

## **Conscious Branding – a challenge for the professions**

*This article explores Conscious Capitalism and what it might mean for professional services and their brands*

The “Conscious Capitalism” movement appears to be gathering momentum and not before time.

Put simply, conscious capitalism is a belief that business is a force for good, when it is directed at creating value for ALL its stakeholders – customers, employees, suppliers/partners, environment, community/society and, of course, investors.

The traditional view of business, famously espoused by the economist Milton Friedman, as being just about creating shareholder value, is too narrow to be sustainable.

The results of this paradigm have recently been seen all too clearly in the global financial meltdown. They have also been seen in the catastrophic loss of trust we have experienced in recent years both in business and in many of our other institutions.

### **What is Conscious Capitalism?**

If you really want to know, read the book – “Conscious Capitalism” by John Mackey and Raj Sisodia. It has changed my view of business.

In their words:

“To be conscious means to be fully awake and mindful, to see reality more clearly and to more fully understand all the consequences – short and long term – of our actions.

It means we have a greater awareness of our inner self, our external reality and the impacts we have on the world. It also means having a greater commitment to the truth and to acting more responsibly according to what we know to be true”.

And if you’re worried that this all sounds rather high-minded and ethereal, they continue....

“Conscious Capitalism is not about being virtuous or doing well by doing good. It’s a way of thinking about business that is more conscious of its higher purpose, its impacts on the world and the relationships it has with its various constituencies and stakeholders.

It reflects a deeper consciousness about WHY businesses exist and how they can create more value”

So “Conscious Capitalism” does not equal “Corporate Responsibility”. Communities, Society and the Environment will be natural beneficiaries of a conscious approach but are not the driving forces.

Conscious businesses *are* focused on profitability. But they see profit as an *outcome* rather than as an end in itself. In the same way as humans need to eat to live, businesses must be profitable to survive. But most humans don’t live to eat.

Mackey and Sisodia also quote compelling evidence that conscious businesses are significantly more successful in the long-term.

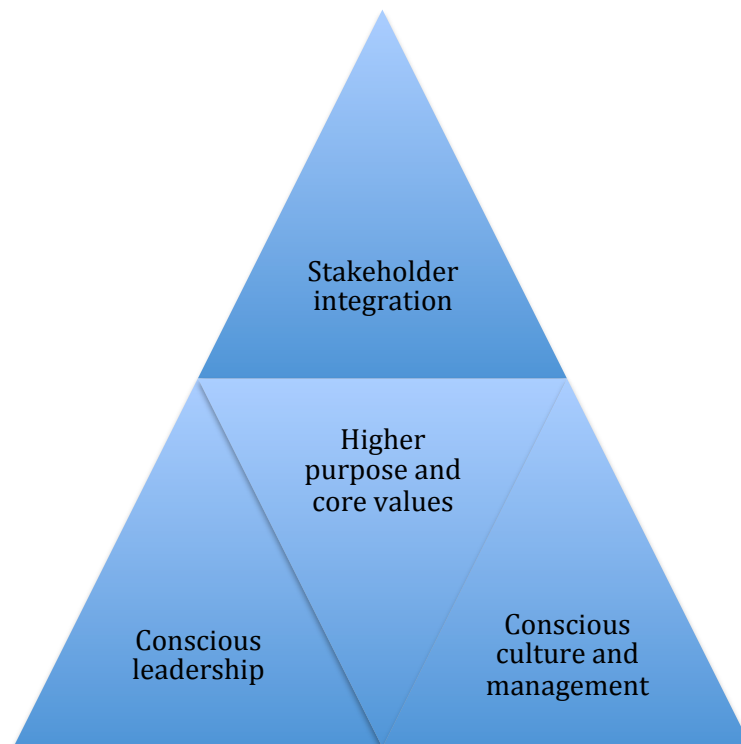
One such statistic is that a representative sample of conscious businesses outperformed the overall stock market by a factor of 10.5:1 over a 15 year period.

This is not about a soft, fluffy, nice-to-have approach to business. It’s about hard-nosed, long-term business performance.

### **So what’s involved?**

According to Mackey and Sisodia, there are four principles to running a conscious business:

- having a higher purpose and core values
- stakeholder integration
- conscious leadership
- conscious culture and management



At the centre of the model, significantly so, are **Purpose and Values**.

This is about moving the firm's focus from profitability to its higher purpose.

BMW's stated purpose is "To enable people to experience the joy of driving". If they achieve that, the chances are that they will be (and will remain) highly profitable.

In my experience, many firms started out with a clear purpose at their foundation, but it has been lost over time.

Many firms have also adopted values, but they rarely relate to their core purpose and therefore read as a generic shopping list. The challenge is to identify the values that are essential to the delivery of the firm's unique purpose.

**Stakeholder Integration** is about creating value for *all* stakeholders, not just the firm's investors or shareholders. It is about understanding the impacts of everything you do on customers, employees, suppliers/partners, communities, environment and investors.

Michael Porter sums it up neatly as a contrast between creating "shareholder value" and creating "shared value".

In a professional partnership, this is especially challenging. The idea of considering other stakeholders as equal partners in the business alongside the equity partners may take some time to absorb.

**Conscious Leadership** is perhaps the most important factor. Without it, consciousness will be dead in the water.

In the words of the authors:

"Conscious leaders are motivated by service to the purpose of the business and (all) its stakeholders, not the pursuit of power or personal enrichment."

Conscious leaders tend not to be charismatic.

They have high emotional and spiritual intelligence. They have more of the traditionally feminine characteristics, such as self-awareness, caring, compassion, cooperation. And they are well attuned to the impact of their decisions on all aspects of the firm and its multiple stakeholders.

These are people who are as much in tune with their emotions as they are with their rational brain. As the saying goes:

"The longest journey that people must take is the eighteen inches between their heads and their hearts".

**Conscious Culture and Management** is not just about creating a great place to work. It's about creating the right culture to support the purpose and values of the firm.

Whilst each culture will be unique, it's also true that conscious businesses tend to share some common traits, such as trust, accountability, transparency, integrity, loyalty, egalitarianism, fairness, personal growth.

### **What are the implications for brand?**

As you think about a conscious approach to business, you begin to realise the extent of its impact on brand.

Our concept of service branding has matured from the FMCG model.

The idea of brands being built from the inside out has been with us for some time. Increasingly in today's information rich world, what you are inside determines how you are perceived outside. So the brand is a direct reflection of the culture and personality of the organisation.

Conscious branding moves this on to a new level.

For professional partnerships, it presents significant challenges and poses new questions:

#### Purpose and Values

- Why does this business exist, what is its higher purpose? What does it contribute to its customers, the industry, society?
- What would the world lose if it didn't exist?
- What core values are needed to support our purpose?

#### Stakeholder integration

- What value does each of our stakeholder groups get from the brand?
- What is the vision for our conscious business? What would success look like for *all* our stakeholders?
- How emotionally engaged are our customers and employees and how can we actively engage *all* our stakeholders in the brand?

#### Conscious leadership

- What are our leaders' personal values?
- How do they show up in the business?
- How committed are our leaders to the higher purpose and to stakeholder value creation?

## Conscious culture

- What does our current culture look like and to what extent does it match the personal values of our employees?
- How can we create the right culture to deliver our vision?
- What can we build upon and what do we need to change?

### **To sum up...**

The idea of a purpose based brand with a deeper sense of its core values and a broader view of its constituencies creates a new dimension in branding.

The strongest brands are those with the greatest levels of emotional engagement – think Apple, BMW, Virgin.

Conscious branding conjures up a world where all stakeholders have a much higher level of emotional engagement with the brand, because their needs are being fully met on an equal basis and value consistently delivered.

It has the potential to deliver some significant benefits:

- greater longevity and sustainability
- customer and employee advocacy
- lower marketing and selling costs
- competitive advantage that is hard to match

And perhaps most significantly, it has the potential to re-build trust.

Professional partnerships obsessed with PPP, the status of the partner, fees, timesheets, new business, growth, M&A and survival may have a long road to travel.

But the destination is certainly worth the effort.

*With thanks to John Mackey and Raj Sisodia and their excellent book "Conscious Capitalism"*

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