



Q&A: A conversation with Slalom's Director of Client Purpose

Slalom's first Director of Client Purpose, Pete Stofle, discusses why he's helping clients live out their purpose, the importance of authenticity, purpose-driven brands to watch, and why purpose can—and should—be profitable.

Q: You're focused on helping clients live out their purpose—what does that mean to you?

It starts with the belief that every company has a why. It doesn't necessarily have to be social in nature, but there has to be that why. It taps into [Simon Sinek's talk](#) around why customers don't buy what you do, they buy why you do it.

From there, the temptation is to create a really compelling statement that's ambitious and audacious and inspiring ... and I've seen companies stop there.

Most companies who are successful have a series of actions that becomes part of their culture to live out that purpose.

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And that's where the authenticity comes in. Authenticity is probably the most important ingredient. There are a lot of creative statements and marketing slogans, and authenticity really gives weight to what a company says it's about.

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I measure authenticity by action taken. So, if your company talks about innovation, but there aren't supporting actions that give life to every employee being able to participate in the innovation process, then you're really not about that.

Q: Why should companies care about purpose? What's the risk to them if they don't organize around purpose—and quickly?

There is a seismic shift happening in business. Over the next few years, we are going to see more companies than ever make decisions based on their purpose.

From an employee standpoint, [millennials will have 18 jobs in their careers](#).

From a market standpoint, when the S&P 500 was formed in 1926, the average tenure on that list was 61 years. Today, [it's 18 years](#).

And [87% of global consumers](#) think that businesses should be just as concerned with society's interest as their own business interests. Yet a third of consumers believe that businesses are actually doing a good job of that. There's a massive opportunity there.

This is not just about doing good or doing the right thing: This is about business sustainability.

If those things are the new criteria for how we hire employees, how we gain customers, and how we work with societal partners, and we're still doing business the old way—will we be around? And if we're around, will we be as successful?

Q: Operating a company on the idea of purpose represents a pretty significant shift in thinking and doing business. Where should companies get started?

It starts internally: defining why we exist as a company.

There's a consistent need for data to replace suspicions and hunches of where a company thinks their culture is at, asking questions around why are we doing what we're doing, why is employee engagement low, why aren't people getting fulfillment out of their work, and what is our role in that equation?

And while it isn't up to companies to find someone's purpose, they certainly play a large role in fostering those opportunities.

For example, if a company says that it wants to be the most innovative company in the world, yet that innovation work is really only reserved for a handful of smart people off in the corner, that doesn't tell other employees that they're welcome to be innovative as well. So it's up to that company to be creating opportunities and avenues for every employee to be innovative and for that innovation to be valued.

There are things that companies can do to open up doors and that allow their purpose to really permeate every part of the company. When you start to establish that, it allows you to also look at your relationships with other stakeholder groups—partners, suppliers, customers—and start to really think about what you want these relationships to be about. Are they simply transactional relationships

or are they much richer, more strategic relationships? And how do we create that more often?

Q: Are profit and purpose mutually exclusive?

For a long time, purpose was an extension of philanthropy or CSR, something companies did very defensively.

We are coming into a phase—and [Michael Porter talks about this](#) from Harvard Business School—of shared value, where if businesses want to have an impact on the world, they have to do it profitably, because then they can actually repeat the impact over and over again.

If it's not driving profit, we're not doing it right. It's a shift from doing good for the sake of good to, wow, we can make money doing this.

There's a [study that Stanford did last year around fair trade coffee](#). It's been around for a while and yet they were seeing that it's selling for a higher price point and higher gross margins and was experiencing faster sales growth. To be fair, the bulk of the coffee market is still non-fair trade, but if you're a coffee roaster, you absolutely have to pay attention to that. Does that make fair trade your purpose as a company? It doesn't. But there certainly is an opportunity there where you could have greater impact and proven economies, especially in Central America, and also generate more profit because of those efforts.

I'm interested in how this kind of scenario applies to different industries and different

companies—when they start to see more opportunity because of purpose, not less.

Q: What companies are doing a good job living their purpose?

REI tends to back up what they say they are about—and turning down revenue on arguably the busiest shopping day of the year, Black Friday, with their [#OptOutside](#) campaign was a great example. They saw an immediate increase in both sales and employee retention, and it aligns with what their brand represents.

Patagonia is helping clients fix their current gear in the [Worn Wear Tour](#). It's part of a deeper pattern of Patagonia solving problems that they don't necessarily benefit from, like helping develop technologies for cotton growers so they can use less water.

And there's Novo Nordisk with their stated purpose of [ending diabetes](#). Their belief is that they'll work themselves out of a job, and that's reflected in their behavior as a company and what they're inspiring their employees to do.

[Zappos' culture of customer service](#) seems to have the purpose of being the absolute best company in the world around service.

Q: You mentioned some fairly well-known brands. Does purpose matter to companies of all shapes, sizes, industries, or functions?

The brands I cited tend to be more visible, so we can relate to them a bit more. But I do think that purpose plays a role in all companies.

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When employees look at where they want to work, [81% of people look at a company's corporate social responsibility strategy](#). Companies have to compete for talent, and they need a good strategy in place to help draw that talent.

Again, this is about business sustainability.

It's about how do we plan on continuing to grow and with the most of that growth coming from a millennial workforce. Before, the workforce was driven by money and titles. [60% of millennials leave their jobs because of a bad "cultural fit"](#)—that's when it becomes a business problem, especially when it costs about \$20,000 to replace that millennial within a company.

Q: What's the difference between work life balance and work life integration?

Work life integration goes beyond a smart phone—it speaks more to values.

Customers now have this great opportunity to buy products from companies that they align themselves with from a values perspective because values are being talked about more, both by companies and consumers.

People are starting to say, "That's the kind of company I want to work at. I share that same mission, and I want to go be part of that."

And we're starting to see these walls that previously were constructed between work and life and home be broken down. Now people can be whoever they are and wherever they want to

be in all phases of their lives.

Q: You mentioned the importance of companies being able to prove that they're living their purpose. Do you have any tools to help with that?

Companies need data when they've been ultra-successful doing business a certain way, without a sense of purpose.

[In a 2016 survey of US CEOs](#), respondents agree that customers—their customers—will be buying a lot less based on price and functionality over the next four years, and a lot more from companies that meet a wider group of stakeholders and have a greater impact on the world.

There's a rich potential for companies to set a new direction that is inclusive and ambitious and starts a new chapter when they can add data both quantitatively and qualitatively to that discussion.

Slalom has two primary tools.

One is stakeholder alignment mapping, or SAM.

Building an inclusive strategy to better serve families and kids

While getting input from employees is nothing new, it's often hard to quantify. Using the Stakeholder Alignment Map, Slalom has been able to help organizations—like Atlanta Ronald McDonald House Charities, for example—quantify organizational feedback to align on what matters and make strategic decisions.

[Learn more](#)

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It asks qualitative and quantitative questions around a specific issue in a very engaging and mobile format. Typically, people want to spend three or four minutes in a highly branded experience, and provide some input, and then they're on to the next thing. We've created these tools asking questions in different ways, and we're seeing a lot of breakthroughs there.

We also use the Principal Index to start conversations around purpose.

We see that many companies have core values—and have them posted somewhere—yet aren't proving that they live those out. This tool takes just a few minutes on a mobile device, and it allows you to agree or disagree that this company that you engaged with illustrated its core values.

These tools help set the conversation and a foundation for where employees and customers are at and really dig into whether these behaviors are being lived out.

Q: You've started a dialog across Slalom on purpose. What does success look like for you?

Slalom has done an amazing job by being a great partner in execution. I think it's time that we play an even more impactful role in the identity of our

clients. When we can say that we have been the most important company in enabling each of our clients to live out their company purpose to the best of their abilities, then we've done our job.

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Because I think that's our purpose. So when we can deliver on that crazy, audacious statement, then we've met our goal.

Q: What's on your Purpose 101 reading list?

Aaron Hurst is a great start. [The Purpose Economy](#) focuses on the shift that's about to happen with people finding their purpose within their work.

[The Road to Character](#) by David Brooks talks about the rising importance of character within the business sphere.

[Dan Pontefract](#) has some great books on purpose in the corporate space. He leads the transformation practice for TELUS in Vancouver, BC.