

Humanizing Growth Series



Alex Weller & Evelyn Doyle



Frank van den Driest



F This is Frank van den Driest, host of the Humanizing Growth webinars presented by the Institute for Real Growth. I look forward to the next hour, because I have two very special guests, Evelyn Doyle and Alex Weller, who respectively are the leaders of HR and Marketing at Patagonia for the EMEA region.

Let's start with Patagonia, it's a brand that many people look up to. You're way ahead of others in the journey to make an impact and to deliver on your purpose. But let's start by reiterating what that purpose is, and how you look at activism.

OLD AND NEW COMPANY MISSION

A 'The previous mission for the company was a really good one. It was 'Build the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis'. It was quite long and also quite convenient, because we could look at different parts of that mission and really focus on building great products, mitigating the impacts of our business as much as we knew how, and sharing our learnings with the rest of our customers and businesses, to hopefully scale all that up and make it as impactful as it can possibly be.

About 18 months ago, our founder Yvon Chouinard changed the mission statement overnight, without any forewarning. It became "We are in business to save our home planet." And that was daunting. That was a real kind of reckoning for us moving from a very convenient sort of coat that we were all used to wearing quite comfortably to something that was much tougher to live up to as an aspiration and a mission. But that is the journey that we've been on and the introduction of such a single minded and bold mission statement has really played a significant part in transforming our business over the last year to 18 months.'



F What were the things that were most directly impacted as a consequence of changing the mission statement? What's different now?

IMPLEMENTING THE NEW MISSION

A 'The first thing that was different was it had a powerful galvanizing effect in so far as there was really no longer any place to hide within our mission. It was very clear to every single one of us that was our job, regardless of which part of the company you worked within, whether it be marketing, or HR, or any of the other parts of the business. The fact that this company exists to save our home planet really helped galvanize us as a company.

I think the second thing that it very noticeably did, was accelerate the boldness of the initiatives within the company, both in terms of our focus on our supply chain, which is the most damaging part of our company from an environmental perspective. But also, in terms of how we speak to the outside world about our work. There was a new forcefulness to the language that we use, and the things that followed the change of the mission statement, some of the famous work of recent times – 'The President stole your land', 'Patagonia Action Works', 'Vote the assholes out'. These are all things that I don't think would have happened prior to the new mission.'

F Evelyn, what were the challenges that you had? What were barriers that needed to be overcome with that switch?

E 'We had to focus on – How do we communicate and corral our internal community around this new statement? What does it mean for us - collectively as leaders and as team members? You have to look at them and ask - Who is part of this community and do they really want to be part of this new mission?

And then looking at that from a hiring lens, it's really doubling down on ensuring that you're hiring mavericks who want to take part in that call to action to save our home planet. People who are passionate and care about something more than just delivering a skill set to a workplace.'

F *Did you have to part ways with colleagues who were just not ready to focus on this and be driven by this?*

E 'No, we're lucky. We hire slowly in Patagonia because we take a lot of time - you have to see a lot of people so that we can figure out if you will really bring a culture add to our organization and want to serve the mission.

Not everybody comes to it from the same angle. Some come from the sports, some come from environmental activism, and then we have a group who come somewhere in between. But we have to unlock overall - Do they have a love of nature and saving the home planet?'

STAKEHOLDER IMPACT

F *Alex, I have a question from one of the viewers who asked – "Since the change in the mission statement, what was the impact on the business – particularly in terms of driving sales?"*

A 'The question of the role of growth within Patagonia is a constant dialogue within the company, as you might expect.

We talk about responsible growth, and responsible growth means first and foremost that we're able to take care of all of our most important stakeholders, starting with our employees. It continues out to our partners, including our supply chain - so building a company that is sustainable. That includes financially sustainable, it's a foundational context, being financially healthy. We're a for-profit company.

The one thing I have experienced in my time here is that the more strident we are in the things that we care deeply about, the more people are interested in engaging with us. And people choose to engage with Patagonia in a lot of different ways. Some people choose to engage with us by learning how to repair their clothes. For some people, it might be their first interaction with environmental activism of some kind, but for a lot of people, engagement with Patagonia is buying high quality clothing from us, and to a certain extent, being proud that they can symbolize their shared values with us. As we have become more strident and publicly explicit about our mission, our community has grown, and our business has grown. But I need to be really clear that at no point have we discussed the coupling of those two facts. One hasn't been designed to drive the other, but another really powerful outcome of our growth is our ability to also accelerate our impact on the issues that we really care about.'

F *Evelyn, Is there a sequence in terms of the importance of the stakeholder groups for Patagonia? Is it colleagues first, or customers, or planets first, or the shareholders?*

E 'I think it is planet first, because that's the DNA, that's the red thread throughout our organization. But then we treat our internal community (employees) and our external community (customers) as equally important. Just as customers come and vote with their money for Patagonia, because they believe in good quality product and a mission driven organization that protecting the planet. Similarly, our employees come with their talent and their skills, and they vote that they want to be with us to make that change and impact. One is as equally as important as the other.



When we had the climate actions about a year or so ago, we created a bail policy where we would bail our employees out of jail if they went out into the streets and were arrested while marching for environmental activism. This is a first for me in terms of my HR career where a company is willing to do that.

It's also about involving our employees, just as our customers, and gathering them together for events and knowledge sharing. And that's where we invite people from all walks of life, politicians, academics etc. We want to learn what we can do to save our home planet and we actively involve all the different stakeholders and oftentimes bring them all together by what we do.'

LOCALIZING THE MISSION

F *One of the viewers asks a question 'If you have this global mission, how do you localize?' Evelyn, on your end internally, are there any adaptations that you apply in your internal programs based on social or cultural differences in local markets?*

E 'Yes, first and foremost, we recognize that everybody is a human being, we're all part of the ecosystem, but we all have something different to bring to the table. In terms of our internal community, in EMEA we are spread across eight to nine countries. In Amsterdam alone, we have 25 different nationalities. It's wonderful to have that diversity, but you also have to put in the structures and the programs to embrace that.

I mentioned earlier that we have three groups of employees within our internal community, those who come from the core sports that we operate in, those who come from being environmental activists, and those who come from somewhere in the middle, who are deeply passionate about serving a mission.

What we try to do consistently is break down barriers so that it doesn't matter what function you're in, we're all part of that mission.

About a year ago we created a university-type program, where we brought cross sections of our employees together in forest learning, to ask ourselves the bigger questions that are outside of our everyday jobs. What does it mean to save our home planet? What does it mean to take direct action? Really confronting yourself and each other as team members about - What's your stake in this? What are you going to give? How are you going to serve this mission, and how are we going to serve it together? That breaks down a lot of barriers in terms of the good cultural differences that come from a diverse group.

We just keep centering around the mission. The program was four modular programs, bringing our retail, our office, our salesforce in the forest together. Building their storytelling capability so that they could be our brand ambassadors, internally and externally, and that's another way of unlocking employee voice. I think, in essence, it's really about centering people around your purpose and your mission and education around that. I think in doing so, you can bring those cultural differences together for a greater good.'

PERSONAL AND CORPORATE PURPOSE

F *Alex, you came from Converse, you've worked in a range of different companies. And then five years ago, you joined Patagonia. Were you clear on your own personal purpose? And what did it mean to join Patagonia? Was there an impact?*

A 'I was already 'on the mountain' with regards to my own values in relation to sustainability and social justice. But, like most of us, how I lived those values through my work was incredibly mixed. And for the most part, your work is defined by the culture, and it is defined by the management of the company that you work within.

Moving to Patagonia, and really being in an environment a culture that actively enabled those value sets and encouraged you to apply it not only in your work, but through things like marching and campaigning in your own personal life. The impact of that is to really accelerate that journey and move you further up the mountain. And it does have a very symbiotic impact on the work, because the deeper that you work in that space, the more you are able to apply that knowledge to the work, in my case, to the work of marketing.

To give you some very sort of tangible examples of how that symbiosis works, once you adopt the mindset of taking responsibility for your impact, and if you see impact and own it, then the next step, the next course of action is to mitigate that impact. Once you see the impact of the things that you didn't previously consider, like the carbon impact of moving points of sale around the region or the social impact of investing in platforms like Facebook and Instagram that are propagating hate speech. Once you take ownership of that knowledge and that information, really the only course of action that can follow is to address it and to mitigate it. And it comes a little bit back to the mission statement and this idea of not really having anywhere to hide.

I think the most empowering thing in my experience about my short journey at Patagonia has been this empowerment to really get after changing the way business can be done. And that includes changing the way marketing can be done. I've probably unlearned as much as I've learned in this period of time. And that's not technical marketing, learning and unlearning, it is about meaningfully applying mission to your daily work.'

F *Evelyn, I can imagine that working in a company like Patagonia, you really need to do some soul searching about your own purpose, and what are you willing to sacrifice for that. To what extent is there a barrier between what you do in your private life and work life?*

E The one great thing about Patagonia, and look, we don't get everything right and these things are challenging, and we have everyday problems like every other organization has. But it's the first place I've worked in where there's really no line between the Evelyn I am sitting in my own home and the Evelyn that I am going to work, because the mission connects up and confronts you about so much.

I think I've gone through a personal transformation in Patagonia, as well as a professional one. And the more we educate about our mission, the more we're getting employees to very naturally to ask themselves, "Well, if I do this in my private life, and if I travel by plane all the time, do I really want to protect wild spaces, and if so, maybe I have to stay more local."



F Alex- let's talk about marketing and engaging the external world in the work that you're doing. What are some of the big initiatives that you're currently working on and really proud about?

A 'There are many layers to the cake, as they say. At least in part, because when we pick things up, we don't usually put other things down. What that does mean is that we're very thoughtful about the initiatives that we take on. But when we do take them on, we take them on pretty meaningfully.

To rewind from the work itself to the principles that underline how we connect our customers to the mission of the company. Our environmental action is underpinned by a deep commitment to protect wild places, to accelerate the energy transition, to accelerate the agricultural revolution, and to clean up our own act, to reduce our own footprint, and in very practical terms become carbon neutral by 2025. Now, how do our customers participate in these pillars of work?

First and foremost, we encourage our customers to get into contact with the environmental groups that we support. We are founding member of something called 1% For the Planet, which means that 1% of our gross revenue every year goes into a fund. And that fund is distributed to environmental groups via an internal grant committee. We currently grant over 1000 groups globally. And here in Europe, there's around 200 groups that we support. And they work on a variety of initiatives.

Really, the unlock in terms of connecting our customers to that great work, took a while to get to. We created a platform called Patagonia Action Works shortly after the new mission statement.



The idea with Patagonia Action Works is that we as a business, as a brand, can get out of the way a little bit and introduce environmental activism directly to our customer groups. And do that in a way that people are really used to behaving now, which is via their phone, by their laptop, via digital tools.

And it's proved to be a really powerful way to accelerate the important work of the groups and to enable our customers to realize their values, to turn their values into action. And creating pathways to action is a really critical part of how we communicate, so really ensuring that rather than just saying something, rather than just preaching values, making it clear that there is an action that you can take upon engaging with this thing, whatever that thing might be.

I'll talk about one more case study, which is a campaign that we have launching in just two months from now called Weigh the Power. This was born out of the work that we do within energy transition and specifically renewable energy communities. So, small groups of people getting together to produce and consume their own electricity predominantly via solar and wind. It's an amazing movement. It's one that is lesser known and one that we believe will play a big part in helping us to achieve the Paris Climate Accord goals.

We've made a feature length film called 'Weigh the Power'; it's going to launch in April. But the most important thing is that we've also gone through the work of partnering with all of the federations across Europe who support the renewable energy community movement to build a plan that will not just get people excited, but also capture that excitement and convert it into real meaningful action. Which means that people will look at their energy consumption behavior, and hopefully realize that very simply you can change it by doing something in a slightly different way. And join this important consumer movement, the idea of that being somehow marketing. We're using a lot of the tactics of marketing, but really, we are using the brand as a platform to accelerate solutions to get people participating in important societal level solutions.'

MANAGING CRITICS

F I can see how especially if you look at external stakeholders, Patagonia will be under a lot of scrutiny, because you'll have a lot of natural enemies, people who have interests that conflict with what you're after. How do you make that work with working for a company that's under heavy scrutiny where you can't make too many mistakes, because people will immediately jump on you?

A 'I think, generally speaking, there is really an incredibly high level of risk aversion in corporate culture. Thankfully for us, when your owner and your leader is notoriously strident and bold in his vision and his opinions, it creates space for people to be equally bold and strident within the company. And yes, we take shots all the time, every day.

We take shots from customers on social media, we take shots from journalists, even increasingly politicians, certainly in North America.

“You can't have such a strong vision and mission without creating friction.”

Without coming into contact with other opinions. And you have to be ready to stand up to that and prepare to stand up to that.

There's no point saying something and then back down if somebody disagrees with that point of view. It is something that we don't take lightly. We're very thoughtful with the things that we say. And like any business, we spend a lot of time ensuring that the words we use are not offensive - that they are designed to pull the topic forward.'

STARTING A CHANGE INITIATIVE

F *The million-dollar question for both of you, and Evelyn, I'll start with you is - Where do you start? What are the things you did?*

E 'First figure out if you really want to take action, if you want to make an impact. Are you in business to really do 'good business'? If you're not, if you can't answer those questions.'

F *What if I am, and my company is much less so? Because my guess is that for more than half of the viewers, that's the case. What's your recommendation?*

E 'Look, it's very difficult - if an employee is trying to make change internally with leaders, but for the leaders it's all shareholder-driven value. Perhaps that employee is going to come up across a lot of blocks. But I think that there's ways you can do that as an employee - to take action is to bring your whole self to work to articulate why we should maybe do business in a different way, what kind of skill sets beyond your experience that you can bring to the job to make change. To start talking about how we could become a more responsible business, and finding your allies within work, that can make that change happen, and to try and influence others about doing good business.'

I don't hold any weight to companies who say that they cannot make profit and do good business at the same time. And I don't hold any weight to companies who say, "Oh, well, you're a privately held company, Patagonia, so it's easier for you."

We're part of a big corporation, we signed up to be something more that legally, we have responsibility for environmental and social action initiatives.

It's just about recognizing that you can make steps. They require sacrifices. If you're willing to hit the bottom line a little bit for the greater good, then you can do this, you can make this change. And what you will have is fundamentally a much more engaged internal community, because people nowadays especially with this Coronavirus, and this confronting of what's happening in the Earth and around us is people want to come to work and bring their whole selves to work and want to work for a purpose. You will get the best employee motivated brand ambassadors if you start to make those changes and not just be in business for profit alone.'

F *'Alex, basically the same question to you, but with your marketing hat on.*

A 'Well, controversially I would say, don't start with marketing. I think if you try and reverse into your mission and your purpose through marketing, you will have a higher chance of failing. You really have to understand first, what is the substance of your mission. We make clothes and our mission is defined very clearly in an environmental sense. But mission and purpose can mean a lot of different things and it can be very much focused on societal benefit, environmental benefit, whatever it might be.'

Personally, it is very clear that without all business recognizing its obligation to all stakeholders, we don't as citizens of planet earth stand much of a chance. Understanding what your role is within that and what your company's role is within that has to be the first point. And then, at some point, get your brilliant, creative, smart, marketing minds to really amplify and take that story out into the world and to connect your customers to it. But yes, my one small piece of advice would be don't start with a marketing brief.'



MAKING SACRIFICES

F *Evelyn, what's the biggest sacrifice you've made since you joined? And secondly, what is what is it that you hope to achieve in the near future?*

E 'Patagonia has opened up Pandora's box for me, and I know that I can't close the lid on it anymore. The sacrifices been learning that if you want to confront the bigger problems within our society, within our world, then you have to be willing to sacrifice more than just doing your job and making political statements, you have to take action. And I think I've gone through just such transformation personally and professionally in doing that. And it's hard work. Sometimes I wish it wasn't so confronted, because it's damn hard. And you're like, I really need to think about my footprint, I really need to think about this, because everything you do has an impact.'

And trying to be creative with solving these problems as well has been a huge learning for me. I think for me, what I want to commit to doing from here on, is to consistently try and influence, and bring along the journey both our internal community and people outside of that - That you can make change happen. You can do good business. It's a moral obligation as citizens, as parents, as people living on this planet, we have a job to do here.'

A 'I think we've got a long road ahead of us and sometimes as you said, the end yards are harder than the early yards. I really, truly want to continue to realize the opportunity for this tiny little outdoor clothing company to move greater business in the right direction because it is quite clear that our governments and the institutions that we all are supposed to depend on, aren't taking us to where we need to get to anywhere near quickly enough. And if we as business leaders have to lead that, we must.'

