

Corporate and Brand Purpose: from rhetoric and aspiration to embedded, sustainable reality

- Takeaways from the C&E Advisory Breakfast Dialogue, 17 April 2018.

In his January 2018 [letter to CEOs](#) Larry Fink, CEO of Blackrock (the world's largest asset manager) observes that "*Society is demanding that companies, both public and private, serve a social purpose*" and argues that "*without a sense of purpose, no company, either public or private, can achieve its full potential.*"

Seasoned sustainability, government affairs and marketing professionals from Prudential, Unilever, Dixons Carphone, Coca-Cola, Walgreens Boots Alliance, Kingfisher, DLA Piper, Warner Bros., TUI Group and non-profits Comic Relief and WE, made the above topic their focus at C&E Advisory's latest Breakfast Dialogue. Responding to the desire amongst corporate executives and responsible business professionals to place purpose at the heart of business strategy and long-term value creation, participants grappled with the long and short-term impacts, risks and potential of the evolving landscape around big business.

The session was ignited by an honest and insightful input from Richard Ellis*, a veteran and global player in the sustainable business arena, following which participants engaged in a frank dialogue, encompassing the drivers for change and the obstacles to be overcome to achieve it. Below is a summary of some key takeaways from the discussion moderated by Manny Amadi, CEO of C&E Advisory.

1. A shift in perspective: Companies as Countries – CEO's as Presidents and senior executives with ministerial portfolios

Many of today's global businesses and brands are the size of countries, with supplier networks spanning the globe and employees running into the tens and hundreds of thousands; individually and combined, they have huge potential to make a positive or negative impact on outcomes and behaviour change: the same could also be said of national and global industries and sectors.

One participant explained how this shift in perspective and framing his company as a "country equivalent" had been instrumental in winning the support of the senior executive team. Through the engagement of senior executives, initially on a personal, one-to-one basis, where they had no problem relating to the concept of purpose-led growth and its long-term benefits, the ground was prepared for the bigger discussion.

From this place of mutual understanding and agreement the business case flowed, strategic initiatives to re-articulate purpose and align with the SDGs were developed and then incorporated into the business. The CEO and senior executives weren't being asked to rubber stamp CR initiatives, instead they were engaged in defining purpose, identifying relevant initiatives, tasked with driving them, actively engaging in them and sharing the responsibility of working towards the achievement of goals bigger than themselves.

2. (Re)Discovering corporate purpose - everybody counts, even the dead!

Discovering and articulating a societally resonant purpose can often present a challenge, particularly to mature businesses. It was observed that many of our global business players

and national companies had a founder, with a mission or purpose that went beyond 'making money and lots of it'.

In start-up mode, many entrepreneurs focus on problem-solving value propositions, with profit deriving as a consequence. As a result, brand purpose is often truly hardwired into the founding fabric of many modern-day businesses. However, as larger enterprises emerge, the original purpose that is often connected with serving society gets lost, as short-term profit generation takes centre stage.

Returning to the company or brand heritage and the Founders' original intentions can represent a potent force in re-igniting and successfully implementing the authentic desire of a business to create purpose-led growth. Asking the question: "*what would our Founders do?*" and linking this to today's challenges, framed around the SDGs, has proved to be a useful way of cutting through the politics, noise and egos of the present and getting to the heart of the matter.

3. Leadership: Steer clear of the cult around CEO personality – it rarely ends well or serves long-term interests

Leadership is fundamental to the purpose and sustainable business agenda and there are one or two exceptional examples of inspired and inspiring champion CEOs who push the boundaries, last the course and set the path for others. However, a note of caution: behind the rise and fall of many an inspired responsible business initiative is a CEO determined to 'make their mark'. CEOs have egos and the appointment of a new leader often results in the mothballing of previous initiatives or programmes in favour of those championed by the new CEO.

4. Purpose, then strategy – but authenticity lies in proactive execution

Even when purpose is well articulated, aligned with both creating societal value and long-term growth, and championed by inspiring leadership, authenticity will be jeopardized without a sustained transformation and embedding programme, underpinned by a stakeholder-centric culture.

Participants at the Breakfast Dialogue briefly referenced a range of levers and mechanisms being deployed in efforts to embed and sustain purpose across whole businesses and sectors. Amongst those shared were setting up purpose programmes, supported by purpose ambassador networks; effective and determined communications initiatives including, in some companies, purpose and values awards; assessing, feeding back and rewarding employee demonstration of purpose through the performance review process; as well as other measures to deepen and sustain a purpose-led, societally connected company and brand culture.

5. When the Barbarians are at the gates – whatever you do, don't panic

Pressure from governments, NGOs and the general public to 'do better, do more and do it now' are a great incentive and driver for change, but also come with a 'health warning'. Half-baked, knee-jerk responses, announced as bold undertakings designed to please or appease have the potential to do more harm than good. They can damage the credibility

of a company or brand, and the overall concept of purpose-led growth. On the flipside, unreasonable or impossible demands from the public, NGOs and some governments could result in chaos. Crucial to a successful outcome is the need to be strategic and authentic.

6. Co-creation, collaboration and (100%) commitment are vital to success – within a business, sector or industry and cross-sector.

Collaborative alliances, whether internal and / or external, are essential to continued and long-term success. Avoiding the cult of personality, negative impacts of a detached board, jaded workforce, or cynical response from the public are major considerations: together they can create an extremely challenging environment in which to try and 'do good'. Add to this the risk of failing to deliver, likely public vilification and subsequent drop in share prices, (the equivalent of voters wanting to express a vote of 'no-confidence' in influential, country-equivalent big businesses, deemed to have transgressed in some way,) and it's not surprising to see why senior decision makers would rather play it safe with philanthropy.

Evidence exists, and experience has shown that the above three Cs, coupled with a strategic approach, provide not only the ways and means of delivering purpose-led value creation with scale and impact, but also mitigate against major risks.

7. Finally – remember we're all human, we are all stakeholders in this planet, we all want 'better' and we all make mistakes.

All things considered it is clear that transforming the current interest in aligning corporate and brand purpose, with long-term value creation for business and society, into embedded reality, demands careful consideration and execution. Key requirements include: a strategic, considered, open and collaborative approach; strong, but distributed leadership; an understanding of the complexities and time involved in changing behaviours and outcomes (including the growing recognition of the boards of big business as "governments"); and effective internal leavers aligned with engaging and communicating transparently with business and society.

Honesty and humility are also key principles – not least because the journey to an embedded, authentic purpose is not a straight path, and things will sometimes go wrong!

**Richard Ellis is VP, Global Corporate Responsibility, Walgreen Boots Alliance.*

About the Breakfast Dialogue Series

C&E's Breakfast Dialogue series are free, by invitation, informal discussions held over a light breakfast and involving a dozen or so senior participants from corporate, NGO and public-sector backgrounds. They are highly interactive, informed discussions in which participants share their perspectives, experiences and insights – under Chatham House Rules.