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# Brand purpose: The navigational code for growth

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## Abstract

*Navigating towards a substantially better future requires a balanced commitment of long-term vision and strategic decision making. In order for a brand to navigate towards a future where it thrives rather than merely survives, finding, articulating and applying a higher purpose is a sine qua non. This paper exposes why purpose is inseparable from future prosperity, and proposes a novel framework rooted in academic rigour and first-hand experience with how executives in charge of brand can create propositions that will thrive in the post-positioning era of total connectedness.*

## Keywords

*brand strategy, decision making, growth, internal culture, know-why, purpose*

## INTRODUCTION

Uncertainty about the future is not a new aspect of business life. It may seem more prevalent today than ever, but humanity has always been deeply interested in seeing the future clearly. History, experience and empirical data tell us that the best way to gain a clear picture of the future is to navigate towards it using strategies guided by an overarching purpose. North of strategy, a strongly anchored purpose builds the connective tissue that aligns all stakeholders beyond financial returns. A carefully calibrated and brand-aligned purpose can bridge functions, markets, socio-demographics and much more.

Based on extensive soul searching work with multiple brands and teams around the globe and across multiple industries, this paper argues that there is, in fact, a structured approach that enables the identification and articulation of ‘Purpose’ — with a capital P — in the context of brand and business strategy. Often hidden in plain sight, it represents the undeniable *raison d’être* that attracts new talent, unifies across multiple dimensions and continuously injects meaning and passion into what people do in their work. The Guiding Purpose Strategy (GPS) framework represents an organised approach to help brands and businesses create more value for everyone and for the long run.

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## THE WORLD'S AUTHENTIC NEEDS

The Austrian-born American consultant, author and father of modern management Prof. Peter Drucker once said: 'Profit for a company is like oxygen for a person. If you don't have enough of it, you're out of the game. But if you think your life is about breathing, you're really missing something.'<sup>1</sup> He implies here that there is more to business than profit. Brands the world over are facing new generations of consumers and employees who expect value beyond 'breathing'. Today, businesses both global and local, both large and small, have the potential to act not merely as money-making mechanisms, but rather as powerful bodies shaping the future. The most effective way of achieving this concept is by doing well through doing good. Technology, global trade, platform revolution (think Uber, Airbnb etc.) and Industrie 4.0 represent industrial strengths that have the power to create strong brands and improve societies around the world — more than possibly any other force today. A good starting point in the race to future-proof brands is by starting with the identification of a deep, inner Purpose that transcends strategy and holds a brand's ecosystem at the centre.

There is no doubt that capitalism, as a system, needs to work in many parts of the world. As a step in that direction, the world of today needs more Purpose-led organisations that genuinely think beyond shareholder value maximisation. As Gurnek Bains aptly states in his book *Meaning Inc.*, the average share price of 'meaningful' companies has risen 600 per cent over a 10-year trajectory.<sup>2</sup> In the 21st century's societal context, a business cannot generate more revenue without a strong purpose, and in a business context, a good Purpose always generates profit. In this sense, Purpose and profit are intrinsically intertwined, and a brand's short-term,

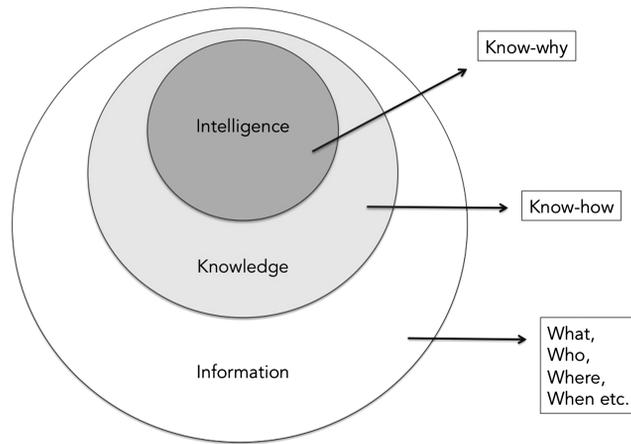
mid-term and long-term decision making depends both internally and externally on navigating towards the future with an overarching, guiding Purpose provided that both meaning and direction.

On an industrial level, the guiding force of Purpose-driven strategies will gradually address the shortcomings of pure capitalism (such as shareholder value maximisation at the cost of exploiting suppliers). A conscious, Purpose-led brand framework provides a basis for a clear action plan to mitigate the weaknesses of a macro system. A guiding Purpose not only provides a critical economic boost at the corporate level, but also on the industrial level.

## FINDING AND ARTICULATING PURPOSE

An easy way to think about identifying a powerful Purpose statement is to consider the onion principle. On the outside are the most tangible elements of the business, the information layer, representing the comfort zone of discussing and thinking through operations: who does what, where, when, etc. Identifying how things are done requires peeling away one layer. Often this next layer, the knowledge layer, comprises systems, infrastructure and process discussions: the know-how. Asking why we do what we do is a great way to move from knowledge — often acquired over years and frequently residing within 'corporate siloes' — to the inner workings of a brand: intelligence, or know-why.

For brands to thrive in the future, the new know-how is rapidly becoming the know-why. Take for example a Millennial graduate being offered two equally very attractive job options: one at a major bank and one at Google. All parameters being equal (pay, fringe benefits, etc.), the power of Purpose can make all the difference. When asked why this particular candidate chose Google instead of the bank,



**Figure 1** The new know-how is the know-why

the answer was simply: ‘Why should I help make rich people richer when I can help organise the world’s information?’<sup>3</sup> This candidate considered Google’s Purpose to be more meaningful and attractive and made his choice accordingly. This example represents the importance of know-why in shaping the future of a company.

### Exercise: Do you have a Purpose?

Do you have a Purpose for your brand, business? Having a Purpose means being crystal clear about why you are here — based on who you are and what you stand for. This is not about a lengthy corporate mission statement — and it is not some sort of long value articulation, either.

A powerful and well-functioning Purpose aligns vertically and horizontally. In other words, it makes for ‘shared and aligned purpose’ within a brand’s ecosystem. Here is a good test for you to try. Take a minute and answer the following questions:

1. Answer for yourself: ‘What is your purpose?’ — Can you articulate your answer in five words or less?

2. Now ask your peers, colleagues and your boss: ‘What is our purpose?’ — Can they articulate this in five words or less? If their answer is coherent with your answer to question 1, then you can claim ‘shared purpose’.
3. In order to gain an external perspective, now ask your customers, suppliers and business partners: ‘What do we stand for, what is our purpose, why are we here?’ — If you get the same answer from your external stakeholders, then you can claim ‘aligned purpose’.

If you answered all three questions with ease, this is the place to stop reading. Skip this paper and work on your strategy of ‘how’ to make things happen. It is very rare for people to achieve cohesion on these three simple questions. Most people cannot not even articulate an answer to the first one, let alone being coherent on questions 2 and 3.

The implied simplicity in this type of test represents the tip of an iceberg. Creating shared and aligned purpose for brands requires deep thinking and engagement on a cultural level. The process of ‘soul searching’ (ie finding and articulating purpose) is

often triggered through market alignment (re-positioning), board directive (need for change) or rapid growth (scaling).

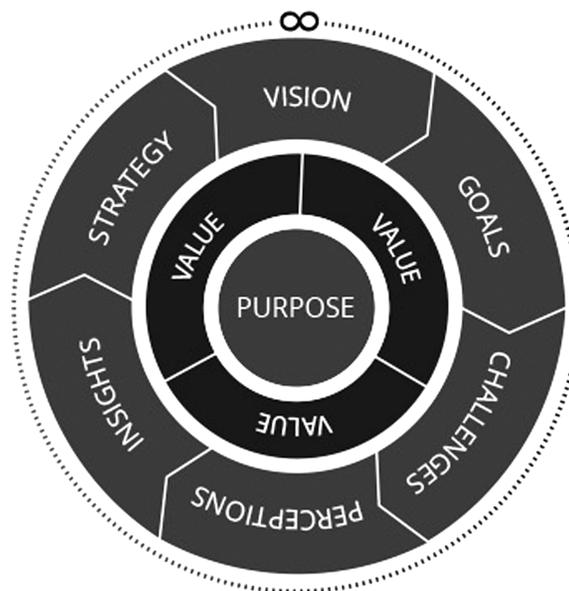
**CASE STUDY 1: AIRBNB**

What started as a simple concept of offering travellers an alternative way of spending nights away from home evolved rapidly into a company now valued at tens of billions of dollars. A child of the platform revolution and sharing economy, Airbnb grew at a tremendous speed. In a sense, this company is a start-up that ‘retrofitted’ a Purpose, which helped the team create cohesion within its ecosystem and lifting ‘Airbnb-ing’ from budget travel to an experience. Airbnb went from ‘staying cheap’ to offering its customers to ‘belong anywhere’.<sup>4</sup>The idea of belonging is powerful in that it captures the innate emotion of really diving into a cultural experience versus mere overnight stay. An overarching Purpose that is rich and diverse captures the sense of meaning both inside

and outside the organisation. ‘To belong’ works equally well for the team at Airbnb as well as travellers and the ‘supply chain’ (people renting out their place), a short, powerful narrative that captures the *raison d’être* in just one or two words.

Journeys like that of Airbnb may fit into one paragraph, but they represent hard work, patience, focus and trust in the process and the people who drive it. A proven methodology honed through many years of academic rigour and real-world experience helps to set out strategic brand vision, shaping the architecture of business capabilities, implementation and organisational alignment for shared and aligned purpose.

Purpose lies at the essence of a brand. On a simplified level, the map for finding the innermost Purpose could be described as a three-layered rose, analogical to the Tudor rose emblem. As shown in figure 2, the central part of the rose is the deep brand Purpose. The second layer is composed of values, and the third layer consists of the areas most tangible: vision, strategy, goals, challenges, perceptions, insights.



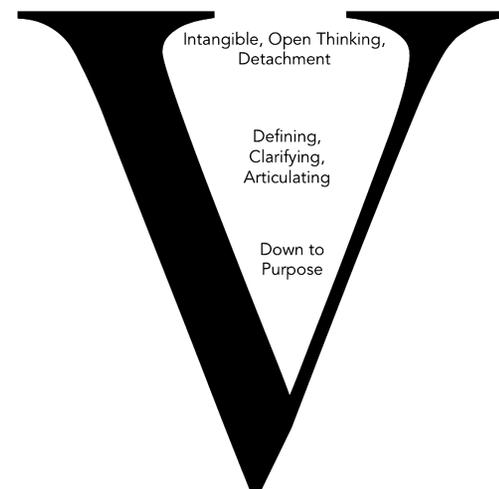
**Figure 2** The guiding purpose framework

For executive teams, it is easiest to work from the outside in, working clockwise through the outer layer generally starting with 'Vision'. Most businesses will have a vision, generally reaching for the stars, which is a great starting point. More tangible are 'Goals', which articulate what achieving success on the journey to reach the vision will mean in terms of business results. Often these goals are yearly plans over at least five years. Success doesn't come that easy. 'Challenges' describes the barriers and hurdles to overcome, ranging anywhere from macro constraints (taxation, market access, etc.) to business challenges (cost, resource, brand awareness, etc.). Inside and outside 'Perceptions' are generally derived from active and passive market research, representing the voice of stakeholders (customers, partners, etc.). 'Insights' distils Vision, Goals, Challenges and Perceptions into meaningful cornerstones to shape 'Strategy'. The latter is a function of the former and articulates 'How to' in succinct language. Any business will be familiar with these areas and it is generally easy to engage teams across functions in the work of realising, defining and achieving these concepts.

The second layer of the rose deals with defining appropriate values. The best results are achieved by keeping this list to three to four important values. Often two to three will describe desired internal cultural behaviour and one value will clearly help differentiate against competition.

If the map of finding the overarching purpose is a three-layered rose, then the process of articulating the inner heart of the rose, Purpose, can be visualised as the inside of the capital letter V for 'Voluntas' ('*voluntas*' in Latin means '*of good purpose*'). In figure 3, the top part of the V represents freethinking, openly exploring

intangible notions, curiously wandering and detachment from the world of limits and gravity. As Albert Einstein put it, 'Logic will get you from A to B. Imagination will take you everywhere.'<sup>5</sup> The middle part inside the V symbol represents defining, clarifying and articulating. The bottom part of the letter represents the method of reducing down to a singular, tangible and clear Purpose. This process is systematic and holistic, moving from the intellectual to the practical. One must begin from the very abstract and then reduce down or purify to the tangible. The process is driven by the need to adopt an *outside in* perspective in order to be able to create a purpose that radiates from the *inside out*.



**Figure 3** Defining purpose

If the element of intrinsic sincerity is absent in this process then it is easy to miss the point of this exercise — and indeed of the entire framework. After attempting to craft your Purpose statement, remember to ask the question: Can our Purpose statement be *instantly felt* apart from being understood?

The power of the V formula is not limited to process, however. A checklist supports the articulation of Purpose. As described above, a good Purpose statement must work intrinsically. Applying a tested and tried ‘filter’ can help hone the direction into well-crafted words.

*List 1: Checklist for a good Purpose statement*

- No longer than five words
- Starts with an action word (verb)
- Provides deeper meaning
- Expresses the overarching ‘Reason Why’ delivered in what you do
- Is true from within
- Connects with the head and the heart
- Is closer than you think; universal yet tangible

An issue that arises frequently when teams craft powerful purpose statements is the confusion around ‘purpose’ and ‘strapline’. Particularly for non-brand executives, the distinction is too subtle to be intuitive. Both are short and powerful. Both are engaging. Yet they serve very different reasons.

A strapline is often descriptive in nature at the inception of a brand (low brand awareness) and evolves over time to an elevated, intrinsic benefit (ie think of Harley-Davidsons latest iteration: ‘Live Your Legend’<sup>6</sup>). It is catchy, often tied to a particular campaign and serves the need of differentiation.

A purpose statement on the other hand works from within. It is less intuitive and requires context in order to be meaningful. For the people ‘within’ a brands ecosystem, it serves as an all-encompassing, philosophical canvas to provide guidance and direction.

## CASE STUDY 2: APPLE

Apple’s break-through strapline ‘Think Different’ appealed to the creative mind in every one of us, setting Apple apart from its PC rivals. This breakthrough is a much more philosophical approach compared to Apple’s roots back in the 1980s. Steve Jobs used this expression to attract and retain talent, helping him achieve his vision: ‘To make a contribution to the world by making tools for the mind that advance humankind.’<sup>7</sup> Apple also does not operate according to a typical outside-in model, but rather adopts an inside-out approach, combining technology with aesthetics in new and innovative ways, inspiring and attracting future talent who believe in making a difference for the sake of mankind, rather than simply churning out the next best gadget. Steve Jobs was obsessed with making things intuitive, safe and easy for us humble humans to use. Apple’s overarching purpose statement can aptly be summarised as ‘Humanizing Technology’: two powerful words, loaded with meaning when understood in context. And with it, they proved to the world that the complexity inherent in technology could co-exist in harmony with aesthetic simplicity in look and usage. North of Apple’s formal mission statement and associated strategy, a much shorter, more powerful, Purpose-led narrative was at work to help create the prosperous company Steve Jobs built.

Working from the inside out (Figure 1), we can note that from a brand’s innermost area (purpose, ‘know-why’) through activation (‘know-how’), a third element is important: the ‘know-that’ — or in other words: context. With increasing brand-power, purpose is able to shape not just how we consistently activate and deliver on brand, but also what the brand tangibly represents.

### True Purpose works from within

According to a Deloitte survey, 73 per cent of employees who say they work in a Purpose-oriented company are engaged, compared to just 23 per cent of those who do not.<sup>8</sup> In addition to that survey, 88 per cent of Millennials would stay at their jobs more than five years if they were satisfied with the company's sense of Purpose.<sup>9</sup>

Brand culture is one of the most important aspects a business depends on for future prosperity. The predominant point of inside-out brand management is based on the following principle: For the success of a brand to be durable, the essence must never be lower than the appearance. The function of Purpose within the inner workings of a business is therefore crucial.

A Purpose-oriented brand embraces a multi-stakeholder brand management approach, which leads to doing well (profits) through doing good (employees and customers). When strategies are guided by an overarching Purpose, then brand management becomes truly enabled to transform stakeholders—inside and outside. The effect of feeling a part of the bigger picture and contributing towards a higher reason takes engagement way beyond the 'I am getting a monthly pay check' dynamic inherent in many cooperations. This transformative effect is (1) independent of rationality (eg size, geographic location, functions, seniority) and (2) is rapidly scalable across an entire organisation.

Consider President John F. Kennedy's visit to the NASA space centre in 1962. Noticing a janitor carrying a broom, he interrupted his tour, walked over to the man and announced, 'Hi, I'm Jack Kennedy. What are you doing?'

'Well, Mr. President', the janitor responded, 'I'm helping put a man on the moon.'<sup>10</sup>

Both Kennedy and the janitor recognised that all people have a function in achieving big things. Conversely, internal culture works well when it works in accordance with brand Purpose. It is an alignment operating as in the first axiom of Euclid, father of geometry, which simply states that when two things are equal to one thing, they are equal to each other. The idea of shared and aligned Purpose should never be perceived as akin to soldiers standing in an artificially rigid order. Rather, shared and aligned Purpose needs to be imagined as the natural order or alignment of the ruby-like seeds of a pomegranate, where the positioning of each seed is unique and organically fine-tuned. Shared and aligned Purpose, then, becomes a distinctive yet collective language working within a brand's ecosystem.

This begs the question of where 'good Purpose statements' are at work. The luxury industry for one has never had a serious problem with engagement. Although often polarising in positioning and brand strategies, luxury brands have managed to create brand ecosystems where shared passion is aligned with customers' expectations. A good example is Ritz-Carlton, where the internal training of the brand is based on the philosophical principle of 'ladies and gentlemen serving ladies and gentlemen'<sup>11</sup> as opposed to employees working for bosses or servants serving customers. Another good example is Harley-Davidson: 'Fulfilling dreams of personal freedom'<sup>12</sup> is the company's stated Purpose, representing a mindset and catalyst that makes it shared to distinguish the CEO from a customer from a factory worker. Go to any Harley rally and you can feel how the power of shared and aligned Purpose cultivates a culture around a carefully calibrated brand Purpose.

A holistic integration of guiding Purpose strategy across the entire value chain is crucial for a brand to thrive.

### From the stars to practicality

Embarking on large, corporate journeys to identify and articulate a meaningful brand Purpose is by no means an easy feat. Often these exercises span months if not years of research, engagement and validation throughout and organisations' ecosystem. Purpose statements in themselves are, as Ratan Tata puts it, 'a spiritual and moral call to action; it is what a person or company stands for'<sup>13</sup> — which makes most often for something intangible that is hard to activate. It is therefore important that any Purpose statement is actionable and provides direction and guidance on a daily basis.

### CASE STUDY 3: ROCHE

Jesper Ek, mid-level manager at Roche, the Swiss pharmaceutical company, was asked to take charge of an underperforming team in Sweden. The company's sales had been dropping year on year since 2006. Jesper Ek helped the team discover and better understand their Purpose,<sup>14</sup> and become Purpose-driven as a team. Following this transformation, 'the engagement score had risen to 75 per cent, the disengagement was down to 0 per cent . . . there were market share gains of more than 3 per cent, an impressive 250 per cent growth with the integrated meter and growth both in total sales and in operating profit.'<sup>5</sup> These results indicate that employees of a Purpose-driven organisation go the extra mile. All employees harness energy from the same single source: a higher Purpose within.

### Purpose is here to stay

As Rachna Joshi Nair and Misha Pinkhasov, who have worked with luxury brands for many years, wrote: 'Purpose-led brands, firms and individuals can rise above the economic weather in the way many luxury brands have always done.'<sup>15</sup> Luxury brands are able to rise above the economic weather because of their accurate long-term implementation of that innermost meaningful Purpose. Luxury brands are timeless in the sense that they manage to stay, as it were, above the times.

Longitudinal data reveals the powers and benefits of brand Purpose. Years of studies on the world's best performing brands for the Best Global Brands report revealed a single common denominator. As Carolyn Ray, Managing Director of Interbrand Canada, puts it: 'A shared characteristic is clear: brands with purpose rise to the top.'<sup>16</sup> In the long term, brands with Purpose outperform those that are without Purpose. More than any other strategy, a conscious implementation of a guiding Purpose strategy makes way for the creation of long-term value. When a brand is guided by an overarching Purpose in its *modus operandi*, it gains and maintains competitive advantage in today's over-crowded markets.

### Conclusion

Understanding, articulating and knowing a brand's innate Purpose is more than knowledge. It represents the essential intelligence about a brand's *raison d'être*. Brand Purpose is the know-why and, in the 21st century, the know-why is the new know-how. A brand's Purpose, at the same time, has a know-that aspect to it. The know-that aspect of Purpose is about the fact that awareness of one's Purpose is a kind of knowledge by acquaintance. In other

words, once you discover it or taste it, so to speak, you don't want to go back, thereby creating the cohesion that binds people inside and outside the brand together. Much good will result from more overtly shared and aligned Purpose-led brands in years to come.

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