

Over a series of six articles, Danni will be interviewing and reviewing both local and international brand leaders whom have found their higher order, their purpose, and their reason for being. Through these interviews, She will explore the people behind the brands and find out what thinking went behind the thinking on their journeys to greatness. Follow the series and more on www.helloworldagency.com and www.advantagemagazine.co.za

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BRANDS THAT POWER GROWTH AND PROFITOUR INDUSTRY

WHOM BETTER to start with than interviewing Jim Stengel, former global marketing officer at Procter & Gamble Co. and perhaps the high priest of purpose-driven marketing recently launched his book, *Grow: How Ideals Power Growth and Profit at the World's Greatest Companies*. The book has been released in South Africa earlier this year. Stengel makes the case that corporate 'ideals,' the word he has opted for over 'purpose', are at the core of success.

Q: You've said the marketing industry is in dire need of a transformation that begins with 'purpose'. Can you elaborate on that concept?

A: I believe that brands that understand why they exist, what purpose they have in improving the lives of the consumers they serve and who operationalise this in their activity system are the brands that grow in a sustainable way. Ideals-driven brands, or purpose-

driven brands, inspire their consumers, inspire their employees and consistently over time outperform their competitors. I've studied this, I've seen it, I've experienced it and I believe it's the only way forward if you want to grow your brand sustainably. A higher-order purpose yields higher performance and higher returns.

Q: Can brand ideals be too idealistic?

A: I have been challenged with questions like isn't the ideal of Johnnie Walker just to make great whisky? It's not to celebrate journeys of progress and success. Isn't the ideal of Starbucks just to make a good cup of coffee? It's not to create connections for self-discovery and inspiration. I admit at first this notion of higher-order brand ideals feels pretty conceptual, and a bit idealistic. Perhaps even a tad 'American'. Sir Martin Sorrel, in writing his comments to me about the book, said "When you start reading *Grow*, you may well feel a

BEHIND BRANDING



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little skeptical about the ideal and its bottom-line value. But you'll soon become intrigued – and then utterly convinced."

They are right that Johnnie Walker must make great whisky, and that Starbucks must make a great cup of coffee. And Apple must make great devices, Pampers must make great 'nappies,' Red Bull must make drinks that supercharge your energy, Petrobras must distribute high-quality energy, and IBM must deliver competitive data services. But if that is their only aspiration, they will not attract talent and innovate in ways that make life better for the people they serve. Without an ideal to guide an organisation, people lose their passion to create and do meaningful work.

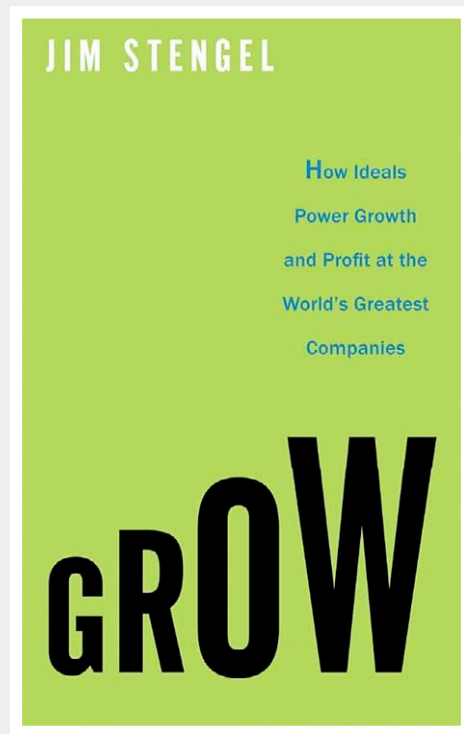
Is your brand ideal too idealistic? My bet is that it is not. I have found quite the opposite: most companies and brands aim too low, with a functional, unemotional brand ideal. And that just won't drive growth

Q: What example of a brand you have personally helped shape best makes that point?

A: Brands which are driven by ideals touch on one of five human values: eliciting joy, enabling connection, inspiring exploration, evoking pride or having an impact on society. Pampers, the brand had lost sight of its core ideal by focusing too narrowly on the dryness of nappies. Market share continued to drop until Pampers successfully redefined its brand ideal as 'helping mothers care for their babies' and toddlers' healthy, happy development'. Anybody can talk about dry nappies, but helping mothers care for their newborns is a message that helps distinguish a winning brand from the also-rans. It turned Pampers in the no.1 consumer brand in the P&G group globally and led onto 1 Pack = 1 Vaccine programme where consumers and Pampers provide funding for over 31 million tetanus vaccines to newborn babies.

Q: Your final words

A: A brand ideal is not social responsibility or altruism but a programme for profit and growth based on improving people's lives.



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WHAT STEVE JOBS KNEW ABOUT PURPOSE BRANDING

Everyone knows of Steve Job's success as an innovator, but less is known of him as a brilliant brand strategist

IN A VIDEOTAPED speech to Apple employees where he explains the rationale behind the 'Think Different' campaign, he showed a deep understanding of the need to express a noble purpose that goes beyond 'making boxes' or 'why we're better than Windows'.

Guided by a clear purpose, not a traditional positioning, Jobs led Apple to a position among world's most influential brands, a position that was guided by his own personal purpose.

Here are a few lessons that he left behind:

He understood what a purpose brand is all about. For him it was about a unique essence and impact that one could make in the world. Steve reminded us to pursue our uniqueness

"Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma – which is living with the results of other people's thinking. Don't let the noise of other's opinions drown out your own inner voice. And most

important, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary." Steve Jobs Stanford Commencement Speech that has had over 10 million views on YouTube.

He knew what his purpose was and it defined all his actions. It was about the relentless pursuit of excellence. It was about innovating, not being afraid to break the rules to be different

"We don't get a chance to do that many things, and everyone should be really excellent. Because this is our life. Life is brief, and then you die, you know? And we've all chosen to do this with our lives. So it better be damn good. It better be worth it." – *Fortune Magazine interview*

He didn't care about making money. He cared about something bigger

"Do you want to spend the rest of your life selling



sugared water or do you want a chance to change the world?" – Steve Jobs' famous question to John Sculley, former Apple CEO

"I'm the only person I know that's lost a quarter of a billion dollars in one year.... It's very character-building." – Wikiquote, as quoted in Apple Confidential 2.0: The Definitive History of the World's Most Colourful Company (2004) by Owen W. Linzmayer

"I was worth over \$1 000 000 when I was 23, and over \$10 000 000 when I was 24, and over \$100 000 000

when I was 25, and it wasn't that important because I never did it for the money."

*"Being the richest man in the cemetery doesn't matter to me ... Going to bed at night saying we've done something wonderful... that's what matters to me." – Wikiquote, as quoted in *The Wall Street Journal* (Summer 1993).*

He brought his own purpose to the company he started

"Our customers want to know who is Apple and what

do we stand for? Where do we fit in this world? What we're about isn't about making boxes, although we do that well. What Apple is about at the core, its core values, is that we believe people with passion can change the world for the better. That's what we believe. And we believe that those people who are crazy enough to think they can change the world are the ones that actually do. Our purpose as a company is to empower these people with tools that allow creative exploration and self expression"

A final quote from Steve Jobs

"Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven't found it yet, keep looking. Don't settle. As with all matters of the heart, you'll know when you find it. And, like any great relationship, it just gets better and better as the years roll on. So keep looking until you find it. Don't settle."

– Steve Jobs – Stanford Commencement Speech 2005



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THERE IS METHOD TO PURPOSE

THE FIRST TWO articles in the series focused on P&G and Apple's success in purpose branding but can a new unknown brand be as successful? Meet Method and its co-founders Adam Lowry and Eric Ryan. Method is the leading innovator of premium healthy home and personal care products in North America, Europe, Australia and Asia and it is only just over 10 years old. Method has grown to be worth an estimated \$150 million by being a brand synonymous with green, good and success. They were ranked the 7th fastest growing company in America by *Inc.* Magazine in 2006 and the 16th most innovative company in the world by Fast Company.

TELL US ABOUT YOUR BRAND PURPOSE?

We see our point of difference as being 'we are people against dirty' and by 'dirty,' we don't just mean the stuff dust bunnies are made of. Method is about more than just cleaning up



your home and your body; it's about cleaning up the way we clean. We see business as a powerful agent of change: for people, the environment and our communities and its this purpose-led actions that have allowed us to pioneer premium planet-friendly and

design-driven home, fabric and personal care products which are formulated with naturally derived, biodegradable ingredients.

HOW DO YOU BRING YOUR BRAND PURPOSE INTO YOUR BRAND?

We always portray the fun side of cleaning with Method products and highlight the brand's key product attributes – vivid colour and fragrance, cleaning power and safe formulas that delivers on the brand mission of inspiring a happy, healthy home.

WHAT DRIVERS KEEP YOUR BUSINESS PHILOSOPHY AUTHENTIC?

We subscribe to a 'humanfesto' where we live by our principles. Examples include:

- We look at the world through bright-green coloured glasses
- We see in ingredients that come from plants, not chemical plants, and guinea pigs that are never used as guinea pigs
- We're an e.o.m.e.d (equal opportunity



method.

sustainability initiatives

method's entire line of home care and personal care products are non-toxic, made with naturally derived, biodegradable ingredients that are tough on dirt and easy on the planet.



PRODUCTS



transparency

we believe in transparency so we disclose all our ingredients.



recycled plastic

we make recyclable bottles from 100% recycled plastic resulting in zero waste and a 70% lower carbon footprint.



Cradle to Cradle®

we are proud to offer the first range of certified Cradle to Cradle® cleaning products.



ingredient safety

we're recognized by EPA's Design for the Environment (DfE) program for the ingredient safety of over 50 products.



EPEA-assessed

we have all of our materials assessed by the EPEA for health and environmental safety.

PROCESS



biodiesel fleet

the majority of our customer shipments in california and the northeast are via biodiesel truck.



reduction incentives

we offer incentives to suppliers to reduce carbon emissions and ultimately lower our impact.



greensourcing program

we have a supplier sustainability program that drives green innovation.



fuel efficiency

our domestic shipments are done with an EPA SmartWay Transport member freight company for better fuel efficiency.

COMPANY



climate-sensitive

as a climate-sensitive business, we offset the carbon emissions from our manufacturing, travel and office use.



B corporation

we are a founding B Corporation business and use the power of purpose-driven private enterprise to create social and environmental change.



Cradle to Cradle®

we are a Cradle to Cradle® business recognized for our environmental product design and green business leadership.



never tested on animals

we were PETA's 2006 company of the year and are certified cruelty-free for our non-animal testing policy.



LEED-certified

our san francisco HQ is a LEED-certified green building.

movement for environment and design) method is our way of keeping the movement, well, moving

- To get out and fight dirty, take deep, satisfying breaths all day and sleep easy at night
- We help each and every advocate put their method where their mouth is.*

(*They really could put it where their mouth is, since everything we put inside method is safe and non-toxic)

- We also believe in making products safe for every surface, especially Earth's.
- We exercise by running through the legs of the giant, which is even more fun when the sprinkler is going
- We consider mistakes little messes we can learn from, and nothing that can't be cleaned up and made better
- We embrace the golden ylang-ylang rule: do unto your home

as you would do unto you. (Your shower doesn't want to have morning breath any more than you do)

- Above all, we believe dirty, in all its slimy, smoggy, toxic, disgusting incarnations is public enemy number one

WHAT WOULD YOU SAY HAS BEEN INSTRUMENTAL IN YOUR SUCCESS?

Over the last 10 years it's been important to lock down our 'obsessions' and make them integral to our company. As a company grows, it becomes increasingly difficult to adhere to these values. One of Method's 'obsessions' was to create a 'culture club' or 'branding from the inside out'. Creating and maintaining cultures continues to be the hardest value to upkeep. It's always in motion and changing. Our goal is to create a culture that would inspire us to do our best work.



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Simon Sinek answers the WHY

Danni Dixon explores the people behind brands and finds out what thinking went behind the their journeys to greatness

MEET SIMON SINEK, the author of *Start With WHY* (Penguin). He created a simple model; The Golden Circle that codifies what makes the most inspiring people and organisations so successful and influential. The concept is so powerful that it is changing the way people, businesses and brands think, act and communicate.

SIMON, WHAT IS THE WHY?

Every single organisation – or career, for that matter–exists on three levels: WHAT you do, HOW you do it and WHY you do it. Everyone knows WHAT they

do, some know HOW they do it (your differentiating value proposition or the things that make you different), but very few can clearly articulate WHY they do what they do. By WHY I don't mean to make money, that's always a result. By WHY, I mean what's your purpose, cause or belief? Why does your company exist? Why did you get out of bed this morning? And why should anyone care?

Starting with WHY means reversing the way we usually do things. Most organisations only focus on WHAT they do and HOW they do it – tactics and strategies – and they aren't even aware



that this thing called the WHY exists. Focusing on only two pieces of a three-piece puzzle leaves an organisation, or a career, inherently out of balance. Being out of balance shows up in different ways – increased stress, loss of passion, obsession with what your competition is doing, being forced to play the price game, trouble differentiating. These are all signs that the WHY is missing.

WHAT ARE SOME GOOD EXAMPLES OF PEOPLE OR COMPANIES THAT UNDERSTAND THEIR WHY?

In business, any of the companies that we love to do business with all understand their WHY. That's the reason we love, not just like, doing business with them. It's the WHY that commands the loyalty. These are companies like Apple, Southwest Airlines, Harley-Davidson and Patagonia. All their competitors have equal and open access to the same media, resources, talent, consultants

and agencies, but these few companies seem to have an unbalanced amount of success and influence. They are also more profitable and more innovative. Not just because they are good at WHAT they do or HOW they do it, but because they also know WHY. They are operating on all three levels – they are in balance.

HOW CAN COMPANIES FIND THEIR WHY?

Your WHY comes from your own background and upbringing. For example, a CEO that grew up in the depression grows up to become a miserly CEO. That's not because he read in some management book the importance of being miserly – it's because he grew up in the depression! The same is true for all of us. Our WHY is formed when we're young. So, if you want to rediscover your WHY, that's where you have to look.

For a company to find their WHY, it's about

going back to the founding of the company. Why was the company founded? I don't mean what marketing opportunity did it fill, but what was the problem the founder was trying to solve? What was going on in their lives that they saw this product or service as the way forward? For example, Steve Jobs and Steve Wozniak grew up in Northern California during the Vietnam War – the hot bed of anti-government and anti-establishment sentiment. Apple was and still is their revolution. They wanted to challenge the *status quo* of large companies, monopolies, anything that suppresses the creativity of the human spirit. They were the champions for the individual. That has always been the case and is to this day. All these companies that grew to any sizable proportions were all founded with a belief or a cause bigger than their products or services. It was their products or services that helped them bring that cause to life.

In business, any of the companies that we love to do business with all understand their WHY.

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JIM COLLINS ON PURPOSE

Jim Collins is a an expert on making companies operate. He explains how good companies can become great ones

HAVING INVESTED nearly a quarter of a century of research into the topic, Collins has authored or co-authored six books that have sold in total more than ten million copies worldwide. They include: the classic *Built To Last*, a fixture on the *BusinessWeek* best seller list for more than six years; the international bestseller *Good To Great*, translated into 35 languages; and *How the Mighty Fall*, a New York Times bestseller that examines how great companies can self-destruct.

A key topic in his books is that of ideology or what we call brand purpose.

Why the need for an ideology or a company brand purpose?

Concentrating on products – or services, if that’s what you sell is a trap. It’s not that what

a company makes is irrelevant; only that we’ll see more and more companies framing their identity in terms of their core purpose rather than in terms of their products or services. They’ll need to. Business cycles of all kinds are getting shorter – some products become obsolete almost as quickly as they’re created. It’s more important than ever to define yourself in terms of what you stand for rather than what you make, because what you make is going to become outmoded faster than it has at any time in the past.

Then what do you hang on to? You hang on to the idea of who you are as a company, and you focus not on what you do but on what you could do. By being really clear about what you stand for and why you exist, you can see what you could do with a much



more open mind. You enhance your ability to adapt to change.

So, can purpose inform what you make or sell as a company?

In addition to the ‘what we stand for’ test, there are two other key tests that help guide



a company's choices about what products or services it should offer. There's a whole separate question a company must answer: What are we good at? Does the option we're considering match our capabilities? And finally, there's a third test: Will people profitably pay us for this?

Imagine a model consisting of three overlapping circles to show how the three tests inform one another. What you're after is the choice that falls inside the intersection of those three circles – the option that passes all the tests. You can see how, when seemingly unlimited possibilities are balanced by other concerns, practical choices emerge. Most companies, though, never define what they stand for; they don't have a purpose. Few companies ever build an accurate picture of what they're good at. What they're left with is a stool supported by only one leg: they're driven only by what people will pay for.

In your opinion, how can companies describe what they stand for so it actually does some good?

Most organisations haven't done a particularly good job of articulating what they stand for – their 'mission statements' notwithstanding. Why is that? First, some companies don't stand for anything real. Second, many companies that do stand for something don't have a good grasp of what it is.

There are five important characteristics of a good expression of a company's core purpose:

- **One**, it absolutely has to be inspiring to those inside the company
- **Two**, it has to be something that could be as valid 100 years from now as it is today
- **Three**, it should help you think expansively about what you could do but aren't doing
- **Four**, it should help you decide what not to do
- **Last**, your expression of what you stand for has to be truly authentic to your company. Companies that fail on this count are often the ones that really don't stand for anything and never will.

Can you give us a real-world example of a company purpose in action?

As a junior product manager at Hewlett

Packard (HP), I was part of a team charged with determining the nature of our next computer. I argued that we should do an IBM-compatible product because, given the standards in the market at the time, if we weren't IBM compatible, we would fail. I was right. What I was wrong about was that we should create the product that the market wanted, which was an inexpensive, reasonably fast IBM-compatible computer. My engineering counterparts from the lab said, "There's no opportunity for a technical contribution in a straight IBM compatible." I said, "But that's what the market wants." And one of my friends from the lab said, "But that's not who we are. It doesn't matter if that's what the market wants. HP is not about to issue a major line of computers that does not represent a technical advance, because it's not what we're about." He was right, and today HP is doing very well in a high-end, very profitable computer niche built on its high technical contribution. The company's core purpose dictated a very real-world choice.



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BRAND PURPOSE

This is the final instalment in the series of six articles, written by Danni Dixon. Over the course of the last few months, she interviewed and reviewed both local and international brands that have found their higher order, their purpose, and their reason for being. Through these interviews, Dixon explored the people behind the brands and found out what thinking went behind their journeys to greatness

JOBS, JAVA AND JUICE

In this series of brand purpose interviews, we have explored how inspiring brands and businesses are guided by their purpose into sustainable strong leadership positions that have shown bottom line results.

Another great example of such a brand is Starbucks. Its CEO, Howard Schultz, has ambitiously taken the business into new frontiers in a time when it looked like the company was heading for the grinder. At the height of the financial meltdown, the US consumer's discretionary income was at its tightest and it led to 900 under-performing stores being shut.



Howard, two years ago how did you turn the store closures into a position of strength for the brand and the business?

Our last quarter's results were the best ever and sales are up 15% worldwide. We did this by believing in our brand and its purpose: 'Connecting People' and by looking beyond coffee to unleash a blitz of new products like juices and bakery goods. We have been prototyping small meals, more comfortable settings, alcohol etc. and it's working. We also focused on our social media to build world-class capability to connect and share with Starbucks people whilst we reduced our more traditional mediums.

We are now opening 300 new stores before the end the year in the US as well as continuing to push into new markets like China where we expect to triple our presence by 2015. There are now more customers going through our stores than any other time in our history. It's about redefining and reinventing yourself whilst still remaining true to who you are and your purpose of existence.

In your opinion, how can a brand like Starbucks play a role in the economy?

I do see the country's problems as our own in terms of unemployment, climate change, income equality and educational disparities. As CEO, I walk the walk through our campaign 'Create Jobs for USA' designed to fund job development in poor areas. We developed a product line where a portion of sales goes towards the job programme. We use a struggling ceramics company in Ohio to make mugs for our stores to keep jobs in the US. So far, we have raised over \$10 million for the effort. For each \$3 000 we raise, a job is created so we have added about 3 500 jobs across the country.

What do you base your brand success on?

People buy the brand as much as they buy the java, they have given us the licence to venture beyond, and transform the nature of the American corporation from not only delivering the bottom line, but to the country too.

"At the height of the financial meltdown, the US consumer's discretionary income was at its tightest and it led to 900 under-performing stores being shut"

