

6 PRINCIPLES FOR AVOIDING PURPOSE WASHING



WHEN CREATING A PURPOSE STATEMENT

1. Develop a strategic and enduring purpose statement

- a. Purpose is your organization's reason for being, why it matters to the world that you exist. It is not a statement of what you want to accomplish.
- b. Recognize that purpose is an organization's North Star, its highest order. No other organizational doctrine supersedes it.
- c. Led by the C-suite, seek a purpose statement that is meaningful, compelling, coherent, and unique — it should withstand the test of time and enable anyone at any level to identify how they are supporting it.
- d. Strive for a purpose statement that is aligned with one or more of the United Nations Sustainable Development Goals.
- e. For global companies, consider how your purpose statement translates in different geographic regions of the world; it should be flexible in nature.

2. Root purpose in authenticity, human insights, and business strategy

- a. Recognize that an authentic purpose will always trump short-term trends.
- b. Consider how deeply your purpose connects with stakeholders' passions and expectations and whether they can quickly grasp it.
- c. Ensure purpose is aligned with the success of your business; it need not take the form of a social cause.
- d. Consider how you will live up to the standards your purpose has set so others can follow.
- e. Recognize that purpose is fundamental to the core commercial focus of a brand or a company, not ancillary.
- f. Ensure purpose has natural alignment with the organization's value proposition.
- g. Understand that purpose and profit are not mutually exclusive; a well-conceived purpose enhances profitability over time.

WHEN ACTIVATING A PURPOSE STATEMENT

3. Create systems and processes to manage purpose

- a. Ensure purpose is foundational to all brand activities, business functions, strategies, goals, and outcomes through the strategic planning process.
- b. Develop a system of checks and balances for your purpose to avoid missteps, but always be prepared to take risks.
- c. Bake purpose into your hiring and orientation processes and annual training program; leave space for all employees to connect with your purpose in an individual way.
- d. Assign a team to advance/monitor purpose efforts, with representatives from across the organization.
- e. Engage the finance department in your purpose activities to ensure buy-in and funding.

4. Integrate purpose into organizational culture

- a. Understand that while purpose ladders up and down an organization, it must be championed by the C-suite and Board of Directors and embraced with conviction by middle management.
- b. Make visible choices that meaningfully and consistently demonstrate intentional actions and efforts that support your purpose.
- c. Continually remind employees of your purpose to ensure it connects with them and their diversity of thought.
- d. Show how employees across the organization are contributing to the greater good. Recognize and celebrate impact!
- e. Use your purpose to simplify decision-making and operations by making it fundamental to every action or policy.
- f. Ensure your company's values and behaviors are aligned with your purpose.
- g. Use purpose alignment as a hiring criteria.

5. Empower stakeholders to act alongside the organization

- a. Recognize that stakeholders are people first and include consumers, customers, government officials, policymakers, industry professionals, and employees.
- b. Pursue a diverse set of actions to drive your purpose so that a wide range of people can contribute to making a difference.
- c. Understand that collaboration with likeminded organizations or coalitions is essential to advancing a brand's purpose and building stronger relationships. Take the time to discuss your purpose in detail to gain support and alignment.

6. Measure the impact of purpose

- a. Develop key qualitative and quantitative metrics to measure success.
- b. Tie purpose goals to performance evaluations and executive compensation.
- c. Transparently report on impact and progress, even when goals are not met.
- d. Provide a mechanism for stakeholders to offer feedback on your purpose work.

