

Humanizing growth series

Paul Polman & Marc de Swaan Arons in conversation



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M Today we're going to be talking about the role of business in the world, and it seems like this is a really opportune time to have that conversation.

You're best known for your work at Unilever where you achieved both excellent business performance and a major shift towards sustainable development. Can you tell us why you think that this is such a high priority for companies and why it's so important for companies to have a Purpose?

P Regarding Purpose - you can compare it with our bodies. In our bodies we have white blood cells that are we need to live, but I don't think many of us live for our white blood cells. People, I believe, are bound by a higher order of motivation of why they are on this earth and, to put it simply, many of them want to leave this world in a better place than they found it.

Colin Meyer recently wrote in his book Prosperity - "Purpose is to profitably solve the issues of people and planet." This was always important, it's not that it's more or less important now. I don't think that anybody would want a company that has a premise to create more slave or child labor or leave more people behind or destroy what's left of our world resources. It happens, but it's not intentional. It's because our systems were designed when we had an abundance.

I've always believed that companies are there to help improve this world. And if you can show that you have a positive impact, then more people will let you be around. If you have a negative impact, ultimately, people will reject you.

So at Unilever, we commissioned a taskforce to look at the UN Sustainable Development Goals and translate them into business language because 17 goals and, 169 targets are a little bit confusing. Just by looking at four areas - food and land use, mobility, cities and energy transition we managed to find an opportunity of \$12 trillion between now and 2030 and the chance to create 380 million jobs.

One of the biggest challenges coming out of this COVID crisis will be social cohesion, job creation and inequality. And here we have this wonderful plan - I've always believed, like many other people, that if we are fortunate enough to work for a company like Unilever, that actually has products to solve these problems, there is no better way than putting those solutions at the center of our company. And that's really why we have such a strong Purpose statement, The Unilever Sustainable Living Plan, and that's how we've been successful in making it come alive

In our IRG research, we found that most great companies were created by founders who wanted to make a difference not just a profit. Is this about going back to the roots for most companies?

You're right. If you go back to the founders, you might find answers that we've sometimes forgotten. In Jim Collins's book *From Good to Great*, he talks about nurturing the core before you stimulate progress, and that's why it was so important that we went back to the core of Lord Lever, because over time and with the pressures of all the other things that were



**William Lever, 1st
Viscount Leverhulme**

happening to the company, some of his business values had gotten lost. Obviously CMOs can play an incredible role in that rediscovery, because CMOs are the stewards of brands. They're the stewards of corporate cultures. They're stewards of history.

What we did with The Unilever Sustainable Living Plan was to put these world problems, as they related to our business, smack in the middle of everything we did. We actually put the people that we represent, the people for whom we are here (who are often the poor, the ones left behind), put them in the middle and at the table during all of our discussions. There are some values in life that don't change and that is also important for CMOs. And it's important for companies - if we don't operate on the principles of dignity and respect for everybody, if we don't operate on the principle of equity for everybody, of equal opportunity, and if we don't have a certain level of compassion, then the world is not going to function.

And if companies internalize these values, then they are also more aligned with what is needed. And all of us will probably find the answers to most of the challenges that are out there.

Towards a multi-stakeholder organisation

M Let's say you come into an organization (like Unilever), and you take stock of this rich organization that has a beautiful heritage. And, at the same time, is struggling financially. Maybe it has lost its way a little bit? How do you pick up the journey of orienting a company to goals that are much more multi-stakeholder oriented? Can you talk a little bit about your own journey as you came into Unilever?

P The most important thing is always people, and Unilever has good people and always has had good people. I don't think we could have gotten the results if it were not for the outstanding quality and motivation of the people. The company is too big and too complex to just depend on one or two people to even set a direction. You need to co-create that, and you need to be sure that there's enough critical mass. You might not get everybody on board. But you certainly need to work on getting a critical mass to move to move a machine like that in a certain direction.

People want to succeed. They don't want to work for something that is ultimately not getting results. People want to be valued and they want to know where their efforts are leading to. These are normal human motivations. And if you can create an environment that allows for that, you can unlock a storehouse of creative energy. So we concentrated first and foremost on getting the right people on board.

If you want to grow, which was really the mission that Unilever had, it is absolutely important to put the right people in the right jobs. We needed to get a growth mentality back into the company and then we needed to bring back what it really was all about. When companies shrink, people become a little bit more self-centered and sometimes not as effective and efficient as they should be. When you bring the outside world in, I think you need the right leadership.