says. “If you want leaders to discover purpose, it has to begin as a personal question. I find that when you get people talking about the business, they focus on profits; but when you first get people thinking about their personal purpose, what they want to be true in their personal lives, this is where the true magic happens—because the purpose of most people’s life is not simply to make money.”

Through this process that began by examining personal purpose, van den Brink’s team ultimately connected to the idea that the company could “help Mexico fulfill its highest potential.” In part that realization led to a new purpose statement: *To win big for a better Mexico.*

One of the first initiatives to activate this new purpose was bold. Violence against women in Mexico is a major problem and often widely accepted as a fact of life. According to one study, 63 percent of Mexican women over 15 years old have experienced some form of gender violence, which could include physical, sexual, emotional, or psychological violence.¹¹ In 2015 BBC News reported that in Mexico a woman is raped every four minutes.¹²

One of Heineken Mexico’s brands, Tecate, is considered a premiere “man’s beer,” historically associated with ads and calendars replete with attractive, half-dressed women. The company decided to confront violence against women and help redefine a new masculinity as part of the larger purpose of a better Mexico.

To start, they ran a bold television ad about violence against women that ends by saying, “If you’re a man who is abusive to women, *you aren’t one of us—don’t buy our beer.*” It was honest, blunt, and a bit of a risk. When was the last time you saw an ad from a brand, saying, “Don’t buy our product?” But the ad and the subsequent social media campaign left little doubt that Heineken was serious about winning big for a better Mexico. Later that year they ran ads about “*no*” meaning *no* as part of the overall goal to offer up a new version of masculinity. The response within the company in terms of activating purpose

and showing that Heineken was serious about a “better Mexico” was overwhelmingly positive.

Heineken Mexico’s social awareness and support of its community, spurred on under van den Brink’s leadership, exhibits a company embracing the global purpose revolution. The underlying values connect with employees, consumers, and other stakeholders—including shareholders.

Mexico is one of the fastest-growing markets for Heineken globally. To respond to that momentum in recent years, the company announced a significant investment program to accelerate capacity expansions. It’s been reported that Heineken Mexico may need to add production capacity to its operation by the end of 2017.¹³ Parent company Heineken also cited the Latin American market and double-digit revenue growth of Sol, its Mexican light beer, as major contributors to its 2016 revenue growth of 3.5 percent, operating profits of 6.9 percent, and net profits of 16 percent.¹⁴

While the jury is still out on the business impact of this new, more purpose-focused direction, the fact that companies like Heineken Mexico are focusing on trying to influence the social fabric in positive ways speaks volumes about what the future holds. We believe that in the purpose revolution those willing to boldly take a stand will be rewarded. If your purpose is real, it will resonate.

BEST PRACTICES FOR INITIATING THE PURPOSE ADVANTAGE

- Honestly assess where your company stands regarding purpose and how well it is positioned for the purpose revolution. Can you easily identify your company’s purpose and how it is being approached and activated?
- Consider your business case for purpose. Can you and other leaders clearly articulate your company’s purpose and how it makes a difference to your customers and society?

- Research other companies in your industry to see how they are approaching the purpose revolution. What is the conversation around purpose at conferences, meetings, and industry-related events?
- Read up on companies driving purpose in other industries as well, especially those that are global in nature.
- Think about your personal values and how you are personally contributing to purpose in your organization. Do you see your personal values come to life at work? Even if you are not a senior leader, how are you driving purpose in your team or area of responsibility?
- If your company hasn't yet identified its true purpose, consider how its actions, products, or services can make a difference in society, directly or indirectly.
- Uncover the aspirational purpose of your business. What do you think it is, even if it doesn't have credibility yet in the larger organization?
- Build on the strength of your company's heritage. Discuss your company's story, its founders, and ways you can add to the story.
- Look for opportunities to champion a cause in your community.

CHAPTER 2

First, Find Your Purpose

THE FIRST STEP THAT EVERY LEADER, ORGANIZATION, AND COMPANY must take to thrive in the age of social good is to clearly find and name your purpose. Once you have named it, your job is to move it to center stage. By that we mean you must *live* the purpose you profess: having a purpose is not enough if it is not what truly drives your business. If companies want to close the purpose gap, their leaders can't be afraid to be open and honest about their approach to purpose. They should feel free to claim a moral mandate—a justification for and pride in the purpose-oriented actions that not only positively influence company performance but also have a meaningful impact on the world.

We need to get over whatever fear we have of saying that we care about the present and future good of our customers as well as society and actively move purpose to the center of our business. Companies need to start by discovering the real purpose behind their work and activating it throughout the organization.

We often think of a CEO named Michael S. Eesley, who in 1999 took over two hospitals in rural northwestern Illinois called Centegra Health System. At the time the hospitals had mediocre patient satisfaction and clinical quality, as well as relatively low engagement. Led by the new CEO, the board came up with a powerful vision: *To be a destination hospital in the Midwest with the clinical quality of the Mayo*

Clinic and the service reputation of the Ritz-Carlton. This vision of greatness was almost laughable, given the hospitals' historical performance on both fronts.

Eesley could have pursued both those aims as a good business strategy, which surely it was. Raising patient satisfaction and clinical quality would result in more business for the hospitals, ensure greater job security for the employees, and bring distinction to Eesley himself. But having talked to Eesley and many of those who worked at Centegra during the critical early years of transformation, it was obvious that he deeply connected his people to a type of moral mandate around this purpose. Purpose was the center of the change, not on the edge.

The reason to pursue clinical quality like the Mayo Clinic was not because it was simply good business but because people in small, rural communities deserved just as good a chance for a healthy life—and to survive a heart attack and to receive high-quality care—as those who live a few blocks from Mayo. Service like the Ritz-Carlton wasn't just a good strategy to keep customers coming back or to raise Net Promoter Scores but was motivated by the belief that those who come to Centegra in the most vulnerable moments of their lives deserve to be treated with at least as much dignity as they would at an excellent five-star hotel.

Over the ensuing decade, against the odds, Centegra transformed itself to become a regional leader in both clinical quality and patient satisfaction. The health system won awards for excellent service and became a Top 100 Hospital in several clinical areas (a distinction quite rare for a rural hospital system in the United States); it moved into the top 1 percent of hospitals in patient satisfaction, and staff engagement skyrocketed. Business success followed, but it was defining a clear purpose and moving purpose to the center—the real difference they could make in the lives of patients and the community—that were in the driver's seat.

EVERY COMPANY HAS TWO PURPOSES

One of the critical questions for us as leaders to ask is *How do our team members and customers define purpose?* We believe that when it comes to purpose, there are really *two* elements that matter and must be activated. You might think of them as two purposes or two sides of the purpose coin. The first is the basic relationship we have with our customers. Do we really care about their well-being as much or more than we do our profits? The second purpose is to society—to help society solve its key problems, including promoting a more sustainable planet. It turns out that our employees care deeply about both of those purposes, so we better make sure we are activating both.

Each year the professional services group Deloitte conducts a survey on an array of topics to shed light on current trends, changes, and issues in the economy and the business world. In its 2014 *Culture of Purpose* study, Deloitte found that focusing on purpose over profits “builds business confidence and drives investment.”¹ One issue they were particularly concerned with was how employees define and understand purpose. When asked what makes a company “purpose driven,” employees were most likely to cite the positive impact that products and services have on customers (89 percent) and the impact the company has on society (84 percent). In other words, employees say that both customers and society overall matter to them but that the basic relationship companies have with customers matters a little more.

The fact that your customer is your primary purpose makes sense. Basically, businesses can't exist without their customers; and without businesses, customers would lose out on all the wonderful products and services that improve their lives. Companies leading with purpose form a deeper relationship with customers beyond the transactional level of buying and selling. They know their customers' values, what's important to them, who they are, what they believe in, what they stand for, and what they expect and need from the company's

brand. Rather than focus on *selling* to the customer, companies that thrive in the purpose revolution focus on *connecting* with the customer.

Your second purpose is the world—how your company is an agent for good in the greater society. Purpose-driven companies recognize that they are meaningful members of the global community, not external agencies void of influence or impact. They make a deliberate choice to understand and lean into the problems and issues facing the world, exhibiting the courage to take a stand and champion causes they believe in. Real action—dedicating time, energy, and resources to important causes—makes purpose come alive.

Of course, the two sides of the purpose coin are not mutually exclusive. If the purpose revolution has taught us anything so far, it's that when companies infuse themselves with purpose, they affect *all* stakeholders—direct ones, such as customers, and indirect ones, such as the community in which the company operates. This idea pans out on a global level: doing good by customers does good for the world and vice versa. By first connecting to the needs and desires of the customer, your company can start making a significant direct impact. Today it's your customers; tomorrow it's the world. Lose sight of either, however, at your peril.

Wells Fargo: Failing at the Prime Directive

It could easily be argued that when it comes to purpose, doing right for your customers is every company's prime directive. Recall that more than 70 percent of employees say that the company they work for is more interested in its own needs than the well-being of its customers. When we fail to live up to that core purpose, it spells real trouble.

In 2016 Wells Fargo & Company experienced a public relations nightmare when it was discovered that employees had opened accounts in customers' names without their consent. As the scandal unfolded, the company's stock price plummeted and stories of unethical pressure on employees to open new accounts came to light. While the crisis was indeed a public scandal, it was also deeply felt *within* the

company as an internal challenge to the sense of purpose for those who worked there.

Two midlevel leaders at Wells Fargo told us how disillusioned they were and how this was “not the bank we thought we were part of.” One of them told us, “Now when I am out somewhere, I have to sheepishly tell people that I work for Wells Fargo, when I used to say it loud and proud.” They went on to explain how they’d always felt that the company held the interests of its clients as its top priority, and they fervently hoped that the debacle was the result of the work of just a small group of rogue leaders.

This would turn out not to be the case. It was revealed that more than 2 million fake accounts were opened without customers’ permission. Furthermore, the practice was deep-seated: it started in 2011, and in the end more than 5,300 employees were fired for creating those bogus accounts.² Apparently, Wells Fargo executives were aware of the problem, and due to pressure from shareholders and US politicians, chairman and CEO John Stumpf retired in the middle of the scandal.

Wells Fargo lost sight of its vision to put customers first and help them succeed financially.³ Though the company aimed to build lasting relationships “one customer at a time,” it failed to meet the most basic and fundamental goal of any business: to serve the best interests of its customers always. In the process, the company also failed its second purpose—its commitment to the broader society. Considering the enormous role that banks play in the world economy, their actions have major consequences. Wells Fargo failed not just its own customers but consumers across the banking industry.

Show You Really Care

Unlike Wells Fargo, when a company connects the well-being of its customers with social responsibility, a deep sense of purpose takes root in the organization. A powerful example is The Vanguard Group, a rather humble company that has grown to be the largest mutual fund manager in the world and, given current growth rates, may

soon surpass BlackRock to become the largest money manager on the planet. Vanguard began with a simple, powerful purpose: to take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.

The company was founded by John C. Bogle, who believed that most investors were paying far too much for mutual funds that were underperforming the overall market. He set out not only to educate investors but to create funds with expenses among the lowest available.

We first met Bogle in 1996, long before most people knew what Vanguard was. An hour-long conversation left us convinced that he was a man with a purpose, one focused not on making profits but on making a difference for people. Over the next 20 years, Vanguard quietly lived that purpose. Through financial crises and recessions, the company kept itself out of the headlines and set a bar for low-cost mutual and exchange funds that drove fees lower across the industry—all the while keeping investors' money safe. Interactions with Vanguard team members today quickly reveal the level of commitment such a purpose brings forth in talent, and Vanguard has among the lowest churn of investor money.

Another great example is Nissan's goal of zero fatalities, which focuses on building vehicles so safe that no one dies in a Nissan automobile. Nissan is also considered the industry leader in the manufacture of zero-emissions cars—but the company still places consumers first.⁴ The company's simple corporate vision, *Enriching people's lives*, speaks directly to this fact.⁵ Zero fatalities is a bold, inspiring expression of that purpose to enrich people's lives. A company can be in the forefront of electric cars that reduce emissions responsible for climate change—a commitment to its secondary purpose—but ensuring that people are safe in their vehicles fulfills the company's primary purpose: a commitment to its customers.

The essence of making the customer your primary purpose is summed up in one word: *relationship*. It is no longer a transaction

that binds the brand to the customer but a relationship based on mutual values and causes. Companies leading with purpose form more-personal relations with their customers by developing interactive platforms, investing time and energy on mutual causes, and providing opportunities for customers to directly experience the company purpose. This movement is one from *us and them* to *we*, from what companies can get to what they can give, and what we—customers and companies—can accomplish together.

Raphael Bemporad, founding partner of BBMG, a top marketing firm in the purpose space, has experienced this shift firsthand and has been happy to embrace it as part of the purpose revolution. BBMG partners with some of the world's leading data miners to understand the emerging trends among consumers around the globe. Bemporad believes that for many years the business paradigm was essentially focused on “gimmicks” based on discounts and advertising, to almost “trick” people into buying. The best-in-class purpose organizations, however, have “abandoned marketing and gimmicks in favor of relationship.” Bemporad sees a sea change in terms of how companies connect with stakeholders, especially customers: “We are moving from the primacy of product to the primacy of relationship.”

Until very recently, companies found relevance primarily from connecting people to their products and services, mostly a one-way transactional affair. We made products, we told customers about the benefits of those products, and then we tried to get them to buy those products. Muhtar Kent, chairman and former CEO of Coca-Cola, framed it this way: “In the old days, you made a good product, manufactured it with quality so that it tasted good, and then made it available. All you had to do was have the product be well understood through good advertising.” Of course, good products still matter, as do all the other traditional differentiators, but true relevance now comes from connecting with customers' deepest values and the ability to build an authentic relationship.

START ACTIVATING PURPOSE

We have identified three ways in which the best companies and leaders discover and activate their higher purpose: they realize that their business *is* their cause, they fit purpose to their business, and they activate employees' personal purpose. No matter if you're a top-level executive or a new hire right out of college, this trifecta embeds purpose in every employee's actions and mind-set while contributing to a better world.

Your Business *Is* Your Cause

Though there are some exceptions, we believe that nearly every business has inherent purpose, that its products or services in and of themselves have the potential in some way to make the world a better place. Most organizational founders start off with a cause or with a need to fill or a high ideal in mind. They look to provide a solution to a problem—they have a mission. We have found that the best companies at leading purpose never stray from their mission; they focus inward on who they are, what they do, and where they are going. Knowing your business and staying true to the values it espouses is the starting point to framing your company's higher purpose.

For example, Bimbo Bakeries USA feeds people—a pretty noble start. Its mission and purpose is founded on traditional brands known for fresh products dating back to the 1800s and early 1900s. For Bimbo this is when “our traditions of freshness and value began.” The company's mission statement is simply *Delicious and nutritious baked goods and snacks in the hands of all*. Note how this mission connects to a larger purpose as well, moving beyond baked goods as objects to a moral imperative larger than the product itself. The words *nutritious* and *in the hands of all* highlight the company's hope that its food will not only taste good but provide sustenance to the largest group of people possible. It then goes a step further in its purpose statement: *Building a sustainable, highly productive and deeply humane company*. In doing so Bimbo Bakeries connects with both employees and customers.

Is Purpose the Same as Mission?

Is a mission statement the same as a purpose? Although they can sometimes be one and the same, we think there is a meaningful difference. A *mission statement* explains what the company does, whereas a *purpose statement* describes why a company exists for the benefit of all stakeholders, now and in the future.

Recall the example of Heineken Mexico and the potential difference between *win big* and *win big for a better Mexico*. A company can have a mission simply to win, but that doesn't fit how the emerging talent and consumers define purpose. Though companies can have two distinct statements—one a mission statement, the other a purpose statement—we find that the most effective mission statements are effectively purpose statements, whether for a team or an entire organization. A great contrast, for example, can be found in comparing the mission statements of Adidas and Nike.

The Adidas Group strives to be the global leader in the sporting goods industry, building its brands on a passion for sports and a sporting lifestyle. Its mission statement reflects this idea: *We are committed to continuously strengthening our brands and products to improve our competitive position*. Though Nike has a similar mission, its mission statement includes a deeper purpose: *To bring inspiration and innovation to every athlete in the world*. (The legendary University of Oregon track and field coach and Nike cofounder, Bill Bowerman, said, "If you have a body, you are an athlete.") One statement inspires and stretches beyond the basic service provided and the company's bottom line.

Many mission statements are "purpose" statements, but in some cases there is a big difference in terms of fostering engagement in an age of social good—a core theme of the purpose revolution. This is not to say that Adidas is not driven by purpose, but the contrast in language helps us understand the subtle difference and why clear articulation of purpose matters.

A team can have a purpose just like a company can, so this work is important at whatever level you lead. Even if your company has a compelling purpose, it is critical that each leader and team define their purpose in terms of truly making things better for customers and society.

If your organization doesn't yet have a clear, compelling, well-articulated purpose, you can develop one for your team with positive results.

EXERCISE *Developing a Company/Team Purpose Statement*

We regularly work with companies on defining their higher purpose, to help them build purpose into their mission statement or develop a separate purpose statement. We begin by having them ask themselves questions about their organization and then look for patterns in their responses. To start thinking about your company's or team's higher purpose and how to create a purpose-driven mission statement, consider the following questions and write down your answers.

- Why does our company/team exist? What contribution do we make to our employees, customers, communities, and the planet? How do we make the world a better place?
- What's our company's background? Why was the company started in the first place? Who are the founding members, and what was their mission and vision? What does our founding purpose and initial success tell us about who we really are as a company?
- What has been our journey, and what aspects of it have been critical to our success? What moments in history or what people really helped define our company?

Use your existing company purpose statement or, starting with the questions above, write a simple purpose statement; then evaluate the quality of your statement using the following criteria and rate it on a scale of 1 to 3—with 1 being *false*, 2 being *somewhat true*, and 3 being *true*.

Write your company's or team's purpose statement here:

Statement quality assesment

- _____ **Authentic.** It is genuine, true to who we are.
- _____ **Compelling.** It sparks interest and moves people to stretch boundaries.
- _____ **Congruent with what you really do.** It fits the nature of our business, mission, and values.
- _____ **Scalable.** Employees at all levels of the organization can relate to it and make it their own.
- _____ **Attainable.** It is realistic and doable.
- _____ **Connects with the talent we want to attract and retain.** It fits with the interests and values of employees and recruits.
- _____ **Connects with our customers.** It fits with the interests and values of our customers.
- _____ **Connects with our investors.** It fits with the values of our investors.
- _____ **Total score**

Scoring

Less than 16: Room for improvement

17–20: Good start

21–24: Excellent

Where did you score high? Low? Do this exercise with other leaders or your team. Compare scores and generate a group average. Discuss how to leverage higher scores and ways to improve the quality of your purpose so that you can have a purpose that matters!

Fit Purpose to Your Business

The key task for every company is to find a purpose that truly fits their unique business. Companies know they can't solve all of the world's problems, but they find a connection among their business, society, and the environment in which their purpose can emerge around common causes that they *can* influence. Purpose-centered companies are attuned to what they do best and offer their products, services, or expertise in support of higher causes.

The best companies know where they naturally fit when it comes to purpose and how they can leverage the products or services they provide to foster good in society, help the communities in which they operate, and keep the environment in mind. Take a moment to ask yourself: *Where do we fit? How can we use our business for social good? What do our communities need from us, and what can we provide for them? What is our impact on the environment?*

We see this in Coca-Cola, a company with a long history of sustainability, which has a deliberate approach to how its higher purpose plays out in society. For example, Coca-Cola does not make medicine, but after connecting with an aid worker via Facebook, the company found that it could use its supply-chain expertise to help in the distribution of medicines to improve health in the communities in which it operates.⁶ Muhtar Kent, Coca-Cola's chairman and former CEO, understands the significance of this dialogue and its possibilities for social good: "Social media is a major driver of this new business model. When we get to a trillion tweets a day, the whole game will change and all businesses will need to pay attention to this."

After purpose-led organizations figure out how they fit into a cause or potential social change, a best practice is to distill their higher purpose into well-defined programs with clear targets, metrics, and mechanisms for reporting results internally and externally. For example, Coca-Cola—whose purpose statement is *To refresh the world in mind, body, and spirit. To inspire moments of optimism and happiness through our brands and actions*—clearly exhibits its purpose in its actions. Kent described Coca-Cola's social responsibility efforts in a

recent article: “Sustainability isn’t new to us but we’ve been intensifying our focus on it. We’re prioritizing programs centered on water, women and well-being—all three of which are essential to our business.”⁷

Looking at one of Coca-Cola’s priorities, water, we see this practice in action. Focusing on water is a natural fit for a company whose prime product is a beverage that uses large amounts of water around the world. The company initiated a clearly defined water stewardship program that is built around three pillars—water efficiency, water replenishment, and wastewater—safely returning to the environment water that had been used in bottling.

The company established measurable goals, action plans, and annual reports for each water-related pillar, explained in detail on Coca-Cola’s website. For example, the goal of the water efficiency program is: “By 2020, improve water efficiency in manufacturing operations by 25 percent compared with a 2010 baseline.”⁸ A recent check of the website shows that the water efficiency program is on track to meet its targets: “In 2016, we improved our water efficiency 2 percent. This is a total improvement of 13 percent since 2010 and 27 percent since 2004 when we started reporting efficiency progress as a global system.”⁹ This program is important for the community and aligns with Coca-Cola’s business.

But what about this core idea of “refreshing the world”? Coca-Cola’s drinks have always been refreshing, but the moments of optimism and happiness touted in its statement are not about its products. Instead they come from a purpose that can be accomplished in the process of providing those products. For employees and customers, this purpose is a fit for what the company makes and how they make it. We can debate the benefits and ills of sugar-based soft drinks, but ask anyone who regularly uses the product and they will tell you that for them it is refreshing.

So, purpose doesn’t always have to please everyone, but it had better work for the core people you are trying to reach—and with an actual commitment to making the world better (such as the company’s efforts on water) to pass the credibility test. At that point the refreshing

happiness and optimism connects to a more emotional purpose that goes deeper than the product itself.

Smarter Planet: Now There's a Fit Purpose

Sometimes—and it sure is ideal when possible—a company can find a few words that perfectly express its purpose and how it serves its core business. IBM gives insight into developing that kind of purpose. The company's Smarter Planet vision aims to leverage new technologies and intelligent systems to enable “smarter power grids, smarter food systems, smarter water, smarter health care, [and] smarter traffic systems.”¹⁰ For example, the company's Smarter Cities initiative aims to develop greener, more vibrant cities.

Smarter Planet began as a strategy, but over time it began to feel more like the core of what the company was about: developing innovative solutions to major world problems. As Jen Crozier, vice president of corporate citizenship and president of the IBM Foundation, told us, “It really aligned with what we were doing—the energy we were feeling from our clients and how we could address social issues. It resonated beyond what we had imagined even more than we thought it would.” One result of the program is Big Blue—IBM's supercomputer that is now exploring how to use information to enable better medicine through knowledge integration.

Smarter Planet works because it focuses on IBM's primary offer to the world. Since the company long ago left behind its emphasis on home computers and hardware solutions, it has refocused on harnessing knowledge and innovation to solve the world's most pressing issues. It is now just as easy for IBM to manage data for business success as it is to manage large applications like Big Blue. Crozier has been at the company for almost 20 years, and she had a front-row seat to the way the Smarter Planet strategy energized the company.

“It really began to energize IBMers, and at one point,” she told us, “employees began creating their own videos about what they were doing at IBM and how they were personally contributing to a smarter planet. Then we started hearing stories of how this was also making a

difference for clients and communities. The media picked it up, and eventually people were literally beating down the doors, wanting to come work for us.”

You get the picture.

EXERCISE *Decide Where Your Company Fits*

Companies like Coca-Cola and IBM have identified how they can do the most good based on their strengths, products, services, and even infrastructure. Both are major corporations with huge staffs and access to immense resources, but the idea behind their actions can be applied to a business of any size. Whether you are part of a start-up or a Fortune 500 company, ask yourself the following questions to figure out how to best fit purpose to your organization.

- Who buys your products, uses your services, and wants to work for you?
- Who are your customers, employees, and investors?
 - What do they expect and need from you? What do they care about? How does your purpose reflect their values and causes?
 - How well do you understand their hopes and aspirations for society and the planet? What kind of world do they want?
- How do you source, build, and deliver your products or services? How does that process fit with the values of your customers, employees, and investors?
- What communities do you serve?
 - What needs, problems, and challenges exist in your community? How can you play a role and make a difference?
 - Whom can you partner with? Who else has a vested interest in the well-being of the communities and environments in which you operate?

Your answers will help you gain clarity and understanding around your business's purpose. We find that many people have never stopped to consider these questions, but when they do they are able to look at both their company's role in the greater good and their own personal contributions. Once they discover the true impact they can make, they even see their job and organization in a different, more positive light. Realizing that you can be an agent of change—no matter where you work—brings fulfillment and excitement, influencing others around you and improving business results.

Discovering Your Personal Purpose

The third way that companies discover and activate their purpose is by helping employees activate their own *personal* purpose at work. We know that employees look to their jobs as a place to find meaning. Connecting your company's higher purpose to day-to-day work is one way to accomplish this. We have found, however, that companies that are best at leading with purpose add something extra: they have a clear focus on their higher purpose, but they leave room for people to find themselves and to discover their own personal purpose, and then they help them act on it.

Engaging employees around their personal purpose helps them connect more with their jobs. They find value in supporting the issues that are important to them, whether directly or indirectly. Helping employees contribute to a cause or effort engenders mutual respect and a sense of loyalty.

One way to start is by sponsoring employee workshops across the organization dedicated to finding meaning and purpose. Some of our clients have individuals design "story boards" of their own personal purpose. Imagine someone making a movie about what gives them purpose—identifying the elements that lend purpose to their lives and work. Think of story boards as like a movie about what matters to you. When engaged in their own self-discovery, employees connect more to the company purpose and the deeper meaning behind their jobs. Ideas

often arise from these experiences that can move the organization forward. For example, strategies and action plans from such workshops can help teams focus the organization's efforts on common causes.

Too often we see companies trying to get their employees to connect to the company purpose without regard to their personal purpose. While well intentioned and necessary at some point, this is not the best place to start. To activate purpose, you need to start at the bottom, not the top, connecting people to their personal purpose and helping them discover what matters most to them.

John Mackey, co-CEO of Whole Foods Market, has learned this lesson firsthand. Mackey believes that while it is important to hire people committed to the company's values and purpose, to truly unlock their potential you need to redesign their work to make it more meaningful and assist them in discovering their intrinsic motivation for good. In an interview he said that "people want more than to just earn a living. They want meaning. They want purpose. They want to feel like their work is making a difference in the world."

In his book *Conscious Capitalism*, Mackey and coauthor Raj Sisodia go on to state that "to tap this deep wellspring of human motivation, companies need to shift from profit maximization to purpose maximization."¹¹ We understand that this shift can be difficult, as a delicate balancing act exists between purpose and profit.

EXERCISE *Activating Purpose in Others*

Personal values and meaning are greater motivators of people than organizational values. Discuss with your team members their values and what gives them a sense of purpose and meaning in life, both inside and outside the workplace.

Understanding your employees' values and purpose

- Outside of work, what are you passionate about in life?
What do you love to do?

- What do you care about? What's important to you? What are your values, and what do you value most?
- What gives you a sense of purpose and meaning outside of work?
- How is your work meaningful to you? In what ways does your work make a difference?

Coaching and supporting your employees

- What can the organization do to help you connect your values to your work, both inside and outside the workplace?
- What difference would you like to make in the world? What work or opportunities inside or outside the organization could help you do that?
- What can the organization do to make the world a better place? What ideas do you have to help us do it?

Actively supporting employees' purpose as you do with their personal and career development plans

- Build purpose aspirations of team members, inside and outside the organization, into learning and development goals.
 - Look for roles, jobs, and assignments that connect to your team members' values and purpose.
 - Give employees the solution space to identify new opportunities for themselves and others.
 - Recognize people when they reach a milestone or complete an assignment related to their purpose and meaning.
 - Give employees opportunities to share or showcase purpose-related work with the team.
-

BEWARE OF THE TWO-HEADED PURPOSE MONSTER

This tension between the profit focus and the purpose focus can pose a challenge for leaders. Thomas Kolster, founder and creative director of the Goodvertising Agency in Denmark, is a leading adviser to companies on how to communicate purpose and sustainability. Kolster talks about this purpose/profit balancing act using the analogy of what he calls the “two-headed purpose monster.”

If you think about purpose and profit as two heads talking, each in its own language and each moving in its own direction, you end up in a precarious situation. Kolster explains that this problem arises because companies have conflicting messages about purpose both internally and externally. He uses films and folklore to identify the common mistakes companies make regarding the dichotomy of purpose and profit. In doing so he identifies three types of two-headed monsters.

From Pixar’s *Monsters University*, you might recall the characters Terri and Terry Perry, the two-headed monster. The Terri head is slightly smaller than the other, Terry, head. Now, which voice drowns out the other, purpose or profit? Which has the loudest voice in the organization? This monster is probably the most common one and is typical in organizations still struggling to implement purpose. For example, oil-and-gas companies tend to talk a lot about purpose and leading society toward a renewable future, but they consistently fall short of following through on the business model. Their profits outcry their purpose.

The second two-headed monster is the rather illusive though well-known Dr. Jekyll and Mr. Hyde. It does good in the light of day, but during the dark of the night pure profit rears its ugly head. The company weaves a great story, but it fails to pass the authenticity test for employees and customers. Volkswagen, for example, talked a

good game about clean diesel all the while devising software to trick emissions tests.

The third monster is one worth watching out for: Superman. Think of Clark Kent as your average company. During regular business dealings, you wouldn't expect anything extraordinary from him, but when trouble arises he quickly turns into Superman, promising world salvation. It's an unexpected turn of events, which for most people can be difficult to believe.

Kolster says that he sees this superhero monster a lot in companies that jump on the purpose bandwagon, going from seemingly no purpose at all to speaking too loudly about one. The problem is that it feels forced and unclear. He also sees the Superman complex in companies that have a well-established purpose but that too often stay quiet about all the good they are doing—then they suddenly put a strong voice behind their actions. They need to *consistently* be modeling their purpose to employees, customers, and investors.

Kolster's advice when it comes to avoiding the two-headed purpose monster is to *KISS: keep it simple, stupid*. Think about these three monsters and which is most alive in your company:

- Loudest voice at the moment: profit and purpose compete
- Jekyll and Hyde: good in the daylight, evil after dark
- Superman complex: promising too much or staying too humble

What can you do personally to help resolve that two-headed monster at whatever level you lead? How can you help get clear on purpose and make sure it takes a front seat to profit when necessary?

DON'T BE AFRAID TO SHOW YOUR PASSION

When you get clear on your company's purpose and move it to the center of your organization, you will attract employees and customers who connect with you at that deeper relationship level. If you are not clear or you don't weave purpose throughout the

organization—expressing the passion you have for that purpose—you’re going to get a lukewarm commitment. If you have a magnetic clarity however—showing how your purpose is true, fits your business, and contributes to your success—people will buy in and follow you, whether customers or employees within your team or companywide.

Consider the outdoor clothing and sports gear company Patagonia. Its business is its cause, centered on “a love of wild and beautiful places.” Fitting business with purpose, the company is committed to preserving natural habitats, slowing the decline of the environment, and advocating for the restoration, maintenance, and health of the planet. To leverage its environmental impact, the company donates at least 1 percent of its sales or 10 percent of its profits, whichever is greater, to grassroots environmental groups to support conservation efforts around the world.¹² When shopping at Patagonia, customers feel a sense of relationship with the company’s history and cause. When they walk out of the store, they do so with more than clothing or gear: they walk out as participants in the Patagonia mission.

For those companies that are clear on their purpose, their customers’ and employees’ values, and their commitment to doing the right thing first, taking a stand—invoking a moral mandate—becomes a way of life.

As a self-described “activist company,” Patagonia maintains an open leadership position on environmental causes. A visit to its website can begin with a call to support a current cause—“Defend Bears Ears National Monument,” for example. In this case, the company provides a multimedia presentation to inform people about the issue and how they can get involved, leaving no doubt in anyone’s mind what its mission is all about. The company is authentic. It stands for its principles, and it believes in and demonstrates them through action, putting skin in the game by providing time, resources, and energy to support the causes that it holds dear. Passion is key.

We are reminded of the time we met with a CEO of one of the largest companies in the world to talk about his company’s efforts around purpose and sustainability. His company has been a leader in

this regard, and we looked forward to the interview with anticipation. We fully expected a passionate, inspiring appeal for how business would play a role in making a future our children would want to live in. Instead we got a methodical litany of all the reasons why doing good made good business sense.

We were told that the millennials would demand it, that talent wanted it, and that social media was amplifying these “trends.” He then went out of his way to tell us that “this is not some kind of moral crusade; it is simply good business.” We know that doing good and having purpose is good business, but the fact that something is good *for* business is not necessarily inspiring. We decided to push him a little harder, hoping there was something more behind his company’s decisions than the business case for purpose.

As the interview proceeded, we applied some pressure and asked more focused, in-depth questions. Finally, he said, “Well, look, we all can see that it’s simply not working! We all want our children to be able to eat the same fish we can eat and enjoy the life we can enjoy.” It had taken an hour-long interview, but the real passion behind the company’s efforts had come to the fore. Suddenly, we felt inspired. His language changed as he talked further about sustainability and the company’s conscious decisions that connected less with its financial goals and more with its purpose—its reason for doing business in the first place.

Getting started is difficult and activating purpose is tricky, but understanding the purpose that you want to embed in your organization will put you on the right track. Whether it begins with crafting a powerful purpose statement or answering questions on core values, activating purpose and advocating for your mission will unite your company around the revolution.

We talk more about the power of activating purpose in chapter 3, with a concept we simply call *branding from the inside out*. Purpose never works as merely an external marketing strategy, and in the end our leaders and employees are the ones who determine if the purpose has life.

BEST PRACTICES FOR MOVING PURPOSE TO THE CENTER

- Know your company and articulate its place of true service, including why it exists in the first place and what it provides to customers, employees, and communities.
- If your company does not already have a purpose statement in addition to its mission statement, it's time to develop one. Better yet, if it's possible, write a purpose-driven mission statement stating both your direct goals and those that relate to your higher purpose as an organization.
- Conduct open dialogue with stakeholders inside and outside the organization, in person or online, to determine how the company is positioned to be an agent of good.
- Distill your company's higher purpose into well-defined programs with clear targets, metrics, and mechanisms for reporting back.
- Even if your company's products or services aren't directly contributing to a higher purpose, think of ways that you can still connect with one, even if it is more of an adjunct to your core business (like the Coca-Cola example).
- Figure out how to best fit purpose to your business by considering your customers, employees, and investors; their values; and their expectations about your company.
- Help employees activate their personal purpose by contributing to a cause or effort they care about. Translate this personal purpose into viable strategies and actions across the organization.
- Don't be afraid to claim a moral mandate and state loudly and clearly that you care about the present and future good of your customers, as well as society.