Celebrating the Purpose of Purpose

Ten years ago, BCG acquired <u>BrightHouse</u>, a boutique consultancy that pioneered the practice of working with organizations to identify their unique purpose. We made this move after teaming up with BrightHouse to work with Delta Air Lines, Kroger, and others and witnessing the enormous impact purpose could bring to major companies. It's been thrilling to see the continued effects of this partnership over the past decade—and how the pursuit of purpose has taken hold.

BrightHouse has grown tremendously in this period. From a single office in the US, it now has teams across Europe, Asia, and the Middle East. As part of BCG, BrightHouse has helped more than 300 clients—in industries from mining to mobility, agriculture to airlines—articulate and activate their purpose through culture, brand, and strategy. Having a clear statement of purpose is now considered necessary by many organizations of size and significance, and I think BrightHouse has been a critical spark behind that movement.

It's true that companies may get less public "credit" for touting their purpose today, but the quiet impact is more powerful than ever. As <u>BCG has written</u>, purpose, trust, and reputation form a self-reinforcing chain. When a company reliably delivers on its purpose, stakeholders reward it with trust. Trust sustains its reputation, and reputation, in turn, drives enduring value.

In this sense, purpose has evolved from something to *market* to something to *manage*. It remains the foundation of stakeholder

confidence and executive accountability, guiding consistent action through uncertainty and scrutiny.

Becoming Future-Ready with Purpose

At its best, purpose serves as a practical tool that can help unlock some of today's most pressing leadership challenges.

With AI, geopolitics, and global volatility reshaping every sector, the pressure for transformation is intense. Purpose helps when change fatigue sets in. By connecting why the organization matters to why change matters, leaders can shift teams from resistant to committed. Purpose helps make change personal, which makes it possible—and sets companies up for long-term success.

As Ashley Grice, BrightHouse CEO, puts it, "Purpose also helps bring critical strategy to life—through story, emotion, and design that people can feel and relate to, not just hear. What does it feel like to sit at a desk among coworkers, to interact with your product or team? Great storytelling starts with meaning, and meaning starts with purpose."

Over the past decade, we've learned more about the power of purpose and its impact. CEOs say three critical success factors in transformation are clear purpose, consistent communication, and aligned leadership. And 86% of Gen Z employees say purpose is central to their job satisfaction.

The benefits of strong storytelling and positive engagement are also significant:

- Engaged, inspired employees are 2.5 times more productive.
- Nearly three-quarters of investors are more likely to back leaders who communicate their organization's story effectively.
- More than 70% of CEOs now cite culture as a key driver of financial performance, up sharply since 2021.

True purpose, communicated and activated throughout the organization, is a single lens that aligns and elevates decisions and

actions, adds story to strategy, and helps leaders build engagement and increase productivity. Business leaders who have done this work—and I count myself among them—believe purpose to be a powerful and seminal driver for performance, transformation, and lasting growth.

The reward isn't the applause—it's the credibility, resilience, and long-term advantage that come when organizations live their purpose visibly, tangibly, and over time.

Until next time,

Rich Lesser

Global Chair

Further Insights



<u>Delta's Ed Bastian: "We Never</u> Veered from the End Game"

Ed Bastian, CEO of Delta Air Lines, talks to Christoph Schweizer about how prioritizing employees and customers builds long-term loyalty and competitive strength.

WHAT KEEPS DELTA FLYING



BCG BrightHouse: A Creative Consultancy Rooted in Purpose

Ignite investor communications with the perfect blend of storytelling and strategy for maximum impact.

TURN PURPOSE INTO ACTION



From Purpose to Trust to Lasting Value

Understanding stakeholders' perceptions of a company—and using purpose, trust, and reputation to thoroughly align those perceptions with their expectations—can drive lasting value.

MAXIMIZE STAKEHOLDER VALUE