 a blueprint for  
better business

# How Blueprint Works with Business Leaders



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## The opportunity

There is a fundamental shift occurring both within companies and more generally in society; rather than regarding profit maximisation as the purpose of business, long term sustainable profit is increasingly regarded as one outcome of a company's purpose. In other words, rather than profit being the purpose, profit comes from pursuing a purpose that benefits society. This need to integrate businesses into the heart of our societies is echoed in the UN Sustainable Development Goals <sup>3</sup> which set out how business is central to addressing the global social and environmental challenges we face today.

The new UK Corporate Governance Code imposes for the first time an obligation on the Board of a listed company to "establish the company's purpose" <sup>4</sup>. There is also a growing expectation from investors that every business should be clear about its purpose. Larry Fink, the Chairman and Chief Executive of BlackRock, the world's largest asset manager, was unequivocal in his 2018 letter to CEOs:

**"without a sense of purpose, no company, either public or private, can achieve its full potential."** <sup>5</sup>

This is supported by growing evidence that purpose-led businesses deliver better long-term performance and are better able to attract, motivate and retain talent, especially among the millennials who will account for three-quarters of the global workforce by 2025.<sup>6</sup>

**The challenge business leaders now face, many of whom have already undertaken or inherited work on corporate purpose, is how best to seize this opportunity.**

## Our motivation

We believe that at its best, business has a powerfully positive role in creating shared prosperity. But realising its true potential as a force for good depends on recognising that business is not only driven by profit and that people are not solely self-interested.

This is not easy. Thinking primarily in terms of profit and self-interest are almost instinctive reflexes which have shaped how businesses think and act in the Anglo-US world for the last 40 years or so. We believe that by focussing on a different way of thinking about both purpose and people, a business can shift to become a better business, in a way that benefits both business and wider society.

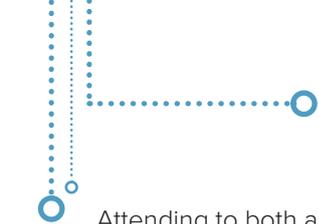
There are two aspects to this.

### 1. Purpose:

- Does the purpose of the business set out clearly how society benefits from the company's existence?
- Is it inspiring, authentic and above all practical?
- How far does the company's purpose genuinely and consistently guide decision-making?
- Is it clear that profit is one essential outcome, but not the purpose?

### 2. How the business treats people:

- Do people in the business respect and care for those affected by what it does? (i.e. its' employees, customers, suppliers, local communities, the environment and wider society as a whole)
- Why are people attracted to work in the business and how does the business incentivise them?
- What is the quality of relationships with customers & suppliers?
- How is the business perceived by society?



Attending to both aspects is crucial. The potential of purpose is only unlocked if the quality of relationships are at the heart of business success. This is what encourages people (employees, but also customers, suppliers and others) to commit to the business as a shared worthwhile endeavour: to value its existence and the part it plays in society. It places the emphasis on business recognising itself as a social organisation, a place where people matter as well as producing “goods that are truly good and services that truly serve” and acting over time to minimise harms. This is what creates greater value for both the business and society.

Our motivation is to help businesses compete in a race to the top, which they do best when people feel they are valued members of a winning team on a worthwhile mission.

## How can Blueprint help you?

Blueprint has developed Five Principles of a Purpose Driven Business (set out below), and our work with companies is centred on using these and the thinking behind them to challenge and support leadership teams in understanding and exploring the potential of becoming a better business.

We mainly work with large listed UK companies and we offer:

- Presentations to ExCos, leadership teams and ‘town hall’ meetings to introduce the thinking and the challenge it can offer
- Workshop sessions for teams at different levels in a business to introduce the thinking in more depth

For company leaders who then wish to work with us over time as they undertake their purpose journey we also offer for a limited number of large corporates ‘social contracts’ which are non-legal and non-financial.

## How does a ‘social contract’ work?

We make a shared commitment to work together over an 18-24-month period where members of our team have regular contact with the CEO and other key senior people in your company to challenge and support your thinking and your journey to being a better business.

As part of this we:

- Provide a challenge to your business - using our Blueprint Principles (see below) as the provocation
- Agree goals with you which draw on the Blueprint Principles
- Facilitate a group session(s) with your management or other teams, in support of your goals
- Convene CEO peer learning groups that meet every 6 months for 2 years to share learning, experience and mutual challenge
- Build networks to which you and members of your teams will be invited, to share learning, experience and get support
- Where we are able to, we will connect you to others on the same journey that might be able to help you.

All our conversations with you will of course be completely confidential.

For the social contract to be effective there needs to be:

- enough frequency in our interaction with your CEO and others in your team, to build effective relationships
- relationships with more than one senior person other than the CEO (it is easier for people to affect change if they are not trying to do it alone)
- where external consultants are engaged to help you, it is helpful if we have your support to invest time building relationships with these consultants so we can help join up the various conversations.



We are a small charity and our work is limited to acting as a catalyst to help businesses be inspired and guided by a purpose that benefits society. We are not a consultancy or a substitute for paid consultants or coaches.

Alongside our work with corporates, we seek to influence the overall conversation about the purpose of business, through dialogue with key influencers such as investors, academics, policy makers, NGOs, consultants to business and others and through social media, forums, conferences, events and collaboration with other organisations with similar objectives.

## What do we ask of you in return?

A commitment of your time to the social contract, if you choose it.

If you find working with Blueprint helpful, then we ask you to be ambassadors for this way of thinking about purpose and people, through your leadership networks, employees and supply chains.

We are a charity and do not take money in return for working with business. Association with Blueprint's thinking is voluntary and free. There are no kite marks or compliance obligations. Embedding Blueprint's way of thinking carries its own self-discipline in the commitment to enable and welcome scrutiny, and in the continued dialogue which that requires.

**No-one business by itself can bring about the necessary eco-system change which the world needs. What is essential is to build a movement of leading businesses globally that can help spread the word and model the change to make such an approach commonplace.**

You can help do that.

People want hope and need leaders – including business leaders – to demonstrate there is something to be hopeful for.



“Blueprint for Better Business challenges companies to be a force for good and contribute to a better society. Such a system is fundamentally about delivering a basic social contract comprised of relative equality of outcomes; equality of opportunity; and fairness across generations. Blueprint's Five Principles provide guidance for businesses and reflect the foundations needed for responsible business: honesty and fairness; good citizenship; responsible employment; guardians for future generations; and a purposeful business that delivers long-term sustainable performance.”

*Mark Carney, Governor of the Bank of England, July 2018*

# The Blueprint Principles

Our *Five Principles of a Purpose Driven Business* offer a picture of how a business might look if it is inspired and guided by a purpose that benefits society. The principles were rigorously developed through a year-long consultation with a wide range of businesses, NGOs, investors, academics, different faiths and others in 2013.



# References

1. “Shareholder primacy” is the term that is most commonly used to describe Milton Friedman’s dictum in *Capitalism and Freedom*, 1963, that “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”
2. Lynn Paine and Joseph Bower’s article in *Harvard Business Review*, “The error at the heart of corporate leadership”, May-June 2017, examines the foundations and flaws of agency theory, and shows how a focus on maximizing shareholder value can threaten companies’ health and financial performance. Available at: [https://hbr.org/2017/05/managing-for-the-long-term?referral=03759&cm\\_vc=rr\\_item\\_page.bottom](https://hbr.org/2017/05/managing-for-the-long-term?referral=03759&cm_vc=rr_item_page.bottom)
3. Global Goals are listed here: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>
4. The UK Corporate Governance Code 2018 (PDF) Available at: <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>
5. Larry Fink letter to CEOs, “A Sense of Purpose”, 2018. Available at: <https://www.blackrock.com/corporate/en-us/investor-relations/larry-fink-ceo-letter>
6. A good summary of the strongest academic evidence is in Big Innovation Centre, *The Purposeful Company Interim Report*, 2016, pp 23-33. Available at: <http://www.biginnovationcentre.com/media/uploads/pdf/The%20Purposeful%20Company%20Interim%20Report.pdf>. Alternatively, Blueprint held an academic conference in Nov 2016 a summary of which is available here: <http://www.blueprintforbusiness.org/academic-conference-summary/>. On millennials see Adam Smiley Poswolsky, “What Millennial Employees Really Want”, *Fast Company Leadership*, June 2015. Available at: <https://www.fastcompany.com/3046989/what-millennial-employees-really-want>

A Blueprint for Better Business is an independent charity which works as a catalyst to help businesses be guided and inspired by a purpose that benefits society. We are funded by charitable foundations and individuals and do not accept funding from business. Our work is about stimulating and energising a different way of thinking and behaving in business, rather than about compliance, kite-marks or regulation.

For more information about Blueprint or the Five Principles:

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