

8 practices to becoming purpose led

A guide to organisational transformation



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Businesses today are approaching a crossroads. For a long time, their orienting goal has been to maximise profits and shareholder value, often at the expense of the wellbeing of people and planet. However, as the world faces increasingly complex challenges, there is a growing recognition that businesses must adapt and become part of the solution. Many organisations are starting to shift away from a narrow focus on financial outcomes toward a broader model—one that creates value for diverse stakeholders and actively contributes to delivering long term wellbeing for all. We call these businesses **purpose-led**.

This guide serves as a reference point for organisations to start exploring purpose-led practices. It outlines 8 key practices organisations can adopt to align people, planet, and profit in a way that fosters resilience and long-term success. The practices offer a starting point to shift mindsets, behaviours, systems, and culture towards purpose-led transformation. To illustrate this journey, we've included "from-to" statements that highlight the current state and the desired future state of becoming purpose-driven. We recognise that, in practice, the application of these practices will vary for each organisation.

We have been on our own purpose journey over the last few years. We've had the privilege of partnering with organisations across multiple sectors including real estate and financial services and helping them reimagine their roles in society. As steering group members of PAS 808, a British standard for purpose-driven organisations, we contribute to shaping the principles and practices that define this new way of working. As active participants in the Purpose in Practice Community, established by Blueprint for Better Business, we are part of a collective learning journey with leaders and changemakers across industries, exploring what it truly means to put purpose into action.

The journey to becoming purpose-led is not linear—it requires continuous learning, iteration, and engagement. The practices outlined here reflect this dynamic, offering actionable steps grounded in practical experience and enriched by contributions from our clients, the Purpose in Practice Community, and the PAS 808 standard.

How to Use This Guide

This guide is designed to be flexible. You can approach it chronologically to understand how each practice builds on the others, or you can dive into the practices most relevant to where your organisation is today. It's as much about mindset as it is about process, encouraging a shift in how you think about business success and its role in society. Above all, this is a resource for exploration and action. Whether you're starting to define your organisation's purpose or ready to embed it throughout, these practices offer a pathway to create meaningful, measurable change. Let this guide inspire your next steps in shaping a business that thrives in a changing world.

The case studies in this guide illustrate how different organisations have drawn on parts of these practices to deliver impact.

Practice 1: Shift our world view

How we see the role of business in society



Where we are today

Most organisations operate on the belief that their primary purpose is to deliver maximum short-term shareholder value, which is also supported by the legislative environment. This is achieved by maximising short-term profit. Financial value often takes precedence over social or environmental considerations, which are viewed as secondary or nice to have.

Patagonia is a leading example of a company that has fundamentally shifted its worldview from profit maximisation to prioritising the wellbeing of people and the planet. Its purpose—“We’re in business to save our home planet”—guides every decision, from its regenerative product design to supply chain practices. In 2022, Patagonia’s founder, Yvon Chouinard, transferred ownership of the company to a Purpose Trust and the Holdfast Collective, ensuring that all profits (after reinvestment) are used to combat climate change and protect nature.

“We try never to forget that medicine is for the people. It is not for the profits. The profits follow, and if we have remembered that, they have never failed to appear. The better we have remembered it, the larger they have been.”

George Merck (1895-1957), President of Merck & Co from 1925-1950

¹ Colin Mayer CBE, Emeritus Professor, Saïd Business School, University of Oxford

Where we are going

We are moving towards a belief that businesses exist to create profitable solutions to the problems of people and planet, and not profiting from creating them¹. We adopt a holistic view of value, recognising both financial and non-financial outcomes. In this worldview, profit is seen as a necessary result of delivering positive impact, rather than the sole objective.

Why this practice matters

Our worldview shapes how we perceive the role of business in society, what we value, and what we don’t value, which in turn shapes our behaviour and actions as organisations. Having awareness of and ultimately shifting our worldview is essential for ensuring the long-term success of our organisations in the face of increasing social, environmental, and economic pressures. Without a shared purpose-led worldview, organisations will struggle to make the necessary, and often difficult, decisions required to thrive in a complex and rapidly changing world.

How we get there

- **Explore awareness of current worldviews:** Explore and articulate the dominant assumptions and beliefs that underpin strategy and decision-making in our organisation today. For example, do we believe that the “size of the pie” (the value our business creates for society) is fixed (at least in the short term)?
- **Define what purpose-led looks like for us:** Facilitate conversations about what a purpose-led worldview would mean for individuals and the organisation. Reflect on how our attitudes, assumptions, and beliefs would need to shift to align with purpose. Examine how a purpose-led worldview complements and strengthens our existing organisational values. For example, what would happen if we believe that we can “grow the pie” by investing in our stakeholders, with profit rising as a by-product?

Practice 2: Define our impact ambition

How we maximise our impact



Where we are today

Purpose is often viewed as an add-on or a communications tool rather than a core driver of strategy. We are used to breaking strategy into functional areas, Operations, Finance, HR, with purpose existing as another “box” on the strategy framework, often disconnected from where real decisions about resources and priorities are made. This approach dilutes the potential of purpose to inform and focus the entire organization.

Novo Nordisk has clearly defined its impact ambition: “To defeat diabetes and other serious chronic diseases.” This purpose goes far beyond developing and selling pharmaceutical products. It drives the company’s long-term strategy, focusing on prevention, patient access, and improving global health outcomes. Novo Nordisk has committed to initiatives such as affordable insulin programmes in low-income countries, public health education, and partnerships aimed at tackling obesity.

“A purpose that is framed as a meaningful challenge—one that specifies a problem to solve and implicitly or explicitly defines a target population (‘To bring effective proposals to the problems of nutrition / malnutrition’)—better provides the level of clarity and tension needed to build a purpose-driven business model.”

Yassine El Ouarzazi, *Putting Purpose into Practice: The Economics of Mutuality*, Oxford University Press, Chapter 8 (2021)

Where we are going

We recognise that having a purpose statement is not enough. To deliver on our purpose, we need to clearly define the specific contribution we aim to make to societal or environmental outcomes aligned to our purpose. This contribution is focused on the wellbeing of people and planet and provides a clear sense of direction and alignment for the organisation. The impact ambition also needs to be measurable and grounded in the needs of stakeholders.

Why this practice matters

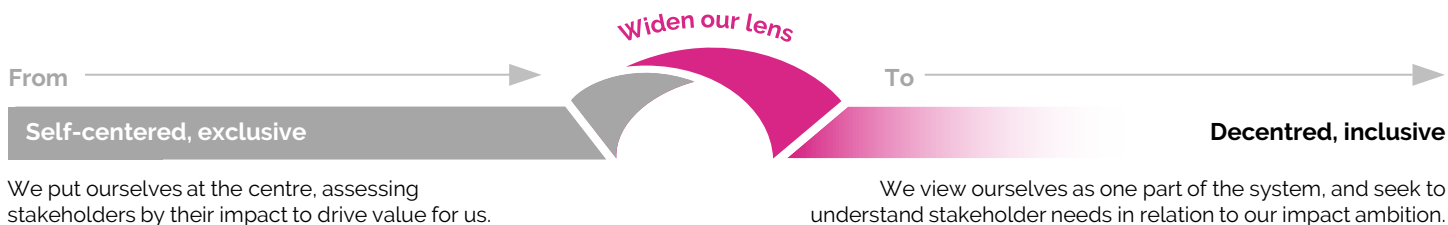
Defining a clear impact ambition transforms purpose from an abstract concept into a practical driver of strategy and direction. It provides clarity on the specific outcomes we are working towards and acts as a compass for decision-making and prioritisation. A clear “why” and shared understanding of what success looks like creates alignment across teams, builds momentum, and fosters accountability. Without this clarity, organisations risk fragmented efforts, diluted focus, and diminished impact.

How we get there

- **Understand the world’s needs:** Identify the societal and environmental challenges that are most relevant to your sector and ecosystem.
- **Assess materiality and capability:** Explore where your organisation’s capabilities, resources, and influence can make the greatest contribution.
- **Define your strategic contribution:** Clearly articulate the positive change you exist to create for people and planet, grounded in stakeholder wellbeing.

Practice 3: Widen our lens

How we understand our stakeholders



Where we are today

Many organisations view the system they operate within through a self-centered lens: the organisation at the centre surrounded by their stakeholders. Stakeholders are understood in terms of their ability to affect—or be affected by—the organisation's ability to deliver profit. This narrow focus limits understanding of the wider system and often overlooks opportunities for greater collaboration and impact.

Vodafone noticed Kenyan citizens were using their mobiles to transfer mobile minutes to each other as a form of currency at a time when 50m Kenyan adults were unbanked and had to rely on cash. They saw that they could address social inequality in their customer base by developing a solution to enable customers to transfer money with their phones and launched M-Pesa, a mobile money service. Within the first seven years, this service lifted 200,000 households out of poverty by giving them access to finance. There was also an impact on gender equality, as households run by women were able to find ways to move from agriculture to business and retail. This shift has allowed M-Pesa to adapt and evolve, becoming a key player in mobile money across Africa, and driving shared value for all stakeholders involved.

“Leaders [...] look outward, beyond the walls of their organisation. They act with awareness of the whole system, becoming intimately connected with other groups who share their concerns. They put the pursuit of purpose at the centre of their focus, rather than the growth of their own.”

David Ehrlichman, *Impact Networks: Create Connection, Spark Collaboration, and Catalyze Systemic Change* (2021)

Where we are going

We move from an organisation-centric view to recognising ourselves as part of a complex and interconnected system. We 'decentre' our organisation and instead we place our impact ambition at the centre¹. Through this we can identify and engage new stakeholders and pain points and see existing stakeholders for who they are and not in relation to us. Our strategy becomes focused on responding to the needs of our stakeholders and co-creating solutions that deliver mutual benefit.

Why this practice matters

When we widen our lens, we uncover opportunities for deeper collaboration and shared value creation. This shift allows us to build stronger, more trusting relationships with stakeholders and to identify new partners essential for addressing complex, systemic challenges. By moving from isolated efforts to collective action, we amplify our organisation's contribution to long-term wellbeing for people, society, and the environment.

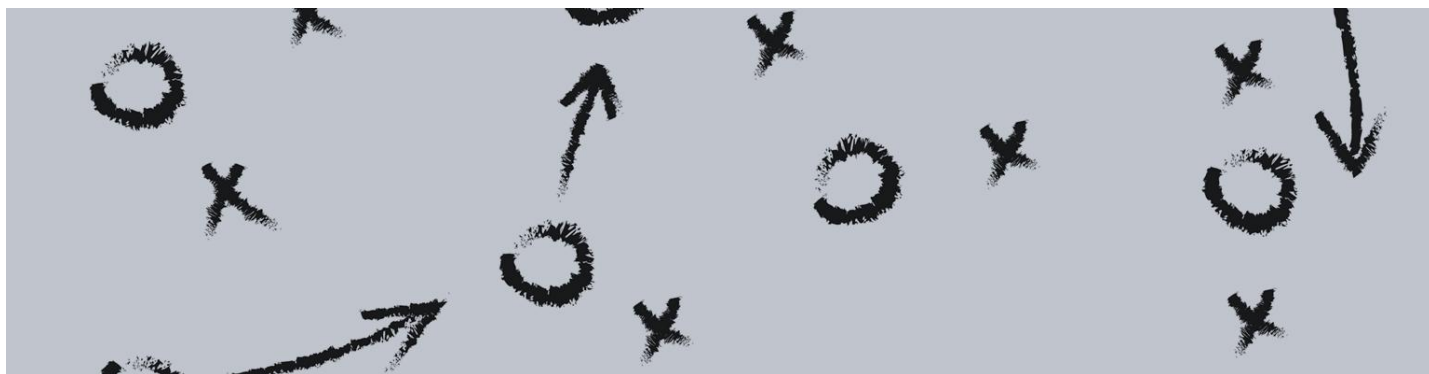
How we get there

- **Map the ecosystem:** Place our impact ambition at the centre and identify stakeholders connected to the societal or environmental challenge we aim to address. Notice that new stakeholders will start to appear. Be inclusive, don't forget environmental stakeholders.
- **Understand stakeholder needs:** Engage stakeholders through listening and research to surface pain points and validate assumptions.
- **Identify root causes:** Use the research insights to explore root causes of shared pains. This will allow you to identify leverage points where interventions can create lasting change.
- **Experiment and adapt:** Identify and test opportunities for mutual value creation. Gather feedback, and evolve strategies in response to system-wide insights.

¹ This framing was introduced to the Purpose in Practice Community by Mutual Value Labs

Practice 4: Plot impact pathways

How we create purpose-led strategy



Where we are today

Strategy is often developed through a linear, predictive lens. Plans are created at the top, focused on maximising financial returns, with the assumption that outcomes can be predicted and controlled. Initiatives are selected through tools like net present value (NPV), and impact efforts often sit in parallel to core strategy, treated as separate CSR or sustainability activities. This approach limits responsiveness, overlooks systemic interdependencies, and frequently disengages stakeholders from shaping the future.

Brazilian beauty giant **Natura & Co** has long embedded sustainability into its core strategy, becoming the first publicly traded company to achieve B-Corp status in 2014. Natura adopts a triple bottom line approach, prioritising impact on people, planet, and profit. Central to this is their [Integrated Profit & Loss \(IP&L\)](#) model, which measures the environmental, social, and economic value they create or erode. Rather than only reporting past impact, Natura uses the IP&L to steer decision-making—testing which activities most effectively advance their purpose of nurturing beauty and relationships with nature.

"Strategy is not just about making decisions at the top; it's about creating a shared vision through inclusive dialogue. When we bring diverse voices to the table, we not only enrich our understanding but also build a foundation of trust and commitment. The process of co-creation is as vital as the strategy itself, for it ensures that every stakeholder feels valued and invested in the journey ahead."

David Ehrlichman, *Impact Networks* (2021)

Where we are going

We align our business model and strategy with the impact we aim to have. Through a theory of change, we map impact pathways—clear links between activities and outcomes—creating purpose line-of-sight across the organisation. Strategy becomes adaptive and experimental, with initiatives tested and refined through continuous learning and stakeholder engagement. This complements traditional planning and helps us stay responsive in a complex, changing world.

Why this practice matters

Creating purpose pathways builds coherence and alignment across the organisation, ensuring all teams are working towards shared long-term goals. By co-creating strategy through inclusive dialogue, we foster deeper engagement and trust, increasing commitment to delivering impact. Adaptive learning increases our ability to respond to uncertainty and deliver systemic change.

How we get there

- **Map impact pathways:** Plot how activities lead to intended outcomes and impact, using the insights gathered in practice 3 (widen your lens). This is also called a theory of change.
- **Design and test experiments:** Design experiments to test the assumptions and hypotheses from the theory of change.
- **Engage stakeholders:** Use inclusive dialogue to gather insights, building trust and collective ownership of the strategy.
- **Embrace adaptive learning:** Refine pathways as you learn, fostering flexibility and continuous improvement.
- **Measure and share progress:** Track impact and profit transparently, ensuring a balance between financial outcomes and societal value.

Practice 5: Set the parameters

How we minimise negative impacts



Where we are today

In many organisations, parameters (such as time, cost, and scope) are often negotiated based on short-term profit objectives. Flexibility in these areas is viewed as essential to meeting targets. The focus tends to be on delivering within established financial or operational constraints, with purpose and long-term sustainability being secondary or negotiable. As a result, we sometimes do not stay within social and planetary boundaries, even if we are compliant with the law and ethical frameworks.

Once one of Europe's most fossil-fuel-intensive energy companies, **Ørsted**, made a radical shift by setting a non-negotiable boundary: phase out fossil fuels and become carbon neutral by 2025. Instead of gradual change, Ørsted stopped investing in fossil fuels, sold off its oil and gas business, and committed entirely to renewable energy. By embedding strict CO₂ reduction targets into its governance, Ørsted transformed into the world's leading offshore wind company. This shift proves that when businesses set clear, purpose-driven limits, they can drive industry-wide change while remaining commercially successful.

"Anytime you know that you're polluting and putting carbon in the air, someone else is going to die. Anytime you know you're wasting food, someone else is going to die. It is our problem. We are living on the same planet. If we don't find a way to live in harmony with our fellow citizens, it's not going to work."

Paul Polman, Former CEO of Unilever, quoted in *Purpose and Profit: How Business Can Lift Up the World* (2022) by George Serafeim

Where we are going

We commit to protecting the societal and environmental systems that we rely on and set parameters that reflect this. These parameters are factored into all decision-making, ensuring we do not compromise our purpose or long-term impact for short-term gains. They set clear guardrails for how we deliver our strategy, embedding sustainability and ethical responsibility into operational decision-making. We are transparent about our impact and our efforts to reduce it, and about the difficult decisions we make. We are transparent about the true "cost" of choices we make, and ensure that the non-financial costs do not outweigh the benefits.

Why this practice matters

Strategic parameters provide clarity and consistency in decision-making. They ensure that purpose and impact are prioritised across all initiatives and reinforce our organisation's integrity and commitment to long-term wellbeing of people and planet. They also reduce the risk of compromising our values under short-term pressure.

How we get there

- **Assess our impact:** Understand how our strategies and activities affect environmental and social systems.
- **Define strategic parameters:** Establish clear, purpose-led limits that shape decision-making and prioritise long-term wellbeing. The planetary boundaries can guide this exercise.
- **Design out harm:** Plan initiatives and processes to minimise negative impacts from the outset.
- **Facilitate trade-off discussions:** Engage openly in decisions where impacts are unavoidable, weighing costs and consequences carefully.
- **Monitor and report:** Track adherence to parameters and transparently communicate progress and challenges.

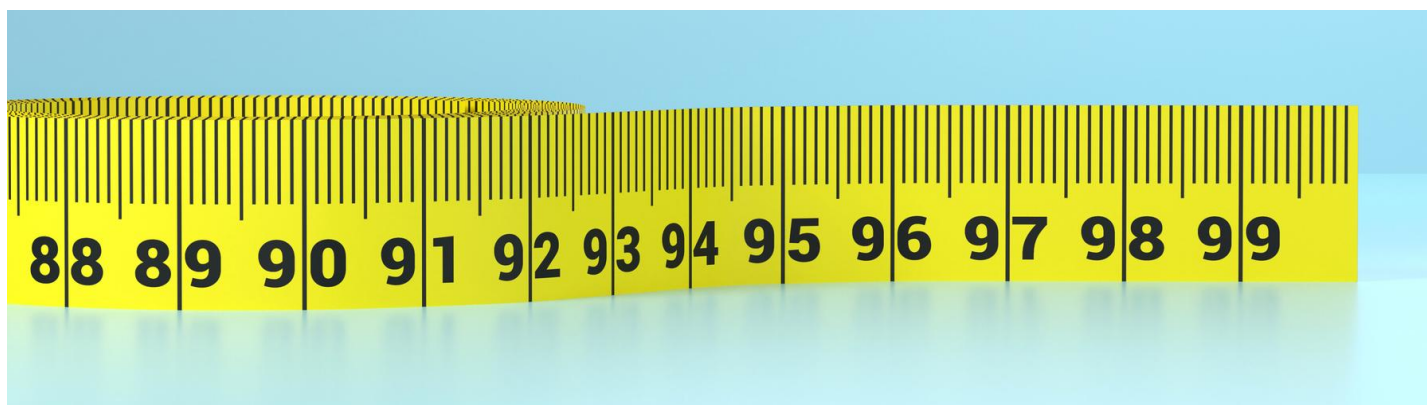
Practice 6: Redefine performance

How we measure success



Profit / shareholder value is our key measure, with others such as NPS or margin used as lead indicators.

The impact we intend to achieve through our purpose is our measure of success



Where we are today

Business success is largely defined by financial metrics, with shareholder value and quarterly earnings dictating priorities. These are clear and easy to measure but often fail to capture the broader, longer-term impact a business has on people and planet. Many organisations track ESG or CSR metrics, but these often sit outside core performance measures and do not drive decision-making.

Anglian Water, who provide water and water recycling services to 7 million customers across the east of England, changed their Articles of Association to embed their purpose to "deliver environmental and social prosperity to the region we serve". In doing this they have used PAS808, the British Standard for purpose driven organisations, to re-evaluate how they measure their performance. At the investment decision making level they have developed a 6 capitals approach to the value framework to encourage best value decision making and at ExCo level they reshaped their performance report in the same way to ensure they were examining the most important proxy indicators for environmental social prosperity.

"It's really important that we understand how our actions are impacting on the environment and society. So we are now developing a new Purpose Impact Dashboard, that will show our absolute impact, both negative and positive, across environmental and social prosperity to sit alongside our existing reporting against performance against targets."

Andy Brown, Group Chief Sustainability Officer of Anglian Water

Where we are going

We recognise that performance must be holistic and account for both financial and impact-based value creation. Our primary measure of success is how effectively we deliver on our purpose, with profit serving as an enabler, not the end goal. We integrate qualitative and quantitative measures, recognising that not all meaningful impact can be reduced to numbers. This builds on **Practice 2: Define Impact Ambition**, by ensuring we measure what matters, and **Practice 4: Plot Purpose Pathways**, by tracking progress towards our long-term goals.

Why this practice matters

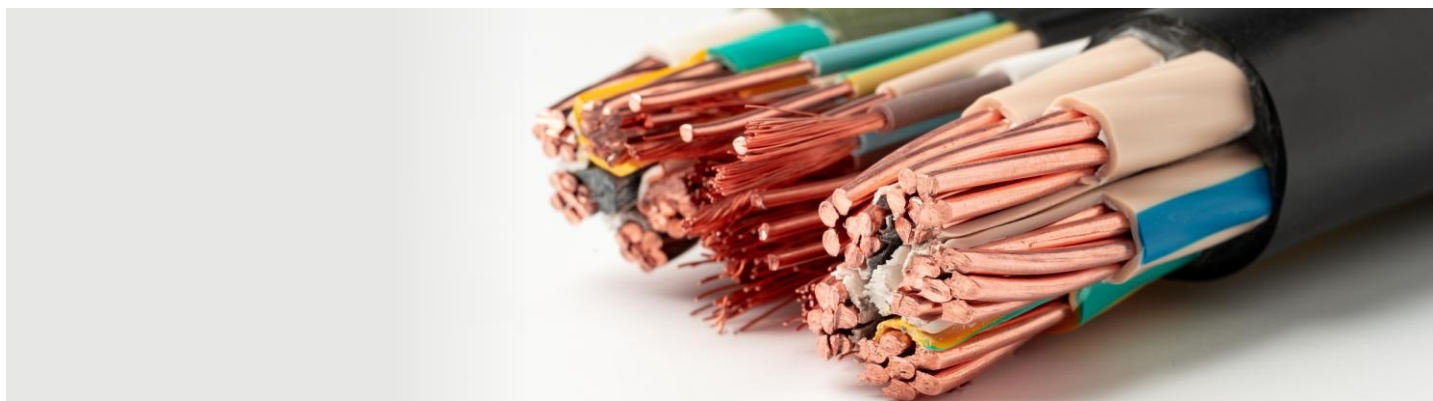
Aligning success with purpose ensures that business decisions drive long-term societal and environmental value, not just financial gain. A clearer impact framework builds transparency and accountability, strengthening trust with stakeholders. Measuring what matters also supports continuous learning and adaptation, ensuring that organisations refine their strategies to maximise positive outcomes.

How we get there

- **Integrate impact into performance frameworks:** Align success metrics with purpose and ensure they inform strategic decisions.
- **Balance financial and impact measures:** Ensure profitability supports, rather than competes with, long-term value creation.
- **Track progress and adapt:** Use impact data and stakeholder insights to refine strategy over time.
- **Recognise** what can't be measured: Avoid over-indexing on quantitative data and value qualitative insights.

Practice 7: Rewire for impact

Deliver on our purpose



Where we are today

Many organisations are structured around rigid hierarchies, with leadership retaining centralised decision-making power and teams working in silos. The focus is on operational efficiency and short-term financial goals, often at the expense of purpose-led impact. Collaboration is frequently transactional and internal, while structures and governance are designed to manage risk and control, not to foster adaptability or systemic change. Purpose, when present, is often layered on top of these traditional structures, not embedded in how the organisation operates.

Mondragon Corporation, a federation of worker-owned cooperatives in Spain, has embedded purpose into its structure by making employees co-owners with decision-making power. Prioritising job security, community well-being, and shared prosperity over short-term profit, Mondragon operates through a decentralised model that fosters resilience and innovation. This cooperative approach has enabled it to navigate economic challenges while sustaining long-term social and economic impact.

"The new nature of business is to lead and let lead. It is about the recognition that a company, like a society, is made up of many people, and that they all have a role to play."

André Hoffmann, Vice-Chairman of Roche, quoted in *The New Nature of Business: The Path to Prosperity and Sustainability* (2024) by Andre Hoffmann and Peter Vanham

Where we are going

We rewire our organisational design to make purpose the organising principle. Our structures are adaptive and networked, enabling cross-functional teams to collaborate within and beyond organisational boundaries. Decision-making is distributed, empowering people closest to the challenge to act, guided by clear purpose-aligned principles. Governance ensures accountability for both financial sustainability and systemic impact. Teams are configured for flexibility, learning, and innovation, allowing the organisation to respond to complex, evolving challenges.

Why this practice matters

Rewiring the organisation for impact enables coherence, clarity, and alignment around purpose. It creates the structures and culture needed for cross-functional collaboration and empowers teams to drive innovation and systemic change. By distributing authority and building purpose into governance and decision-making, we foster an organisation that is resilient, adaptive, and capable of delivering meaningful outcomes for people, planet, and profit.

How we get there

- **Redesign structures and governance around purpose:** Align the operating model, decision-making, and accountability with your impact ambition.
- **Enable distributed decision-making:** Empower teams with clear purpose-led principles to act autonomously and collaboratively.
- **Foster cross-functional collaboration:** Break down silos and create connected teams that work towards shared impact goals.
- **Create purpose line-of-sight:** Ensure everyone understands how their role contributes to delivering purpose and systemic impact.
- **Reward the right behaviours:** Recognise and incentivise behaviours that drive collaboration, innovation, and purpose-led outcomes.

Practice 8: Preserve the purpose

How we ensure longevity and resilience



Purpose depends on key individuals and can fade when they leave.

Purpose is embedded in governance and ownership, ensuring it endures over time.



Where we are today

Organisations often depend on visionary leaders—CEOs, founders, or board chairs—to champion purpose. Without structural safeguards, commitment to purpose can weaken when these leaders depart, risking a return to profit-only priorities.

When Unilever acquired **Ben & Jerry's** in 2000, there was concern that the company's strong social mission would be diluted in favour of profit. To safeguard its values, Ben & Jerry's negotiated a unique governance structure, creating an independent Board of Directors responsible for protecting its social and environmental commitments, even when they conflict with Unilever's commercial interests. Ben & Jerry's has maintained its activism on issues like climate justice, racial equity, and ethical sourcing, but its independence became a point of discussion after the company's activist CEO was ousted by Unilever in 2025.

“Instead of ‘going public,’ you could say we’re ‘going purpose.’ Instead of extracting value from nature and transforming it into wealth for investors, we’ll use the wealth Patagonia creates to protect the source of all wealth. Here’s how it works: 100% of the company’s voting stock transfers to the Patagonia Purpose Trust, created to protect the company’s values; and 100% of the non-voting stock had been given to the Holdfast Collective, a non-profit dedicated to fighting the environmental crisis and defending nature.”

Yvon Chouinard, Founder of Patagonia

Where we are going

We embed purpose into governance, ownership, and decision-making structures so it becomes part of the organisation's DNA. Patagonia provides a powerful example: its founder, Yvon Chouinard, transferred ownership to a **Purpose Trust** and a non-profit, the **Holdfast Collective**, ensuring the company's profits are reinvested in protecting the planet. By adopting models like purpose trusts, steward ownership, or golden shares, organisations can lock in their purpose and safeguard it through leadership transitions and over the long term. In many countries, alternative corporate structures such as Benefit Corporations exist which allow a dual purpose of maximising shareholder value and a societal purpose to be incorporated into the articles of association.

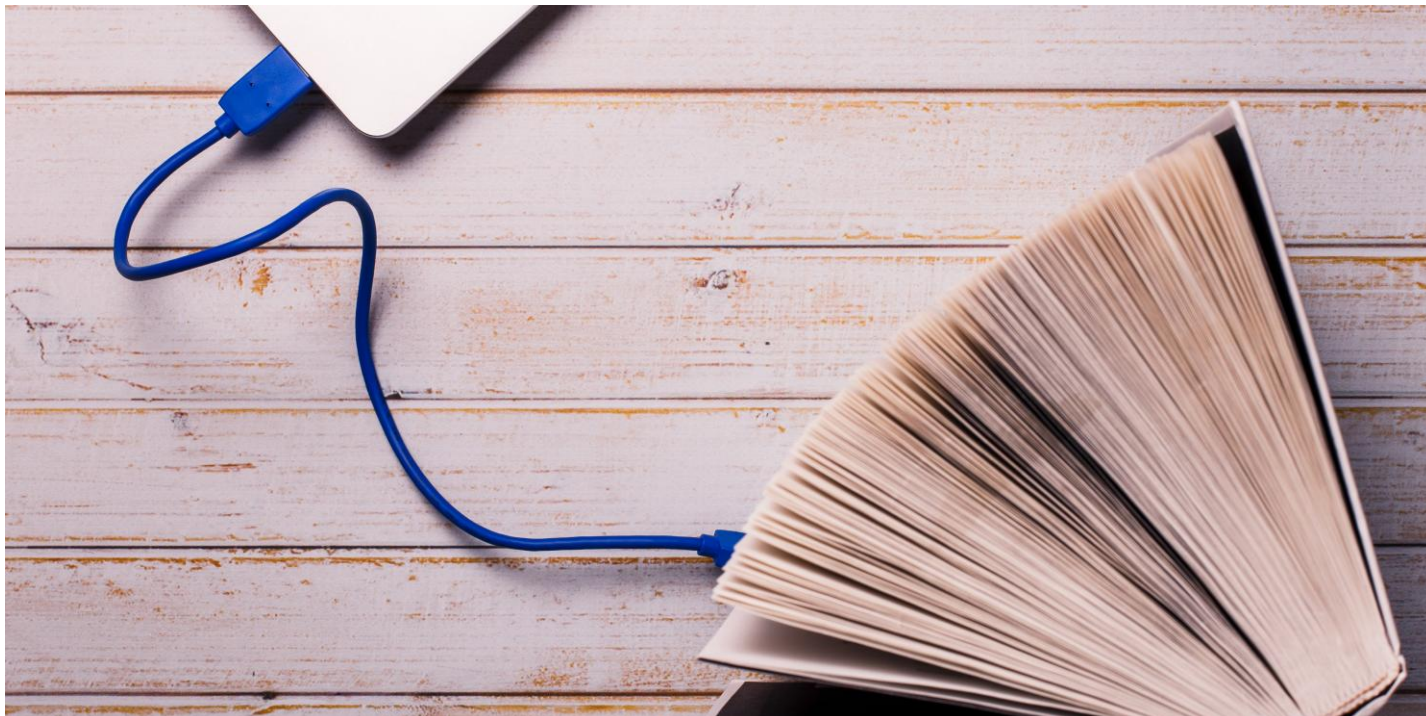
Why this practice matters

Ultimately, unless purpose is baked into governance and ownership structures, there is a risk that short-term pressures, leadership turnover, or activist shareholders will change the direction. It builds trust with stakeholders, ensures accountability beyond shareholders, and aligns the organisation with long-term wellbeing for people and planet.

How we get there

- **Explore governance and ownership models:** Evaluate options such as purpose trusts, golden shares, or steward ownership with the board and legal experts.
- **Codify purpose in legal frameworks:** Include purpose in the company's constitution, articles of association, or shareholder agreements.
- **Create stakeholder accountability structures:** Introduce stakeholder councils or future generation boards to sustain focus.
- **Communicate your commitment:** Build trust by sharing how you've safeguarded purpose through governance and ownership design.

References and further reading



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Further reading

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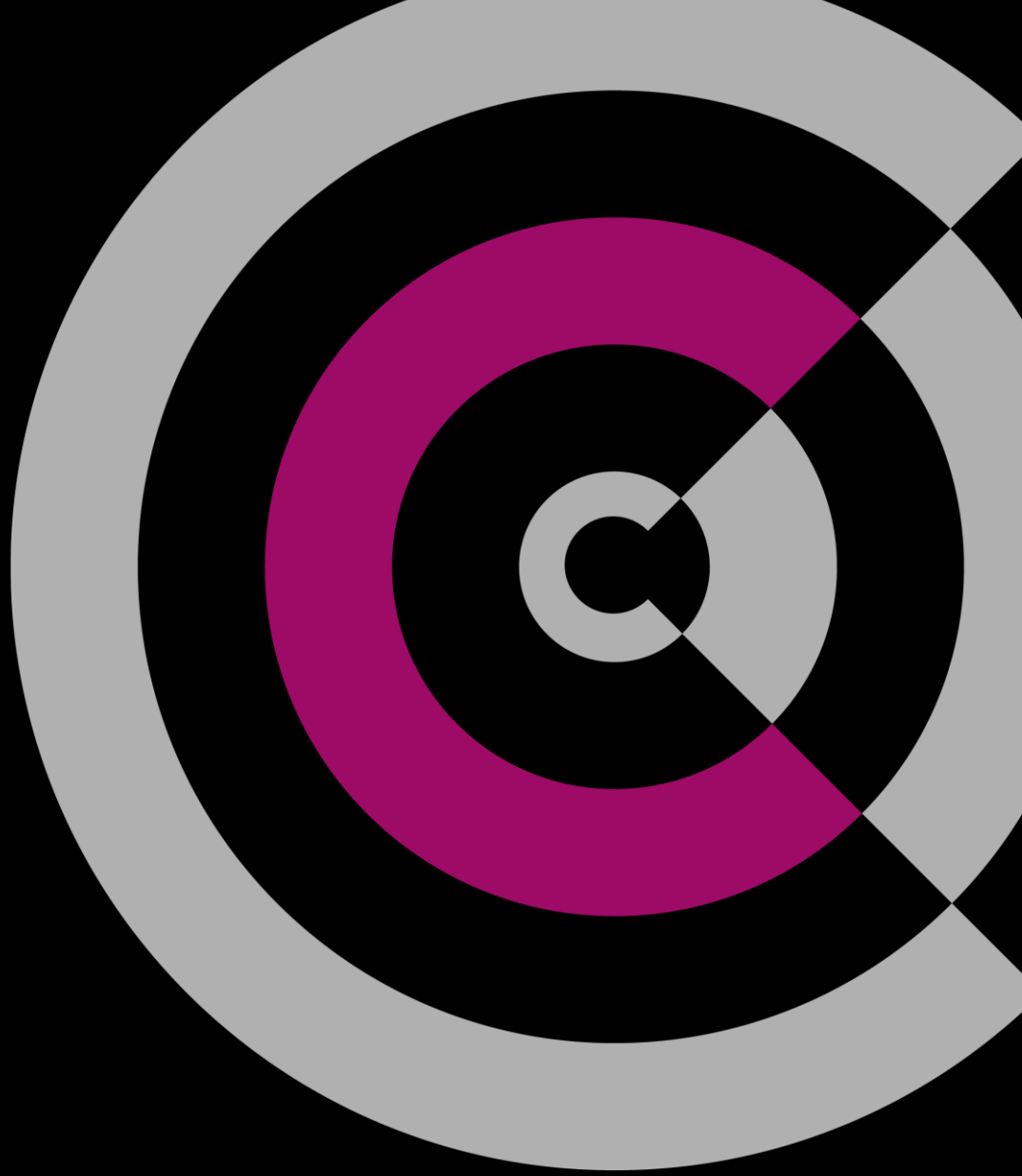
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Thank you!

To talk to one of our experts on how your organisation can become more purpose-led, email us at: sustainability@clarasys.com

[CLARASYS]

7th Floor, Riverside House,
2a Southwark Bridge Rd,
London SE1 9HA

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