

# Social purpose strategy: Bring your corporate purpose to life

September 2024



A social purpose business is a business whose reason for being is to create a better world. It strives to profitably solve the problems of people and the planet without causing harm to either. Its social purpose describes the company's optimal strategic contribution to long-term well-being.

Articulating a social purpose is [the first step](#) to becoming a social purpose company. To realize your purpose, you then need to include social purpose goals in your corporate strategy. Your purpose is more enduring than your strategy; the former is timeless, the latter will likely change every few years. Company leaders need to recognize that your purpose sits at the apex, guiding and directing your corporate vision and strategy. This social purpose strategy guide will help you get started.

### **Eight steps to embedding your purpose in your corporate strategy**

#### **1. Use your purpose to set your vision**

Your long-term (usually about 10 years<sup>1</sup>) vision is the bridge between your purpose and your strategy. While your purpose is your enduring North Star, your corporate vision sets out where your company is headed and how the world will be better in the future by enacting your purpose. Defining your vision is the first step in your strategy work and will determine the tone, ambition and direction for your strategy.

Consult stakeholders to get input into your vision, which will answer the questions:

- What does success look like in the future?
- What is different because of our achievements?
- How will we know we are achieving our purpose? (This will contribute to your Theory of Change, should you choose to develop one. More on that, below.)

When selecting stakeholders to engage, include those for which the company seeks to create value, those with which the company will collaborate and mobilize on its purpose, and those who can affect, be affected by, or perceive themselves to be affected by, the company's decisions and activities. Prioritize and engage those most relevant to your purpose.

#### **2. Plan to integrate your purpose into your strategy**

To put your company on a path to deliver its purpose and avoid purpose-washing, purpose goals must be integral to your corporate strategy and business plan. So, it is important to understand in advance that your current strategy and business plan will change. This will in turn have effects on incentives and performance management in the company, as they are driven by the strategy.

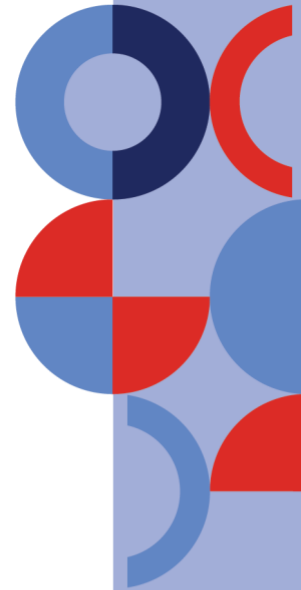
Make sure the governing body and leaders are aware of these changes in advance. Setting expectations before the strategy is refreshed will serve to calibrate expectations while lifting the scope of conversation to be more ambitious and purposeful in itself.

#### **3. Align your values to your purpose**

Following adoption of your purpose, it is important to ensure that you are also building a purpose-driven culture that aligns with and helps deliver your purpose. *How* you work is as important as *what* you set out to achieve: purpose, strategy and culture are mutually supportive. Update your company's values and evolve your corporate

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<sup>1</sup> If it makes sense to have a 20+-year vision, e.g., for infrastructure companies or those that are addressing complex long-term systemic challenges, then do so. Ten years is a guideline.



culture to align with your purpose. Here is a resource to help update your values: [Social Purpose Practice: Values](#).

#### 4. Define your purpose priorities

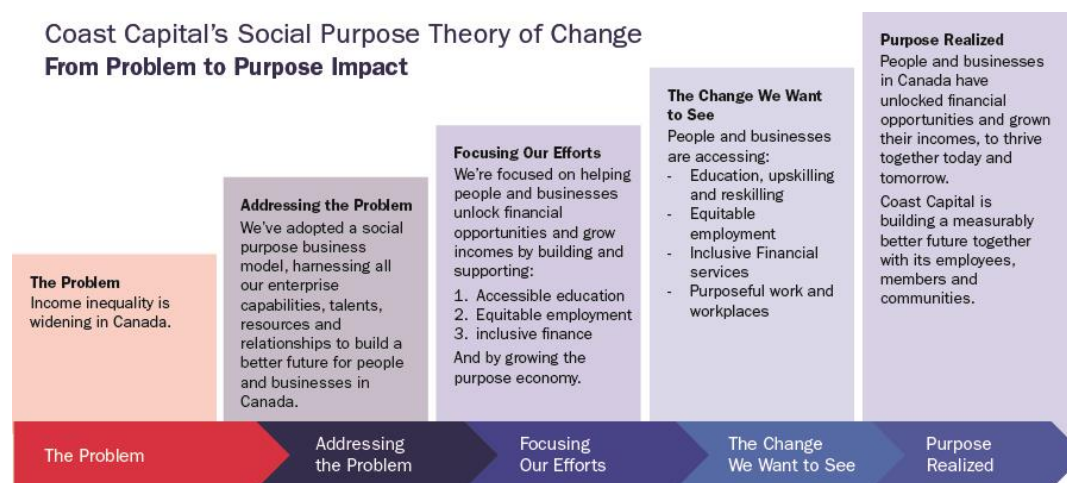
Conduct research to understand how to implement your purpose, advancing toward the long-term vision and to better understand the problem you are trying to solve or the societal challenges you are addressing. This might include desk research, best-practice research, literature reviews and interviews with thought leaders, think tanks, academics, non-governmental organizations (NGOs) and other experts. Here are some specific ideas:

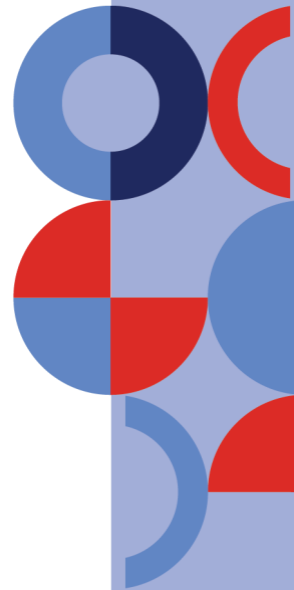
- Conduct a current state assessment to understand where your company is already working on its purpose for insights into future priorities. Sometimes your community investment or corporate giving program can be a source of inspiration.
- Hold focus groups, co-creation workshops, innovation challenges, hackathons and open-source collaboration exercises to both generate solutions and mark the beginning of stakeholder collaboration toward shared purpose.
- Include both internal and external stakeholders in your research and development (R&D) approach. Ensure you educate participants about social purpose and its role in business strategy before beginning the consultation or engagement, as this is still a new concept for many.
- Take your ideas of future success from the vision-setting step and translate them into priorities.

This exercise should result in three to five priorities you can pursue to meet your purpose and move toward your vision.

As part of this research and development, you could consider either or both of these additional steps:

- **Purpose Materiality Assessment:** Materiality assessments are increasingly common sustainability and environmental, social and governance (ESG) practices. Adapted to purpose, they include answers to the following questions: What are the material impacts your company has on the issues that are related to your purpose? What are the material impacts of your operating context on your ability to deliver on your purpose?
- **Theory of Change:** Many social purpose companies seek to transform the economic and social system in which they operate in pursuit of their purpose. If you are one of those companies, you may want to create a “Theory of Change” that articulates and visualizes how your company’s activities, inputs and strategies will lead to this transformation. Theory of Change is both a process and a product; the final output is a map of the pathways to your company’s desired societal change. This Theory of Change can be used to organize the ensuing steps, select strategic partners, focus learning and development, and more. It’s a “theory” because significant change processes are always dynamic –they change even as we navigate them. You will continuously learn and adjust your Theory of Change as you implement your strategy. See the image below for an example of how one company, Coast Capital, describes its Theory of Change to tackle the problem of widening income inequality in Canada, and how it seeks to address it by realizing its purpose.





## 5. Turn your purpose priorities into goal statements

Now that you have identified your purpose priorities, turn them into long-term goal statements. You should have 10-year goal statements to accompany your 10-year vision.

From there, back cast from this desired future by breaking your vision down into perhaps five-, three- and one-year goals and targets. They should be a combination of stretch and achievable goals. Ideally, they would be quantitative and measurable, but qualitative objectives are okay, too – so long as you understand how to assess your progress toward them.

Some companies are nervous about setting goals if they cannot control for the outcomes they hope to bring about, but goals are critical for social purpose practice, strategy and planning. It is important to recognize that stakeholder collaboration is essential to achieving your purpose ambitions. Typically, collaboration in your company's sector or ecosystem will be required for meaningful purpose advancement. And, of course, we cannot control the outcomes of others' work, either. That's okay; working toward a meaningful purpose will require openness in your collaborations and a commitment to refining your strategy as you go along.

Here are a few additional tips for setting your purpose goals:

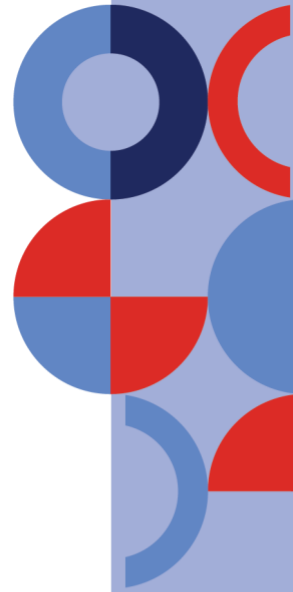
- Ensure that at least one goal is accessible to all employees, allowing them to play a role in influencing the outcome.
- Your goals should also touch upon your products, services and customers.
- Make sure at least one goal can only be achieved through collaboration with stakeholders. This is likely to be the most challenging and the most impactful purpose goal.
- If you have pre-existing ESG or sustainability objectives, ensure they can ladder up to, or ideally advance, your purpose goals.

From here, you can create a purpose measurement framework. The diagram below provides a structure for organizing your vision and long- and short-term goals into a purpose measurement framework.<sup>2</sup>

Here is how your purpose measurement framework might look:



<sup>2</sup> For more information, see [Disclosing with purpose: Guidance for preparers and users of purpose disclosures](#).



## 6. Include both process targets and impact targets

Companies that adopt a social purpose as their reason to exist must advance on two fronts: they must embed their purpose into everything they do, including their activities, behaviours, relationships and operations; and they must benefit society in fulfilment of their purpose. This necessitates two types of goals and targets:

1) integration (process) goals; and 2) achievement (performance/impact) goals. The four tips above focus on your “achievement” goals<sup>3</sup>. Here are a few suggestions for your “integration” goals<sup>4</sup> and targets.

To ensure you embed your purpose across your operations and value chain, consider including the following targets in your corporate strategy:

- Advancement on this Social Purpose Assessment. [Link](#)
- Number and percentage of employees who understand, support and are equipped to advance the purpose. [Resource](#)
- Number of employees trained on the purpose.
- Number and percent of employees who identify as a social purpose professional. [Resource](#)
- Number and percent of customers who are engaged in advancing the purpose. [Resource](#)
- Number and percent of suppliers who are both helping the company achieve its purpose and are becoming social purpose companies, too. [Resource](#)

As a social purpose company, you could even adopt broad-reaching purpose economy goals, such as those articulated by the [Canadian Purpose Economy Project](#), to advance social purpose in business through your spheres of influence with customers, business partners, suppliers, peers, competitors, associations, investors and others. [Resource](#)

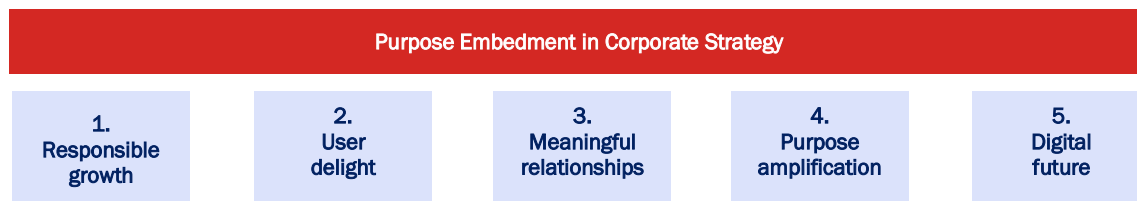
## 7. Recalibrate your corporate scorecard to reflect your purpose

Your corporate strategy likely already includes measures pertaining to growth, market share, digital transformation, operational efficiency, customer satisfaction, employee engagement and other priorities. Now that you have identified your social purpose goals and targets, you need to include them in your corporate scorecard. Include your new purpose metrics along with your financial and operational metrics.

See the diagram below for one approach to embedding purpose in your corporate scorecard or dashboard.

**Purpose Disclosures Guidance offers insights for purpose strategy.**

The Canadian Purpose Economy Project created guidance for social purpose companies seeking to disclose progress on their purpose. Check out this document for further insights on corporate purpose strategy development and disclosure: [Disclosing with purpose: Guidance for preparers and users of purpose disclosures.](#)



<sup>3</sup> This resource provides information and best practices on integration or process goals: United Way BC Social Purpose Institute, March 2022, Social Purpose Practice Process Metrics: <https://corostrandberg.com/wp-content/uploads/2024/07/social-purpose-process-metrics-jul-2023.pdf>

<sup>4</sup> This resource provides information and best practices on integration or process goals: United Way BC Social Purpose Institute, March 2022, Social Purpose Practice Process Metrics: <https://corostrandberg.com/wp-content/uploads/2024/07/social-purpose-process-metrics-jul-2023.pdf>

## 8. Shift your business model to align to your purpose

Depending on the size of your company and the market dynamics at play, the transition from adopting a social purpose to including social purpose metrics in your corporate strategy and business plan can take from one to three years.

As you are adopting a new corporate strategy that now includes your purpose objectives, it is important to recognize that this can generate feelings of uncertainty and apprehension for your board and management.

Leaders should understand that your purpose goals and targets can be updated as you work on them and adjusted based on experience. It is not necessary to go out to employees and your market with something that is perfect. They can be refined as you go. Leaders need to recognize that for the next few years, you may be operating in your legacy model while you transition to your new purpose-driven business model, adjusting and adapting as needed.

Now that you have transitioned your corporate strategy to help deliver on your purpose, this marks the beginning of your business model transformation to becoming an authentic and impactful social purpose company.

### Resources

#### Strategy Resources

These are additional resources to help you define your corporate purpose strategy.

[Setting Social Purpose Practice Impact Goals: Case Studies](#)

[Setting Social Purpose Practice Process Metrics: Case Studies](#)

#### Governance and Disclosure Resources

These are resources to help the board understand its role in oversight of the purpose, and to help the company disclose its purpose progress.

[Purpose Governance Guidelines for Boards, Canadian Purpose Economy Project, April 2024](#)

[Disclosing with purpose: Guidance for preparers and users of purpose disclosures, Canadian Purpose Economy Project, September 2024](#)

#### About the Canadian Purpose Economy Project

The Canadian Purpose Economy Project exists to accelerate the transition to the purpose economy. It engages national ecosystem actors to create an enabling environment for social purpose businesses to start, transition, thrive and grow. This paper is one in a series of reports exploring the roles of key actors to advance social purpose in business including accountants, boards, investors, associations, business schools and others. Subscribe to our updates at [www.purposeeconomy.ca](http://www.purposeeconomy.ca)

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