

Peddling the purpose paddle

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So, Larry Fink has posted his annual letter, rightly called into question by the ever-alert Economist. Greta Thunberg has again castigated the great and the good at the annual bash in Davos and Donald, the leading defender of the status quo is carrying on being, well, Donald.

Welcome to 2020.

Exactly two decades ago BP declared it was going 'Beyond Petroleum'. Imagine if it really had. Imagine if its rivals and policymakers hadn't abandoned Lord Browne to the vagaries of the marketplace but instead put competition aside, embraced his vision, stepped up and supported the leadership being shown with immediate, radical action - emergency style. Today we would likely be facing a somewhat less challenging era.

On its website, at the time BP declared 'Beyond Petroleum' as "a powerful way to unite 100,000 people under a single brand with a unified sense of purpose".

It spectacularly failed. It failed us then just as any 'unified sense of purpose' is going to fail us again. The reasons are plain to see in the thoughts of one employee who cared to share them in October 2006 with Fortune magazine following the life-ending explosion at BP's Texas City Refinery five years after the journey beyond petroleum began.

“Constant turnover only worsened matters, as new bosses would seek to beat the previous manager's numbers. The values are real, but they haven't been aligned with our business practices in the field.”

Big corporations like BP are hostages to growth and wealth creation. There is no getting away from the fact that they are hooked, addict-like to feeding on numbers. Despite all the evidence, despite all the talk of a new corporate consciousness being awakened by the monumental challenges humanity faces, the profit card continues to trump the purpose one. Money and the pursuit of it were still at the core of BP five years after the Texas catastrophe when Deepwater Horizon added another eleven people to the death toll, and it is still at the core of BP today.

The conclusion I have reached is that it's not that big businesses can't have a purpose, they can. The issue is that they are simply not ever going to be fit enough to deliver a purpose. They are simply the wrong kind of beast. Meat-eating wolves don't become grass-eating sheep though they can do a pretty good job of dressing up like them - some of the time.

Just as going 'Beyond Petroleum' was beyond, and some would say still is, beyond the big oil companies, so going 'Beyond Purpose' as being anything other than an aspiration is beyond them too.

Professor Colin Mayer, whom I interviewed for my book *Core* and for whom I have the greatest admiration and respect, this week discussed the Principles of Purposeful Business that he and The British Academy have been busy defining these past two years in a Business Fights Poverty podcast. Published in November 2019, what lies behind the eight principles is a determination to “reconceive [sic] the notion of business over the coming years.” The ambition of the project is wide-ranging and simultaneously both exciting and sobering. Amongst the recommendations is that purpose, by law, be placed at the core of all corporations. That leader's of corporations are measured and made accountable for performance against a purpose, and that a set of values necessary to deliver purpose be embedded in their corporate

culture.

Stuck in the middle with you

Purpose agnostic	Purpose influenced	SOI® led
Pyramidic, silo structure	Pyramidic, silo structure	Flat, integrated eco-system
Top down control	Top down control	Self-organizing operating system
Short-term profit focus	Short-term profit focus	Long-term sustainable growth/ thrive focus
Employee indifference	Employee engagement	Employee fulfilment
Efficiency and process driven	Brand comms and CSR combine to win preference through selected customer 'experiences'	Governs a regenerative, circular ecosystem (value chains)
Reputation management	Brand promises and brand values drive 'surface' culture	Deep, holistic commitment to meaningful values
Sales and marketing communications aimed at winning customers	'Win-win' projects make money	Collaboration culture
CSR 'bolted on'	Sophisticated market share measuring tools	Sophisticated impact measuring tools across all functions
Success is financial	Success is financial	Success is sustainable
Fit for little	Fit for some	Fit for all

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I say yes to all these new ideas (they fit very nicely with my Single Organizing Idea - SOI®), but here's the sobering part. I know from first-hand experience just how difficult it is to even introduce let alone implement the kind of radical changes being proposed. Resistance, passive or active is not just embedded at every level of top-down silo cultures but often also permeates the servile, self-serving, short-term driven agencies (public and private), that surround them.

It will take years and years of the very limited time we are told we have left by scientists to change these businesses. So why bother? Why bother saving them at all when our first and foremost concerns are about achieving the Sustainable Development Goals (SDGs) and making our world a safer, more caring and sustainable place.

It's not new ideas like Professor Mayer's that scare me. It's the old ones that do. Purpose is a tarnished old idea that is being promoted by out-of-date, noisy, attention and lobbying reliant big businesses who are themselves no longer fit for purpose. Businesses possess an array of unique attributes and the potential to make a huge contribution to all our futures. But it's time to set old big businesses and the purpose life-raft they are clinging to adrift and instead back and fast-track legislation for new businesses that are being founded upon and organized around a single, simple idea that makes things better.