

Purpose.

Issue 3

In this issue

Miriam Turner on
collaborative innovation

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Iqbal Wahhab on
why “Charity Sucks”

—

How the UN Sustainable
Development Goals
can inspire your
business



**LIFT OFF:
HOW TO LAUNCH
YOUR PURPOSE.**



PURPOSE WORKS.

The evidence shows that people want to buy from, work for, invest in and partner with businesses they believe in: businesses that have a clear sense of purpose beyond profit.

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Making your “purposeful advantage” stick comes down to three essential truths:

Purpose should be transformational

Purpose is supposed to transform your business from top to bottom. If standing at the top of the ski jump doesn't evoke a little tingle of positive, can-we-really-do-this fear, then you probably need to be more ambitious in how you want to change your business.

And as restaurateur and social entrepreneur Iqbal Wahhab explains in our interview (page 28), staking out an audacious social mission for your business often means overcoming resistance.

Purpose should be grounded in reality

For purpose to be effective, it must be fully aligned with your business strategy and deeply rooted in the political, economic, social and technological reality in which you operate. How are your customers' lives changing? Who are your customers of the future? What would you do if your main product were made illegal? Our “PESTLE” analysis tool on page 34 will help to kick-start those conversations.

Being grounded also means mapping your mission against clear and accountable goals. On page 10, Sophie Lawrence of KKS Advisors gives the lowdown on how businesses are using the UN Sustainable Development Goals to drive growth and make a difference.

Purpose should be co-created

Purpose works best when it serves as an invitation for employees and stakeholders to co-create and approach problem solving in a new way, rather than being “rolled out” from the top down.

On page 22, we talk to disruptive innovation guru Miriam Turner about “Collaborative Innovation”, and how she helped Interface, the pioneering carpet maker, to co-create a purpose-driven product by asking the question: how can a carpet tile help address inequality?

As always, we hope you find Issue 3 of Purpose magazine useful and thought provoking, and look forward to hearing your feedback.



WELCOME TO ISSUE 3 OF PURPOSE.

Thank you to everyone who has been in touch with feedback on the first two issues of Purpose magazine. It's clear that more and more business leaders are excited by the prospect of playing a part in the £130 billion purpose economy.

The question is no longer “does purpose work?”

The commercial case is overwhelming: these businesses have more committed and engaged employees, more loyal customers, more long-term confidence and investment, and better innovation.

The question is now: how can I bring purpose to life in my organisation? How can I truly make it stick?

In Issue 3, we get to grips with how vision-led leaders and organisations can successfully put purpose into action.

GO WITH PURPOSE!

By Paul Polman, CEO of Unilever

Unilever CEO Paul Polman addressed graduates of the University of Bath in December 2016. The House was there to hear it - below, we share an edited excerpt from his inspiring speech.

We stand, in my opinion, at something of a crossroads. Books and studies on the future of capitalism are still one of the fastest growing businesses in Europe; the debate is in full swing. But in all of this, what is said and written, it's important to remember the very essence of business. First and foremost, the essence of business is to serve society and not to take from the communities and societies on which business relies for its very existence in the first place ...

... A growing number of companies today understand that we need to do things differently, not just to avoid a crisis but because working with the grain of society simply makes good business sense. That's why Unilever, for example, as you've heard set out a new business model which we call the Unilever Sustainable Living Plan, to decouple our growth from

environmental impact, one that integrates the needs of business, society and, yes, the environment. It is an audacious goal but I'm optimistic ...

... Business has to be part of the solution, and that requires leadership. Leadership by a generation of men and women driven by a different set of priorities, aspirations, and capabilities; young people like yourselves. Young people with a strong sense of purpose and a realisation that self-interest and common good go hand in hand. An ability to look beyond the here and now and be guided by long-term solutions to these long-term challenges. An ability to work collaboratively across the complex issues with multiple stakeholders, and a willingness to engage and connect with the world around them ...

... So as you go out into your chosen professions, many of you hopefully in business, think of how you can be a change agent, part of a generational movement that restores trust in business by putting it to the surface of the world's greatest challenges ...

... It will take courage, purpose, a willingness to go well beyond self-interest, and a conviction that the harder right will always trump the easier wrong ...

... Go with purpose!

“
Business has to be part of the solution, and that requires leadership.

Paul Polman, CEO of Unilever

”



Paul Polman receiving his honorary doctorate at The University of Bath

5 KEY STEPS TO LAUNCH YOUR PURPOSE.

By Graham Massey,
co-founder of The House.

Business leaders who embrace 'doing well by doing good' can transform the fortunes of their organisations, but they can't do it alone. A company's purpose only truly comes to life if all employees are both inspired and equipped to put it into action.

This means that leaders need to have a firm grasp on how purpose flows and moves within an organisation: how it inspires and enrolls people, how it must

be mapped and translated across different parts of the business, how it encounters resistance and how it unlocks new approaches to problem-solving.

Above all, business leaders must understand that truly effective purpose serves as an invitation to co-create.

What does this mean in practice? Turn the page to find out.

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#5

Understand the difference between a purpose statement and purpose-in-action

Purpose doesn't truly come alive until it is mapped against the day-to-day operations and processes of the business. It will only start to gain traction when each employee, each team and each department understands what it means for them. The key question is always, "what will I do differently tomorrow?"

By all means print your purpose statement in bright bold letters over the door, but always recognise that it must be translated into practical action at every workstation, every outlet and every customer service desk.



Purpose doesn't truly come alive until it is mapped against the day-to-day operations and processes of the business.

Graham Massey, co-founder of The House



#4

Be humble: you can't do it alone

It follows from this that you will need employee input to shape and refine your purpose.

This calls for humility. Wise leaders recognise that employees know lots of things about their business that they don't. Be upfront about that! The practical knowledge of your employees is a tremendous resource for moving your purpose off the drawing board and towards becoming a living, breathing force.

I still have a vivid memory of attending the internal launch of a client's purpose statement. The employees were tense and uncertain, braced for unwelcome change. The MD stood up on behalf of the leadership team and said two things. One, we have created a purpose that we believe will supercharge our business. Two, we don't know how to make it work. We need your help.

The mood in the room completely shifted. Employees realised that this was not just another top-down restructuring or a new set of targets. It was an invitation to solve problems in a new way – an invitation for them to contribute creatively and shape the future of the business.

#3

Co-create, don't disseminate

This is what we mean by "co-creation". Employees co-create purpose by giving it a local interpretation. Engineers may approach and interpret it in a different way to marketers. Department leaders will bring it to life in a different way to customer service teams.

The same is true of different personalities and competences. On a personal level, some employees are driven by goals, growth and targets; some by blue-sky thinking; some by the communal buzz of close teamwork, others by the idea of building a better world or by simply taking satisfaction in a job well done. All should be able to find a way to "hook into" the company's purpose.

The end result is that purpose gets translated into tangible action and problem-solving across every pillar of your business and in each corner of the organisation.

For this to work, however, employees have to be given the freedom to make the company purpose their own.

This means that it's not helpful to think in terms of 'disseminating' or 'rolling out' purpose across an organisation, as though it were some kind of software update. Instead, purposeful leaders need to learn how to 'let go' at the right moments and give employees the space to interpret, translate and come up with surprising new ways of bringing it to life.

#2

Embrace resistance and love your sceptics

It's natural to face some resistance on your purpose journey. This is especially true if your company has been prone to reorganisations or "flavour of the month" ideas in the past, and employees feel fatigued.

Of course, some of your employees will be sceptical. That's a good thing: sceptics are an incredibly useful resource. It's the sceptics who will point out the problems you didn't see – or maybe were trying to avoid!

It's a mistake to think of sceptics as bowling pins to be knocked over. Their objections are borne of practical knowledge. Listen to them.

#1

Understand that purpose has a life of its own

All of the above adds up to the insight that a truly audacious and embedded purpose will soon take on a life of its own. It will belong to everyone it touches, and will find new, co-created expressions as the company evolves and as the world evolves around it.

As purposeful leader it is your job to act as the steward of your organisation's purpose and ensure that every employee is engaged and empowered to put purpose into action. This is what will keep your purpose on track and deliver outstanding commercial success.



HOW THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs) CAN HELP YOU INSPIRE YOUR BUSINESS.

What are the SDGs?

Unilever CEO Paul Polman has described the UN Sustainable Development Goals (SDGs) as “the greatest growth opportunity in a generation”. UN Secretary-General Ban Ki-Moon insists that “realising the SDGs will improve the environment for doing business”.

So what are the SDGs and how can businesses use them as a tool for “doing well by doing good”?

The SDGs are 17 social, environmental and economic goals that frame the global agenda for sustainable development between now and 2030. Whereas previous UN development goals focused more on how governments can bring about change, it is now recognised that business must play a pivotal role in the achievement of the ambitious SDGs.

The opportunity for business

Businesses can benefit from embracing the SDGs and embedding them in their growth strategies.

I conducted in-depth research into businesses’ adoption of the SDGs as part of an MSc research project with Imperial College and B Lab UK, which certifies “B Corporations”: that is, companies that have undergone a rigorous impact assessment to be recognised as achieving the highest standards of social and environmental performance, transparency and accountability.

My research showed that companies with SDG-specific plans and targets say that embracing the goals has given employees more direction towards defining the purpose of the company. Employees also report that it is hugely liberating and motivating to be working towards solving a problem. Engaging with SDGs can also be a means of unlocking investment. A recent study by ShareAction found that 95% of institutional investors plan to engage with investee companies about SDG issues, and many of the impact investors interviewed as part of my research are starting to incorporate the SDGs into their methodologies for selecting suitable investments.

Sophie Lawrence of KKS Advisors shares research insights into how forward-thinking businesses are making the most of the UN SDGs.

Finally, it’s important not to forget the basic moral motivation behind adopting the SDGs as part of your business strategy: 93% of respondents in my research felt strongly that business has a responsibility to contribute to the SDGs given its dominant position in global society.

SDGs: the state of play

Is the business community ready to take on this responsibility - and do they know how best to contribute? Recent surveys by PwC, Ethical Corporation and B Lab have all found that there is a significant gap between business sentiments towards the goals, how they plan to contribute to them in the future and what they are currently doing.

For example, the results below are taken from a survey of B Corporations. They show that even companies at the vanguard of the “business for good” movement are still some way off grasping the full potential of integrating the SDGs into their growth strategies.



SUSTAINABLE DEVELOPMENT GOALS

95% think the SDGs are relevant to their business

60% intend to have a plan on how to contribute by 2020

36% have already developed plans of targets on how to contribute

Source: Imperial College / B Lab UK, 2016

How to put the goals into practice
 In-depth interviews with companies who have already developed plans or targets on how to contribute to the SDGs revealed three main ways to engage:

#1
 Using the SDGs as a lens through which to view your business's current environmental or social impact priorities and checking that these are consistent with the global priority areas of focus laid out in the SDG framework.

Example: GOODBRAND, a social innovation company, mapped their existing and past projects to the SDG targets, having recognised how SDGs make it easier to communicate the impact that has been realised to investors, partners and customers.

#2
 Mapping their value chain to identify areas with high likelihood of either negative or positive impacts on the issues that the SDGs represent.

Example: Philips, the multinational electronics, lighting and healthcare company, decided the three goals they can have the biggest impact on are Goal 3, 'to ensure healthy lives and promote wellbeing at all ages'; Goal 7, 'to ensure access to affordable, reliable, sustainable and modern energy for all' and Goal 12, 'to ensure sustainable consumption and production patterns'. They have set targets publically and will report progress in their annual report.

#3
 Using the SDGs as a means for collaborating with partners to solve common problems on a shared value basis.

Example: Forster Communications, a social change PR agency, used a specific SDG target related to modern slavery to bring clients together at a roundtable event. The event positioned them as a thought leader and enabled the co-creation of scalable and cross-sector solutions.

WANT TO KNOW MORE? GET IN TOUCH

Sophie works with KKS Advisors, a leading advisory firm helping clients build sustainable strategies. Get in touch at sophie.lawrence@kksadvisors.com

Find out more about the B Corporation movement: www.bcorporation.net



YOUR PURPOSE JOURNEY.

A roadmap to making your business and brand a force for good.

PURPOSE

Discover your purpose

Find your "Why".

Ask the big question: what is your purpose beyond profit?

Dig into your past, present and future.

Root your purpose in reality.

Create a purpose statement that transforms your business.

Supercharge strategy and innovation

Make purpose your engine for growth and innovation.

Align your purpose to your business, culture and brand strategy.

Use your purpose as an invitation for all employees to solve problems in fresh and forward-thinking ways.

Create purposeful advantage.

Activate purpose with values, culture and behaviour

Put purpose into action by building a healthy workplace culture.

Find and embed the shared values that will empower your team.

Identify and foster the behaviours that make purpose tangible.

Bring your purpose story to life

Tell your story creatively.

Build authentic and inspiring movements.

Inspire deep loyalty from customers, employees and partners.

Become a truly authentic leader

Tap into your personal purpose.

Uncover what truly matters to you.

Overcome fear and short-termism to lead from a place of authenticity and belief.

Purpose Magazine exists to help business leaders on the journey to making business a force for good.

To talk about any step in your own purpose journey, just pick up the phone and speak to Steve and Graham: 01225 780000 or graham@thehouse.co.uk

PURPOSE: BEFORE

It's natural to experience resistance at first, and vital to listen carefully to sceptical voices. Here are some of the common questions and concerns that people raise when companies embark on a transformational purpose journey.



What will it cost?

The CFO

The markets won't like this. We have a responsibility to protect shareholder value – this is too risky, can't we just stick to CSR?

The Board

We can't let the social mission overshadow the customer benefit. We need to make products that sell!

Sales and Marketing

Aren't we already doing this? Is my job safe?

CSR department

This is just soft marketing stuff right? Our job is to make the product better so we'll just carry on as before.

R&D

I'll go along with it – it will blow over when the CEO reads the next bestseller business book.

Middle Management

Just looks like the management are spending a lot of money on more 'conversations with consultants'.

Customer facing team

Why is someone else getting involved in this – I run 'the people bit'!

HR department

PURPOSE: **AFTER**

Putting purposeful advantage at the core of your business strategy is a big project. Here are some of the positive things teams say once purpose is embedded and brought to life.



We have higher customer loyalty so our cost of sale has reduced.

The CFO

I've finally got something to talk about other than products that people want to listen to – social media is also so much easier.

Sales and Marketing

I like telling people what I do now and why we do it.

Customer facing team

Our new purpose has helped to clarify our investment story and attract investors who are aligned to our thinking.

The Board

I don't feel like the 'bad guy' in HR anymore because everyone understands why we do things a certain way.

HR department

I can empower my team and ask them to look at our purpose and our values when they make decisions.

Middle Management

Looking at the business through the lens of purpose has opened up whole new fields of possibility for innovative products and services.

R&D

I don't feel like I am tucked away in an office somewhere ticking boxes anymore.

CSR department



Photo courtesy of Net-Works

PURPOSE IN PRACTICE: **NET-WORKS**

Using carpet tile to tackle inequality

Net-Works empowers coastal communities in the developing world to collect and sell discarded fishing nets, which are recycled into yarn to make carpet tile.

Net-Works is a collaborative project between purpose-driven carpet tile maker Interface, conservation organisation the Zoological Society of London (ZSL), yarn producer Aquafil and microfinance organisation Negros Women for Tomorrow Foundation.

Launched in 2012, Net-Works aims to redesign the supply chain to create community and ecological benefits.

The result is an innovative and inclusive business model that gives people in coastal communities the opportunity and incentive to collect and trade discarded nylon fishing nets, thereby removing these nets from the ocean where they wreak havoc with marine life.

The nets are then sold into a global supply chain and recycled by Aquafil into yarn that Interface can use to make carpet tile. New community-run banks help to manage the supply chain and provide people with convenient and local finance.

This means that the project fulfills a commercial purpose for Interface and Aquafil while generating game-changing social and environmental outcomes.

Net-Works now operates in 26 communities in the Philippines and 9 communities in Cameroon. Since 2012 over 100 metric tons of waste nets have been collected through Net-Works, 900 families have been given access to finance and 60,000 people have benefited from a healthier environment.

“

Sustainability is about creating a new way of doing business that is more sensitive, more inclusive and ultimately, more successful.

Rob Coombs, Interface Asia-Pacific

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MIRIAM TURNER ON COLLABORATIVE INNOVATION.

Photo courtesy of Net-Works



Miriam Turner

Miriam Turner has just joined Friends of the Earth as Director of Disruptive Innovation, after 12 years working on collaborative innovation projects at Interface, a leading sustainable carpet tile manufacturer and purposeful business pioneer.

This included the ground-breaking Net-Works programme (see page 20), which allows low-income coastal communities in the developing world to collect and sell discarded fishing nets for recycling into carpet tile. The programme thus provides communities with supplementary income while keeping their beaches clean, all while providing Interface with a new stream of recyclable material for its carpet tiles.

We spoke to Miriam about her experiences developing the Net-Works project and how purposeful businesses can embrace collaboration to innovate more effectively.

First of all, what is collaborative innovation?

Collaborative innovation is about recognising that innovation is best done together. It's all about getting different parts of the ecosystem together in the room to see what you can achieve together, even if you are not from the same sector, don't have the same expertise or speak the same language. I call it working with "the unusual suspects".

How do you bring “the unusual suspects” together?

By asking an interesting question! The question Interface initially posed was: how could a carpet tile address inequality? That was the focal question that drew in people from different parts of the materials and fisheries ecosystem, leading to the development of Net-Works as a collaboration between Interface and ZSL.

We were already using recycled fishing nets as a material for carpet tiles, but had started to work internally on the idea that Interface’s supply chain could benefit fishing communities by allowing them to collect and trade used fishing nets.

To achieve this, though, we knew that it would take a number of different people to put the whole jigsaw together. The missing piece in the puzzle was people with the expertise in conservation, fisheries, fisheries management, community engagement, livelihood diversification, access to finance, that whole realm.

So we asked the question in the form of a workshop, which attracted people from the World Bank, social enterprises in India, academics and others, all giving different perspectives on the problem.

Interface already has a reputation and a track record for having a very bold purpose around reducing impact. Did that open doors or generate early trust among partners going into this?

It’s extremely helpful if you have senior buy-in and cultural acceptance that the company exists for more than just financial performance. We were surprised by how many of the people we invited to the initial workshops already knew about Interface’s story, so that certainly helped with trust building.

What was the output from that workshop?

Net-Works was one of three prototype models that was trialled as a result of that workshop. Dr Nick Hill of the Zoological Society of London (ZSL) was one of the participants at the workshop, and had a background in sustainable livelihood in fishing communities in the Philippines. He already had a very deep understanding of how income diversification at community level has a knock-on effect on fishing pressure and different ways of engaging communities. He also had an existing relationship with a wonderful set of people in the Philippines who were keen to turn this idea into a reality and who have been instrumental in its success.

How did you come to select ZSL as your partners?

After a trial period it became clear that the prototype we were running in the Philippines with ZSL had the most potential to become commercially viable. That was our intention from the start: it was never about doing a one-off beach clean-up. We wanted to re-engineer the value chain so that the project would stand on its own two feet, that is, the revenue from the nets would fund the on-going operations of the community-based supply chain.

What are the challenges that come with innovating collaboratively, as opposed to developing new products within your own four walls?

It’s very important to be totally clear and respectful of what the individual organisational objectives are and what the shared partnership objectives are.

ZSL wanted to reduce donor dependency for their conservation work by setting up a conservation project that was financially sustainable in the long-term. At Interface, we wanted a product that was differentiated in the market by its robust social impact.

So when it came to reporting, for example, we would have different priorities and expectations about how and when impact data was generated, given that one partner is a commercial organisation and one is a scientific non-profit.

As the partnership broker, I had to make sure that I could represent the objectives of each separate organisation, acting as a kind of translator or filter. It could be challenging at times, but the result was a genuine co-creation where we worked together on something neither organisation could have achieved on its own.

Figuring out what to do at the end of a successful pilot is another challenge with collaborative innovation: who takes it on, who funds it, where does it go? Sometimes both the corporate and the NGO will expect the other to fund the scaling of a successful pilot.

What has been the commercial benefit for Interface?

We surveyed our sales force and found that the project has had a measureable material impact on their ability to close deals. And they were very pleased with having a truly differentiated story that they could talk to their customers about with genuine pride – they even talk to their families about it.

It’s certainly a powerful story.

I think the human aspect of the story is what has made it so “sticky”. Not enough of the corporate conversation around the big challenges of our time is empowering, positive or people-based. This was about mothers and fathers and families who were empowered to have a materially better quality of life.

To give a small example, we turned up at the project one day and the community members were all wearing matching T-shirts. We just assumed that an NGO partner had made them, but it turned out the local people themselves had got them printed. I remember Nick getting emotional and saying, “you won’t appreciate what a big thing this is, but this is huge.”

The success of the project became an incredibly powerful sales tool, particularly in a commercial environment where more and more businesses are claiming to be purposeful, but don’t yet necessarily have the cultural embeddedness or the partnership and collaborative skills to make it happen.

What steps do businesses have to take in order to successfully co-create and innovate from a place of purpose?

Dream big, but start somewhere! Ask the Interesting Question. Get the ‘unusual suspects’ in the room, and embrace the unexpected. It can be uncomfortable for people who’ve been through conventional business training, but it’s important to embrace the ambiguity and the unexpectedness that comes from bringing those unusual suspects together.

There’s also a deep level of empathy that’s needed to make any kind of partnership work. To be able to stand in somebody else’s shoes and genuinely hear them. To understand what their pressures are and to be really clear both about the shared objectives and about the parts where you don’t overlap. “I’ll be your translator, but I need you to be my translator.”

It’s easier said than done, and I’m by no means saying that we had the perfect templates and models, but having that in mind from the beginning I think is very important.

Photo courtesy of Net-Works



“

The question Interface initially posed was: how could a carpet tile address inequality?

Miriam Turner

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PURPOSE IN NUMBERS.



\$15 billion
committed to impact
investments in 2015
(GIIN Annual Impact Investor Survey 2016)



64%
of employees feel more loyal toward
businesses that aim to do more than
simply create shareholder value
(Calling Brands / YouGov 2015)



49%
of millennials worldwide have
“chosen not to undertake a task at
work because it went against their
personal values or ethics”.
(Deloitte Millennials Survey 2016)



40%
of global aspirational consumers
want to choose brands that “have
a clear purpose and act in the best
interests of society” ... but 50%
cannot name one. *(Globescan 2016)*



£18.5 billion
economic contribution of social
enterprises in the UK
(based on Small Business Survey 2012)



80%
of global executives believe that
a strong sense of purpose helps
increase customer loyalty
(Harvard Business Review / EY 2015)



65%
of employees will “go the
extra mile” if they work for an
organisation with purpose
(Calling Brands / YouGov 2015)



Meaningful brands gain on
average **46%** more share of wallet
(Havas Media Meaningful Brands study 2015)



INTERVIEW: IQBAL WAHHAB.



Iqbal Wahhab was born in Bangladesh and came to Britain when he was just eight months old. After a career in journalism and PR, Iqbal founded the multi-award winning Cinnamon Club restaurant in 2001, followed by modern British restaurant Roast in 2005.

Iqbal describes himself as a “restaurateur with social meddling tendencies”, and has long used his businesses as a force for good. As well as supporting a range of charities through the Roast Foundation, Roast itself makes a point of hiring ex-offenders, apprentices and the socially excluded, and has a top three-star rating with the Sustainable Restaurant Association. The restaurant also has one dedicated table from which all profits are donated to charitable causes.

Never shy of speaking his mind, Iqbal ruffled feathers recently with the publication of his provocative book *Charity Sucks* (see review, page 30). In it, he argues that we are entering a post-philanthropy age, where social entrepreneurs are better placed to sustainably solve our problems than either the “outdated and ineffective” donations model or the welfare state. We spoke to Iqbal about *Charity Sucks*, social enterprises and how becoming a force for good is good for business.

What's been the response to your book, *Charity Sucks*, so far?

There's been a painfully predictable response from the third sector – defensive, territorial, resentful. “What about Phillip Green?” comes up regularly, as if the citing of a rogue businessman breaks my case. The social enterprise world doesn't want to be seen to be doing down charity and in a way they don't need to because their actions in effect do that! A number of businesspeople have bulk-bought copies to give the trustees of charity boards they sit on and some philanthropist friends say they are now going to review their

donations model because they never apply scrutiny to charitable giving in a way they do with their commercial portfolios.

If we believe that business and entrepreneurship is the best vehicle for creating better social outcomes, how can we convince business leaders to take up this task?

We do that by showing the commercial benefits from doing so. Public facing businesses are the easiest to make the transition because they have to exhibit the values of their customers in order to keep their loyalty as otherwise they increasingly choose to shop elsewhere. But it applies across virtually all commercial engagement and as taxpayers we need to vocalise our voice as customers of the government. The state has historically failed to use an enormously powerful tool at its disposal in the shape of its procurement policies. When a government department makes a million pound stationary purchase, why isn't it asking the company it's buying from what its workplace ethnic diversity is like, what commitment has it made to reduce its carbon footprint, how many women are sitting on their boards?

What challenges have you faced in running Roast as a business with a social mission, rather than one solely motivated by profit?

The investors in my previous restaurant The Cinnamon Club used to hate seeing me get involved in what they called “fluffy stuff” activities, which they saw as a deviation from delivering handsome profits for them to share in. So I just carried on doing them and didn't tell them, assigning any expenditure/donations to the marketing budget.

At Roast I had just one partner who actually encouraged me to pursue what started as a charitable donation based series of activities financed by the profits of a single table in the restaurant. The only resistance was from our accounts team who couldn't see why we were indulging in such activities before we became

profitable – they thought that was crazy. If I'd shared with them the fanciful notion which remained locked in my head for many years that this money wasn't a loss but a social investment that would in due course bring us a financial reward as well as delivering social impact, they would have tried to get me certified.

Should businesses make money and then use it to do good, or make doing good central to their core products and strategy?

A more central proposition is the future of business. Not only is it what the millennial generation has taught us to bring to the fore so that we create a shared value ecosystem, but also because it makes your business proposition much more investible. There are many impact investment funds around now looking to back businesses that embrace this movement.

Which companies would you point to as inspiring examples of how business can be a force for good?

The leading business light in prisoner rehabilitation is Timpsons. They employ 270 people whom they have recruited straight out of a jail sentence. Not only does the company realise that businesses have a strong role to play in improving our social fabric (65% of people who are released from prison end up back inside within a year – for those who find work, the number drops to 10%) but they have also found a loyal and committed workforce. Currently the greatest businesses acting as a force for good are social enterprises like my friends at The Big Issue who don't see people at the bottom of the pile as victims deserving our pity but instead see them as commercial collaborative partners by giving them a business opportunity to sell magazines.

The lasting impact of social enterprises will be to teach conventional businesses that being a force for good is good for business.

BOOK REVIEW: CHARITY SUCKS

The deliberately provocative title of Iqbal Wahhab's concise book, *Charity Sucks*, is guaranteed to put a few noses out of joint, but his good intentions and hard-earned experience shine through across the 100-page essay.

At its heart, *Charity Sucks* is a clear and impassioned call for charities to become more enterprising and business-like, and for businesses to become more conscious of the potential they have to change the world for the better.

As both a 'reluctant social entrepreneur' at his Cinnamon Club and Roast restaurants and a past and present board member of several charities and social enterprises, Iqbal has earned the right to hold forth on the future of doing good.

The result is a sharp stick of a book that many readers will find alternately thrilling and infuriating – but always entertaining and authentic.

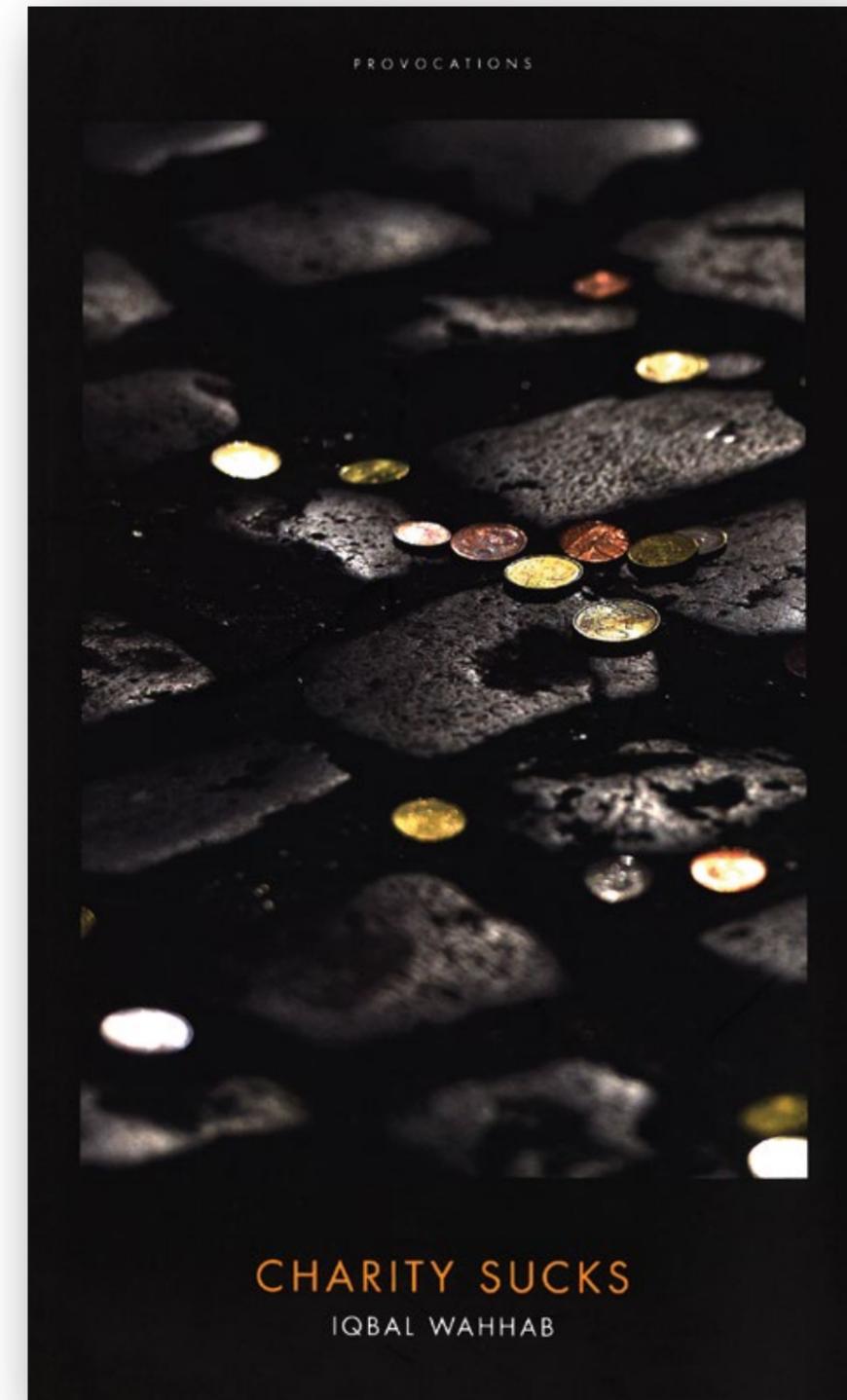
His core argument is that businesses expand through success, whereas charities must expand by inspiring hope and faith among well-meaning donors. "Success wins over hope," Iqbal claims. If businesses can integrate social mission into core business strategy, they will outstrip charities in their ability to improve the world.

To illustrate this, Iqbal speaks glowingly and persuasively of how social enterprise projects and mission-led businesses have found sustainable solutions to local and global challenges that empower people, rather than create 'donor dependency'.

To this, we might add the many enterprising and future-focused charities doing great work today – including those that are pursuing innovative collaborations with corporates on a global scale.

What comes across most powerfully in the book is the tremendous untapped potential of business itself – not simply the profits it creates – to become a force for good in the world.

It's Iqbal's genuine motivation for change that makes *Charity Sucks* such an enlightening read, even if some home truths may be uncomfortable. Yes, the title of the book challenges charities, rightly, to do better. But underneath the provocation, Iqbal is posing an even more searching question to business leaders: how can you use your leadership talent and entrepreneurial skill to 'do well by doing good'?



Available from: www.bitebackpublishing.com/books/charity-sucks



Welcome



PURPOSE IN PRACTICE: **TOUCHSTONE**

Turning rental units into homes

We've helped nationwide property management firm Touchstone sharpen commercial advantage and enhance its reputation by reimagining its purpose, values and brand.

After 25 years in business, Touchstone's employees understand what it takes to make a rental property truly feel like a home. Our challenge was to capture the full breadth of Touchstone's practical, market and human intelligence and turn it into a competitive edge.

Working closely with Touchstone's senior leadership team, we redefined Touchstone's purpose as "Pride of place: turning rental units into homes".

This refreshed purpose delivers a clear commercial advantage. When tenants feel truly at home, they stay longer and value and look after the property. This reduces turnover, maintenance and management costs for landlords.

As Tim Saunders, Chief Executive of Touchstone, says:

"We want to create a world where landlords and tenants recognise and respect each other's needs. The more we can create a genuine sense of home for tenants, the lower the costs and the greater the profit."

This in turn helps to create better neighbourhoods and communities, as tenants who stay longer tend to create more long-lasting connections and become part of the social fabric.

This clear purpose can now be felt across every part of Touchstone's business strategy, culture and brand.

“

The more we can create a genuine sense of home for tenants, the lower the costs and the greater the profit.

Tim Saunders, Former Chief Executive, Touchstone

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PESTLE

POLITICAL
ECONOMIC
SOCCIAL
TECHNOLOGICAL
LELEGAL
ENVIRONMENTAL

In the ten years that we've been helping businesses craft purpose-led visions, we've seen how vital it is for a company's purpose to be thoroughly grounded in reality. Right from the start, it's important to root your purpose in the political, economic, social, technological, legal and environmental (PESTLE) context in which you operate, to best gain traction with employees, customers and other stakeholders.

You may already be familiar with PESTLE analysis from business planning or marketing. It's also a powerful tool to apply to your company's purpose-led vision as it starts to take shape.

Try using our example PESTLE cards to spark discussions about your business model and social mission.



P Which movements and institutions could you partner with to better achieve your social mission?

E Is your sector experiencing consolidation?

S How is urbanisation affecting your customers' lives?

T What will you do if 3D printing makes it easy for people to make your product themselves?

L How well do your HR policies reflect your purpose and values?

E How vulnerable would your company be to a tightening in carbon emission limits?

P What does the rising political reaction against globalisation mean for your business and social mission?

E Are there underserved markets that could benefit from your products?

S Which of your competitors is the most socially engaged?

T What does the rise of automation mean for your company's mission?

L Would altering your legal status or articles of association (e.g. to become a benefit corporation) help embed your purpose?

E Which environmental issues do your employees care most about?

P What is the number one regulatory threat you face at the moment?

E In a changing world of work, how will you attract the talent you need for the next 20 years?

S How is growing inequality affecting the demand for your products and services?

T How could digital or mobile technology help you achieve your purpose on a bigger scale?

L How quickly could you adapt to a legal requirement for gender-balanced boards?

E How reliant is your business on the ready availability of non-renewable raw materials?

P Can you use the UN Sustainable Development Goals to guide your business model and social mission?

E Does the emergence of a global middle class present any opportunities for you?

S What does gender mean for your company?

T How is your competition investing in and engaging with technology?

L If you were forced to publish details of your supply chain, would that be a problem or a competitive advantage?

E Who is the environment sustainability leader in your sector?

P How much does the tax you pay benefit the communities in which you operate?

E What does rising income inequality mean for your business?

S Does the aging population create any opportunities for you?

T Look outside your sector – which tech trends are inspiring? Which are terrifying?

L Are there opportunities to lead your sector by pushing for new, tougher laws around issues such as equality and environmental protection?

E Which environmental issues do your customers care most about?



Technological

Many financial services firms are taking advantage of greater mobile penetration in Africa to make money services available to legions of previously “unbanked” people.



Social

India’s Brooke Bond tea brand has drawn on its purpose of “making the world a more welcoming place, one cup of tea at a time” by giving India’s transgender community a platform to challenge caricatures and stereotypes through its “6 Pack Band” advertising campaign, stimulating both conversations and sales.

Political

Global brands such as Pearson, Unilever, H&M, BT and Microsoft are already aligning their purpose and sustainability goals with the UN Sustainable Development Goals.



Environmental

LEGO makes bricks from petrochemicals that create carbon emissions, but to stay ahead of future emissions policy and be true to its purpose of “inspiring and developing the builders of tomorrow”, it is investing around \$150 million in researching alternatives to oil-based plastic as well as exploring digitisation and less resource-intensive ways of playing.



PURPOSE MAP.

1. Neighbourly (Bristol)

Tech startup Neighbourly has achieved rapid growth through CEO Nick Davies' disruptive mission to connect community projects and charities with helpful people and businesses.

2. Buurtzorg (Netherlands)

The "Buurtzorg Model" of self-organising community nursing teams is revolutionising healthcare in the Netherlands, Sweden, Japan and the US.

3. Danone (Paris)

A visionary global F&D company dedicated wholly to achieving health through food. Under the leadership of inspirational CEO Emmanuel Faber, Danone's "alimentation revolution" is driving solid growth and changing eating habits for the better worldwide.

4. WorldRemit (London)

WorldRemit exists to end rip-off fees for international remittances and put migrant workers in control of their finances. Led by Ismail Ahmed, WorldRemit has grown substantially, attracted over £150m in investment and employs over 300 people worldwide.

5. IKEA (Sweden)

The iconic retailer is using its reach and scale to make more from less and build thrift and resourcefulness into its supply chain - driving commercial performance by reducing impact.

6. Vaude (Germany)

This family firm's environmentally-friendly and fairly produced outdoor sportswear inspires people to enjoy the great outdoors while protecting nature at the same time. Vaude's commitment to "partnership with nature" has seen it win awards for environmental and commercial performance alike.

7. Ella's Kitchen (Henley-on-Thames)

Founder Paul Lindley set up Ella's Kitchen to make sure his daughter had the opportunity to discover that healthy food could be fun, tasty and cool. This mission to create healthy eating habits that last a lifetime has made Ella's Kitchen a household name.

8. Unilever (London)

Unilever CEO Paul Polman is perhaps the world's leading advocate for business as a force for good. Driven by a commitment to "make sustainable living commonplace", Unilever has shown that profit and purpose can go hand-in-hand. Its purposeful brands like Dove and Lifebuoy are growing at twice the pace of the rest of its portfolio.

9. LEGO (Denmark)

CEO (and now chairman) Jorgen Knudstrop rescued the loss-making toymaker from the brink by refocusing on its purpose of "inspiring and developing the builders of tomorrow". Under his leadership, revenues increased by an average of 17% per year.



Know a business that belongs on our Purpose Map?

Get in touch at steve@thehouse.co.uk

You can also see the full Purpose Map at www.thehouse.co.uk



OUR STORY.

We set up The House 20 years ago. In our first decade we worked with some of the biggest names in the drinks, retail and entertainment industry, including Jack Daniel's, Diageo and Swatch.

You learn a lot from working with global brands. Most of all, you learn about yourself and what really matters to you. We looked inside ourselves and realised that we are here to help business and brand become a force for good.

Ten years ago, we took the leap and decided to put purpose at the heart of our company - giving up 70% of our turnover in the process. It was a big step and there were moments of huge doubt, but we knew deep down that a strong sense of purpose was linked to business success.

The evidence now confirms it: purposeful brands outperform, attract the best talent and connect to customers on a deeper level.

Building our business on purpose has transformed our company and our culture. It's also helped us to transform the fortunes of our clients and deliver truly meaningful work - work that has been recognised by nine Europe-wide awards.

“
Building our business on purpose has transformed our company and our culture.
”



Certified



Corporation[®]

Our job at The House is to help leaders create businesses that are a force for good.

www.thehouse.co.uk



THE HOUSE