

The Power of Purpose

Aligning your organisation behind an engaging and genuine Purpose

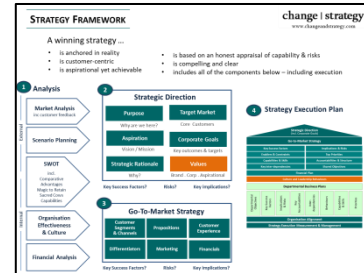
By Campbell Macpherson,
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Knowing why your company exists is essential to your future success – or failure.

As I outline in 'The Change Catalyst', a good strategy is comprised of four components:

1. Analysis
2. Strategic Direction
3. Go-to-Market Strategy
4. Implementation

Of all of the strategic statements contained in the 'Strategic Direction' section (Vision, Mission, Values, ...), the most important by far is 'Purpose'.



Whether you are a 'Vision Company' or a 'Mission Company' or both – you must have a Purpose to underpin these strategic statements.

A Purpose is a clear and concise statement of why your company exists and for whom; of why your organisation matters.

It is the bed rock of your strategy, your values and your culture. It underpins your competitive advantages. It is the reason why your people bounce into work every morning: It guides what they do, how they do it and why. It helps them to work with one other to deliver. It is a key reason why people want to work for you and a key reason why clients want to work with you.

A company without a clear and genuine Purpose will struggle to achieve its potential. It may even fail completely. I have personally witnessed both many times in my career. Many of the corporate failures that adorn our newspaper headlines can be attributed to the fact that the company in question had lost its way; had either failed to live up to its purpose – or failed to refine its Purpose as the market changed. Purpose is that critical.

What is your Purpose?

Is it genuine? Is it inspirational? Does it resonate with your people and your customers alike? Do all of your people actively embrace it? Does it underpin how they act, think and feel about the company and its customers? Do your leaders embody it?

Purpose is critical for attracting and retaining talent and clients alike

"Organizations who wish to prosper will focus more time on meaning at work, have an organizational purpose and contribution which gives people a sense of satisfaction and a genuine feeling that they are making the world a better place." (Dr. Karl Moore, a professor of strategy and organization at McGill University.)

A recent Harvard Business Review study found that employees who derive meaning from their work report almost twice the job satisfaction and are three times more likely to stay with their employer.

Unfortunately, Forbes reports that 71% of millennials feel ‘not engaged’ or ‘actively disengaged’ with their work. Millennials make up 35% of the UK workforce and 50% of employees globally.

Millennials are not only your next generation of leaders, they are also the next generation of decision-makers in your client organisations. They will seek to do business with organisations that have a clear Purpose and values that align with theirs. This is not just a whim - they mean it. If your business lacks a genuine Purpose, they are unlikely to work for you, work with you or buy from you.

Your future also depends upon you having a clear and genuine Social Purpose

The next generation genuinely want to make a difference. They are looking for organisations that are responsible capitalists; purpose-driven, sustainable and acting for the benefit of all stakeholders within the ‘responsible capitalist ecosystem’: employees, suppliers, partners, customers and the wider communities in which they operate - as well as for the benefit of shareholders and executives.

According to a 2016 study by Cone Communications in the US:

- 76% of millennials consider a company’s social and environmental commitments when deciding where to work
- 64% won’t take a job if a company doesn’t have strong corporate social responsibility values
- 88% say their job is more fulfilling when they are provided opportunities to make a positive impact on social and environmental issues

Crafting a Purpose Statement is just the first step

Leadership teams know that Purpose is important, yet they often do little beyond crafting a pithy Purpose Statement. In a recent PwC survey, 79% of leaders agreed that “an organization’s purpose is central to business success”, yet 68% said that purpose was not used in leadership decision making.

Once key leaders throughout the company are engaged in developing a galvanising Purpose Statement, they then need to work together to articulate the implications of the Purpose – the challenges and opportunities as well as the changes that will be required across the company to bring the Purpose to life and embed it within everything the company does.

What does a good Purpose look like?

“Your Purpose must be simple and it must tread the fine line between being generic enough to be relevant to every part of the business and yet specific to your business or at least your part of the industry. And it must encourage / enable your people to take a new look at what they do – whilst giving them a constant reference to ensure what they are doing and how they are doing it is in line with core reason for the company’s existence. It is quite a challenge for a concise statement to pass all of these tests, but it is well worth the effort.

The answer to “Why do we exist?” cannot be a Blinding Glimpse of the Obvious (BGO) such as to maximise profit or shareholder return. Like “comply with the regulator”, these are givens. A successful Purpose Statement must be customer-facing (e.g. “Our purpose is to enable our clients to build highly successful businesses”), and it must help to guide your managers and employees in their decision-making and actions.”

(From ‘The Change Catalyst’¹ Chapter 25: ‘Vision, Mission and Other Buzzwords’)

¹ <https://www.wiley.com/en-gb/The+Change+Catalyst:+Secrets+to+Successful+and+Sustainable+Business+Change-p-9781119386261>

As we discussed above, your purpose should also have one eye on ‘the greater good’ – of the industry or society at large. While you may decide to articulate ‘the greater good’ more clearly in your Vision or Values, the planning of your Purpose needs to keep it in mind.

Of course, compiling a Purpose Statement and refining the other strategic statements is just the beginning. They then need to be made real; embedded into how the business operates. This requires working as a team to identify key opportunities and how to take advantage of them, and the key implications for the organisation and what to do about them.

How do we do this?

Implementation cannot be a top-down solution. 21st Century leadership is a team game, not a solo pursuit. While the CEO has the final right of veto, the clarification of your strategic statements and strategic direction will only be genuine and sustainable if the key influencers across the organisation – across ages, genders, roles, expertise and sectors – are all genuinely engaged in the process.

The secrets of success are: authenticity, wide engagement, genuine engagement, pragmatism, clear governance and decision making processes, and a relentless focus on outcomes.

The process I have used for years to help companies clarify strategic statements (esp Purpose) is tailored to the individual circumstances and needs of your organisation and involves:

1. Defining what success looks like in a scoping meeting with the Sponsor/s
2. Desk-based review of your strategy and a review of employee and customer surveys
3. 1:1 meetings with each member of the leadership team
4. Compilation of findings and design of interventions (workshop/s et al)
5. Design workshops with leadership team and management teams – design sessions, implications sessions, implementation sessions
6. Focus groups with key sections of the business
7. 1:1 interviews with key influencers
8. Production of summary and next steps report and presentation to leadership
9. Finalisation of implementation plan
10. Action.

It is a process designed to provide clarity, alignment, shared ownership, commitment and results. It delivers an implementation plan, clear governance and ensures your internal ‘Change Catalyst’ and the leadership team follows it through to conclusion ... embedding your Purpose in everything you do.

What is your Purpose? Your company’s future may very well depend upon your answer.

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