

Why Your Next Startup Should Be Purpose-Driven

There needn't be a division between what's best for humanity and the bottom line.

September 11, 2019 4 min read

Opinions expressed by *Entrepreneur* contributors are their own.

Recessions aren't something to fear; they are inevitable. They're like the tides, only inexact. Internationally renowned entrepreneur and author Gary Vaynerchuk was speaking when I was in Las Vegas a couple months ago, and one of his pieces of advice was, "If you've created something in the last eight years and it hasn't succeeded, you're doing it wrong."

He's right. It's much easier to succeed when times are great, and our economy has been on one amazing entrepreneurial wave. Looking ahead, that will naturally ebb and flow, and we are going to experience a period where it's harder to create something.

Where you should be focused during that inevitable downturn is simple. Create where people are going to be, not where they already are. So, where are people heading? Start by looking at where corporate support is. At first, those two things may seem incongruent, but they're not. Purpose, or as it's less affectionally called, corporate social responsibility, is critical for companies to market themselves going forward. It's also less costly, when done effectively, than conventional advertising.

Related: 7 Steps to Living Your Life WITH Purpose

Building a brand is no longer a one-way street, so smart businesses know that they need to create lasting programs and do good work to stay both top of mind and top in our hearts. That can sound calculating, and I won't disagree, and that's where the authenticity of the work becomes the differentiator. Changing lives and creating impactful programs will always yield the best results.

How Brands Are Embracing Purpose

In June, Uber and UBS announced they would be partnering with Venture For America (VFA), a two-year fellowship program for recent college graduates in 14 cities nationwide where they work in a salaried position and are trained to be leaders in their community. For these brands, it's more than a check. In this specific case, they are both donating \$1 million to help start a program that will help 300 women and people of color to launch businesses through their fellowship by 2021. That's amazing, but it's also something to notice as an entrepreneur, no matter your diversity.

Tying your business to purpose will make it more likely to succeed, especially if we take an economic downturn. Brands will always need good purpose-based ideas to support so they keep growing and stay connected with consumers. Remember that purpose is the new, hopefully more authentic approach to marketing.

Related: How a Sense of Purpose Is Critical to Unleashing Your Company's Full Potential

What a Purpose-Based Startup Looks Like

And then there are the opportunities to power this entire system for brands. InvolveSoft found a purpose-based niche and filled it. The SaaS platform, which recently raised \$2.5

million, is navigating this space. Their value proposition is that they handle everything from coordinating team volunteer activities to launching diversity and inclusion initiatives. And a lot of that is built on creating a strong community inside a company through the platform.

These kinds of ideas aren't complicated, but they usually require a deep understanding of what's missing in the marketplace. As a female born in India, InvolveSoft co-founder Saumya Bhatnagar knows all the challenges that many women and people of different backgrounds face in the workplace or in starting a business.

In an interview with Duke University, Bhatnagar detailed the many challenges diverse founders still face, but pairs that with optimism about how real change can occur. Through her platform, she is seeing that companies and workplaces can create deeper connections through a shared purpose. And from a business sense, deeper connections to purpose will yield better talent attraction and retention. It's a virtuous cycle of creating better internal teams and better outward marketing.

When I hear these examples, I don't think about creating something in that space specifically because it's being done. What I do intuit is that the big startups of the next 10 years won't look like those of the past decade, because when startups become harder to create, they will demand passion to succeed, and you don't find passion in something without purpose.

<https://www.entrepreneur.com/article/338887>