

# Purpose, Incorporated:

## Turning Cause into your Competitive Advantage

By John Wood and Amalia McGibbon

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John Wood is a former Microsoft executive who was inspired by a trip to Nepal to give up his job and to found *Room to Read*, an international organisation which brings educational opportunities to over 12 million children in 15 countries. His co-author Amalia McGibbon works for *Social Good & Goodwill* at Facebook. Together they have written a book which encourages people in the business world to pursue grander, more meaningful causes than simply boosting corporate profits. Wood does not exactly tell his readers to follow in his footsteps, though he is clearly proud of his charity and many of his favoured corporate examples are – no surprise! – companies which support *Room to Read*. Instead he wants people to stay in business, but practise it in a different way, a way that he clearly feels is gathering social momentum.

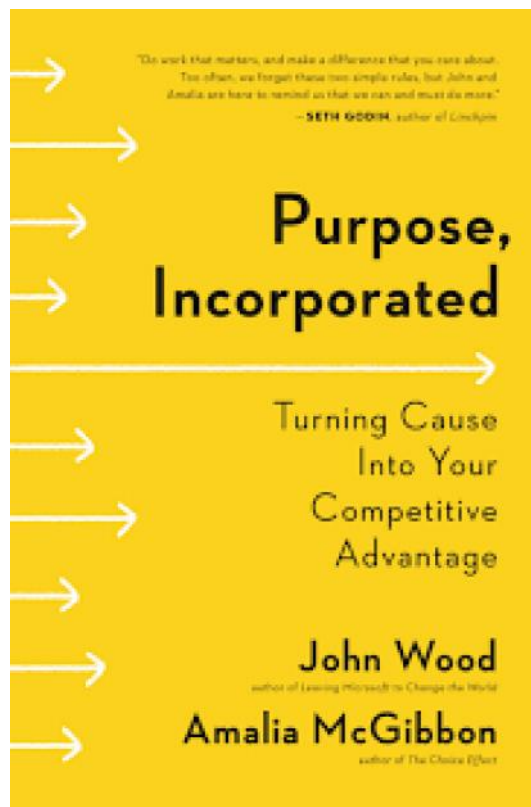
The authors' analysis is that the key to this sea change is the attitude of millennials, who are looking for deeper meaning in their working lives, and this is influencing the choice of companies that they work for. They cite a telling quote from an early Facebook employee: 'The best minds of my generation are thinking about how to make people click ads. That sucks.' In response to this dissatisfaction, the corporate sector is becoming much more sensitive to a fifth P in addition to the classic 4

Ps of marketing: Product, Price, Promotion and Placement. The fifth P is Purpose: hence the title of the book. Wood and McGibbon note a 'blurring of lines' between non-profit organisations, which 'are adopting the best of the business world' and

Tatcha (which makes skin care products), HKBN (having come across this innovative broadband provider on a recent trip to Hong Kong, I was delighted to see it included) and Edwards Lifesciences (which makes valves for people who have heart operations). By 'purpose' the authors embrace not only the product or service which is a company's primary *raison d'être*, but also participation by corporate employees in worthwhile charitable activity. The book could actually have been clearer about this twofold dimension. As a result, a certain confusion results. Thus we are given a positive example of employees being attracted by a company which makes a written pledge that one per cent of the firm's equity, annual profits and employee hours will be dedicated towards improving the state of the world. However, one might ask, what about the remaining 99% and the company's core activity – shouldn't they be concerned, to a greater or lesser degree,

with improving the state of the world? And if not – if the company does not actually enhance the quality of life – should it be in business?

Nevertheless, there is much in this book which is insightful and encouraging. Wood and MacGibbon stress the importance not only of



companies that are defying Milton Friedman's famous adage about the sole goal of business being to maximise profit for shareholders, and seeking objectives that go beyond the bottom line.

They go on to provide several striking examples of contemporary companies doing what they describe, including