

## Is the business purpose just to make money?

What would be the scope to run a business, create a company, invest a significant amount of resources, hire people, labour hard to commit them, spend such a great effort to develop a company culture and, ultimately, develop a brand?

Harvard Business Review always inspires me and in this November issue one article particularly struck me: *Novo Nordisk CEO Lars Rebien Sørensen on What Propelled Him to the Top*. Lars responded to Ignatius and McGinn: *“Outsiders sometimes come in and say: —You’re dependent on diabetes for 80% of your revenue you should diversify—”* Then more when they enquire why such a weird strategy took place: *“Consultants will tell you companies shouldn’t do that—it won’t work. But this strategy ensures our reputation.”*



Europe, Italy, [Giancarlo Ferrero](#) is an awarded professor of marketing at the Economic Faculty at the [Università di Urbino](#) and author of distinguished researches in business and marketing. His [marketing manual](#) has been adopted overseas. During his career Giancarlo has worked with many brands and has taught thousands of students, many of who are now succeeding all over the world. Giancarlo teaches that the **purpose of a business is to survive and not just to make money**. *“What?? Not to make money? What nonsense! Business exists only to make money”* I know that most of you would agree with that. Yes, most, but not



all entrepreneurs think this way: ask the Social Entrepreneurs who struggle in the City of London to create companies with higher purposes. London is the Money City but there are hundreds of startups that strive to create a completely new patterns of business. Like a New Responsible Finance a tool that connects Politicians and People to empower them and make better decisions; like a New Educational System; or the Give Vision to Blind People; or a way to Fulfil the Digital Divide Between Poor

Countries and First World. These are only some of the many Social Companies you can meet in any Venture Capital meeting or StartUps events in London and even around the world.



America, Canada, [Henry Mintzberg](#) is currently the Cleghorn Professor of Management Studies at the [Desautels Faculty of Management of McGill University](#) in Montreal, Quebec, where he has been teaching since 1968. His contributions highlight how the last strategic purpose is about the survival of the business notwithstanding environmental discontinuities. Clearly this ability relies on well educated and smart people...

The real challenge in crafting strategy lies in detecting the subtle discontinuities that may undermine a business in the future. And for that, there is no technique, no program, just a sharp mind in touch with the situation

Henry Mintzberg

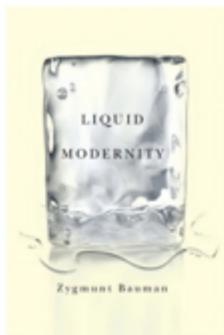
**Business purpose is to make money  
as well as human scope is just eat**

Personally I have taken the Giancarlo Ferrero’s words as a mantra. But I have only worked in business; **social entrepreneurs are doing much better: they simply act this way**. Or at least they strive to. Yes, it’s quite strange to meet those entrepreneurs in London: mostly young and well educated, coming mainly from wealthy families and they really believe in changing the world. A financial manager once told me that he was troubled after attending a conference where the speaker asked: “We, as social entrepreneurs, have little money but we are proud to be part of world change, what are you doing to change the world?” It was in this mood that I read the HBR’s article and I found it inspirational. I’ve found a **new perspective superseding those** from Mintzberg to Ferrero about the sense of business purpose. Then, what would it be to develop an organisation able to pursue your specific business purpose in the best efficient way? Do you really care to invest so many resources just aiming to make the organisation last longer? How often does bankruptcy happen when we tend to maintain the company in the business too long? When Lars answers the HBR’s editors about the risk of failure:

### What happens to your business if diabetes is eventually cured?

After I became CEO, in 2000, I predicted we would cure diabetes in 15 years. We’re still 15 years away. But that is the big goal. I tell my employees, **“If we wind up curing diabetes, and it destroys a big part of our business, we can be proud, and you can get a job anywhere.** We’ll have worked on the greatest social service of any pharmaceutical company and that would be a phenomenal thing.”

**You can see the change:** the **business serves a specific purpose**, it has to solve a problem, and help someone live better. If and when its purpose disappears, why should we persevere to **keep the business alive**? Why cannot the company then pivot to something else? It could even be closed and its resources find a better scope into new, ahead goals. Why do we really believe that we have to build something that lasts longer in this era of fast change? Yes, being an entrepreneur is a hard job, always struggling with decision making in totally unclear environment and incomplete information. Often entrepreneurs aim to invest in creating value into the organisation imagining that this value will last longer, but it won’t. When the business purpose will disappear we have to **be able to pivot everything**, even close the company. **Serial entrepreneurs** show us how to create new companies and sell/close the old ones is a cycle of [creative destruction](#). Consultants who help entrepreneurs in facing their own challenges can enable them to **find their own creativity** and the **courage to go beyond** the today’s state in order to **create the new**, not to protect the old. Create opportunities to pursue some good, fresh purposes. **If you don’t do that, someone else will.** We can decide to persevere the purpose when there are good, valuable reasons to continue in the established business. Otherwise we have to pivot it into **new fresher ideas** that allow us to renovate our lives, find fresh commitment by challenging ourselves to create a new organisation around better pillars: the **pillars of entrepreneurship expertise**. *“We, as ... entrepreneurs, ... are proud to be part of world change, what are you doing to change the world?”*



When [Zygmunt Bauman](#) explains about the fast replacing lifestyle that our society has erected as normal, and how **we are keen to change job**, home, country and partner several times during a lifetime. Do we still think about building a house for our whole life? Utmost, **the new approach of the Temporary Life of the business**, the company and lately the organisation, **has been developed in a country** where the corporate governance is all but a short term financial-oriented management style.

### Why do you measure results using a triple bottom line?

Our philosophy is that corporate social responsibility is nothing but maximizing the value of your company over a long period of time, because in the long term, social and environmental issues become financial issues. There is really no hocus-pocus about this. And Novo Nordisk is part-owned by a Danish foundation that obliges us to maximize the value of the company for the long term.”

**What does it teach us?** What’s the value of the new idea of business purpose joined to the [Liquid Modernity](#)’s thought?

First, money is not the purpose itself but a means to reach the purpose. Hence, we don’t need to build pyramids, we can **develop people** who live better within organisations as well as in society, people who eat better, who enjoy their families, people who spend more time with children, who take care of their bodies to **stay healthier**, people who set **real values** that nurture the human soul and spirit, not people who want to have more, but persons **who want to become more**. **Maximising the company value** in the long term is neither in conflict with its human resources development nor with environment responsibility nor with the value of things. Actually it’s a systemic vision, as [Otto Scharmer](#) says, in which there is **no value growth** if only one part becomes wealthier.

Maybe **the world is changing** and we aren’t aware of it, not yet. Let’s imagine how we would like to live: as billionaires in a castle fighting the assault of invaders or as human beings among humans, delighting the happiness of life and not just producing material opulence for a few and deep poverty for all the remainders. **We have the responsibility to build a better world**, creating value and being rewarded for this. This is what “be an entrepreneur” means: to be someone who can **create value** among people.