



a blueprint for better business

BLUEPRINT IN ACTION

17 March 2016

This booklet gives an overview of the presentations and discussions that took place at a conference held in March 2016 .

For more information on A Blueprint for Better Business and on the content of the conference, including videos of the sessions, visit www.blueprintforbusiness.org



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Charles Wookey (CEO, A Blueprint for Better Business)

Challenges Facing Business Leaders Today

Sacha Romanovitch (CEO, Grant Thornton UK)

How can businesses encourage people to act beyond pure self-interest?

Panel discussion chaired by Matthew Taylor (CEO, RSA)

Gillian Tett (US managing editor, FT), Professor Jaideep Prabhu (Professor, University of Cambridge), Professor Nava Ashraf (Professor, LSE), Shaunaka Rishi Das (Director, Oxford Centre for Hindu Studies), Loughlin Hickey (Trustee & Senior Advisor, Blueprint)

Key Note Speaker

Paul Drechsler (President, CBI; Chair, Bibby Line Group)

Uncovering the power of our beliefs and actions

Roundtable discussions introduced and moderated by Loughlin Hickey (Trustee & Senior Advisor to Blueprint) and Julia Rebholz (Centrica & Blueprint Practitioner in Residence)

Making a Difference – Blueprint in Action

Panel discussion chaired by Barbara Stocking (Trustee)

Paul Moore (easyJet), Matt Peacock (Vodafone),

Brendan McCafferty (Flood Re), Julia Rebholz (Centrica & Blueprint Practitioner in Residence)

Taking Forward the Opportunity for Change

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WELCOME & INTRODUCTION



Charles Wookey
CEO, A Blueprint for Better Business

'How do we help release the unrealised potential in people - ourselves, those we work with, and those who are touched by companies... in the service of both better businesses and a better society?'

Charles spoke about unrealised potential and the real and urgent need to bring together the fulfilment of people at work, the success of business, and the wider prosperity of society. There is huge potential if we can unite these, and Blueprint can help people and businesses to unlock that potential for themselves.

He explained that Blueprint brings two insights:

- Business purpose - that business can and should operate to a purpose that serves society for mutual benefit, where profit is the outcome not the purpose
- People - that human beings are meaning-seeking creatures, desiring quality relationships with others and to make a contribution. They will behave in a self-interested way when threatened or disrespected, but most people, within and beyond business, want to make a contribution through their work and will do so if they feel respected and connected to a meaningful enterprise.

Focusing on the question of 'purpose' can be powerful, but the word 'purpose' is being overused, and alone is not enough. Living out a purpose that respects people and serves society depends crucially on the view of the human person which an organisation operates with through its structures and processes. The narrow view that people are purely self-interested becomes self-reinforcing as we all tend to become more self interested in an environment where everyone is assumed to be so. But most people, if given the chance, want to make a positive contribution through their work. Enabling such behaviour to become commonplace in a business brings purpose to life: it releases potential for fulfilment, creativity and innovation - it is what makes people care about a business.

Applying the Blueprint Principles and Framework is hard - if it was easy everyone would have done it already. A commitment to openness, dialogue, challenge, and shared learning is fundamental to the Blueprint approach.

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Sacha discussed how the very real issues facing the world, such as climate change, will affect the long-term success of business. But as well as these challenges, there are opportunities to solve problems in a different way. These problems can't be solved by any individual or single organisation, just as a single voice doesn't have the power of a choir singing together.

'We can either choose to sit back and wait for others to solve problems, or to step forward and be part of the solution.'

She went on to talk about how people want to find meaning in their work, and to feel proud when they tell friends and family where they work. They want to feel they are doing something meaningful, to feel valued and to have the space to become really good at what they do. Grant Thornton's journey began as a groundswell coming up from people within the business who felt the organisation could play an important and different role.

Purpose is not something you can 'stick on' to an organisation - it is about unleashing what is already there. Grant Thornton went through a journey of three different elements: unleashing what was already there to find the organisation's purpose; connecting individuals to that purpose; and making it central to everything they do. Next they looked at how to embed it - this influences who they work with, and who they invest or disinvest in. She described their purpose as 'a north star' to guide them.

She also described some of the challenges they face. We are in a world where we are going against established norms - where profit and purpose are seen to be separate parts of the axis. Her response to this view was that it was looking at the 'wrong picture': *'profit and purpose actually go hand in hand together, like a yin and a yang.'*

Finally she talked about how we have a model of leadership where leaders are expected to be perfect. To really be an authentic leader you need to be able to talk truthfully about things that aren't going well without being knocked down for it - it is not about being perfect but about having a genuine desire to make the change and do things differently. *'We have the power and ability to influence, and we need to use that responsibly to make a difference.'*



Sacha Romanovitch
CEO, Grant Thornton UK

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Matthew Taylor
Chief Executive, RSA

Matthew Taylor chaired the first panel, asking why we think people at work want to care about other peoples' interests and not just their own, and what some of the 'triggers' to act on that desire are. He referred to the arguments put forward in an RSA animation of a Dan Pink lecture :

'What motivates people at work is not carrot and stick...but is in fact people's desire for three things: autonomy, mastery and purpose.'



Professor Nava Ashraf
Professor of Economics,
LSE

Nava highlighted economic research that showed that people are motivated by more than carrots and sticks; people consistently exhibit altruistic behaviour. She drew on examples from experiments that show that people act in a way that serves others at their own expense.

She continued to explain that organisational form and structure are important: *'There is actually a danger where you could make things worse by talking about purpose but actually doing the work at every level of the company in the same way. This dissonance is going to demotivate tremendously.'*



Loughlin Hickey
Trustee & Senior Advisor
to Blueprint

Loughlin built on Nava's point explaining that the outcomes people seek are clear, but they often use old business models. Organisations should allow their employees to bring their whole selves to work: *'more rules, less initiative.'* Companies need to ask themselves *'What is the human impact of the structures, processes and tools I put in place?'* Companies' processes often encourage a different view of the human person than the one they would consider themselves to hold; the two need to be consistent.

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Shaunaka noted that all business is dependent on human interaction - on people and on personal relationships.

'Maximisation of profits is necessarily short-term because it is an extreme...In our push for maximisation of profits, people become secondary, and that's not sustainable.'

Accounting departments take account of every penny spent, but companies often do not take account of people's creativity. We need to be able to bring our whole selves to work, in order to feel fulfilled.

Jaideep started by talking about his current research focus which is on what he calls 'frugal innovation'. Through frugal innovation companies design and develop products for those that are typically ignored by the formal economy. This research shows that both individuals and companies benefit from their work innovating for the most underserved in our economy. He also highlighted the psychological underpinnings of altruism, namely reciprocity and empathy. Both of these are ingrained in us from a very young age and affect how we act. Empathy connects us to others' emotions so we feel a benefit from helping others. The concept of reciprocity means that those who do help others are more likely to benefit from reciprocal help. *'The principle of reciprocity is a very powerful principle across the world.'*

Drawing on her insights as an anthropologist and her numerous conversations with business leaders Gillian started by saying that even hard-nosed business leaders care about more than money. Since 2007, we have all come to realise with a vengeance that business, finance, markets is also about people.

She added that *'The single bravest thing a leader can do today in the world of hyper-efficiency is to stand up and embrace a bit of slack ... the cult of efficiency can dehumanise people, create silos and lead companies to do some really stupid things.'*



Shaunaka Rishi Das
Director, Oxford Centre
for Hindu Studies



Professor Jaideep Prabhu
Professor of Marketing,
Cambridge Judge Business School



Gillian Tett
US Managing Editor, FT

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Paul Drechsler
President of the CBI
and Chair of Bibby Line Group

Paul opened by saying he strongly believes that *'business at its best is a force for good in society'*. Throughout history business has been a force to lift people out of poverty and raise global living standards and he cited examples from Cadbury, and other more recent examples of how businesses have contributed to society.

Business contributes a tremendous amount to society through taxes, jobs, innovation and invention, but equally there is a lot more that business can and should be doing. He agreed that *'business as usual is not enough'* - he referred to a recent poll that found that only 50% of people believe that business is good for society. There is a challenge for business to respond - *'this is not about words, it is about actions and behaviours every day, 365 days a year'*.

He went on to talk about the importance of reputation - a vital ingredient in securing businesses a license to operate. The fastest company collapses he'd seen were the result of a damaged reputation and subsequent lost of trust, citing Warren Buffet: *'It takes 20 years to build a reputation, and five minutes to ruin it.'*

Only 1 in 6 firms have a business plan that looks beyond a 10 year period and that is not good enough. Some of the biggest challenges in mankind can only be addressed with the engagement of business.

Peoples' expectation of business is increasing: *'People are buying the values of the company that made their products'*. Many firms will need to change rapidly the way they operate to meet these expectations and to address the big global and environmental challenges we face.

Business must do more to show that it is leading the way and coming up with the solutions to the pressing global issues or risk losing the support of society.

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The panel, facilitated by Barbara Stocking, one of Blueprint's Trustees, discussed companies experiences of using Blueprint.



Paul Moore
*Communications
Director, easyJet*

Paul Moore shared the story of easyJet's journey to becoming led by a purpose that serves society. Their aim is '*make travel easy and affordable*'. Some years ago they had let cost cutting guide their decisions too much and had cut the things that their people and customers found valuable. Their punctuality, morale and passenger trust were all low as a result. After the changes, they have more recently had a very good period and have effectively differentiated themselves from competitors.

'Blueprint gave us the picture on the outside of the jigsaw box and all of sudden it made much more sense.'

He went on to say that trust is incredibly important to companies and you have to earn it. It is easy to create a great CSR report but it is very different to genuinely run a company in a sustainable way. *'One of the appeals of Blueprint is that it absolutely does force, or encourage, you to run your business in a better way.'*



Matt Peacock
*Group Director of
Corporate Affairs,
Vodafone*

Matt Peacock explained how Vodafone got together its top forty leaders, put the Blueprint Principles and Framework on the wall and discussed how Vodafone stood in relation to them. *'It was a very honest and sometimes quite painful conversation.'* In parallel they carried out a gap analysis using employee and customer feedback and external stakeholder research.

This led to the introduction of a number of programmes to include their customer excellence programme, which aims to rebuild their relationships with customers, a complete overhaul of their supplier relationships, greatly improving their payment scheme, and the implementation of their Sustainable Business Framework to refocus the company on global transformational goals (women's empowerment, youth skills and jobs, and energy and innovation).

'We can align core commercial objectives that are very important for us as a business with material positive social impact at scale.'

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‘My chairman brought the idea of Blueprint to me some months ago and it just resonated immediately. I was immediately very excited by it. I loved its simplicity, it’s clarity but also its depth.’

Brendan McCafferty explained how one of the big challenges of starting up Flood Re from scratch was to create an atmosphere for the business to thrive. Part of ensuring this thriving culture was to hire people who are aligned to their purpose. They talk about getting the Flood Re bug, and receive an incredible amount of discretionary effort from the teams at Flood Re:

‘Our employees are caught in the cause of doing this purposeful thing.’

In Julia Rebholz’s search for Centrica’s purpose she found their 1812 documents of incorporation. These stipulate that Centrica’s purpose is to provide heat and light for the significant good of the people. Whilst this served a social purpose in 1812, with climate change it had unforeseen consequences that make it unsuitable now.

‘What Blueprint did for us was to ask us some different and unusual questions about the type of energy system that people would like for the future.’

Centrica undertook a gap analysis and gathered input from stakeholders which narrowed their focus on what they actually wanted to be. They landed on customer empowerment and innovation. Centrica have taken some very real steps towards this by investing more in projects related to customer empowerment and moving away from the areas that used to be their core business, but now no longer fit with their purpose.



Brendan McCafferty
CEO, Flood Re



Julia Rebholz
Group Sustainability
Director, Centrica &
Blueprint Practitioner
in Residence

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Sir Mike Rake
Chair, Blueprint Advisory Council & Chair of BT & Worldpay

'If you have a real purpose, and society thinks that you have a purpose, and its genuine, and it delivers benefits to society - that company will do well, that company will deliver sustainable profits, that company will recruit and retain the better people. But it has to be genuine and it has to be long term in its aspiration.'

'I'm delighted I've been asked to chair the Blueprint Advisory Council.'

Mike started by saying how important the issue of trust is. He referred to a recent survey which showed that only 32% of people think that business acts ethically and only 53% believe that business makes a contribution to society. This lack of trust in business, and in other institutions, has negative impacts on all parts of society and has led to political pressure which in some cases has had unforeseen negative consequences, further disadvantaging vulnerable people, and led to the rise of political extremism.

He talked about how the Blueprint Principles can help companies operate to a purpose that serves society - how important this is and how important it is to create an environment where it can work, standing back from the short term pressures from shareholders and quarterly reporting. Short term pressures are felt by everyone in our society, whether it is business or government. *'There is a perception of greed, there is a perception of short-termism, and we have to say that some of these perceptions are justified.'* We have reached a stage where we have to do something about short termism and create a bit of space to think about the long term.

He believes that Blueprint can make a difference but cautioned that it will take time - it has to be a continuum and it has to be persistent.

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Charles Wookey
CEO, A Blueprint for Better Business

“Blueprint is about creating and co-creating a network of people and businesses, and other organisations who like this idea and want to see it flourish...it will flourish only if people get behind it.”

Charles drew on two points that arose in the sessions. The first was the point made by Gillian Tett about the relentless search for efficiency - meaning that no one has much time for anything. Everything moves very quickly and we often do not have the time to do the thinking that is needed to actually create change. Blueprint does require time - it isn't something that can be done quickly.

The second was the importance of doing it seriously - authenticity and leadership is fundamental. There is a danger that 'purpose' is treated as a fad - if this happens everyone will lose energy and it will die out. Things may even be worse in an organisation as a result.

We are creating a movement that will flourish only if people see real change as a result. We are aiming to create better businesses, more fulfilled people and better societies in which we can all flourish.

He is often asked what success would look like in 10 years time; his response is that the default has shifted. The default at the moment is that many people still think that business fundamentally exists to make money. A shift in the default would mean that the perception is that businesses are profitable, however, their overarching purpose is not to make money, but to serve society.