



# TRACKING THE ROI OF PURPOSE

A truly purpose-led organization knows its mission and has the metrics to prove it is delivering.

By Bonnie Wingate

For the world's most successful organizations, **purpose** is woven into the very DNA of their strategies. Some business leaders would argue it is impossible to track the return on an organization's reason for being or **purpose**. This simply is not true. Not only is **purpose** quantifiable, it can help an organization hone its metrics in a more meaningful way. Even tried-and-true business metrics—revenue growth, market share, brand reputation, customer satisfaction—can illustrate the ROI of **purpose**.

Take an organization with a stated **purpose** to improve the well-being of its customers. If the organization is loyal to that **purpose**, then its customers will remain loyal, which will be reflected in the organization's Net Promoter Score (NPS). Or consider an organization that says its **purpose** is to drive innovation, which will deliver game-changing technology. The success of that organizational **purpose** can be measured in the percentage of revenue growth from new product launches.

To identify the most relevant metrics, **purpose-led** organizations must ask themselves: If we were fulfilling our **purpose**, what would we be delivering? From there, leadership can define the metrics that are tied to those outcomes. Organizations probably are tracking most of these metrics, but there also is potential to create new ones. For example, the Johnson & Johnson credo challenges the company to put the needs and well-being of the people it serves first. To gauge its progress, the organization disseminates a credo survey, which asks employees to rate how the company is doing against its famous philosophy.

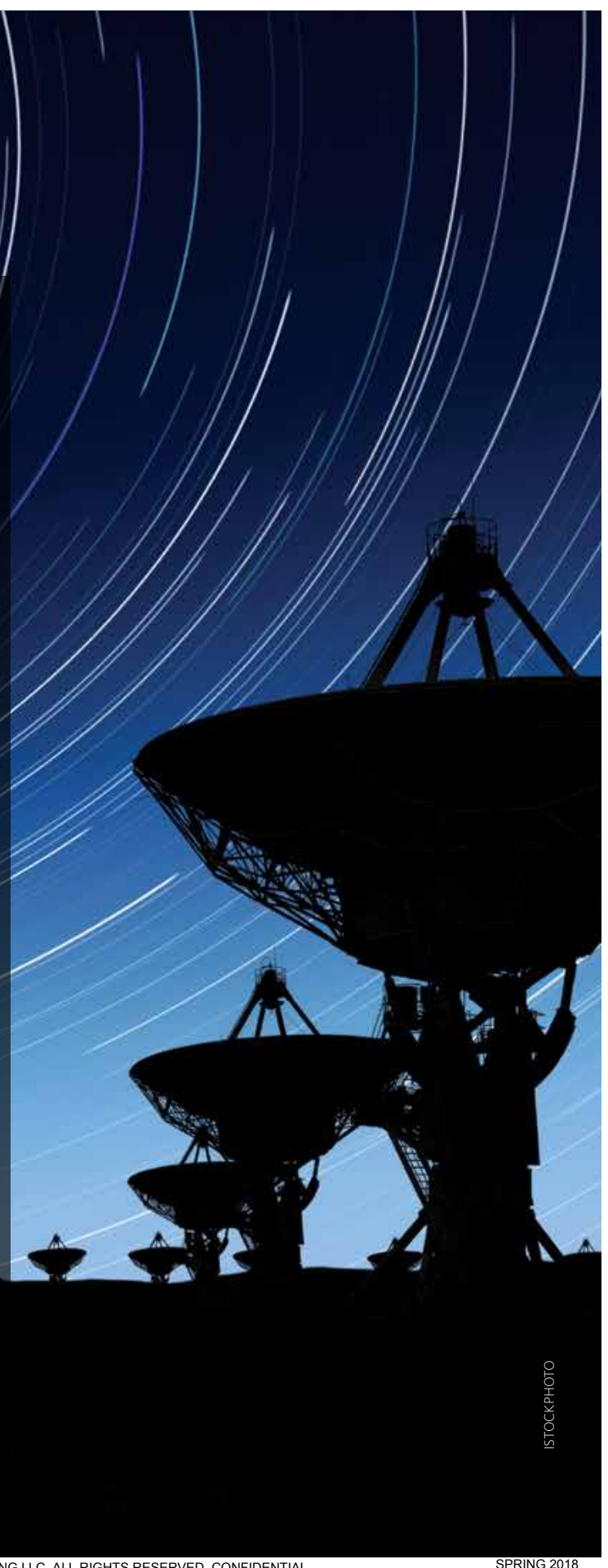
But when it comes to **purpose**, organizations are not playing a short-term game. As Warren Buffett once said: "Games are won by players who focus on the playing field—not by those whose eyes are glued to the scoreboard."

The ROI of **purpose** will not manifest in one month, one quarter or even one year. Think of it like melting a cube of ice. As neurologist V.S. Ramachandran describes the process: "There is not much difference between each degree; all you have that you didn't have a minute ago is a slightly warmer block of ice, but then you come to 32 degrees Fahrenheit. As soon as you reach this critical temperature, you see an abrupt, dramatic change."

So it goes with **purpose-led** organizations. Armed with the right metrics, they can identify opportunities to streamline their strategies, deliver on the mission and measure the power of **purpose** once they reach the tipping point.

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Bonnie Wingate is a partner with Insigniam.



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