

Purpose-Driven Companies Grow 3 Times Faster – So Here's How to Become One Without Sacrificing Profit.

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It used to be enough to drive profitability, but modern businesses (and their employees) now require a transcendent higher purpose. This is the “why” behind your company’s mission and vision statements and helps align the decisions you make when dealing with uncertainty in business.

Purpose-driven organizations are valued by stakeholders because they grow three times faster on average than non-purpose-driven competitors. Purpose-led organizations encourage personal development among all employees with the understanding that businesses have a powerful influence on society and should be focused on more than just financial goals.

Of course, creating a purpose-driven organization without sacrificing long-term profits is easier said than done. It requires the right catalyst and transformative leaders understand that authentically reaching for something deeper and more meaningful achieves better business results. There are four ways to be a change catalyst and lead your organization with purpose.

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1. Look to the voice of your organization

Purpose isn't invented – it's discovered. And the best way to discover your organization's purpose is to listen to it. I call it "hearing the voice of the organization," and it's the future of leadership development. Committed leaders at purpose-driven organizations model behavior with appropriate rewards and consequences that are aligned with societal standards and organizational objectives.

Being a change catalyst means you must recognize your organization's higher calling and be transparent and open about how that must be balanced with financial stability. Money alone is not a driving factor, and you need clarity on the true vision you want everybody to follow. This will help you influence those around you to become change champions, too.

Take Burt's Bees and its mission of "For Nature. For All." as an example of this idea in action. The popular skin and lip care manufacturer has emerged as a leader in sustainability efforts over the years, with the vast majority of its products' packaging being 100% recyclable. While its corporate mission could stop there and be fulfilled, the leaders at Burt's Bees take their mission further by ensuring their products are sourced responsibly and not bringing more harm to the environment. Its operations are landfill-free by directing waste to compost, recycling and waste-to-energy sites.

As co-founder Roxanne Quimby said, "We take from nature, so we must respect and preserve it." It's a stance that has served the company well. Is Burt's Bees sacrificing some profit to be an industry leader in sustainability? Without a doubt. Is it the right thing to do for the long-term health of the company and, beyond that, the communities it serves? Absolutely, and it all begins with its mission.

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2. Be genuine about your vision

Your purpose will be the arbiter of all business decisions, so it must relate your courage and conviction to investors, employees and customers. Change champions must take accountability for making important decisions, no matter how difficult they may be. We are naturally drawn to people with courage and conviction in their actions, even if it means facing consequences.

When it comes to being genuine in their convictions, Patagonia and its founder, Yvon Chouinard, have been a consistent example of this with the mission statement, “We’re in business to save our home planet.” As a company, Patagonia donates 1% of its profits to charity each year and became a certified B Corporation. Patagonia also emphasizes the quality of clothing to combat the waste of fast fashion. To support this, the company created the Worn Wear program to divert more garments from landfills by repairing consumers’ Patagonia clothing and allowing customers to trade them in for different items. Patagonia could stop its initiatives at its activism efforts, but to stay true to its mission, Patagonia makes efforts to ensure its products are better for the planet.

Speak from the heart when communicating your vision to the team. Your passion and resolve will spread and become a driving force in managing uncertainty in business that would normally create anxiety and pressure. When you are genuine in your purpose, it makes business easier.

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3. Connect each employee to the purpose

An organization is only as good as its individual people, and converting your team into change champions means investing in leadership development. Every employee in every department should feel appreciated and meaningful in what they do with their professional lives.

Finding a purpose isn't easy, and changing your organization to follow it after the fact is even harder. According to Bain & Company research, only 12% of companies undergoing large-scale change management fully achieve their goals. This shows that creating a purpose-driven organization is easier than converting a wayward one after the fact, but enacting the change isn't impossible.

Purpose-driven organizations empower every employee to do their best for the greater good. This motivational factor will give your entry-level employees more agency to work smarter and make bolder decisions that can improve overall operational performance. A sense of purpose can increase both customer and employee loyalty, making the business more profitable in the long run.

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4. Align changes back to the same purpose every time

The most important ingredient in creating purpose-driven organizations is consistency. Change is the only constant in business, and you must consistently show progress toward the same goal through all of these changes. When Apple pivoted from Macintosh computers to iTunes, iPods, iPhones and everything else, it maintained its same greater mission

throughout: “Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and internet offerings.”

Although the landscape and your business will change often throughout your lifetime, your higher calling should not. Consistency is a powerful weapon when dealing with uncertainty in business because it provides a safe foundation for people to work and build on proactively.

The hardest part isn't starting the habit. It's keeping it. This is something you believe in, so share your passion for the goals, share that vision with your employees and listen to their feedback. They might even know how to make the purpose of your organization become a reality faster.

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