

Purpose drives profit, but it is nothing without action

For years now the business world has been led to believe that purpose drives profit, that it rallies people around a greater cause, builds customer affinity, establishes trust, and opens wallets. But purpose alone is not the silver bullet. And as a business concept, it is greatly misunderstood.



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What, then, is purpose? Terri-Leigh Cassel, managing director of experience design firm Shift, provides clarity: “Purpose is a passion to right a wrong in the world. It is a business’ very reason for being and is essential because it creates clarity of direction – a compass.”

A holistic experience strategy

However, what really drives profit is not purpose itself. For purpose to be realised, a business must identify what it is best at – and develop a plan to activate this across every area of its delivery: people and culture, products and services, systems and processes, and brand and communication.

Mike dos Santos, CX strategy director at Shift says: “It is a holistic experience strategy – one that considers a business’ full picture – that actually unlocks real, sustainable growth. This is where purpose is put to work creates competitive advantage, and drives commercial success. Without this coherent plan of action, a purpose is merely an intent.”

A recent study conducted by global leadership consulting firm DDI World further substantiates this viewpoint. The study’s findings found that purpose-led companies outperform their respective markets by up to 42% financially.

However, a critical point to make is that simply articulating a purpose statement is not enough. Being led by purpose means having an actionable plan for delivering on the purpose across the entire business.

What does purpose-led business look like in action

Which begs the question: what does purpose-led business look like in action? International best practice highlights the importance of introspection and extrospection in this regard.

- A company must uncover and articulate a clear, authentic purpose statement; one that comes directly from (and, therefore, resonates with) the business' leadership, stemming from a deep-seated and shared passion to overcome a pressing issue in the wider world.
- Once defined, this should be followed by a holistic plan of action for achieving the identified purpose the business' experience strategy – informed by a deep, empathic understanding of customers' pain points and centred on what the business is (or could be) best at in overcoming these; the unique competitive advantage that will ultimately activate the purpose, thereby driving financial growth.

The world's most successful purpose-led businesses epitomise this approach, not only confirming the correlation between purpose and profit, but also making a solid business case for an approach grounded in both the heart space and head space to create maximum impact: tapping into the heart when defining a purpose and the head when developing a practical plan to action it.



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Laurent Marty 30 Jan 2023

Woolworths: “To add quality to life”

Locally, retail giant Woolworths provides a powerful demonstration of these guiding principles in practice.

Established in Cape Town back in 1931 (amid the economic downturn of the Great Depression), Woolworths's trajectory over almost a century can be traced to the original intent of its founder, Max Sonnenberg. His driving belief, set against a backdrop of increasingly and unjustly inferior product quality within the local retail industry at the time, was that people deserved better – and that sustainable business success lay in providing customers with quality merchandise at fair prices.

This passion sparked an ethos of ruthless and focused quality consciousness that has consistently inform Woolworths' course over the years, guided by a clearly articulated purpose statement – “To add quality to life” – and a cohesive, actionable customer experience strategy, where making “The Difference” for customers every day is manifested at every experience point, putting its purpose to work across the business' full ecosystem.

The results speak for themselves

From the entrenched customer centricity and service quality of its employees (both in store and behind the scenes) to the superior quality of its various product offerings, the quality of its supporting systems, processes and interfaces (front- and back-end alike), and the quality cues conveyed through its distinctive brand and communication, the Woolworths “difference” – as a longstanding value proposition and core competency – is a tangible by-product of the business' carefully considered customer experience strategy, executed through a series of rigorous and measurable standards, values, policies and purpose-aligned behaviours.

The results speak for themselves. Even in a challenging economic climate, Woolworths has attained a compound annual revenue growth rate of 11.1% over the past decade – well ahead of competitors, the

South African retail industry averages and even year-on-year inflation.

For the business at large, “the difference” has also meant the distinction between merely having a purposeful intent and having a resonant, customer-centric purpose, actioned with consistency and incisiveness through a comprehensive long-term delivery plan.

So, yes, purpose certainly does drive profit. But it is nothing without action.

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