



FOR THE GREATER GOOD

When quality and price are equal, the most important factor influencing brand choice is Purpose. This outpaces design and innovation, and brand loyalty... Across the globe, the prominence of Purpose as a purchase trigger has risen 26% since 2008.¹

An organization should not exist as an isolated economic entity, distanced from the social reality. It has to get beyond the parochial considerations of profit and loss, and establish a lasting connect with society. Pitching for a social cause is sure to create a loyal clientele and boost employee productivity too.



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WHY?

NINE-IN-10 GLOBAL CONSUMERS ARE, AS THEY WERE IN **2011**, LIKELY TO **SWITCH** BRANDS TO ONE **ASSOCIATED** WITH A GOOD CAUSE, GIVEN **COMPARABLE PRICE AND QUALITY**.*

What motivates people to bring their best selves to work? An invitation to change the world. When people find something noble and heroic to be part of, their lives and work take on meaning and significance.

As we have pointed out, innovation, change and growth is difficult and messy. It does not always go according to plan. So, what fuels the fires of perseverance when the critics are firing arrows and the demons of self-doubt set

in? It is a conviction that you are solving a problem that *really* matters.

We remember reading a story about Honeywell's Aerospace and Defense Group when they were working on the Apollo program. They worked insanely long hours with total dedication. They made personal and professional sacrifices that no manager could ask or demand.

What made them do it? Well, it was not sophisticated management techniques or lavish financial incentives. It was because they believed that they were responsible for putting a man on the moon. They believed America's pride and reputation was in their hands. They were responding to a heroic cause—a noble purpose!

You cannot buy that level of commitment, but you can develop it by helping people see the significance of their contributions. How? By giving them a direct line-of-sight to the ultimate cause for which your business fights.

For more than ten years now, we have been measuring employee engagement in companies all over the globe. And, with a few wonderful exceptions, the results have not changed much. Approximately 74% of the global workforce is either not engaged or actively disengaged.

With all the effort we have put into this issue why have we not cracked the code on engagement? And more important, why are we not outraged as business leaders? It is costing businesses billions of dollars each year in lost productivity. And who knows what the indirect costs are in terms of a lack of innovation and efficiency? A critical mass of "dead people working" are not likely to be loading the pipeline with fresh ideas that will grow your business.

It is estimated that when JFK said, "we will put a man on the moon by the end of this decade," we only knew 15% of what we

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needed to know to do it. Grumman, who designed the lunar landing module, estimated that it tripled productivity during the time its people were pursuing this project. A noble, heroic cause gives fervor to our interest in and engagement at work. It is hard to be listless when a cause inflames your passion for what you are doing.

Experience the cultures of USAA, Apple, Southwest Airlines, Whole Foods, and Medtronic in the US. Something beyond making computers, flying people from one point to another, selling organic food, and manufacturing medical supplies is going on in these companies. You quickly get the sense that employees are caught up in a cause that touches them at a deep emotional level—something that transcends profitability and the bottom line. They believe that the products and services they create have great social value. The emotional connection they have with this larger cause releases a powerful flow of passion, pride, perseverance, and productivity. The revolutionary spirit, maniacal focus, missionary zeal, and upbeat attitudes make these places feel more like crusades than businesses.

And guess what? They are blowing the doors off business-as-usual when it comes to profitability and shareholder value.

Consider Southwest Airlines as a case in point. The overwhelming majority of Southwest's 45,000 impassioned employees show up to work everyday fully awake, fully engaged, and firing on all cylinders. Why? They are working for a cause.

The people of Southwest Airlines believe they are in the **business of freedom**. That is, giving people from every walk of life the freedom to go, see, and do things they never dreamed of doing.

It is the grandmother on a limited income who wants to go see her family two or three

times a year versus once a year. It is the child from a broken family who can travel back and forth between two locations and have a relationship with both parents. It is the budding entrepreneur who can expand her business into more cities because she can afford to fly there.

Ramp agents know that when they are late by only two minutes to push an aircraft on a morning flight, those two minutes could compound into 90 minutes over 11 flights by the end of the day. They also know that this could mean adding 20-30 planes to the fleet (at \$70 million a piece) to maintain Southwest's schedule.

To these 'rampers,' having to do so is an affront to the business of freedom.

These 'freedom fighters' have created 43 consecutive years of profitability in an industry that has traditionally struggled. Southwest's operating revenues have grown from \$2 million in 1971 to \$17 billion in 2013.

Southwest's cost per available seat mile is the lowest in the industry; it serves more passengers per employee and has fewer employees per aircraft than the rest of the industry. And, it gets more flights out of each aircraft per day than anyone in the business.

What does this mean? Southwest turns more airplanes, faster, with fewer employees and lower costs than every other major carrier in the world!

Southwest also tops the industry in every major customer service metric—service, baggage handling and on-time performance.

Over the last 30 years, Southwest has created a 26% annualized return to shareholders and each year over the last thirty, Southwest has contributed 10% of employees' annual salaries to profit sharing. If you would have invested \$10,000 in Southwest Airlines

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in 1971, that investment would be worth well over \$10mn today.

CREATING A MOVEMENT

When your business becomes a cause, what follows is a movement. Movements are about commitment versus compliance.

Compliance is about buy-in. Buy-in is what happens when senior executives decide: *This is what we are going to do, now how do we get the people who have to execute to buy in to it?*

Commitment is about opt-in. Opt-in happens when people are inspired by the 'bigness' of the dream and the nobility of the cause it serves.

Commitment shouts: *How can I play? I want in!* No one needs to be convinced; they can see themselves in the cause. No one needs to be motivated; they motivate themselves. No one needs to be micromanaged; they set their own rigorous targets. No one needs to be told to collaborate; they willingly reach across boundaries because their passion for fighting the cause is bigger than their need to control information, turf, or people.

Here's the thing. If you make a widget and I make a widget that are relatively the same; and if we compete and your company is defined as a cause and mine is not, you have the advantage. A heroic cause has a magnetic affect on great talent. World-class people gravitate to companies where they know they can change the world. The kind of talent you need to grow wants to be part of something bigger.

WHY VS WHAT AND HOW

We think we have missed a critical part of the employee engagement equation. We have spent an inordinate amount of time focused on *HOW*. How do we equip our people to do a job, to be the best? How do we develop them

to be leaders and innovators? How do we get them to change?

Maybe we should ask: Have we given them anything worth changing for? Have we shown them the *WHY* behind the *HOW*? Have we invited them to join an organization that is changing the world?

The more you show employees how their individual contributions link to the overall cause for which your business fights, the more heroic they will feel about what they do. And that sense of heroism will draw out of them a drive to succeed, a will to win, and a deep-seated passion that is unlike anything you've ever seen!

When your employees come to work are they coming to a company or a cause? Are they just earning a paycheck or do they belong to a movement of people who are earnestly fanatical about what you do?

People Don't Buy Products

They Better Versions of Themselves

Blake Mycoskie, founder of the now famous TOMS Shoes, chose the name TOMS to signify 'Shoes For Tomorrow,' because with every pair of shoes you buy, the company will donate a pair to a child in need. Mycoskie came up with the idea during a trip to Argentina where he noticed that many of the children he met did not have shoes—a problem in developing countries where one of the leading causes of disease is soil-transmitted parasites that penetrate bare feet. He also learned that many of these children could not go to school if they did not have shoes.

Now, why do we pay an average \$55 and as much as \$100 for a pair of TOMS? The shoes are essentially stretched canvas glued to thin rubber soles. It is because every time we buy a pair of TOMS we feel a part of something bigger, a part of doing something good in the world. And when we

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WHY you do
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look in the mirror, we see a better version of us.

Why are people in India and around the world so fond of buying Tata products? It is because the Tata Group, known as one of the most ethical conglomerates in the world, has been giving back to the communities from which it takes, for more than 140 years.

We visited a village in Sanand where Tata Motors was building an automobile plant. The entire corporate social responsibility intervention was impressive. The Tatas do not go into a village as a 'big corporate' and tell the people what they need. Tata companies go in and ask: "What do *you* think you need and how can we *partner* with you to make it happen?"

No one questions the fact that the Tatas have raised the tide for the entire nation of India. This is one of the reasons people feel good about buying their products.

MY PURCHASES ARE A STATEMENT ABOUT ME

People seek self-expression and self-identity through what they buy. When we buy products that enrich lives from companies that are doing good, we create a better version of ourselves. *A better version of me feels, well...better!*

Apple created an entire ecosystem of products and services that have made our lives better. In healthcare alone, would Steve Jobs have even guessed that today, there are more than 13,000 health apps available for download in Apple's AppStore?

As its retail stores opened, Jobs told the people at Apple, *Your customers don't care about your products. Your customers dream of a happier and better life. Don't move products. Instead, enrich lives.*

When you sell *WHY* you do what you do, you are inviting people to join a movement that gives them an opportunity to express themselves. It gives them a platform to tell their story, to make a statement about who they

are, what they believe, and what they stand for. It also gives them a sense of belonging, a place where they can join like-minded people who share the same concerns and aspirations. This is what people are buying.

WHY distinguishes companies such as Southwest Airlines, TOMS Shoes, and the Tata Group from everyone else. It is not WHAT they do; it is WHY they do it that capture people's attention.

In the case of Southwest, there are a lot of companies that will put you in a seat and move you from point A to point B. But there is only one that set out to fight for the little person. There is only one that initially got into business to democratize the skies. This is their WHY, and their WHY is why people buy.

RESEARCH VALIDATES COMPANIES WITH A CAUSE

Consumer preferences are shifting. It is no longer enough just to sell a product or service that works. Consumers expect meaningful social impact. In the future, if you cannot demonstrate that you are legitimately doing something to make the world better you would not have a business.

Edelman's 2014 Trust Barometer studies reveal that 92% of consumers want to do business with companies that share their concerns (economic development, the environment, human rights, poverty, and hunger) and 40% of consumers do not think brands are doing enough to demonstrate their beliefs in helping the world.

The Nielsen Global Survey on Corporate Social Responsibility, 2013 surveyed more than 29,000 respondents in 58 countries. Among consumers aged 40-44, 50% said they would pay more (up from 38% two years ago) for products associated with a cause. The under-30

FACTS

In 1983, American Express coined the term 'cause-related marketing' (CRM) when they launched a marketing campaign for the Statue of Liberty Restoration project.

GOOGLE HITS

About 5,02,000 results

BOOKS

Good Works! by Philip Kotler, David Hessekiel and Nancy Lee.
Cause Marketing For Dummies by Joe Waters and Joanna MacDonald.

Cause Marketing for Non-Profits: Partner for Purpose, Passion, and Profits by Jocelyne Daw.

CAUSE MARKETING CAMPAIGNS

Ice Bucket Challenge: The ALS Association received \$53.3mn donations in 2014 as against \$2.2mn in the previous year, and the campaign got more than 630,000 new donors.

Pink Ribbon: The campaign started in the US in 1991 for breast cancer patients and has now spread to thirty countries across five continents.

Product Red: This campaign was launched to support The Global Fund to Fight AIDS, Tuberculosis and Malaria, and has raised till date more than \$140mn. Apple Inc, Motorola, and Armani are some of the brands associated with it.

crowd was even more likely to spend more with companies that give back.

A study by public relations and marketing firm Cone Communications and Echo Research, 2013 says 90% of shoppers worldwide are likely to switch to brands that support a good cause, given similar price and quality. Also, 90% of the 10,000 shoppers surveyed would boycott companies if they found the firms negligent of irresponsible business practices.

Toilet paper from Seventh Generation. Shoes from TOMS. Lotions from Body Shop. Coats from Patagonia. Ice cream from Ben and Jerry's. There will always be some market segment that religiously buys goods from socially responsible companies.

But if you think they are out on the fringe, think again. More and more of these socially conscious buyers are occupying center stage.

These trends represent a springboard for growing your company. The soil is fertile, the story is powerful, and the market is hungry for something genuine to believe in.

Do not miss this opportunity. ■

*http://www.conecomm.com/stuff/contentmgr/files/0/dfd8a-c4a95f78de426c2cb117656b846/files/2013_cone_communicationsecho_global_csr_study.pdf
01 <http://purpose.edelman.com/slides/introducing-goodpurpose-2012/>