



Strategic Health Question 3

**WHAT DO YOU
AND YOUR FIRM
STAND FOR?**



Core
purpose

Why answering this question is SO IMPORTANT

If you answer only one of the 8 strategic health questions considered in this book, we reckon this is the one!

Its power and its payoff are immense and long-lasting.

If you and your team cannot describe the reason your firm is in business – what you stand for – **then your firm’s core purpose is unclear.**

If your firm’s core purpose is unclear, then why would your work colleagues be wholeheartedly and enthusiastically engaged in helping you achieve what you want to achieve?

At best, they’ll be happy to **do their job** for the salary you pay them, but they will be unlikely to **seek better ways of doing their job** to improve the firm’s performance.

They will be unlikely to **go the extra mile for a colleague or client.**

Do any of these challenges ring true with you?

The power of leading with purpose...

Before we get to accountancy firms, consider the impact a core purpose had in saving a retail business.

Trading for just 8 months, the first and only Whole Foods Market looked down the barrel of disaster on a stormy May morning.

Torrential rain put the store under 8 feet of flood water. All equipment and food stocks were destroyed – £300,000 worth.

No savings.

No insurance.

Please check out the online resources mentioned throughout the book. Each chapter has a unique QR Code and URL.



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Financially wiped out...

It felt like the end of a beautiful but short-lived dream for founders John Mackey and Renee Lawson.

But as the day unfolded, dozens of customers and neighbours started showing up at the store with buckets and mops. When they asked this small army of volunteers why they were helping, they responded:

“Whole Foods is really important to me.”

“I’m not sure I’d want to live here if it wasn’t for Whole Foods.”

And it wasn’t just customers who helped Whole Foods Market get back on their feet.

Team members worked for free.

Suppliers offered to resupply them with extended credit because they too cared about the business.

Investors dipped deeper into their pockets to help start the refinancing of the business and the banks followed suit.

On 22nd June, just 28 days after the flood, the store re-opened.

Survive, then thrive...

All this happened in 1981. Thirty-six years later, in the summer of 2017, Amazon bought Whole Foods Market for just over £10billion!

And why did Whole Foods Market survive and eventually become such a thriving, valuable business?

Because the founders, John and Renee, led with purpose, and all the stakeholders at Whole Foods Market cared deeply about what the business stood for:

“...to nourish people and the planet”

This was a purpose that held real meaning for all involved – customers, employees, investors, suppliers.

Purpose works for many others...

Whole Foods Market isn't alone.

A purpose-led approach worked for a 2004 start-up – fast-food outlet Leon – with a core purpose of:

“healthy fast food”

In 2021 they were bought by the Issa brothers for approximately £100million, proving that leading with purpose pays off.

Google, Toyota, Patagonia, IBM, Chubb, Costco, Grameen Bank (yes, a bank!) and so many other businesses, large and small, lead with purpose.

Here's Unilever's experience of purpose-led brands...

Mr Alan Jope, CEO at Unilever, estimates that around **60% of Unilever turnover** now comes from the company's brands which **take action on purpose**, and those brands are **growing around 70% faster** than the rest of their portfolio.

We **see purpose work for accountancy firms** as well. Check out the real-world example boxes in this chapter.

Unfortunately, we're also seeing firms fail to achieve their full potential because they have yet to take their core purpose seriously. Recently, a managing partner of a 31-person, £2.9m firm suggested:

“We aren't tapping into the full potential, capability and enthusiasm of our people because we can't agree at partner level on a clear and committed core purpose for our firm.”

Of the 8 strategic health questions, the question about your core purpose is often the toughest to consider. Because it's tough, most firms haven't identified and defined a clear purpose. They don't do the hard work, so they're not tapping into the profitable power of purpose.

Purpose builds meaningful connections...

Purpose is a daily reminder to every team member about what you're trying to achieve beyond the numbers work they do.

Purpose unlocks the discretionary effort that builds productivity, innovation, profitability and a brighter future for your firm.

Please go to the online resources for this chapter – you'll find research and resources to build on your interest in developing a core purpose for your firm.



bit.ly/8Q-q3

The financial payoff when you lead with purpose...

Many studies show that companies which lead with purpose grow faster than their competitors and have higher market-share gains.

“Purpose is a core differentiator. Purpose-oriented companies have higher productivity and growth rates, along with a more satisfied workforce who stay longer with them.

...research shows that such companies report 30 percent higher levels of innovation and 40 percent higher levels of workforce retention than their competitors.”

– From a 2019 Deloitte report about global marketing trends

A purely commercial focus can work too, but leading with purpose has more payoffs. Leading with purpose creates a safe, secure and sustainable business you can be proud of.

“...many sceptics still believe there is an inherent trade-off between purpose and profit; values and value.

We disagree, and there is significant data to back up our position. An integrated purpose strategy focused on the differentiated role a company serves in society is good business strategy that drives sustainable, long-term value.”

– From a 2020 Deloitte report about purpose-led businesses



Raj Sosodia's book, "Firms of Endearment", shows how some of the world's leading companies financially benefit from a purpose and values focus (more on values in the next chapter).

The evidence continues to stack up, proving **that purpose and profit are not just possible, but connected.**

And if you need more proof, check out the Bitesize Business Breakthrough report in the online resources – please use the QR Code or URL in the side bar at the beginning or end of this chapter. Or turn to Google or ChatGPT and you'll be swamped with proof.

Core purpose pays off.

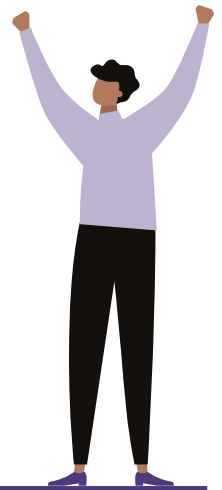
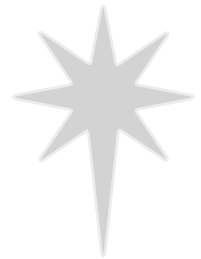
You can do the same in your accounting firm – lead with purpose.

It can pay off for your firm too.

Why does purpose pay off?

Purpose pays off because, when done well, purpose builds a meaningful connection with your team.

Ultimately, your firm's core purpose provides a cause, a rallying call, a North Star, behind which people can rally or align, something with real meaning that people care about.



There is a wealth of evidence which shows that a team who feel a meaningful connection with their work helps transform a firm's results:

- **Team engagement improves** – with the resulting improvement in work quality, work speed, client care, innovation, productivity and profitability.
- **Retention of key team members is increased** because they feel a meaningful connection between their work and what the firm stands for.
- **Recruiting good team members is easier** and more likely when your firm's core purpose is seen to be real by potential recruits.
- **You build client loyalty, generate better referrals and build future sales revenues** because clients (and prospects) feel more connected to what your firm stands for.

Core purpose helps you humanise the numbers by building meaningful and emotional connections with your team and your clients. These **meaningful connections can transform your firm's results.**

Creating a feeling of alignment across all players in your firm is a powerful source of trust and intrinsic motivation that builds camaraderie and a sense of meaningful achievement.

As a result, **purpose builds profits and capital value**, as you saw earlier with the Whole Foods Market and Leon stories.



But it's not about the money!

If you get this wrong, leading with purpose can backfire, BIG TIME.

Your purpose has to be real – you have to mean it – if you're to avoid the biggest risk in developing and distilling your firm's core purpose.

Your purpose has to be real – you have to mean it – if you're to avoid being accused of inauthenticity. At best, a superficial or inauthentic approach results in little or no buy-in of your firm's purpose.

But the risks are greater.

A 2020 McKinsey report suggests that:

“A superficial approach to purpose doesn't work. In fact, it can do considerable harm, opening up your company to accusations of inauthenticity or “purpose-washing,” turning off customers or driving them away completely, and disaffecting employees up and down your organization.

Poor outcomes follow when purpose is a patch job.”

It's about trust...

As THE trusted advisor to your clients, you must do everything possible to maintain and build your trusted advisor status. You must avoid putting your trusted status at risk.

Treat purpose casually and you can undermine the commitment of your team.

PWC research shows that the majority (58%) of employees would find it demotivating to work for an organisation that talks about purpose but doesn't take action.



A demotivated workforce will not do high-quality work. They may work slower or in a way that demonstrates a lack of client care. As a result, productivity, client loyalty and profitability will be affected.

Financial success is a consequence when you do the right things for the sake of doing the right things.

Take purpose seriously – mean it.



REAL-WORLD EXAMPLE: Uncovering your firm's core purpose can be tough.

A team of 26 led by 2 owner-directors was finding it difficult to clarify a 'core purpose' they were willing to commit to. It was proving a lengthy and challenging process.

The key question that unlocked the door was asking the founder why he'd set up the firm in the first place.

Allowing the founder space to reflect and consider this question resulted in an emotional conversation about his passion to make a real difference to his clients, as well as an admission that, over the years, he'd lost sight of that in the churn of work and the pressure of meeting deadlines.

This process reconnected the founder, and the whole firm, to their core purpose, reinvigorating team and client relationships, bringing a zeal to tackling problem clients and helping overcome a lack of performance in two departments.

At the time of writing, turnover has increased in two years by 21% while profitability is up 25%.

Your core purpose has to FEEL right...

Your firm's core purpose feels right to you and your people when it genuinely reflects the impact you have and want to have on your team, your clients and other stakeholders:

- > It must **have real meaning** for you and for your people
- > It must **feel real** for you all to take your purpose seriously

By ensuring this, you give genuine meaning to what you and your firm do.

And, as marketing expert Seth Godin suggests, you need to keep your purpose succinct:

"If you can't state your position in eight words, you don't have a position."

Seth Godin uses the word 'position', but he's talking about taking a stand for something, having a reason for being.

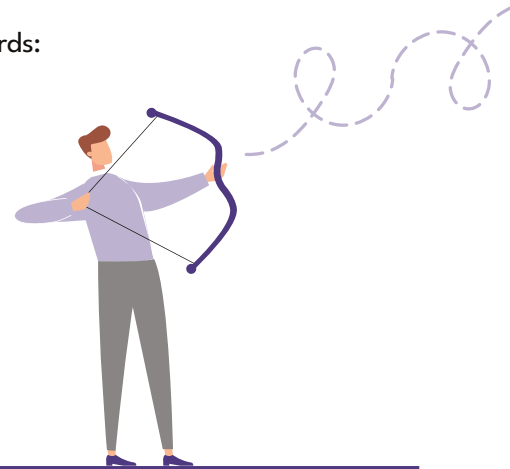
ACTION: Work on packing your core purpose into 8 words that are crystal clear and which connect people with what matters to you.

Doug and I and the team at Remarkable Practice are committed to these 8 words:

"Humanise the numbers and transform your firm's results"

These 8 words influence everything we do.

What could your 8 words be?



And if you can encapsulate your core purpose in a shorter phrase, even better. At Remarkable Practice we are committed to bringing greater humanity to the work you, your team and your clients are doing. This is why we are passionate about these 3 words:

“Humanise the numbers”

Since we committed wholeheartedly to our core purpose, we’ve been better able to help firms transform their results. And in 4 years we’ve doubled revenue and only added one part-timer to our team. We’re convinced that’s no coincidence.

What could commitment to a core purpose do for your firm?

Create a sustainable competitive advantage...

Having helped many accountancy firms work through the challenge of identifying and building commitment to their core purpose, we appreciate the head-scratching frustration that working on ‘purpose’ can create.

It can take many iterations and a great deal of effort to define a core purpose to which your firm can wholeheartedly commit. When you capture your *raison d’etre*, you’ll be on your way to establishing a sustainable competitive advantage.

You have a simple (but not so easy) question to answer...

“What do we stand for?”

This is an emotive and often challenging question.

It’s about who you are and why you’re here, alive on this planet, doing the work you do.

We’ve learned that if there’s one question which tests the strategic minds of accountants, it’s this one.

So, how do you answer this question?

People rarely wander into your office and ask “**what do you stand for?**”

They approach this in a more run-of-the-mill way.

Imagine you’re with an old friend on a walk in the country or having breakfast with a client or at dinner with strangers. Perhaps you’re on a bike ride with your 8-year-old, and they ask you, “**Mum/Dad, what do you do exactly?**”

Be honest – how do you reply?

“**I’m an accountant.**”

“**I do accounts and tax work for business owners.**”

How do people respond to this type of answer?

Here’s the downside in answering this way:

They typically ask nothing more because they have you in a box in their head – **the accountant box.**

Your answers are practical and obvious, but they don’t tell anyone about the outcome or meaning behind the work you do.

We see some accountants rail against this because they are rightly proud of being an accountant.

But please remember that **building a trusted relationship with clients and team members means building credibility, reliability and intimacy.** Trust also requires us to **play down our own self-interest**, as so eloquently described in Charles Green’s trust equation.

The impact, outcome and meaning behind the work you do is far more compelling than what you do.

And, by the way, this is what people really want to know – **what difference do you make to people?**



When you share a deeper insight about the meaning behind the work you do, you end up in a more **intimate** conversation.

Because you are vulnerable about why you do what you do, you similarly build **intimacy** and **credibility**. And because you're talking about the impact your core purpose has on others, your **self-orientation** goes down and trust goes up.

Reliability requires you to follow through, which is why you must take core purpose very seriously indeed.

Clarify your firm's core purpose and you can respond to the "what do you do?" question to create an altogether different impact and deeper trustworthiness.



For example, if you're asked "what do you do?" you might respond with:

"I help business owners transform their results."

What do they want to know about you as a result of this answer?

What do they think or feel about you now?

You're no longer being compared with everyone's image and preconceptions of what an accountant is.

Of course, at a simple tactical level you are an accountant, and you do accounts and tax, and try to make profit on the way.

But it's not what gives meaning to the work you and your colleagues do. Share the meaning behind the work you do and you'll quickly create deeper, more trusting connections with people.

Be committed and lead with purpose.

Share your core purpose with people when they ask you what you do.

Share what it is that matters to you.



Build your definition of meaningful work

In Chapter 2, which considered your firm's vivid vision, we discussed the value of building an emotional connection to your firm-of-the-future.

Developing and distilling your core purpose brings **even deeper emotional meaning and connection** – as you can see from the Whole Foods Market example.

Your answers to “**what do you stand for?**” and “**what do you do?**” influence a person's emotional response and their curiosity and interest in what, why and how you do what you do.



The profound power of purpose...

The power of clarifying your firm's core purpose comes from emotionally connecting with all of your important stakeholders.

Don't you want your team, your clients, your prospects and your contacts to feel an emotional connection with you and the work you do in your firm?

When you attain this meaningful connection, you create a strategic advantage over all other firms of accountants.



REAL-WORLD EXAMPLE: While many firms understand and can articulate their core purpose, bringing purpose to life and living it every day is often more of a challenge.

So it was with this 6-owner firm.

Helping each individual owner connect to the core purpose was a key step forward in changing behaviours.

When asked the question – **“in what way could you live this purpose in your daily work role?”** – leaders were encouraged to use possibility thinking.

Using their core purpose as inspiration, they came up with numerous ways of delivering better value to clients, as well as better ways of working with each other. This led to an improved connection with their firm’s core purpose, encouraging them to take action on ensuring purpose showed up more in other areas of the business.

Examples and experiences around how the firm’s core purpose is being lived are now being shared frequently with team members. These stories are bringing to life, every day, how the firm is making a real difference, and the team now have a sense that purpose really matters.

What could your purpose be?

Here are a few generic examples:

- > **“I want to see my clients achieve their goals.”**
- > **“I want to build something worthwhile.”**
- > **“I want to be known for making a big bloomin’ difference.”**

These are deliberately generic so that they do not make it easy for you to adapt or adopt them in your own business!

The power of purpose arises from the hard work you invest in uncovering, building and clarifying your own.

However, even though the examples above are generic, consider this personal introduction...

“Hi, I’m Becky, and I’m committed to making a big bloomin’ difference to the lives of business owners.”

This response to “what do you do?” has a far more emotionally engaging impact, don’t you think? Much more impactful than using...

“Hi, I’m Becky, and I’m an accountant.”

Every reaction and every conversation you have takes a much deeper and more meaningful turn when you **anchor what you do to why you do it**. Talk about what you stand for, what gives you pride in your work, and you’ll see meaning, value and trust flourish in your conversations.

IMPORTANT: If we listed specific examples of core purpose statements from the firms we work with, we’d be doing you a disservice.

It’s your own hard work that enables you to build your insight, value and commitment to your core purpose. Copying or modifying someone else’s purpose moves you towards inauthentic purpose-washing and a lack of deep commitment.

Purpose-washing means that you **APPEAR** to be taking purpose seriously but do not follow through with decisions and actions to bring your purpose to life. This approach would undermine your trusted advisor status.

We’ve limited the examples here because it’s vitally important that the answers come from you and your colleagues. Authenticity is critical.

You’ll find we give a little more away later!

Do the hard work on defining your purpose – it will pay off.

2 steps bring your core purpose to life...

Articulating your core purpose is one of the most fundamentally important aspects of strategy. Arguably, everything else falls into place more quickly on the back of identifying your core purpose.

You need to...

1. Clarify your core purpose
2. Make that core purpose a key part of your firm's strategic decision-making and actions

Here's how the best firms are able to clarify a core purpose with real meaning for their team and their clients.

They set about answering some of these questions to uncover the meaning they have behind all the work they do:

- > What do you stand for as a firm?
- > Why do you do what you do?
- > What's your *raison d'être* (reason for being) at your firm?
- > How do you make a difference?
- > What gives you and your team a deep sense of pride?
- > What do your clients most value about the work you do?
- > What would all of your stakeholders miss out on if you weren't here?
- > What drives you to do what you do?
- > What do you want to be known for?
- > What about the work you do really matters to people?
- > What drove you to set up or buy into your firm in the first place?
- > What are you most proud of?
- > What do you want your (work) life to be about more than anything else?

Answering several of these questions helps you see things from different angles. Each prompts you to better capture your raison d'être and then **to clarify the real meaning behind the work** you and your firm are doing.

When we've challenged firms to answer these questions, the range and depth of responses never ceases to amaze us.

When you are clear on your firm's core purpose, you give meaning to every piece of work, every client interaction and every working day for all your people. Knowing, and living, your core purpose is a fundamental cornerstone of strategic health.

How would you answer the questions from the box opposite?



Purpose at work...

How do you start to bring your core purpose to life?

- Use your purpose to influence the way you design and create your client journey experience
- Begin every meeting by talking about purpose
- Talk about and ask about purpose in interviews
- Ensure purpose shows up in prospect meetings
- Make purpose part of your appraisal process
- Reference your core purpose when choosing new technology
- Use your purpose to influence the design of a new office or for upgrading your existing office
- Ensure that, when selecting a new supplier, what they do fits your core purpose
- Purpose should influence the clients you choose to work with (and not work with)

Can you see how you'll start to see your core purpose as the DNA of your firm?

You'll eventually want to consider KPIs around purpose too. When you work out how to measure the activities and impact of your core purpose, and you can capture stories and other evidence, **you demonstrate that your core purpose is real, genuine, authentic.**



Practical comparisons...

Consider for a moment how different your firm might look, sound and feel when you nail down your firm's core purpose. Let's compare a conventional firm message with one that has its core purpose as the starting point:

Conventional Firm	Purpose-led Firm
We're proactive accountants and we'll work closely with you	Your partner in business through thick and thin
We do UK and USA tax returns	Helping you navigate the stress and strain of the UK and US tax systems
We provide all the accountancy services you might need	We help business owners achieve their goals by freeing them from the hassle of the numbers

NB: We have borrowed from real examples here to help you see what's possible. Perfection is rarely achieved, but a deep emotional connection and real meaning is attainable.

Of course, there's a lot more to it than this table of examples. But hopefully you're beginning to see how effectively you might connect with people by presenting a crystal-clear purpose rather than simply reflecting the functionality of what you do ("I'm an accountant").

- Purpose improves the meaning of the work your team do.
- Purpose improves the value of the work your clients experience from working with you.
- Purpose improves your firm's wider reputation.

All three of these build a competitive advantage in the hearts and minds of everyone you work with.

BE CAREFUL: It's so easy for the sceptics and cynics to win out...

Too many efforts to clarify a core purpose end in creating a marketing strapline.

Your core purpose is NOT a strapline.

Straplines are usually artificial and inauthentic. A strapline isn't strategic, it's tactical. It can also be seen as cynical or just a bit naff – certainly not in the realms of what one would expect from a genuine trusted advisor.

Living your core purpose has real meaning simply because you're doing what you genuinely believe in. Most core purpose statements are in some way entwined with enriching the lives of others – **just look again at the examples above.**

If you're going to invest time and energy uncovering and unlocking the core purpose around which you want to rally your team, treat it like you'd treat a young child – **care for it, nurture it, help it to grow and flourish.**

Lead with purpose...

Don't hide your core brand promise, your DNA, your reason for being, your purpose, under a bushel.

Proudly tell the world, share it with everyone.

Yes, it will feel odd and uncomfortable to begin with – Paul, our business founder, struggled with 'humanise the numbers' for weeks and months. Now it's part of our habitual vocabulary.

Purpose communicates your passion!

Use it.

Every day.



The best firms make sure their firm's core purpose is:

- ✓ Crystal clear to everyone
- ✓ Authentic, genuine, real
- ✓ Brought to life every day, influencing all decisions and activities
- ✓ Communicated to the world

Such firms find that they tend to attract **like-minded clients and like-minded team members** and that they are able to build a sustainable competitive advantage.

Please check out the online resources mentioned throughout the book. Each chapter has a unique QR Code and URL.



bit.ly/8Q-q3

“...Purpose directs everything we do and pays off massively. It helps us identify our ideal clients and also ideal new team members. Our last recruit was attracted to us because of our Purpose...”

– Steph Rickaby, Sunflower Accounts

Check out Appendix 3 for more insights on purpose.

And check out the additional resources, research, stories and books to support your efforts to capture and commit to your firm's core purpose – use the QR Code and URL in the side bar.

From purpose, the natural and obvious next step is to...

...work on your firm's **values and behaviours**.