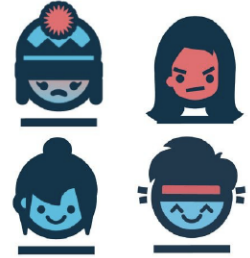


THE SPECTRUM

Inspired, uninspired, or somewhere in the middle?

We're delighted to share this work with you to enable a high level assessment of where your company sits today along the spectrum of inspired to uninspired. Wherever your business sits today, it is not a fixed position or prize. You have to fight to keep the crowd onside.



Most companies today are neither inspired nor uninspired; they're somewhere in the middle.

More **Inspired Companies** are compulsively driven by leaders in pursuit of an inspired idea, with an ambition bigger than their own success. They understand and embrace the power of *the crowd*. They know, or at least are learning fast, about how to leverage it. They deliver products, services and communications that surprise and delight them. In doing so they create supporters across society, retain talent and simultaneously achieve brand distinction, resilience, and powerful tailwinds. Profit is the outcome of authentic pursuit.

Other companies are just flat out *uninspired*. They're in denial of the power of the *new C.E.O.s* and driven disproportionately by pursuing *profit-as-purpose*. These companies will eventually fail, or at a minimum significantly underperform compared to their peers because of the unforgiving headwinds the crowd will create for them.

Then there's the middle – a space where a company is neither fully inspired or uninspired. In the middle space, some companies are genuinely trying do the right thing. Others are only doing the right thing under duress or regulatory compliance. Both are pursuing profitable outcomes but neither are breaking through to the *new C.E.O.s*. This is where the majority of companies are today. To varying degrees these companies lack clarity about why they exist, what they stand for and their relationship to the rest of society. If we were asked to draw a picture of the status of the corporate sector, it would look like this:

FIGURE: A profile of the global corporate sector:



We haven't spoken to a business leader or chief executive yet who likes to think they are stuck in the middle of our rather unscientific picture. But like any normal distribution curve, the middle is where normal is. So don't act surprised if this ends up being you. And that's really our point.

At the same time, a position along this spectrum is not fixed. Not at all. This is a dynamic spectrum with opportunity to reposition your organization. Nearly any organization can be inspired. Whoever, wherever and whatever size a business might be – the opportunity exists. So where does your company fall on the spectrum? Here's a deeper dive to help you figure that out.

Let's start on the opposite side of the winners...

Uninspired Companies: The risky business of looking out for number one

It's not that hard to spot an *Uninspired Company*. Everyone has a company they really dislike. (Chances are, you just thought of one.) Often it ends up being whatever company controls their Internet access – usually delivered with monopoly pricing, one-sided contracts, service interruptions, poor customer service and disheartened employees.

Uninspired Companies exist almost exclusively to achieve near-term profitability and quarterly growth. Profit is their purpose – whether it's explicitly articulated or, more commonly, implicitly inferred. These are the companies that focus on short-term, financial gain above all else.

There are two kinds of uninspired companies—those with hope and those without. The most obvious of the hopelessly *Uninspired Companies* are the ones that rely on health and human rights abuses to succeed. They are in the business of making money, whatever the cost. At their worst, these companies are in the business of extraction—whether from their employees, contractors, business partners, consumers or the environment, and often all at once. Companies whose business models *rely* on monopolies, long-term contracts and trickery fall into this category as well. Some may invest in the greater good for marketing purposes or because they are required to by law, but this is nothing more than risk mitigation, a reluctant cost of doing business. Claiming that such companies exist might have been a tough case to make, but companies in the tobacco industry for example make the job easy. In case it's not clear: Killing your customers is a disqualifier to ever becoming an *Inspired Company*.

On the flipside there are an awful lot of *Uninspired Companies* out there who have simply been shaped by the system. The good news is there's hope for the vast majority of these companies. In fact, many may have started out with an inspired idea, and lost their way over time as they fell into the trap of pursuing profit as their purpose. This is commonplace. As companies grow, the stakes get higher and the number of vested interests increase, pressuring a company to derail from its meaningful center. Most of the people leading these companies are not bad people. They are simply working within a system that has been set in its ways and, in many cases, had to work on any strategy that kept quarterly earnings flowing when times got tough. Sound familiar yet?

Where most companies are today: in the middle.

The middle is a big place. Being stuck is a matter of degree.

No one likes to be stuck and many of us don't like to be called 'average'. The middle of the spectrum we've defined varies dramatically. Some companies are pretty good at knowing what they want to stand for and are genuinely working on their way to being inspired. Others are just this side of uninspired and looking for silver bullets to save them from their confusion. Here's a view of the range, starting with the ones most poised to transition into inspired:

High Potential: These guys engage their workforces and deliver really good customer service. They are also using the best of what's out there to 'do the right thing.' On top of being really strong on the fundamentals of business, they are CSR innovators or perhaps even B Corps. These companies consider the impact of their footprint in every possible way. The carpet manufacturer that aims to limit its footprint to zero, the online retailer that wants to empower micro-businesses everywhere, the apparel company that hopes consumers will recycle their clothes. These companies are leveraging new business structures and applying new thinking to challenge the system. In other words, they're doing the very best they can with what they've got. Many of their individual breakthroughs appear in our roadmap for *Inspired Companies*. These companies should be admired and supported. The commitment to corporate social responsibility, community investment and corporate philanthropy are efforts we hope are here to stay.

At the same time, their efforts are fragmented. These are usually individual achievements, single wins that arise from the intuition of really purpose-driven leaders, figuring things out on their own. While innovative, sophisticated, essential and foundational, these approaches were also born to work alongside a corporate legacy system that is failing us. We think high-potential companies are just a few degrees from the next level. When they pull these collective innovations together to follow a comprehensive roadmap, they will not only more consistently embrace *the crowd's* needs over the system's norms, but they'll start to transform the system itself.

Paralyzed. In these companies, leaders feel stuck with an age-old system their companies were designed to operate in. Shareholders have the upper hand and dominate business strategy. Corporate social responsibility efforts may still be operated out of a compliance department, while community outreach and charitable support come through marketing budgets. These efforts might make employees feel better, but they are required or discretionary spend, and largely sidelined.

When you're inside a paralyzed organization, making the move toward becoming an *Inspired Company* seems like a feat too big to take on. You see inspiration in others but don't know how to get it. You want to do something; you just don't know what and the enormity of the task may seem too big to take on.

Pretending. There are plenty of companies out there who aren't exactly payday lenders or cigarette manufacturers. They're the retailers, utilities and financial institutions and others who fairly regularly extract more value from consumers than they create. Does your company face scrutiny due to the nature of your supply chain, your environmental footprint, your sheer size/influence or because you're in a heavily regulated industry? Are your corporate

responsibility activities similar to a financial institution’s efforts to meet the U.S. Community Reinvestment Act or a logging company’s highly visible program to plant trees? These are the companies that make donations and air slick commercials to show how much they care. But they really don’t.

Companies in the middle – particularly the *high potentials* and *paralyzed* ones -- are usually good companies with a lot of great intentions and impulses to harness. They also have a chance to do something extraordinary in the very near future. Companies that we refer to as *pretending* are on the back foot. But still, every one of them can be *Inspired*.

If you’re still in doubt about where you’re at, the table here describes at the highest level the distinguishing features of the three categories.

	Uninspired Companies	Stuck in the middle.	Inspired Companies
Who they are	Purpose <i>is</i> profit.	Doing good is <i>part of</i> what we do.	Inspired Purpose is our <i>core business</i> .
Mission	Narcissistic or narrow	Sometimes self-centered, often polite, rarely extreme	Stands for a meaningful idea. Draws others in.
Action	Whatever it takes to hit the quarter.	Hit the quarter, celebrate doing good to motivate internally and position the business as an ethical company.	Purpose and mission are everywhere, all the time. Everyone’s proud and fiercely passionate about delivering it.
Profit	Extract value. Penalties, fees, contracts and cost cutting	Run a good business. CSR is a cost the company is committed to. It may also have innovation upside.	Create value connected directly to the big idea, the mission.
CSR/ESG	Used for risk mitigation, PR, meet reg requirements	Added on with conviction	An accepted norm
Relationship to the corp. legacy system	Accept, use and benefit from the system	Accept and try to change it from the inside	Transcend, push back on and ultimately reshape it

While these boxes look very neat and categorical, individual companies will always be on some kind of journey. The path to (or from) inspiration is dynamic and the above table is not meant to label a company forever. Instead, it’s meant to encourage an honest assessment of where you are now. Even more important, it’s meant to provide a guidepost for what’s possible for the future. Because at the end of the day, it’s pretty darn easy to swing to the darker side of the spectrum in today’s corporate system.