

# Why Purpose-Driven Companies?

Purpose Moves People.... It provides meaning, guides behaviors, and as a driver of culture, creates alignment

Purpose gives us a "Why". It inspires people to higher levels of performance.

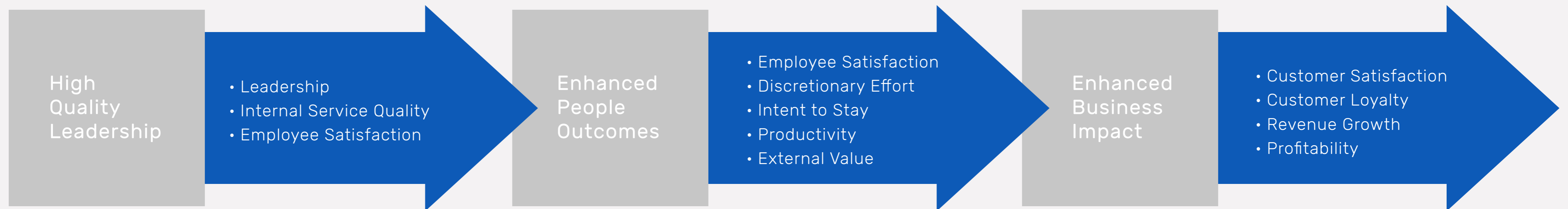
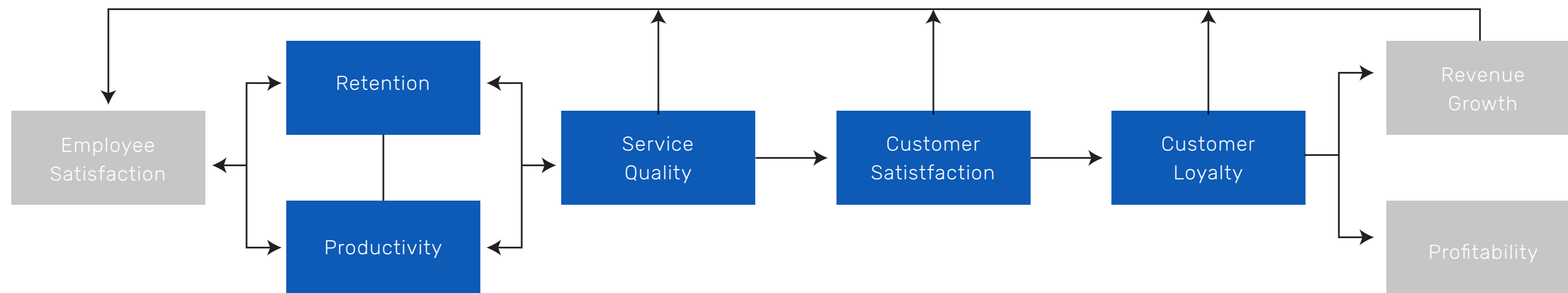
Purpose cultivates **passion, commitment, shared values** (as operating behaviors) and an opportunity for shared vision ("the Where"). When harnessed it can generate **organizational alignment** internally (the "How")... and values alignment externally.



# Value-Alignment as a Driver of Value

Putting the service profit chain to work...

The Service Profit Chain (HBR, 2008: Heskett et al.)



# Purpose INTERNALLY: Keystone to Culture

Purpose creates a fertile ground for increased alignment through shared values with employees

## WINS THE TALENT WARS

Attracts committed values-aligned talent



## PRODUCTIVITY

170% higher job satisfaction = more engaged & productive



## BETTER CUSTOMER RELATIONSHIPS

Longer tenured, more engaged employees create better partnerships and provide better customer service



## DRIVES RETENTION

Meaning at work drives 300% higher retention



## CREATES ENGAGEMENT

Meaning at work = 140% higher engagement



## DRIVES CUSTOMER LOYALTY

Is a primary driver of growth and profitability

Eccles, Heskett, Jones, et al; also Bloom and j. Van Reenan, also [www.nytimes.com/2014/06/01/opinion/sunday/why-you-hate-work.html?hp&rref=opinion&\\_r=0](http://www.nytimes.com/2014/06/01/opinion/sunday/why-you-hate-work.html?hp&rref=opinion&_r=0)



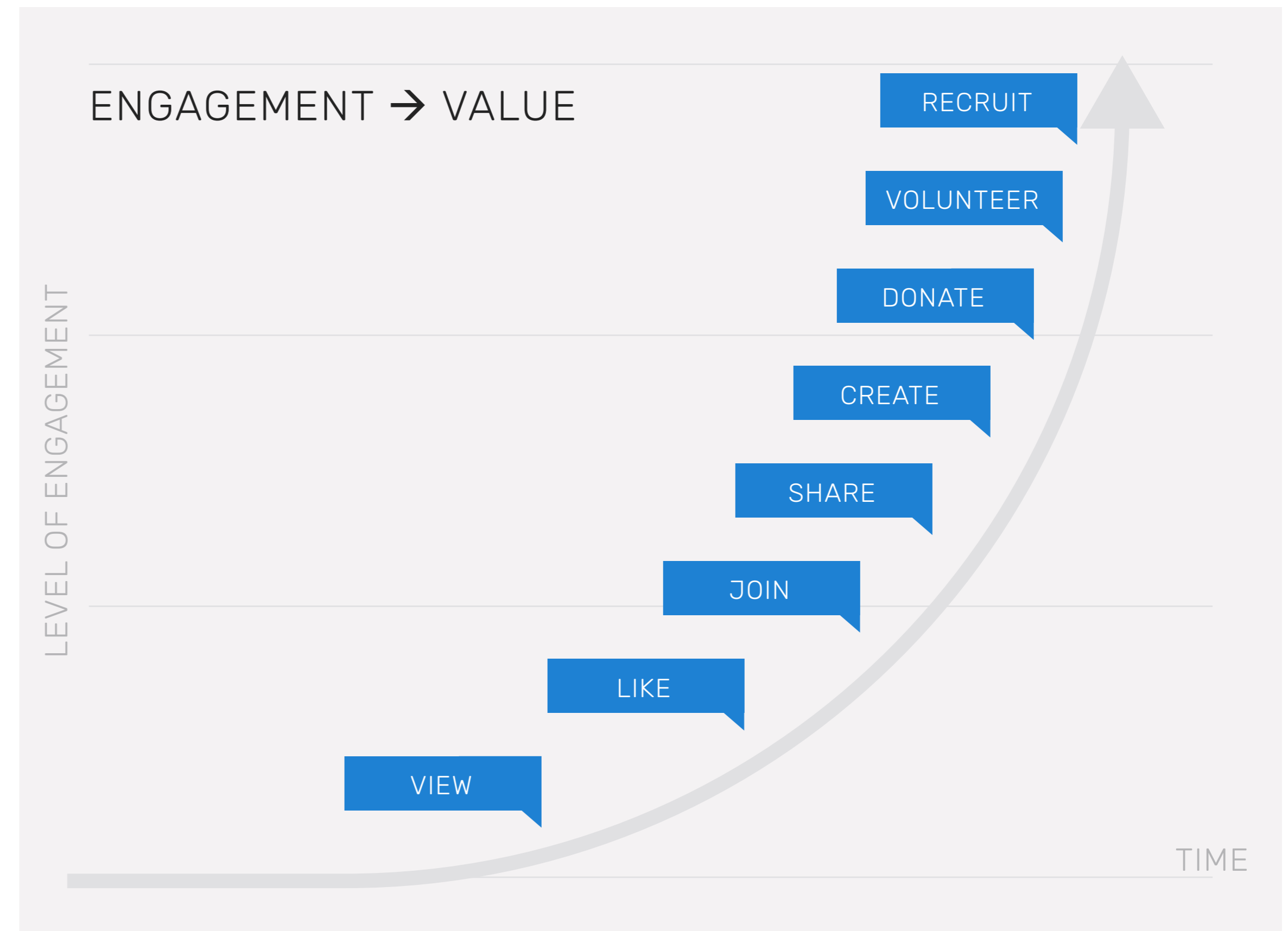
# Purpose EXTERNALLY: Driver of Engagement

Purpose also creates a fertile ground for alignment through shared values with customers/consumers

- Increase probability of
  - Engagement / participation
  - Repeat purchasing
  - Word-of-mouth / net promoter scores

---

= Lower cost of customer acquisition
- Drives brand resonance and brand equity
- Facilitates positive PR
- Increasingly 'cost-of-entry' with Millennials and Gen Z
- Reduces exposure to risk
- Drives opportunities for shared value with supply chain



Neilson 2014, Global CSR Report:

<http://www.nielsen.com/content/dam/niensglobal/apac/docs/reports/2014/Nielsen-Global-Corporate-Social-Responsibility-Report-June-2014.pdf> and Goldman Sachs, Rethinking Corporate Social Responsibility, National Consumers League, Fleishman-Hillard

