How to avoid...

**F******K**ING UP PURPOSE

Everyone wants a piece of purpose but many are getting it badly wrong. Here are the pitfalls, the common mistakes and how to jump on board without going under the wheels.

“Better understanding of how your purpose and mission is lived in your company is essential - I applaud Kin&Co’s report on this topic.”

Alex Heaven, Danone

“Kin&Co’s report could be a real game changer”

Chris Jenkins, Ella’s Kitchen

“Want to avoid f*cking up purpose? Start by reading this quick, five page download from experts in the field.”

Alex Dimiziani, Airbnb
FOREWORD - WHY YOU SHOULD READ ON

Alex Dimiziani, Global Marketing Director, Airbnb

Purpose. It’s everywhere.

As a marketer who has long-sung the praises of purposeful brands, I am at once heartened and frightened by the pervasive use of the word in marketing today.

It’s on the lips of executives and board members alike as companies increasingly recognise the power of purpose and its potential impact on growth. Companies doing it well are now outperforming competitors by 206%.

So, if purpose is so important, how are so many getting it so wrong?

We’re seeing headline after headline about companies like Pepsi and Etsy failing publically and being roundly derided. Employees are crying hypocrisy on Glassdoor. Purpose-bashing is rife on social media. It is becoming a laughing stock, seen as more meaningless, marketing jargon.

This is because purpose is largely being leveraged for marketing - a veneer applied to the status quo - instead of being truly lived in culture, operations and hard business decisions. In today’s highly cynical and transparent environment, this approach is doing more – and more long-lasting – damage than good.

No one f**ks up purpose on purpose. But it’s an increasingly critical concept, and many leaders are falling short, with serious consequences for their organisations. Don’t be one of them.

How? Start by reading this quick, five page download from experts in the field. And take purpose to heart.

Rosie Warin, CEO, Kin&Co

There’s a huge problem bubbling. Leaders are raving about purpose, but thanks to chronic overmarketing and a failure to make real changes to internal culture, products or operations - this new research shows that customers and employees aren’t buying it. And organisations are paying the price.

In this research report, we explore why so many organisations are f**king up on purpose, and how you can avoid being one of them.
Purpose is everywhere and everyone wants a piece of it. As a result, so many companies are rushing to cook up a purpose statement in their boardrooms, and then immediately shouting about it to the outside world. But often it’s lacking substance. Why? Because they’re missing out a vital stage. They’re not living it internally first - making changes to culture, operations and products. The facts are out there; the majority of businesses admit they’re not doing enough to embed purpose.¹

And this hasn’t gone unnoticed by employees. Almost half of workers say their company does not act in line with its purpose and values.² Over half say their company’s purpose marketing does not reflect reality.³

This gap has a big impact on employee motivation and retention. Almost half said that this perceived hypocrisy makes them want to leave their company, and 68% said talking purpose but not living it would have a negative impact on their work; causing distrust in leaders and reduced productivity.

Not embedding purpose properly not only disengages employees, it also alienates customers. In this age of transparency employee problems leak out online - over a third of employees (34%) say they’d consider writing a negative review online - and into the press. Just look at Etsy, Amazon, Uber and Sports Direct. And don’t kid yourself; your customers genuinely care about this stuff. - 63% wouldn’t buy from a company that didn’t treat its employees well. Finally, they’re not stupid - only 25% believe purpose / cause-based advertising they see from businesses. And crucially, 61% wouldn’t buy from a company they felt was hypocritical.

Almost half of workers say their company does not act in line with its purpose and values and this perceived hypocrisy makes them want to leave their company. 63% of consumers wouldn’t buy from a company that didn’t treat their employees well. 68% say not walking the talk has a negative impact on their work, loyalty and/or trust in leaders.
OK, SO WHAT SHOULD WE BE DOING?

There are three stages to successful purpose; find, live and communicate.

**FIND**: Finding and articulating your purpose and values through an inclusive, consultative process involving the whole organisation.

**LIVE**: Properly embedding your purpose into your operations, structures, systems and culture.

**COMMUNICATE**: Then - and only then - do you communicate your purpose externally.

And if you do purpose the right way, boy, you see results fast.

Over two-thirds of workers said having a purpose that was properly embedded into their culture would have a positive impact on their work; including being more productive, more efficient and more likely to contribute to the company culture.\(^4\) 72% said they'd be more likely to stay at their company if they were more emotionally connected to their work.\(^5\) And there are reams of evidence to suggest your customers feel the same.

Get purpose right, and your employees, your customers, your investors and your communities will LOVE you. And what does that love translate to? Loyalty, productivity, dedication, unity - and ultimately profit.

The nitty gritty

**FIND**

First, you must find - or rediscover your purpose by involving employees. Why? Because a purpose doesn’t work if it’s not authentic, if it isn’t true to the great stuff that exists already.

The process itself can be a huge employee engagement tool - building employee ownership from the start. Plus, it uncovers all the brilliant stories from the organisation - reminding people why it’s such a brilliant place to work, and ensuring they don’t take it for granted. When we worked with O2 to find their purpose - one of the stories that came out was so powerful it went viral within the company.

**LIVE**

Then, you must truly live your purpose in your culture and operations; it must sit at the very heart of every part of the business. It must run through your operations, your policies, your business plans. Then you innovate around it, develop new services off the back of it, hire the right new people and yes, fire others.

But it must also run through your culture. This means creating a truly emotional connection with employees (this isn’t a traditional cascade exercise). Using behavioural psychology to spark and maintain an employee led, grassroots movement within the company that’s led from the top and the bottom - like our work with Danone that helped their business units further their journey to becoming a B Corp.

Driving purpose through peer-to-peer influence - like the amazing ambassador programme O2 have created to embed their purpose from the bottom up. Setting up labs where crowdsourced ideas that drive profit and purpose are incubated - and all along ensuring it’s fun and engaging.

**COMMUNICATE**

Once you’re living it - or at least have the intention and plans to - THEN you can start communicating it externally without the risks outlined in this report. You can do these two stages in tandem, but the talk can’t happen without the walk.

Then you’ll start to see the benefits - like when KeepCup’s sales shot up as a result of our work communicating them as a disposable coffee cup alternative. Or Unilever’s purpose-driven brands growing at twice the rate of their non-purpose driven brands.
WHAT DOES IT LOOK LIKE IN PRACTICE?

Here are some of our favourite companies who are nailing purpose and reaping the rewards.

Ella’s Kitchen

**PROBLEM**
How to ensure Ella’s purpose goes beyond its products.

**SOLUTION**
Ella’s Kitchen is the hero of purpose-driven brands in the FMCG world, having been founded with the desire to ensure that every little one grows up with a happy, healthy relationship with food. So how does a company that’s set up with purpose at its core take that even further? It builds a movement around its purpose that’s much bigger than a single brand. Ella’s Veg for Victory campaign lobbied government, retailers and Public Health England to change NHS weaning guidelines.

**RESULT**
Well, for starters, Ella’s Kitchen is now the #1 baby food brand in the UK. It has been named one of the Sunday Times Best Small Companies to work for and continues to attract the best talent in the industry. Ka-boom!

**Alex Dimiziani, Global Marketing Director, Airbnb:**

You don’t really know whether you are truly a purpose-driven brand until the rubber hits the road and hard decisions need to be made. Aligning to a lightning-rod topic like diversity and reducing short-term revenue by removing community members is unusual for most companies. For Airbnb, this is “business as usual”, as we consistently look to our mission as a compass in all matters.

**Chris Jenkins, runs giving stuff back at Ella’s Kitchen he says:**

Everyone at Ella’s knows exactly why we’re here at the barns every day and that provides an extra motivation. All our initiatives start with our people and our partners, involving them and building their trust first – like launching desk drops and a Veggie Recipe challenge to get our people inspired in the ideas behind Veg for Victory. It might seem obvious but so many brands are getting that wrong.

**Alex Heaven, B Corp Manager, Danone:**

To make a mission or purpose successful it really needs to be built into every level of the company, with a willingness to make big changes. In line with our mission to ‘Bring health through food to as many people as possible’, we have been focusing our portfolio on healthy foods for decades, selling unhealthy product businesses as well as recently acquiring WhiteWave Foods. But there also has to be a connection between the purpose and ‘the everyday’ - B Corp, for example, shows we’re ‘walking the talk’. It doesn’t mean we’re perfect, but that we are working on continuous improvement.

**THE GOLDEN RULES**

At any stage of a purpose project, always bear in mind the three golden rules:

- Your approach must be centered in behavioural psychology - this is about emotional connection, it can’t be approached like any other cascade.
- A clear, ongoing and measurable plan; many think culture change is organic - it’s not. It needs owners, targets, metrics and planning, like every other project.
- This is an investment of time. Embedding purpose is a two-three year project, but the good news is that if you do it right you’ll start to see the results immediately.

**Don’t know where to start?**

Alongside this report, we’re launching the Kin&Co Purpose Surgery - a free, off the record, consultation for CEOs/directors with one of our award-winning purpose specialists, to help you avoid the growing pile of organisations paying the price for f**king up purpose. To apply, contact info@kinandco.com.
For further information or to apply for a free consultation contact info@kinandco.com

Methodology
Research conducted by Populus on behalf of Kin&Co in January 2018. The research polled a representative sample of 1,000 UK workers.

References
1. Deloitte, Culture of Purpose, 2017
2. 42% - Kin&Co Research by Populus, 2018
3. 53% - Kin&Co Research by Populus 2018
4. 65% - Kin&Co Research by Populus, 2018
5. Kin&Co Research by Populus, 2018

“Kin&Co have been incredible. I’d happily work with them again any time”

Alex Heaven, B Corp Manager, Danone

“Our people have been tangibly energised, motivated and united. Every company needs Kin&Co”

Nicola Green, Director of Corporate Affairs, O2

“I can’t believe how much we’ve achieved in such a short time. I’ve worked with many organisational change professionals but Kin&Co really stands out.”

Jon Sparkes, CEO, Crisis

“The brightest and freshest thinkers in the purpose space.”

Robert Phillips, ex CEO, Edelman EMEA