



The Prince's  
Responsible  
Business Network



# PURPOSEFUL & INNOVATIVE CULTURES



8<sup>th</sup> April 2019

# EVENT OVERVIEW

Our purpose at Business in the Community is to inspire and engage businesses to become more responsible and tackle some of society's biggest issues. With digital technologies impacting every business and community, there is a clear need to ensure that digital transformations are responsible, inclusive and sustainable.

On the 8<sup>th</sup> April, we convened a range of business leaders to unlock a key enabler of responsible digital business: purposeful and innovative culture. This document summarises the findings of that session.

We'd like to thank, in particular, Fujitsu for hosting this event at their Digital Transformation Centre, as well as our three expert panelists: David Cottee, Oracle's Head of Innovation Engineering; Mike Baddeley, Ricoh's Director of Innovation and Strategy; and Hannah Rowley, BITC's Purpose Programme Manager.



# THE BUSINESS CASE

A business' purpose is their reason for being beyond profit, and it acts as a guide for commercial strategy and behaviours, as well as an accelerator for innovation. A business with purpose is one that has considered the role it can play to improve society, and applies this thinking to its products, marketing and customer experience. It's a powerful strategy device that helps brands to connect better with customers, grow sustainably and innovate.



*Monzo makes money work for everyone*

*Google organizes the world's information and make it universally accessible and useful*

*Microsoft empowers every person and every organization on the planet to achieve more*



Where a culture is defined as the sum of behaviours, there are three key areas of benefit of purpose-driven and innovative cultures:

## Innovation and financial performance

- Purposeful businesses outperform the stock market by 133%<sup>1</sup>
- The size of the market for businesses to engage in social and environmental related innovation is estimated at £100bn in the UK alone<sup>2</sup>

## Talent attraction and retention

- Almost 9 in 10 employees believe that “the success of a business should be measured in terms of more than just its financial performance”<sup>3</sup>
- 89% of employees agreed that purposeful companies would have greater employee satisfaction<sup>4</sup>

## Deeper customer and stakeholder relationships

- 72% of global would recommend a company with a purpose over one without<sup>5</sup>
- 80% of business leaders surveyed stated that a clear purpose helps increase customer loyalty<sup>6</sup>

# SETTING YOUR PURPOSE

There were four common recommendations from the event on how to set a business' purpose:

- 1 Consult broadly:** *start by listening to your employees and build from the bottom up, before engaging widely with external customers and suppliers to ensure the purpose resonates.*
- 2 Function & emotion:** *a purpose statement should speak to both the head and the heart, and will encourage different people in different ways.*
- 3 The right level:** *a business' purpose should apply to a whole organisation, not an individual business unit. This needs to be remembered when embedding the change.*
- 4 The right moment:** *colleagues are most likely to change their behaviours and adopt changes when they are looking for new ways of working. A new office layout is a good example.*

To embed a purpose, it's important for employees to understand what it means for them and what the expectations are so that it becomes more than just a buzzword:



Remembering that a culture is the aggregation of behaviours, it's important to translate purpose on an individual basis that applies to every business function. For further guidance, see our [Purpose Toolkit](#).

# CULTIVATING INNOVATION

Creating a culture of innovation is key for all businesses across sectors as digital technologies continue to accelerate disruption and quickly scale new products and services.

The next step from this session will be the development of a responsible innovation cycle, and the following characteristics will be at the heart of that guidance:

- **Innovation shouldn't be haphazard.** It requires a clear methodology and discipline to test and grow ideas into scalable outputs. Start with a clear problem statement and develop that into a vision that aligns with your business' purpose. Work together to create new solution ideas, narrow them down to a small number of prototypes. These can then be tested, improved and finally scaled.
- Many businesses benefit from having a dedicated innovation team, with the time and resources to pursue new ideas, but **innovation should come from across the organisation.**
- **Diversity is a key enabler** of innovation, and should be built into teams right from the start.
- **Start with your customer.** Creating a series of "personas" can help focus, and it's important that people from across relevant teams are involved. Innovation cannot be a silo.
- Part of the cultural shift needs to **embrace failure.** "If you learn from failure, it's not really a failure."
- Ideas can be **big and small**, and both could lead to significant growth and impact.

Oracle's support of the [World Bee Project](#) is a great example of this culture of purposeful innovation.

The significant decline of honey bee and other pollinator populations threatens food security, biodiversity and ecosystems, with dire consequences for the human race and the planet.

Oracle is using its technology and skills to provide long-term international monitoring of bees and pollination to further research, protect pollinators and to help drive the entire business ecosystem towards one which supports pollinator and farmer prosperity, human wellbeing and national economies.

# EMBEDDING THE CHANGE

Embedding the purpose and culture is key to making sure that they become more than just buzzwords in the business and that the benefits are realised.

This has to be a slow and deliberate process that can last at least five years to truly embed. Clear and authentic leadership is key to taking this long-term approach, but it needs to be felt and communicated across every level. Here are some approaches and recommendations from our delegates that businesses have used to successfully embed their cultural change:

**Create a purpose or values  
whistleblowing process**

**Ensure the business  
strategy aligns with the  
purpose**

**Ensure the leadership team  
is vocal and walk the talk**

**An embedded purpose is  
one that's used to make  
tough decisions**

**Build innovation and  
purpose into personal and  
departmental objectives**

**Reward and recognise  
behaviours in line with  
your culture**

# RESPONSIBLE DIGITAL BUSINESS

Business in the Community aims to make the UK the world leader in responsible business. Digital technologies are clearly revolutionising and disrupting how we do business. Their impacts can be felt right across our society and the environment, and it is imperative that we anticipate both the both their opportunities and threats.

Our report, [Brave New World](#), written in partnership with Accenture Strategy, shows that the benefits of digital technologies are myriad: *AI could increase UK labour productivity by 25% by 2035; global carbon emissions could be reduced by 20% by 2030; 450 million people worldwide could benefit from better access to education.*

But the challenges are significant too: *the UK economy is losing £63bn a year from digital skills gap; 65% of Primary School children today will work in jobs that do not yet exist; by 2020 there will be over 6 million people in the UK without the skills to regularly use the internet.*

To react to these opportunities and risks, we launched 4 digital priorities for businesses to respond to:

Business Priority 1  
Protect, support and empower customers

Business Priority 2  
Embrace the changing nature of work

Business Priority 3  
Deliver innovative products and services that serve society

Business Priority 4  
Drive a transparent, inclusive and productive value chain

We are now engaging twelve leading businesses as our Digital Champions Network to make commitments against these priorities and to shape this critical responsible digital business agenda. It is with thanks to these Champions that these events are organized. *For more information, please contact [Alastair Loasby](#).*

  
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# ENDNOTES

1. Meaningful Brands, Havas Media, 2015
2. Fortune Favours the Brave, Marks & Spencer and Accenture, 2013
3. The Deloitte Millennial Survey, 2016
4. The Business Case for Purpose, Harvard Business Review, 2015
5. Goodpurpose, Edelman 2012
6. The Business Case for Purpose, Harvard Business Review, 2015