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.)

- Employee Satisfaction
- Productivity
- Retention
- Service Quality
- Customer Satisfaction
- Customer Loyalty
- Revenue Growth
- Profitability

High Quality Leadership
- Leadership
- Internal Service Quality
- Employee Satisfaction

Enhanced People Outcomes
- Employee Satisfaction
- Discretionary Effort
- Intent to Stay
- Productivity
- External Value

Enhanced Business Impact
- Customer Satisfaction
- Customer Loyalty
- Revenue Growth
- Profitability
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

**DRIVES RETENTION**
Meaning at work drives 300% higher retention

**CREATE ENGAGEMENT**
Meaning at work = 140% higher engagement

**BETTER CUSTOMER RELATIONSHIPS**
Longer tenured, more engaged employees create better partnerships and provide better customer service

**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&_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 resonsance and brand equity
- Facilitates positive PR
- Increasingly ‘cost-of-entry’ with Millenials and Gen Z
- Reduces exposure to risk
- Drives opportunities for shared value with supply chain

Neilson 2014 Global CSR Report: