



The Three Hands Forum on Social Purpose

A short report

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THREEHANDS



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Social purpose – a passing fad or here to stay? Is it – and should it be – the same as business purpose? Why does a business need social purpose and how do you do it well? What does it mean for CSR? These are just some of the questions we set out to answer when 100+ people filled Greenhouse Sport’s fabulous new centre in Marylebone on the morning of 20th March for some discussion, debate, learning and inspiration...

In Autumn 1999 a debate broke out in an MBA classroom about the responsibility and purpose of business. Whilst many were of the Friedman view (“The business of business is business”), an alternative standpoint was emerging, inspired by Charles Handy’s opinion that “the purpose of a business is not to make a profit, full stop. It is to make a profit so that the business can do something more or better”.

Eighteen years later and the debate is in the mainstream; indeed, purpose seems (finally) to be everywhere, and not just in the world (bubble?) of CSR, but in the brand domain too – an exciting trend, but one that (some would say) risks purpose becoming no more than a shiny brand statement. Cue a morning of healthy debate with some very informed, and informative, speakers...



Plenary: Can business purpose and social purpose ever be one and the same?

OK, some didn't like the question, but it prompted a great conversation on whether businesses can always be 'good', how to ensure purpose is way more than a brand statement and why small businesses seem to find it easier.

- David Schofield, Group CR Director, Aviva
- Emma Steele, Investment Manager, Ascension Ventures
- David Gold, Chief Executive, Prospectus.



David Schofield's view was that it is just not that simple: While an audience poll showed that businesses rarely fulfil business purpose and social purpose side by side all of the time, many audience members agreed that it happens some of the time. Just like a human being, David argued, businesses can do it sometimes – but there is a need to “find the sweet spot more of the time, with more skill”. He said that Aviva’s “defy uncertainty” strapline is not a comms tool – in fact it is more of an internal mantra that guides “why we come to work”.

Emma Steele talked about the decision that **Ascension Ventures**, who were already investing in tech for good, had taken to invest in start-ups and SMEs that exist to tackle the poverty premium. The dual purpose of looking for ROI and tackling a major social issue head-on was perhaps that sweet spot David Schofield talked about. On why major corporates are not acting in similar ways, Emma felt that legacy issues and lack of agility caused by size were to blame.

David Gold, talking about **B Corps**, did not accept that corporates' size and legacy meant they are unable to act: “If they want to do something”, he argued, “they have the resource to do it.” He described the process of becoming a B Corp, explaining that it serves as a management tool that constantly raises your aspirations, and he saw no reasons why corporates could not be B Corps too. He argued that many big companies are so intent on maximising profit that they have become totally transactional in nature, to the detriment of their relationships with customers.

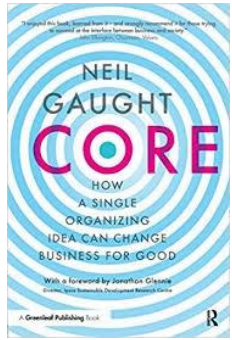
David G also argued passionately that businesses simply cannot exist without a purpose; in order to survive they have to fulfil a need in society. But it is more obvious in some businesses than others and we were left with a question about how professional services companies, operating in the B to B environment, can express their purpose.



Beyond Purpose: The 'single organising idea'

Neil Gaught

Referring to his book “Core: How a Single Organising Idea can change business for good” Neil argued that we need to go beyond CSR, beyond brand and even beyond purpose...



The pressure is on! Neil cited six reasons for business to change, including the time bomb that is the environment, millennials and social media, transparency in business and inspirational leaders like Paul Polman – not to mention the SDGs. “Either you change or you get left behind.”

But he also reminded us that there are plenty of examples in history of businesses acting with a true sense of purpose, from the Quakers who founded Barclays to Volvo, whose purpose has always been

safety. Lessons can be learned too about how not to do it: BP’s attempt to go ‘beyond petroleum’ was a brilliant branding move and strategic intention, but it was utterly undone by environmental and human catastrophe after catastrophe, suggesting that ‘beyond petroleum’ was nowhere near to being lived in the business.

Neil’s concept of the **Single Organising Idea** is a tool to take economic purpose and social purpose and align them. It is about humanising business. “If you are driven by a purpose, the revenue will follow.”



How to structure purpose within business

Isabel Kelly

Isabel’s research amongst 25 cross-sector organisations shows that to embed purpose you need both a robust framework *and* unreasonable people...

Isabel explained that most companies told a founding father story – an original purpose behind the company’s existence. Having moved to focus on value-growth and profit they have often lost this original message, but many are now reconnecting with this founding story in order to define their modern day social purpose.

Having said that, she said that it takes “the power of unreasonable people” to make it happen. These are people who push the boundaries, whether leaders or not.

Social Purpose must be “authentic, tangible, reportable and within a framework that aligns with a greater strategic vision for the overall business” – suggesting that to develop purpose we need to be adept not just at acting on external issues, but at business strategy as a whole.

Isabel’s research showed that you need systems – a framework and a structure – and respect, mostly around senior buy-in. It needs to be taken seriously and it must become integral to what the business does.



Developing a purpose-led CR strategy

David Schofield

This was a practical session in which David reflected on how Aviva went about developing its “Defy Uncertainty” purpose.



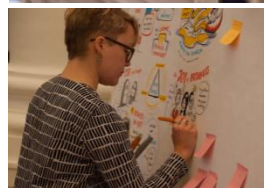
David explained that it was the Group Executive that came up with “Defy Uncertainty” but it was a journey that started with making customers the primary stakeholder and asking them – as well as employees and NGOs (whose

insight and knowledge should not be underestimated) – what they felt the key issues were for Aviva to tackle. This resulted in a focus on big external issues like climate change, the ageing population and powerful communities.

Having “big, ambitious conversations” across the whole organisation and testing ideas out with two-week sprints were all part of the process. It was critical to influence people at all levels of the business, even to “crowdsource” an internal movement.

More generally David reflected that the current demand for purpose, a desire for disruption and the 21st century capabilities of business make for a hugely interesting moment in time in which you can make profit and do good – “and that’s the sweet spot”.

“Making a profit is not our purpose. Our purpose is to provide a benefit to society. If we do this well, we’ll make a profit.” Mark Wilson, CEO, Aviva



Social purpose and leadership

- Jamie Bell, Graduate, Nationwide / BT
- Cameron Downey, “High Potential”, Network Rail
- Professor David Grayson CBE, Cranfield School of Management

This was all about how to develop the kinds of holistic leadership skills needed in purposeful organisations, at all levels



Jamie described both of his employers to date as “purposeful organisations”, which is an incentive for millennials like him. He said that the charity project he undertook as part of the graduate programme at Nationwide made him think about principles rather than objectives, and the why over the what.

Network Rail’s Accelerated Leadership Programme is designed to develop the directors of the future and includes a healthy amount of experiential project work outside of the organisation which, according to Cameron, has given him exposure to different people and different ways of working – and the ability to “walk in someone else’s shoes”. Engaging in external projects (e.g. making community murals out of Network Rail advertising assets) has helped to give him a holistic view and strong sense of purpose.

David told us that if CSR is becoming a specialist function you need purposeful leaders to integrate it with other parts of the business. They are leaders with the ability to collaborate with unusual partners and to connect with society. They give “voice to values”. And often it is real experiences that have helped to shape their views and leadership mind sets.



Social purpose and CSR

- Andrea Barrett, Centrica
- Natalie Tucker, Three Hands

Is purpose the death of CSR, or does CSR have a key role to play in the development of all things purpose related?

It seems fashionable these days to claim that CSR is dying. Partly because it is something that should be done by everybody, and not just a department, which is the same reason that some people believe it should not be professionalised; CSR needs people who can operate all over the business.

Natalie supported these views by saying that CSR has been around for many years now and has simply failed to engage on senior levels – it’s still seen by too many organisations as the “community bit” – and failed to effect real change. It is too often there to offset undesirable business activities, and even if it is any good not all staff can take part. If social purpose takes over, it will become obsolete.

Andrea’s view, on the other hand, was that CSR has a key role to play in shaping social purpose, and that social purpose in turn can then guide what is within scope and out of scope for CSR. A business is in a good place if CSR is driven by social purpose, because CSR’s relevance will then be assured “and will be strengthened by all arms of the business pulling in one direction”.

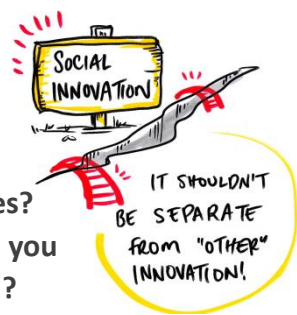
The question around what social purpose looks like in organisations with an inherently negative social impact, such as tobacco, remained unsolved!





Social purpose and innovation

- Richard Donovan, Experian
- Nadia Al Yafai, Royal London
- Jennifer Gilchrist, Royal London



What is the impact of social purpose on products and services? Shouldn't all innovation be "social innovation"? And how do you develop products and services with a "human-led" approach?

Richard Donovan, Experian's global head of social innovation, described the differences between "conventional" innovation, which starts by looking at how new revenue can be made, and "social innovation", which sets out to address social issues and the way they affect human need. Experian has invested \$4.5m in developing commercially viable financial inclusion products that create social impact, such as an emergency loan service with credit unions that replaces expensive payday loans.

A change of leadership stance helped to make this happen, from one that was all about revenue growth to one much more focused on the customer.

Jennifer from Royal London explained that focus groups were not giving her the insight she needed to ensure life and critical illness products were really working for people with a cancer diagnosis – hence wanting to learn from a charity and the people it supports. The "social insight" process Three Hands ran gave Royal London deep insight into the real experiences of people with cancer, resulting in three prototypes for new products and services. For Nadia, Head of Social Responsibility, the process was game-changing in that it helped to move her role from community and volunteering to one that is core to business considerations such as product development and vulnerable customers.



Closing comments

Professor David Grayson, CBE

“We must breathe to live but breathing is not the purpose of life. The purpose of a corporation is to produce goods and services to meet economic and social needs, to create satisfying and rewarding employment, to earn returns for its shareholders and other investors, and to make a positive contribution to the social and physical environment in which it operates.”

So started David Grayson, quoting economist John Kay, which set the scene for some powerful and meaningful messages to take away with us. David explained why he thought social purpose is no fad; Larry Fink, CEO of the world’s largest institutional investor writing to business leaders telling them that without a sense of purpose they will lose their license to operate tells us that we’re at a tipping point.

Business took a wrong turn in the 80s with the maxim that purpose was about maximising shareholder value, which is like saying “the purpose of living is breathing”. Charles Handy’s seminal speech to the RSA in 1990 entitled “What

is a company for?” helped to switch the dial, but it has taken a long time to get to this point. Now it is for each business to identify (or re-identify) for itself its purpose, how it adds value to society – its “north star”. CSR people have a major role to play alongside business leaders by making connections and both understanding and helping other parts of the business.

And then, once you have your purpose, it has to be lived, day in and day out...



The Three Hands Forum on Social Purpose

With thanks to...

Our speakers

David Schofield, Aviva
Emma Steele, Ascension
David Gold, Prospect-Us
Neil Gaught, Author
Isabel Kelly, Profit with Purpose
Jamie Bell, BT
Cameron Downey, Network Rail
Richard Donovan, Experian
Jennifer Gilchrist, Royal London
Nadia Al Yafai, Royal London
Andrea Barrett, Centrica

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Greenhouse Sports

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Elysia Catering
www.elysiacatering.com

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www.auralab.co.uk

Our photographer

Marcus Jamieson-Pond
www.jampondphotography.com

And a special thanks to **Andrea Barrett**, who worked with us to shape our thinking for the forum during her two month placement with Three Hands.

Further reading...

Neil Gaught – ‘Core’ (Book)
[Charles Handy’s 1990 talk on the purpose of business](#)
Tom Levitt – The Company Citizen (Book)
[David Grayson’s Website](#), and new book – “All In: The Future of Business Leadership.”

Three Hands contacts

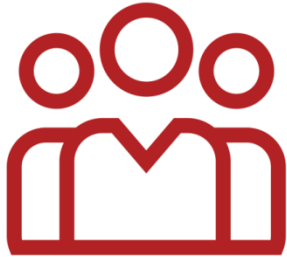
[Jan Levy – Managing Director](#)
[Mary Kunnenkeril – Director](#)
[Natalie Tucker – Senior Manager](#)
[Ellie Newton – Project Manager](#)
[James Keen – Project Manager](#)



THREEHANDS

We work with business to develop leaders, engage employees and benefit customers – in ways that create positive social impact.

WE BELIEVE IN CREATING BUSINESS VALUE AND SOCIAL VALUE HAND IN HAND.



PEOPLE

Developing, engaging and attracting employees



CITIZENSHIP

High impact community investment



SOCIAL INSIGHT

Innovating with products and services



We believe in creating business value and social value hand in hand.

We do so by creating tailored projects and programmes that take activities rooted in "giving" and making them strategically relevant to the business - from leadership and talent development to community investment and innovation.

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