

Purpose Driven

An Interview with Bob Patton,
Americas Vice Chair of Advisory Services, EY

EDITORS' NOTE Bob Patton is the EY Americas Vice Chair of Advisory Services and the leader of the Advisory Services practice at Ernst & Young LLP. He has extensive experience working with Fortune 500® companies in the consumer products, utilities, and high-tech industries, and has worked with key public sector organizations. In 2011, Consulting Magazine recognized Patton as one of its Top 25 consultants honored in the category of Excellence in Leadership.



Bob Patton

Prior to joining EY, he was President of Gartner, Inc.'s global consulting business, which was focused on transformation at the intersection of business and technology. Under his leadership, Gartner's consulting business realized double-digit revenue and profitability growth. Patton has also served as the Chief Executive Officer of Cap Gemini Ernst & Young LLP Government Solutions, and has spent 10 years serving on the U.S. Executive Committee, providing leadership to fast-growing, high-performing businesses.

FIRM BRIEF The global EY organization (ey.com), of which Ernst & Young LLP is a member in the U.S., is a leader in assurance, tax, transaction, and advisory services. In the Americas – EY's largest and fastest-growing area – member firms employ more than 65,000 people across 30 countries and generate \$11.2 billion in revenues. Globally, EY member firms employ more than 230,000 people and generate \$28.7 billion in revenues.

EY is known as a purpose-driven organization. What does that mean?

To be a purpose-driven organization is to be very clear about why we exist.

Many organizations are defined only by what they do and how they do it. They do not have a clear reason for being. Not understanding our “why” will negatively impact the ability to align around strategy and culture. Purpose-driven organizations, on the other hand, are able to inform their strategy, form their culture, and inspire their people around their “why.”

A great case in point is EY. Our strategy is built on our purpose to build a better working world. Our “why” has served as a compass for the execution of our strategy and has been a source of inspiration for our professionals.

Purpose-driven organizations also activate their “why” all the way down to the individual level. At EY, we have asked all of our key leaders to define what our purpose means to their teams. For example, our cybersecurity team contributes to building a better working world by helping clients to build a safer, more secure, and more trusted working world. Aligning an organization's purpose to each team's purpose and ultimately to each individual's purpose is the “true north” of a purpose-driven company.

Some say that purpose is difficult to measure. How does an organization measure purpose?

Purpose is an input, not an output. The returns to a company that is truly purposeful are improved performance across many traditional metrics. We have conducted extensive research through the EY Beacon Institute in conjunction with *Harvard Business Review* Analytic Services showing the quantifiable benefits in organizations where purpose drives strategy and decision-making. The research results are compelling. Those companies that have truly activated their purpose drove higher customer loyalty, employee engagement, innovation, productivity, and profitability.

Since introducing Vision 2020 and our purpose to build a better working world, EY has driven strong performance. Our brand is more recognized, and we have realized profession-leading growth over the past three years, and our people are taking note. Since putting our purpose at the heart of EY, our annual global people survey shows a 9-point gain in our people being motivated by the organization's vision for the future, and a 15-point gain in the understanding of EY's strategy and our employees' role in achieving it. Our professionals are more motivated. Our brand is more highly viewed. Our growth is strong. I believe the improvement in our performance metrics relates back to the establishment of our purpose.

You mentioned that EY's purpose is “Building a better working world.” Can you explain how this is more than a tagline?

Purpose is not a branding campaign or a retention strategy at EY; our purpose is truly the foundation of our business strategy. A leader's job is to inspire, motivate, and align.

Our leaders use our purpose to build a better working world to do just that – inspire, motivate, and align.

Can you describe that tipping-point moment when people seem to be making purpose their own?

It all happens in the field with our clients. Many of them are passionate about their own purpose. Often our purpose is quite aligned with our client's purpose. When I visit with our account teams, I am thrilled to learn how our teams have aligned EY's purpose to their client's purpose, to their team's purpose, and to their individual purpose. That is how we make purpose real. That is how we bring purpose to life.

We recently began a global recognition program called “Better begins with you,” which shines a spotlight on hundreds of powerful stories that demonstrate how our people are having an impact and leaving their mark and, in many ways, creating their legacy. This is one way we are building a culture of recognition, where people willingly and actively recognize others who inspire them – and this creates a powerful ripple effect.

Person by person, account by account, every day in both large and small ways, we are building a better working world by improving the businesses we work with, and contributing positively to the communities where we work and live.

EY has always been about helping clients' improve their businesses by leveraging smart people. How is this different from the way you worked in the past?

Traditionally, we were an organization offering technical capability and delivering high-quality services. Today, we still do that but in the context of a purpose journey. That is radically different. We still bring knowledge, but we also drive insight and innovation at a whole new level. This results in greater value and more sustainable change.

By defining your purpose, has EY seen results in talent acquisition, innovation, and growth?

Definitely. EY is the growth leader in our profession for the third year in a row, outperforming the rest of the Big Four. Universum, a global talent firm, recently ranked EY the second-most favorite employer behind only Google. I'm convinced these are related to EY being a purpose-led organization.

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Finally, I interview every executive candidate who comes to our consulting practice. In the vast majority of those interviews, the candidates say they have read or heard about EY's purpose and are inspired to leave their current organizations to work with us. We are absolutely attracting and retaining the best team in the profession, and the purpose of building a better working world is the glue that holds all of that together.

Does being a purpose-driven organization help drive new business opportunities?

Yes, it does. A great example is our relationship with Simon Sinek, renowned author and leadership authority. Together, we will challenge many of the norms of modern business through a new purpose-driven platform called The Why Effect. The work we are doing together combines Simon's theories and teachings around purpose with our experience in performance consulting. It is unlike anything that is out there, and something that only EY has been able to do because of our position in the marketplace.

Another example is our relationship with LinkedIn, focused on driving social selling in the marketplace. This is the first business alliance ever for LinkedIn. One of the main reasons we started to talk with them about the possibility of working together was what each of us saw as a shared sense of purpose.

After seeing the impact that leading with purpose had on EY, we knew that others could benefit as well. This resulted in the creation of EY's Purpose-Led Transformation (PLT) offering, an approach designed to help an organization articulate its purpose and better deliver on its transformation objectives. This approach has the potential to influence the strategy-to-execution focus and change the competitive landscape in business consulting services.

Can you provide some examples of how purpose is affecting the companies you serve?

Our PLT offering is less than two years old, but already we've been able to work with government organizations, large healthcare companies, and major information services companies.

For example, one large healthcare service provider was facing a complex, expensive legacy environment with siloed business functions. It also had an organizational mindset that caused a fragmented customer experience for members, employers, brokers, and providers. We came in to help clarify the company's

mission and help it develop a more actionable, purpose-led aspiration. This aspiration became the focal point for business and IT leaders to prioritize and align future strategies and products with the company's process initiatives, and technology waves and releases.

Another example is our work with a large information services organization, helping one of its most complex divisions. It was stuck with convoluted processes, making it difficult to do business both internally and with customers. We helped it activate its purpose and become a company that is easier to do business with. Its customers are going to see tangible benefits in terms of simpler interactions and better service, while the company will see the benefits of reduced sales cycle time, simpler pricing, and lower execution costs.

When we work with companies like these, we help them solve real business problems. By doing it through the lens of PLT, we help fix issues with an eye on long-term sustainability.

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How is EY's offering different from others in the marketplace?

EY is the only organization in the marketplace whose business strategy is based on the foundation of purpose. No other organization has a strategy like Vision 2020 that is founded on the purpose of building a better working world. No other organization has activated its purpose throughout all levels like EY. No other organization has performed the research around

the science of purpose like EY. No other organization has created an entity like the EY Beacon Institute to encourage study and dialogue on the topic of being purposeful as an organization. No other organization has trained practitioners around the globe on how to embed purpose into their service offerings to help accelerate positive change for clients. No other organization has created services, methods, and tools that leverage purpose to help clients move off their burning platforms to burning ambitions to transform their businesses for the long term.

How else have EY's Advisory services evolved since becoming a purpose-driven brand?

As mentioned before, purpose has had a significant influence on our strategy. Purpose has also informed every other process required to run our businesses, such as talent acquisition, recognition and rewards, pay and performance, acquisitions, and alliances.

Purpose has also changed the way we lead and the way we execute. We ask every leader to start every meeting or conversation with the "why." Aligning people, teams, and clients on purpose encourages trust, and produces much greater speed and agility.

How will a focus on purpose influence the next generation of leaders?

The next generation of leaders is not as motivated by revenue, market share, or the size of its offices; they are motivated by the opportunity to make a difference. The fact that our strategy is built on building a better working world and making a difference in all that we do is an incredible motivator to attract, retain, and inspire the best next-generation leaders in our profession. That's why we've been so successful at attracting the top performers.

This next generation of leaders loves that we're not motivated by just meeting traditional metrics. They love the fact that we have a brand that is respected for our purpose and that we're a global organization with the scale to advise on large, complex problems with capabilities across tax, accounting, transactions, and consulting skills. In other words, they now engage with EY and with our clients differently because we all live and breathe our purpose every day.

Our purpose is real. We have a responsibility to each other, to our clients, and to the communities where we live and work to build a better working world. As a leader at EY, that makes me really excited and very proud. ●