

Move Fast and Fix Things : Innovation on Purpose

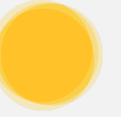


Kes Sampanthar
Managing Director, BCG BrightHouse
Purpose & Innovation Expert

We've been doing this longer than anyone—**25+ years**. We created the frameworks for discovering and embedding Purpose, applied and refined them to accelerate transformation and value creation for Fortune 500 companies around the globe.

25+
years

WE WORK ACROSS STRATEGIC MOMENTS



TRANSFORMATIONS

Purpose galvanizes an organization as it undergoes a dynamic multi-year transformation.

LEADERSHIP TRANSITIONS

Purpose accelerates CEO strategies and begins building a new legacy.

MERGERS & ACQUISITIONS

Purpose unifies two organizations together under one culture to fuel growth.

GROWTH & INNOVATION

Purpose influences how and where a company grows in an increasingly complex marketplace.

BRAND STAND

Purpose elevates a Brand to a Stand, creating a deeper emotional connection with consumers.

EMPLOYEE ACTIVATION

Purpose mobilizes the organization, enabling desired experiences and creating a culture of connection and significance for employees.



DELTA



Humana



DEFINING PURPOSE



It's Authentic and Emotional

Purpose is excavated — capturing true strengths and stories in foundational principles that define the organization at its best.



It Energizes and Elevates

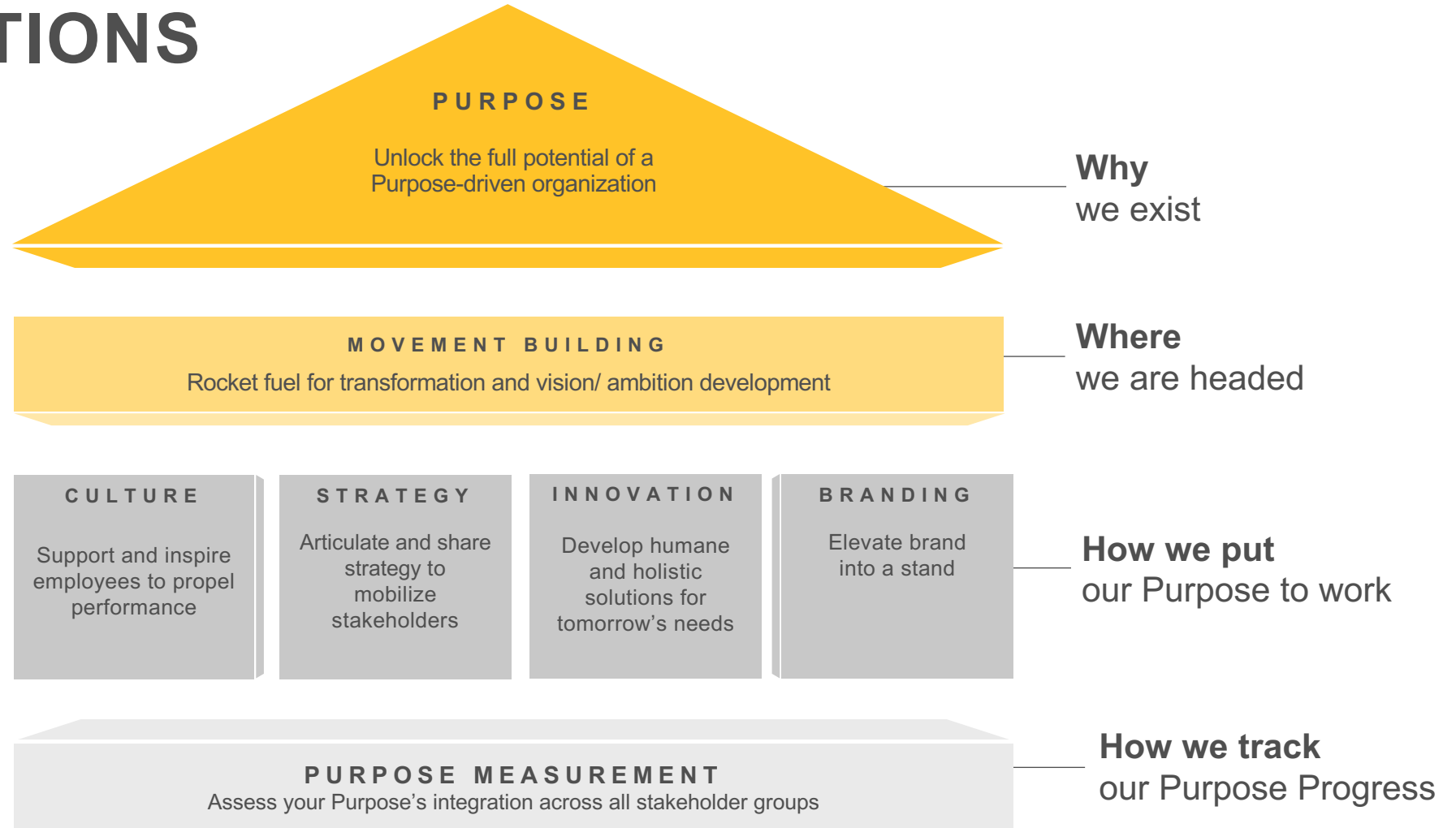
Purpose is a powerful rallying cry based on a universal human need in the world that an organization can uniquely meet.



It Aligns and Clarifies

Purpose is a single edit point that aligns culture, strategy, and branding — bringing clarity to what's in, what's out.

HOW PURPOSE IS ACTIVATED WITHIN ORGANIZATIONS



OUR PURPOSE FRAMEWORK BALANCES STRENGTHS AND INSPIRATION



Where your talents and the needs in the world intersect, therein lies your vocation.

- ARISTOTLE



Question 1:

How does Purpose influence your organization's Innovation?
How Purpose-driven is your organization's Innovation function?
What role does Purpose play in your Innovation strategy?



INNOVATION ON PURPOSE



ORGANIZATIONS HAVE BEEN PRIORITIZING **PURPOSE FOR PERFORMANCE...**



How Patagonia Grows Every Time It Amplifies Its Social Purpose



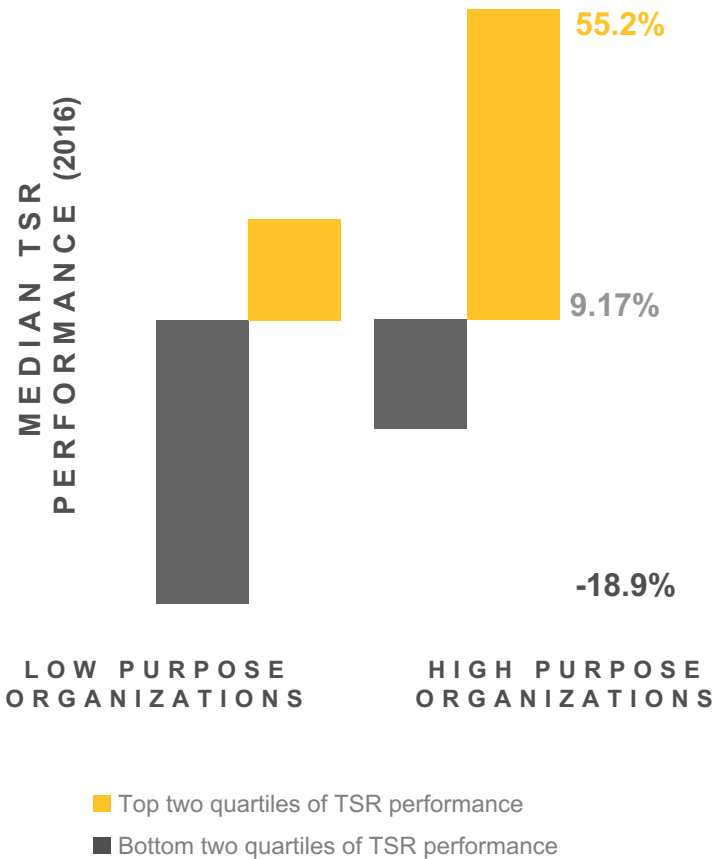
Shareholder Value Is No Longer Everything, Top C.E.O.s Say



BlackRock

LARRY FINK'S ANNUAL LETTER TO CEOs

A Sense of Purpose

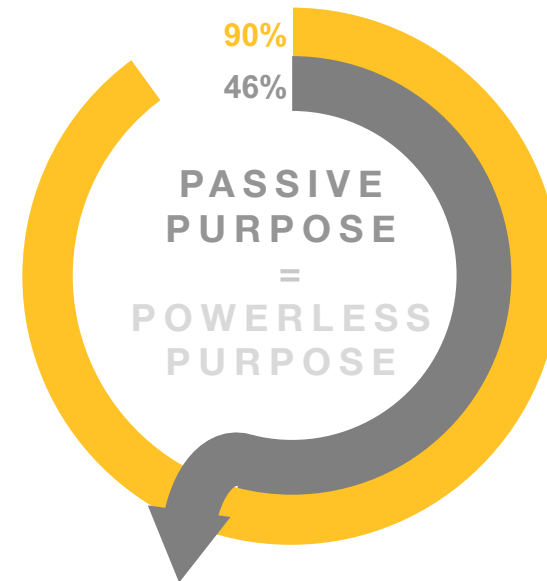


BrightHouse and BCG: Camelot Survey (2016)

...BUT PURPOSE NEEDS TO GO BEYOND ARTICULATION



90% of executives surveyed understand the importance of Purpose, but...



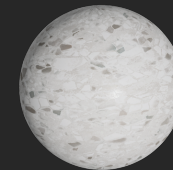
...only 46% of leaders said it informed their organization's decision making and strategy.

Kantar Consulting (2018). Purpose 2020, Inspiring Purpose-Led Growth. Surveyed Marketing Leaders.

IF PURPOSE IS YOUR “WHY” INNOVATION IS “HOW YOU EXPLORE THE WAY”



Purpose
is why you exist
The timeless North Star –
the light that guides you



Vision
is where you're going
The next big moonshot
to be aiming for

Strategy
links Mission & Vision
Coordination and guidance
to achieve your Vision

Innovation
is how you explore the way
Solutions and builds that enable
your success

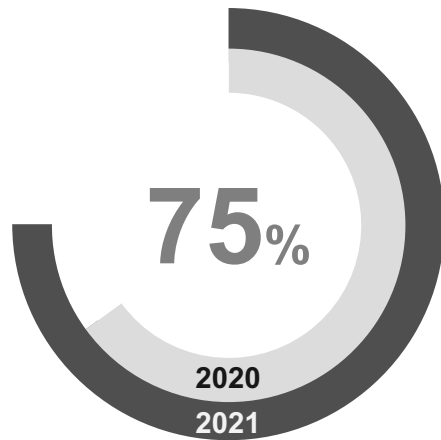


Mission
is what you do
What you do each day to
achieve your Purpose



ORGANIZATIONS HAVE BEEN PRIORITIZING INNOVATION...

The number of companies reporting that innovation is among their organizations' **top three priorities** is up **10 percentage points in 2021 to 75%**—the largest year-over-year increase in the 15 global innovation surveys BCG has conducted since 2005.



Growth was driven by an increase in the proportion naming it their #1 priority.

Source: BCG Overcoming the Innovation Readiness Gap – MIC 2021

...BUT INNOVATION WITHOUT PURPOSE IS GETTING UNTENABLE

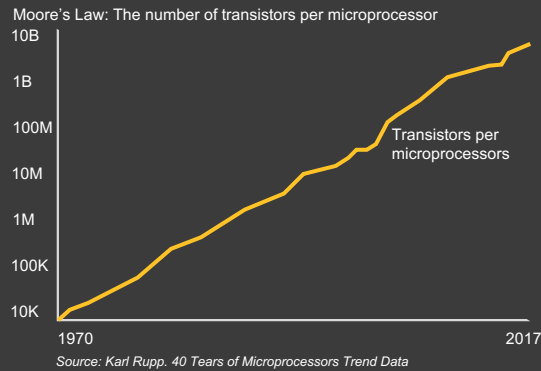


THE PACE AND SCALE OF INNOVATION IS ACCELERATING

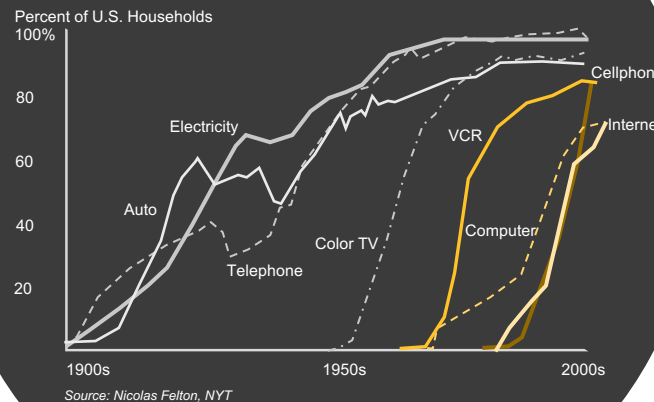


As the pace of innovation accelerates, deploying globally faster, we don't have the luxury to make mistakes.

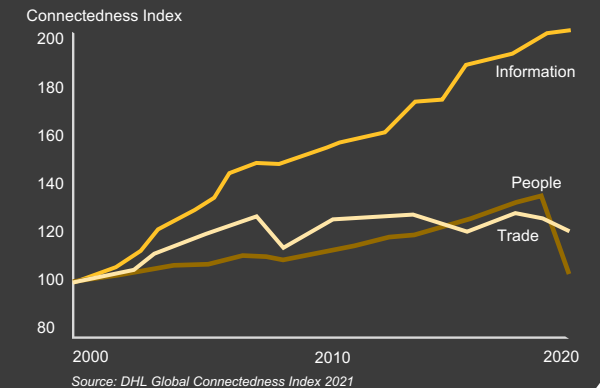
Technology is getting faster, better and cheaper



Adoption is accelerating and spreads faster today



Globalization has increased connectedness and remained resilient



It took **60+ years** to think purposefully about AI.
We won't have the **time to fix** the next 'general Purpose technology.'



Question 2:

How does your organization keep up with accelerating innovation?

How has the pace of change affected Innovation in your organization?

How is your organization handling the pace of change?

Competition is accelerating and the engine of adaptation has to run **faster** and **smarter**
– **OODA Loops.**

Rapid change is the only constant — **Innovation** is an integral part of the operating model.

The new race for competitive advantage is going to the next evolution of non-zero-logic
– **GREATER GOOD.**



INNOVATION ON PURPOSE IS THE NEW COMPETITIVE ADVANTAGE

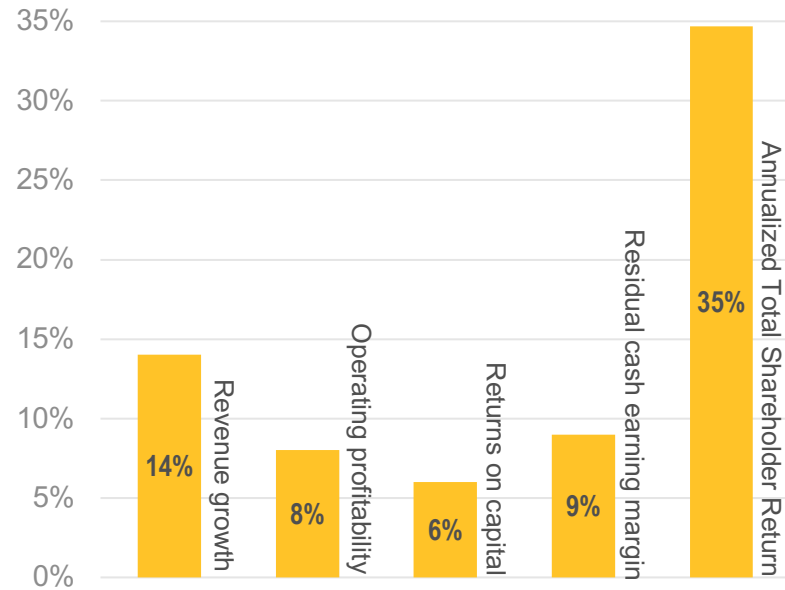
*“The terminology of game theory helps unify not just human and organic history. Within each of these realms, the terminology can be unifying. If you ask what is common to reciprocal altruism and kin selection (two basic biological routes to social integration), **the answer is non-zero-sum logic.**”*

- ROBERT WRIGHT,
NONZERO

THE FOUNDATIONS OF COMPETITIVE ADVANTAGE IS GROWTH AND AMBITION



A recent study sorted brands by their purpose scores*, either by “High Purpose” or “Low Purpose based on the median. This illuminated the relationship of Purpose to higher performance on financial, valuations, and value creation measures.

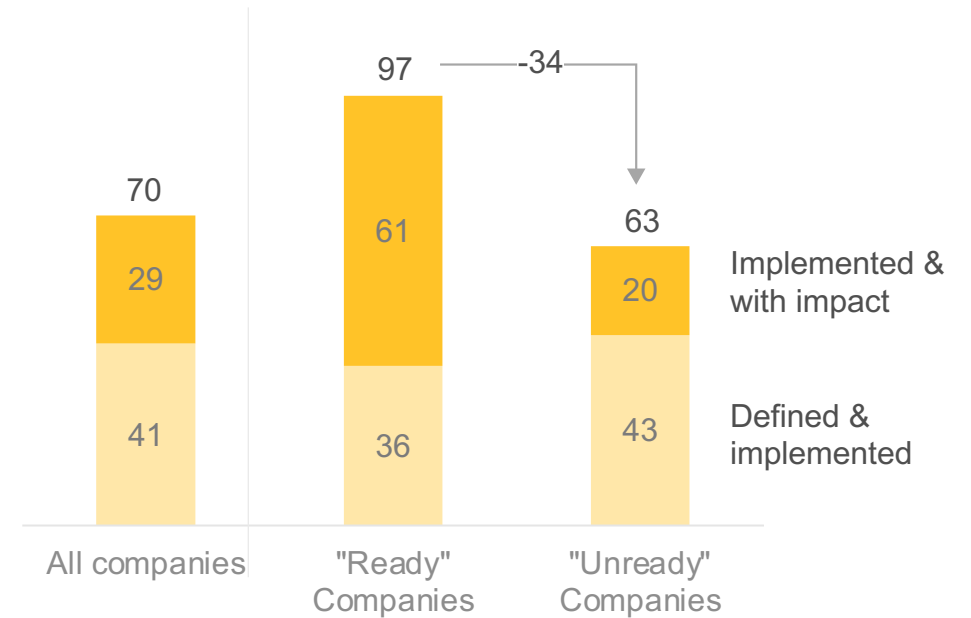


Fortuna Advisors: A deeper look at the return on Purpose (2021)

The 2022 BCG MIC Report found that organizations that **“Ready” organizations have successfully implemented Purpose for their innovation ambitions**

Qualitative story: Our innovation ambition clearly articulating the Purpose of the innovation and is inspiring to action

GROWTH + AMBITION



BCG Most Innovative Companies Report - MIC (2022)

WHY INNOVATE ON PURPOSE?



CLARITY AND ALIGNMENT

54%

of the executives surveyed struggle to align innovation strategy with business strategy

Source: PwC's Innovation Benchmark Report

93%

of investors think Purpose is a necessary foundation to set a long-term business that creates value

Source: Harvard Law-Making Corporate Purpose Tangible—A Survey of Investors, 2020



DE-RISK AND POSITIVE IMPACT

83%

of tech executives believe businesses should take accountability for the impact of their technology

Source: RIL and General Catalyst - Responsible Innovation in Tech, 2022

#1

The most-cited reason organizations prioritize corporate Purpose is to ensure the business contributes to society

Source: Harvard Business Review Analytic Services Survey, 2020



EMPOWER AND INSPIRE

47%

of executives said their company's culture does not support their innovation strategy

Source: PwC's Innovation Benchmark Report

63%

of executives believed that having a sense of Purpose and aspiration beyond their day-to-day commercial mission made their company more innovative

Source: Economist Intelligence Unit (EIU) Report, 2019

Risk/Uncertainty

Technology Overhang

***technology overhang** – technologies like ChatGPT end up opening new possibility spaces that are unexpected.

Unknown - Known

Possibility Space

***uncertainty** is present when the likelihood of future events is indefinite or incalculable



Unknown - Unknown

Known - Known

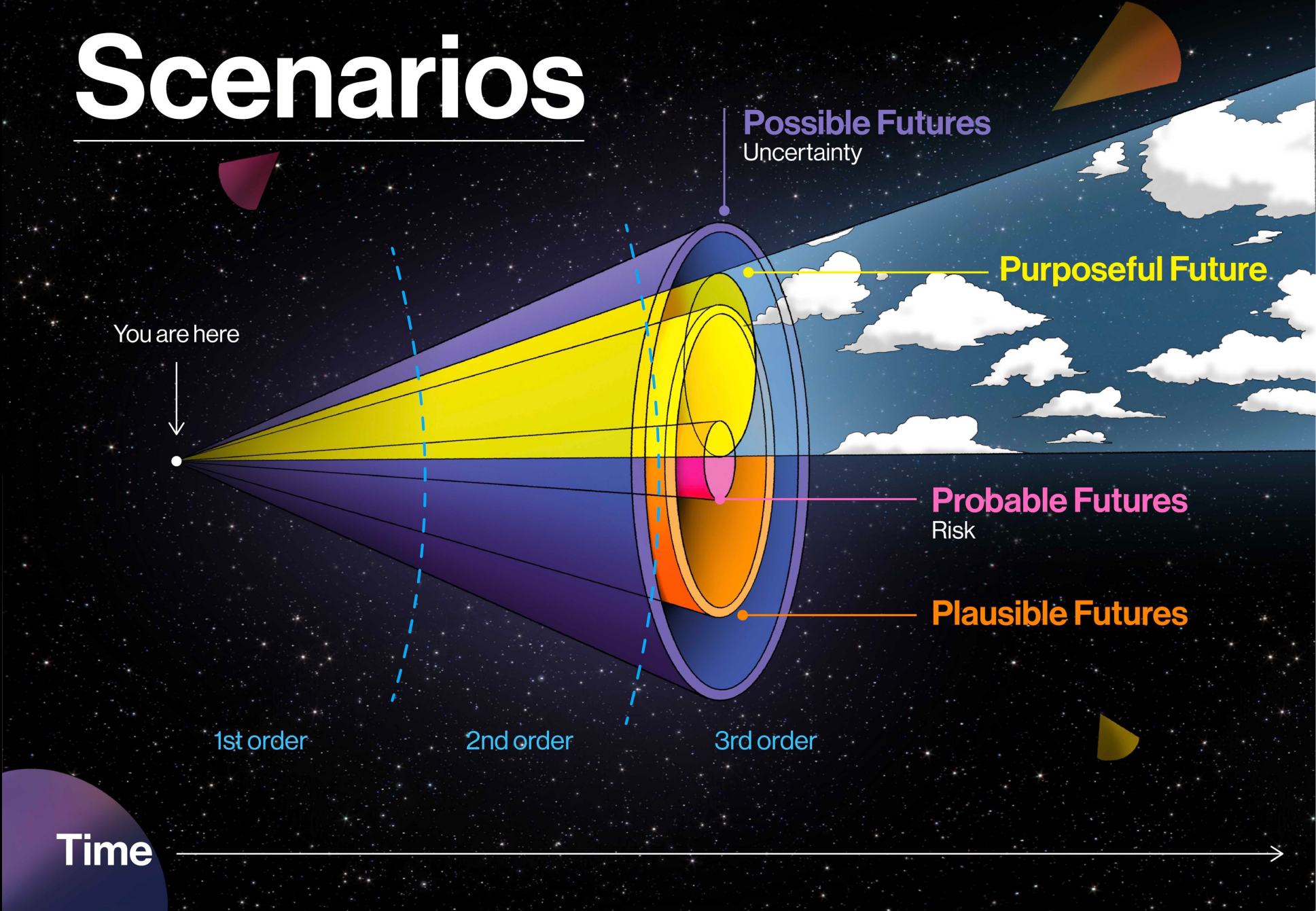
Probability Space

***risk** is present when future events occur with measurable probability.

Known-unknown

Scenarios

Purposeful foresight goes beyond just anticipating the future. It helps companies shape their Purposeful future.





Question 3:

What kind of foresight capabilities does your organization have?
How is foresight connected to Innovation in your organization?
How does Innovation help your organization prepare for the future?



PURPOSE IS THE TIMELESS WHY



INNOVATION IS THE TIMELY 'HOW' WITH ADAPTIVE ADVANTAGES IN OODA LOOP

**GAIN ADAPTIVE
ADVANTAGES
BY
INTERTWINING
PURPOSE AND
INNOVATION**

WE NEED TO SHIFT HOW WE INNOVATE

FROM ...

Product-Market Fit
Minimum Viable Product

Unmet Human needs
1ST Order Thinking

Emerging Technologies
Move Fast, Break Things

HUMAN-CENTERED
DESIGN

**HUMANE-HOLISTIC
DESIGN**

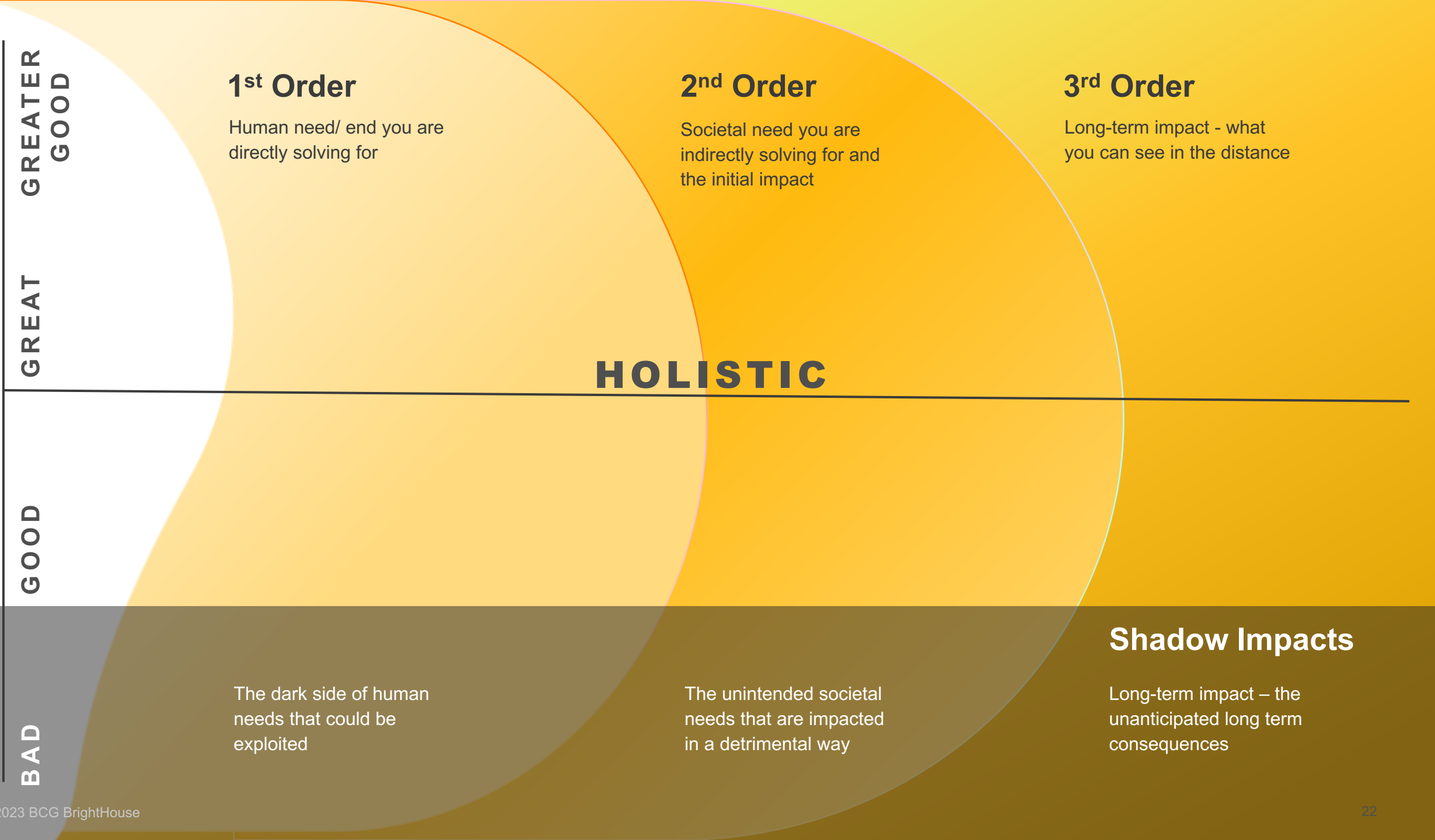
TO ...

Purpose-Market fit
Minimum Purposeful Product

Unmet Humane and societal needs
2nd & 3rd Order Thinking

Ethical Technologies
Move Smart, Learn Things

HUMANE





Question 4:

How do you think HCD should or should not evolve?

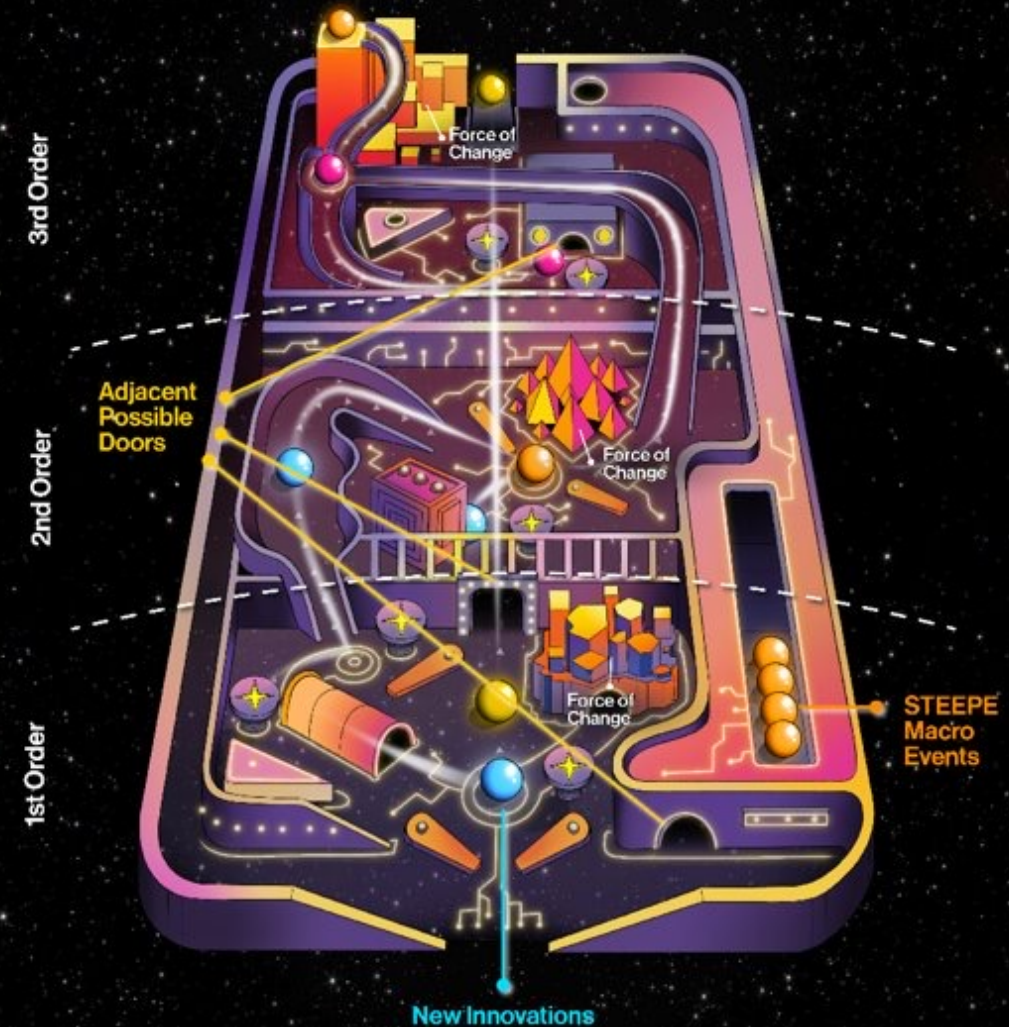
What shortcomings do you see with HCD?

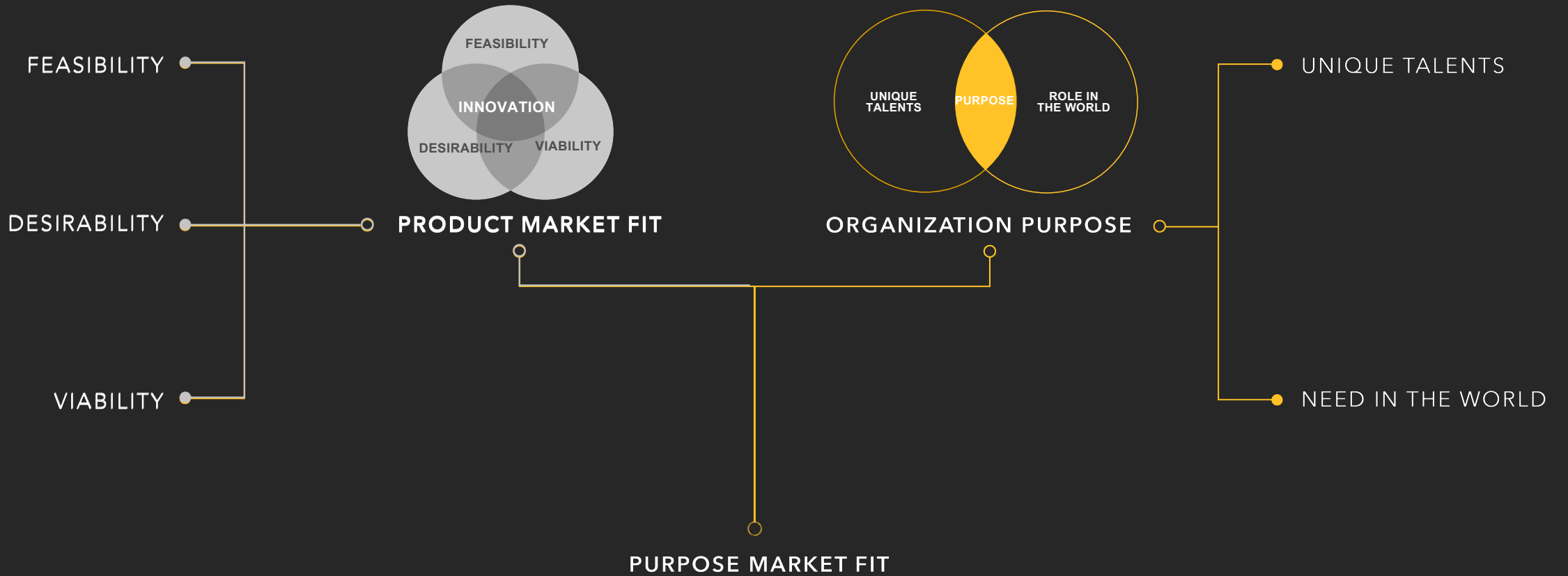
What are your thoughts on HHD?

The **adjacent possible** is how disruptions play out and can provide springboards to Purposeful futures.

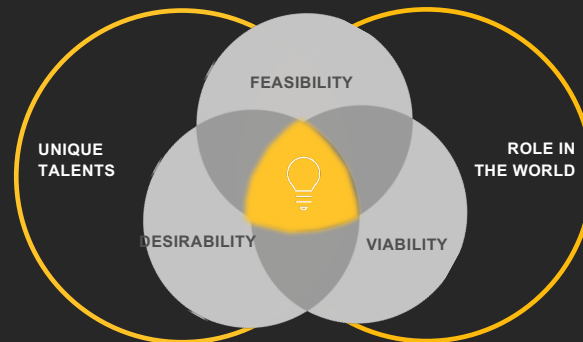
The **adjacent possible** is a framework to help companies play out futures through a pattern library of “**forces of change**” that takes into consideration how **new innovations** open **adjacent possible doors**, understanding the implications of **STEEPE Macro Events*** to map out the possibility space through 1st, 2nd, and 3rd order effects.

Adjacent Possible

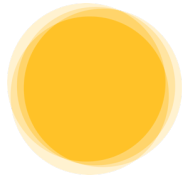




PURPOSE-DRIVEN INNOVATION



Q&A



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THANK YOU



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