



...solve thorny business challenges in the time it takes to drink a cup of tea

www.pgtax.co.uk | 01761 410444

What happens to your results when you lead your business with purpose?

How would you want your customers to respond should catastrophe hit your business?

What about your suppliers and even your investors?

In business for just 8 months, the first and only Whole Foods Market looked down the barrel of disaster on a stormy morning May 25th.

Torrential rain meant the store was under 8 feet of flood water. All equipment and food stocks were destroyed – £300,000 worth. No savings. No insurance. They were financially wiped out.

It felt like the end of a beautiful but short-lived dream for the founders John Mackey and Renee Lawson.

But as the day unfolded, dozens of customers and neighbours started showing up at the store with buckets and mops.

When they asked this small army of volunteers why they were doing this they responded:

"Whole Foods is really important to me"

"I'm not sure I'd want to live here if it wasn't for Whole Foods"



IN A NUTSHELL

Successful business isn't just about delivering your products or services to your customers for a profit – it's about having a deeper meaning that connects with your customers, your employees and other stakeholders.

Even more help shows up...

It wasn't just customers who helped Whole Foods Market get back on their feet.

Team members worked for free.

Suppliers offered to resupply them with extended credit because they too cared about the business.

Investors dipped deeper into their pockets to help start the refinancing of the business and the banks

followed suit.

On 22nd June, 28 days after the flood, the store re-opened. They eventually paid everyone back and established an internationally recognised health food store.

All this happened in 1981, but the same kind of disaster story sounds oh-so familiar in our present time of turmoil!

36 years later, in the summer of 2017, Amazon bought Whole Foods Market for just over £10billion!

How come so many wanted to help?

And how come Whole Foods Market became such big business?

Because all the stakeholders at Whole Foods Market care deeply about what the business stands for.

The founders, John and Renee, lead with purpose. A purpose that holds real meaning for all those involved – customers, employees, investors, suppliers. Their purpose?

“...to nourish people and the planet”

If you think this sounds glib, it's worth knowing that this purpose-led approach has worked for Leon, Google, Brewdog, Amazon, Toyota, Patagonia, IBM, Chubb, Costco, Grameen Bank (yes a bank!) and so many more.

HERE'S THE PROVEN SOLUTION FOR YOU...

Work out what you and your business stand for.

When you know what you stand for your Company will tap into the source of success that has paid off for Whole Foods Market (and many other businesses small and large).

A clear sense of purpose brings clarity and alignment to everyone in your business. But be sure to make your purpose live! Make it real (don't let it become business BS!).

What exactly do we mean by purpose?

“Simply put. It's a definitive statement about the difference you are trying to make. If you have a purpose and can articulate it with clarity and passion, everything makes sense, everything flows.”

– Spence and Rushing – ‘It's Not What You Sell, It's What You Stand For’

Your core purpose is your Company's fundamental reason for being, and like a compass, gives your business a sense of direction for all your decisions and actions in keeping with what matters most to you.

Does a clear sense of purpose really pay dividends?

Jim Collins and Jerry Porras, in their research for their book ‘Built to Last’, found that between 1926 and 1990 a group of ‘visionary’ companies, those companies guided by a purpose beyond making money, returned six times more to shareholders than explicitly profit-driven rivals.

Raj Sisodia sought out companies



©VSM Fotografija/Shutterstock

that are loved by their employees, customers and other stakeholders – he calls these companies ‘Firms of Endearment’.

And on his website (www.firmsofendearment.com) you'll find a results comparison with both the S&P 500 share index and the 11 companies from Jim Collins' landmark book ‘Good to Great’.

KEY FACT

Sisodia's purpose-led ‘Firms of Endearment’ beat the S&P 500 index (over 15 years) by a ratio of 10:1 and beat the ‘Good To Great’ companies by 4.5:1.

Wouldn't you like to beat your past performance or your competitors by similar ratios?

STOP seeing profit as the core reason for the existence of your business

START living your firm's higher purpose and watch the profits follow

What happens when we don't lead with purpose?

In over 50 years of employee engagement research, Gallup have surveyed more than 82,000 teams – over 1.8 million employees – in 230 organisations across 49 industries and in 73 countries.

KEY FACT

According to Gallup's statistics, only 15% of employees worldwide describe themselves as ‘engaged’!

Doesn't this strike you as a tragic waste of human potential?

As Mackey and Sisodia markedly state in their book ‘Conscious Capitalism’:

“The blame for this does not lie with ‘lazy and unmotivated’ workers, but with companies that fail to create purposeful workplaces in which people are given the opportunity to find meaning, purpose, and happiness... by contributing to the valuable work of the company.”

Gallup's research findings agree with Mackey and Sisodia – agreeing on a well-defined purpose is vital for team engagement.

Imagine the opportunity worldwide (and in your business) when we engage with the 85% of employees who are not yet engaged in the work they do!

KEY FACT

Gallup data accumulated over the past two decades suggests better engaged teams achieve:

21% higher profitability
40% fewer quality defects
10% higher customer ratings

24% to 59% less staff turnover
41% less absenteeism
17% higher productivity

How much of a difference would these improvements make to your business?

Work out what you stand for

Capturing a clear description of your firm's purpose isn't easy. But it is a source of sustainable competitive advantage when you make it happen, so worth the effort.

Ask yourself, your leadership team, all your staff and your customers a few important but challenging questions.

Here are **4 purpose-led questions** from a longer checklist of questions you'll find in the downloadable tools to help you:

1. Why does our business need to exist?
2. What does our business (we) stand for?
3. Why would we be missed if we disappeared?
4. Why is what we do important to the people we serve?

4 types of purpose

Every business, your business, can be unique and valuable. Working out how you lead with purpose will help everyone appreciate your uniqueness and value.

In his book 'Conscious Capitalism', John Mackey shares 4 types of purpose for people and for business. As you answer the 4 purpose-led questions above, which one of these 4 types of purpose fits your business best?

1. **The good** – for service to others – they seek ways to grow the emotional intelligence of their business so they can nourish and encourage love, care and compassion toward customers,

team members and their larger community. Example: Johnson & Johnson – 'To alleviate pain and suffering'

2. **The true** – they search for truth and the pursuit of knowledge – to improve the quality of life, the decline of the cost of our lifestyles, to live healthier and more fulfilling lives. Example: Google – 'To organise the world's information and make it universally accessible and useful'
3. **The beautiful** – the pursuit of beauty and excellence and the quest for perfection – enriching people's lives, making living more enjoyable. Example: BMW – 'To enable people to experience the joy of driving'
4. **The heroic** – to really change things, make the world better, to solve insoluble problems, to achieve what others say is impossible. Example: Grameen Bank – 'Empowering the poorest of the poor'

Another exercise to help you see how these categories work, is to label the example companies in the downloadable tools (link below) as primarily being which one of the four, the good, the true, the beautiful or the heroic.

TIME TO DISAGREE

"Why do the hard work of finding a clear purpose for our business when so many companies are successful without an obvious sense of purpose?"

Most businesses are competing with similar profit-focused businesses.

Your question is a good one, but a better question might be:

"How does a profit-only focused business perform when it competes directly against a purpose-led business?"

Where do all the best employees want to work? Where do the customers feel they should buy? Where do investors want to put their money?

"We don't need to do this purpose/meaning work because we've already got a tagline."

If you develop a purpose statement that can easily be translated into a tagline, that's great.

But the criteria that you use to develop a tagline (clever, catchy) are not the same criteria you will use to articulate the fundamental purpose of your organisation.

"Your customers should feel it. They should instinctively and intuitively relate to your purpose (should they happen across it on your website or company brochure) because they are the beneficiaries of it. But it's not written for them. It is written for all the stakeholders who wake up every morning to help fulfill that purpose in some way, shape, or form." – Roy Spence – 'It's Not What You Sell, It's What You Stand For'

"Why make business so complicated – aren't we all in business to simply make money?"

Yes, every business must be profitable to survive. But, as stated earlier, if only 15% of employees are engaged in the work they do for the money they are paid, what can be done about it?

When you set out to make a difference first by leading with purpose, then make your purpose real, the results of other companies that lead with purpose clearly suggests the profits and capital value will follow.

Whole Foods Market sold for £10billion - not bad for a business that leads with purpose, not profit!

GET YOUR BITESIZE SUPPORT TOOLS NOW

<https://businessbreakthrough.online/lead-with-purpose-tools-and-resources/>

4 helping hands for you...

It's rare to find a business that has in place a crystal-clear reason for being. Even more rare to see it lived by all the stakeholders in the business.

And yet it's becoming harder to recruit quality team members or win new clients unless they can see, feel and experience your commitment to a higher purpose – like the Gallup research suggests, clarity on your firm's purpose is vital:

1. **Stop seeing profit maximisation as the primary outcome of your business**
2. **Work out what you and your business stand for – how your business can make a real difference**
3. **Make it real in your business (it's not a marketing tagline)**
4. **Share it. Live it. Campaign it**

To help you work on your Company's purpose please check out the downloadable tools for real-life examples of businesses leading with a clear purpose.



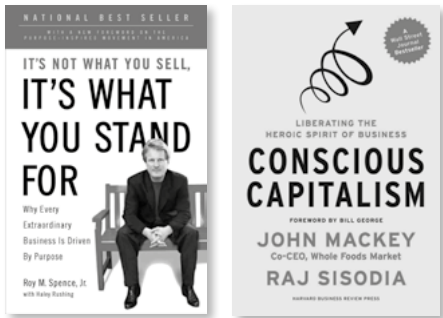
ULTIMATE ARGUMENT

“Doesn't everybody already have a purpose for their business?”

You're right. Every business intrinsically does, but few businesses make them explicit, clear, obvious. And so there lies an opportunity for a sustainable and substantial competitive advantage when you put the hard effort into working out your business's central purpose.

Check out the downloadable tools for extra videos, resources and a few exercises you can use to help build your higher purpose. You'll then be on the path to a getting deeper engagement from yourself, your team and your customers.

Want to know more?



Roy Spence 'It's Not What You Sell, It's What You Stand For'
Mackey and Sisodia 'Conscious Capitalism'

To discover more about how essential leading with purpose is in any 21st century organisation we recommend reading one or both of these well-written books.

YOUR 'MAKE IT HAPPEN' CHECKLIST:

The Firms of Endearment (FoE) out-performed the best businesses in Jim Collins' research by 4.5:1, they also outperformed the S&P 500 share index by 10:1. These FoE firms all lead with purpose.

How can you go wrong if and when you build a deeper connection with your team and your customers because you lead with purpose?

And don't be surprised if you feel more motivated and more passionate about your business when you capture your crystal-clear purpose.

1. Stop seeing profit maximisation as the primary outcome of your business

Profits come as a consequence of loyal and passionate team members and loyal and passionate customers. Loyalty and passion come from supporting a 'cause' not supporting profit making!

As Collins & Porras in their 'Built to Last' research found, those guided by a purpose beyond making money returned six times more to shareholders than explicitly profit-driven rivals.

2. Work out what you and your business stand for - how your business can make a real difference

Ask yourself and your team the purpose-driven questions like: "Why is what we do important to the people we serve?" Use the question checklist in the downloadable tools to help.

3. Make it real in your business (it's not a marketing tagline)

It's easy to get sucked into creating a marketing tagline instead of creating a higher purpose that truly means something to everyone in your business. Like Roy Spence suggests: "It is written for all the stakeholders who wake up every morning to help fulfill that purpose in some way, shape, or form".

4. Share it. Live it. Campaign it

Work out how to have your purpose show up every day or every week (at least) across your business. Your purpose should not just be destined for a plaque on the wall or a page on your website. If that's all that happens then you'll be in 'business BS-land' and people will see through the platitudes. Make it real and be noisy about it too!

As always, it's not knowing about a business breakthrough that works, it's about putting it to work! Use the downloadable support tools to help you.

GET YOUR BITESIZE SUPPORT TOOLS NOW

<https://businessbreakthrough.online/lead-with-purpose-tools-and-resources/>

To help you better understand how to bring a clear sense of purpose to your business use the support tools and resources - then everyone inside and outside your business will know what you stand for.

FOR MORE EDITIONS OF BUSINESS BREAKTHROUGHS, PLEASE GO TO:
<https://businessbreakthrough.online/library>

**Bitesize
Business
Breakthroughs**



...solve thorny business challenges in the time it takes to drink a cup of tea

**Owen
Limited**

Chartered Accountants &
Financial Advisors