



*Ahead of the official publication of his new book The Guiding Purpose Strategy, our partner Markus Kramer shares key insights on how Purpose propels growth from within. Views are subjective and our own. November 14th, 2017. © Brand Affairs AG.*

## 5 Key Benefits of Knowing Your Company's Purpose

Individuals and companies with clarity of Purpose are changing the world. The leaders, marketers, entrepreneurs, and individuals who understand this will be the positive change-makers of tomorrow. Just think of Apple's 'Humanizing Technology' or Google's 'Organizing the World's Information'. These are not straplines or slogans, but deeply rooted value systems, driving direction, alignment and energy from within. Reduced to the max and expressed in five words or less, Purpose sits right at the invisible core of positive transformation.



<https://vimeo.com/239592438>



## Here are five Purpose driven key benefits every leader should bear in mind when thinking about the future:

### Generate Healthier Profits

- There is plenty of evidence that companies with clarity of Purpose outperform the market by a 9:1<sup>1</sup> ratio over a ten-year period. In other words, meaningful companies driven by a higher Purpose drive profits. Purposeful brands outperform the stock market by 133%, gain 46%<sup>2</sup> more share of wallet and achieve results that are double those of lower rated brands. The same applies for intangible benefits, such as customer and employee loyalty.

### Gain A Competitive Edge

- Applying Moore's Law loosely to the speed of change in organizations, Purpose-led transformation will enter our lives a lot quicker than we think – and in such an environment, competitive advantage is execution and speed. Purpose provides the alignment and clarity across the organization to stay agile, react fast and move as one organic whole, short-cutting corporate red-tape, all the while keeping everyone focused on the same objectives.

### Increase Employee & Customer Loyalty

- Think about Harley-Davidson, for example. Does Harley build the best bikes? Well, who cares – you buy into the brand, work for the company or simply enjoy the ride because you belong to something much larger than the rationality of getting from one place to another. Fulfilling dreams of personal freedom pushes a sense of internal and external alignment, drives margins up, increases retention - and makes sure that Harley's logo is still the second most tattooed symbol on any human body for decades to come.

### Attract The Best Talent

- All parameters being equal (pay, fringe benefits, etc.), the power of Purpose can make all the difference in attracting top talent. Why would a bright millennial graduate choose Google over of a job at a traditional bank? The answer is as striking as it is deep: 'Why should I help make rich people get richer when I can help organize the world's information?' Or in other words, we are witnessing a generation entering the workforce that values a Google-type Purpose more than the pure rationality of monetary compensation and nice perks.

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<sup>1</sup> Sisodia, Rajendra, David B. Wolfe, and Jagdish N. Sheth. *Firms of Endearment: The Pursuit of Purpose and Profit*. Upper Saddle River, NJ: Pearson Education, 2007. Print.

<sup>2</sup> Smith, Shaun. "Customer Experience: On Purpose." *Brand Quarterly*. N.p., 30 Sept. 2016. Web. 22 June 2017. <<http://www.brandquarterly.com/customer-experience-on-purpose>>.



## Create a Culture of Excellence

- Clarity of Purpose requires a carefully crafted mix of people, behavior and vision. Cultivating an internal culture of excellence is what lies at the heart of Purpose, radiating from the inside out. Think about your business as a global village in which every interaction is a pleasant experience. Operating in such a mode builds a culture of excellence based on values and ambition – which in turn is, of course, intrinsically linked to the very reason why we exist. Prof. Stefano D’Anna sums it up best: “Be a king first, then kingdom will come.”

So what is your Purpose? If you can’t articulate your very reason for ‘being’ in five words or less, it is high time to give it some serious thought. Having a crystal-clear reason as to why you exist and knowing how to embed it into your organization is more than a nice-to-have. Tomorrow’s know-how is no longer enough. Your Know-Why is the new Know-How. Articulating your very ‘raison d’être’ and anchoring it within your entire value chain is not a question of fluff, but one of whether or not you will be able to thrive in the reality of tomorrow.

*As a valued member of our network, and if you are interested in exploring more on the topic, please visit [www.guidingpurposestrategy.com](http://www.guidingpurposestrategy.com) or **get in touch for your exclusive and complementary hard-cover copy of *The Guiding Purpose Strategy*, a navigational code for brand growth. (2017, Markus Kramer, Clink Street Publishing, London/New York).***