

Guest Post: An Argument for Purpose-Driven Business by Carol Cone and Jackie Murphy

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By Carole Cone, Global Chair, Edelman Business & Social Purpose and Jackie Murphy US Purpose Strategist, Edelman

Purpose = Profit is an equation I have repeated many times in my posts, because I believe that the imperative for purpose driven business is implicit in employee engagement as well as the engagement of all constituents. Purpose is a social and business anchor that will continue to gain strength and importance. I am delighted and honored to host, An Argument for Purpose Driven Business by two key members of Edelman, a pr firm-a global constituency of "global idealists, strategy consultants and creative communicators whose purposeful values of quality, integrity, respect, entrepreneurial spiritual, mutual benefits and citizenship are mirrored in accolades from employees and client success stories and communities worldwide. I want to thank Ms. Cone and Murphy for an excellent post, a great read that I am honored to host on this blog! Irene Becker, Just Coach It-The 3Q Edge™ | Helping Smart People and Organizations Lead Forward Smarter, Faster and Happier!

Despite a recent article in *Ad Age* purpose strategies are here to stay.



While Rance Crain is correct that P&G is experiencing tumult and transition, its current challenges relate to the core of its business: developing products that are truly innovative and desired by consumers, whether in the developed or developing world. Product innovation is what made P&G great. Creating products that perform and have a social purpose makes them more appealing to consumers, when aligned with performance attributes *and* personal needs.

Today, marketers are operating in the reality of a highly transparent and hyper-connected world. As well, the communications paradigm has been transformed, shifting power from the powerful few to the all-powerful many.

The question is: How do we navigate this new landscape?

We believe the answer is through engagement. And the reality is, for companies and brands to create sustained engagement

with their stakeholders, they need to connect in relevant ways, often around social issues.

Relevant Engagement: New Reality for Marketers

Edelman's Trust Barometer and goodpurpose research, as well as the research from firms like Globescan, all point to the same conclusion: that consumers are now "citizens" of the world and expect companies and brands to have active engagement in social and environmental issues. From our goodpurpose study, 86 percent of global consumers expect business to place at least equal emphasis on social interests as on business interests.

A great case study of how the interests of society, consumers and business can align for mutual benefit comes from none other than P&G. Its Pampers brand grew exponentially when it moved from a features and benefits positioning to one that focused on becoming a partner with mothers in their child's development, an education campaign coupled with a highly compelling cause marketing promotion: Pampers One-Pack One Vaccine with UNICEF. This purpose repositioning helped the brand grow 200 percent from its stagnant \$3 billion base.

This example and many others (see: Yoplait Save Lids to Save Lives, Brita Filter for Good , Warby Parker] demonstrate that when purpose marketing strategies are authentic (to the company/brand) and relevant (to its audiences), they can and do drive sales.

A Purpose-Driven Enterprise

Beyond sales, becoming a purpose-driven enterprise is sound business and brand strategy. Mr. Crain is right that CMOs and CEOs are embracing higher purpose. In IBM's global CMO survey last year, one of the three major findings was that CMOs believe an organization's character – how it behaves – is as important as the products/services that it sells.

And, it's true that leading global companies have recognized the role their organizations play in addressing our collective environmental and societal challenges. As Unilever's Paul Polman states:

"This is a great time for brands which can provide a beacon of trust for consumers. These days, CEOs don't just get judged by how well their share prices are doing, but by what impact they are having on society."

But where Crain errs is in his assumption that this is driven purely by emotion, or reflects a misguided attempt to elevate marketing above selling product.

Placing Purpose in Business Strategy

Yes, a purpose must be clearly defined, authentic and aligned with business strategy. Yes, companies will err as they navigate the uncharted waters of aligning business and societal goals. Yes, there will be those that take shortcuts or fall prey to "cause-washing", as we have often observed ourselves. But these quibbles obfuscate the larger truth.

When strategically-divined and smartly-deployed:

- Purpose enables meaningful engagement with all an organization's stakeholders, from employees to consumers to communities (see: Starbucks, Chipotle, PNC Bank)
- Purpose drives growth, demonstrated by Jim Stengel in his book *GROW*
- Purpose inspires innovation, compellingly articulated by Michael Porter

And finally, becoming a purpose-driven company can fundamentally transform a business. For this, we only need to look at two of the foremost purpose-driven companies in the world: IBM, via its Smarter Planet approach, and Unilever, via its Sustainable Living Plan. Both companies have developed and executed their purpose approaches in great depth and clarity.

(In fact, Unilever's Sustainable living Plan should be mandatory reading for anyone looking to understand the threads and challenges of pursuing sustainability in a resource constrained world.)

In the future, where business more than ever before will be conducted under intense scrutiny, winning brands and companies will be those that inspire and engage with their stakeholders. At the end of the day, when we find brands and companies that align with our values and have a rich back story beyond features and benefits, we will support them.

As content explodes while attention spans grow increasingly finite, and word of mouse and mouth become the primary currency, **a true and aligned purpose brand creates and inspires advocates and buyers that neither money nor advertising can buy.**

About the Authors:



The Business +Social practice at Edelman is comprised of a team of global idealists, strategy consultants and creative communicators helping organizations unleash the power of business for commercial success and societal impact. You **Can reach the authors at** carol.cone@edelman.com @carolcone and Jaclyn Murphy at jaclyn.murphy@edelman.com @jaclynemurphy

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Meaningful Work

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Helping my clients build their 3Q Edge™ and develop the R-E-A-C-H™ that helps them lead forward smarter, faster and happier is what I do best!



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