

The High Purpose Company **by Christine Arena**

New York: HarperCollins, 2007. 294 pp.

Reviewed by David W. Gill www.ethixbiz.com

Christine Arena is a corporate strategist, speaker, and consultant now based in San Francisco. Her earlier book, *Cause for Success: 10 Companies That Put Profit Second and Came in First* (2004), began her emphasis on the importance of purpose in business.

High Purpose reports and interprets a research project Arena conducted with a team of ten MBA students at McGill University. First they identified seventy-five companies (including Wal-Mart, McDonald's, Volvo, JetBlue, Patagonia, Eileen Fisher, GE, and Toyota) that actively promoted their commitment to ethics and responsibility. Then they studied literature from inside as well as outside the companies, interviewed employees and observers, and rated them based on the seriousness and success with which they lived out those commitments.

Arena's conclusion is that the best and most successful companies in her study "invest heavily in solutions to unmet needs and problems." They are not driven by pr needs, ethics and compliance concerns, or by this quarter's "number." Instead they are driven by a high purpose: to contribute creatively to social and human need. They don't spend their CSR budget in reputation management but in research into products and services that will meet those human needs. High-purpose companies are some of the most valuable companies in the world in that they meet some of the world's most serious social and environmental problems.

Arena argues that the first step on the path to becoming a successful, high purpose company is to "see the big picture." Companies need to see that their financial success is interwoven with that of the surrounding society and natural environment (the familiar "triple bottom line argument). The next step is to "face the truth" about the track record and impacts of your company on the society and environment. She lauds Nike, Gap, and Tyco for their embrace of transparency and acceptance of responsibility,

Step three is "set intent . . . then purpose." Her distinctions between intent, purpose, and mission are not particularly helpful or convincing but her basic points are spot on about how a purpose/mission higher than just making money for me serves as the primary source of innovation, distinction, and organizational development.

Arena describes how the next step is to "transcend and include"---i.e., companies integrate their historical legacy into their present. Finally, the higher purpose can become the true "anchor" of the company. At this stage the company is so dominated by its purpose that if the purpose were to be threatened the company might well collapse. The purpose is the unshakeable heart of the company at this stage.

The High Purpose Company is full of interesting and sometimes surprising (Wal-Mart?) company stories and examples, not just business theories and concepts. I think she is right on target in all of her major points. She shows how Jim Collins and other management writers support her findings. She shows how her findings closely parallel what we have learned about the processes of nature, and the arguments of common sense. She argues that becoming a high purpose company can result as much from grass roots action as from enlightened leadership at the top (and I'm not so sure it is that easy!).

Bottom line: this is a very fine contribution to one of today's critical topics in business.