



The Purpose Advantage

How purpose-led businesses are growing and thriving in Atlantic Canada



Acknowledgements

We'd like to thank the Atlantic Canadian CEOs and executives from these purpose-led businesses for sharing their stories and insights with us. You can read their case studies online at www.thepurposeproject.ca



Enhancing the community vitality of Bonavista by developing heritage properties and fostering a creative economy.



Creating a healthier world by putting patients at the centre of care and research.



Encouraging growth and economic potential for our First Nation community to ensure that it is sustainable and prosperous into the future.



Providing non-intrusive monitoring solutions for exceptional peace of mind.



Providing value-driven financial and social leadership to our members and community.



Leveraging technology to ensure responsible sourcing in supply chains, thereby protecting human rights, improving environmental performance and reducing safety risks.



Helping our customers overcome common mobility impairments, so they can live life to its fullest.



Providing farmers with the information they need to make the best possible milk.



Making the planet a better place and reducing CO₂ emissions by creating affordable energy storage that saves people money.



Changing the world, one project at a time.



Improving public health and the environment by growing nutritious food using multi-level indoor farming technology.



Refreshing the community.

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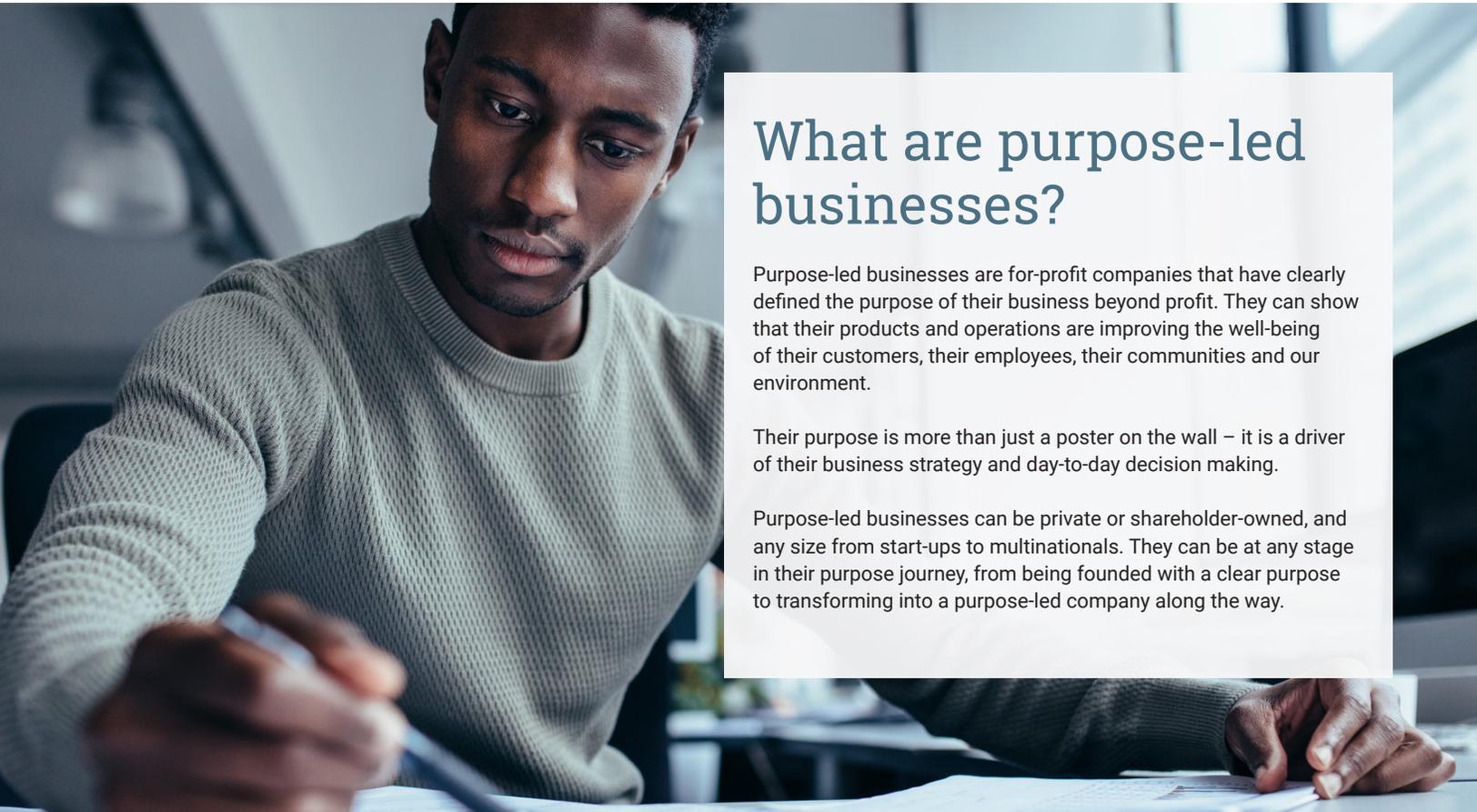
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What are purpose-led businesses?

Purpose-led businesses are for-profit companies that have clearly defined the purpose of their business beyond profit. They can show that their products and operations are improving the well-being of their customers, their employees, their communities and our environment.

Their purpose is more than just a poster on the wall – it is a driver of their business strategy and day-to-day decision making.

Purpose-led businesses can be private or shareholder-owned, and any size from start-ups to multinationals. They can be at any stage in their purpose journey, from being founded with a clear purpose to transforming into a purpose-led company along the way.



Introduction

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Companies with a purpose beyond profit are making a difference to people's lives and are rewarded with seeing their business grow and succeed.

Allison Murray

CEO & Founder, Upswing Solutions

We live in an age of disruption. Companies are facing challenges to their competitiveness in Atlantic Canada and around the world. Some are struggling while others are succeeding in this time of constant change. But what makes the difference?

From our research with purpose-led businesses across the region, we found that companies with a purpose beyond profit are making a difference to people's lives and our environment and are rewarded with seeing their business grow and succeed.

Businesses are finding it hard to find and keep the talent that they need. Millennials and Gen Z are challenging norms and seeking out companies that offer them flexible, meaningful work. Consumers are demanding more as well: they want products that are healthier and better for their families, their communities and the world. At the same time, companies are facing the new challenges that climate change and the causes of rising social inequality bring to the world and to their business.

In July 2018 we launched The Purpose Project for Atlantic Canada. We wanted to shine a spotlight for the first time on purpose-led businesses in our region. We interviewed over a dozen CEOs and executives to uncover how these Atlantic Canadian companies are thriving in this era of transformation. We wanted to know, **how are purpose-led businesses turning these competitive challenges to their advantage?**

We discovered they're tapping into their company's purpose beyond profit. They're looking at their products and operations and the impact they are having on people's lives and our environment. They're asking themselves, "how does our business make the world a better place?"

These are not gimmicks. Companies across Canada and the world are changing the way they create value for their business and for society.

These purpose-led companies are meeting their customers' demands for better products, generating new revenue streams, and attracting talent who want to work for innovative, caring and forward-thinking companies. These companies are bringing the concept of doing good into the core of their business and making it a driver of success.

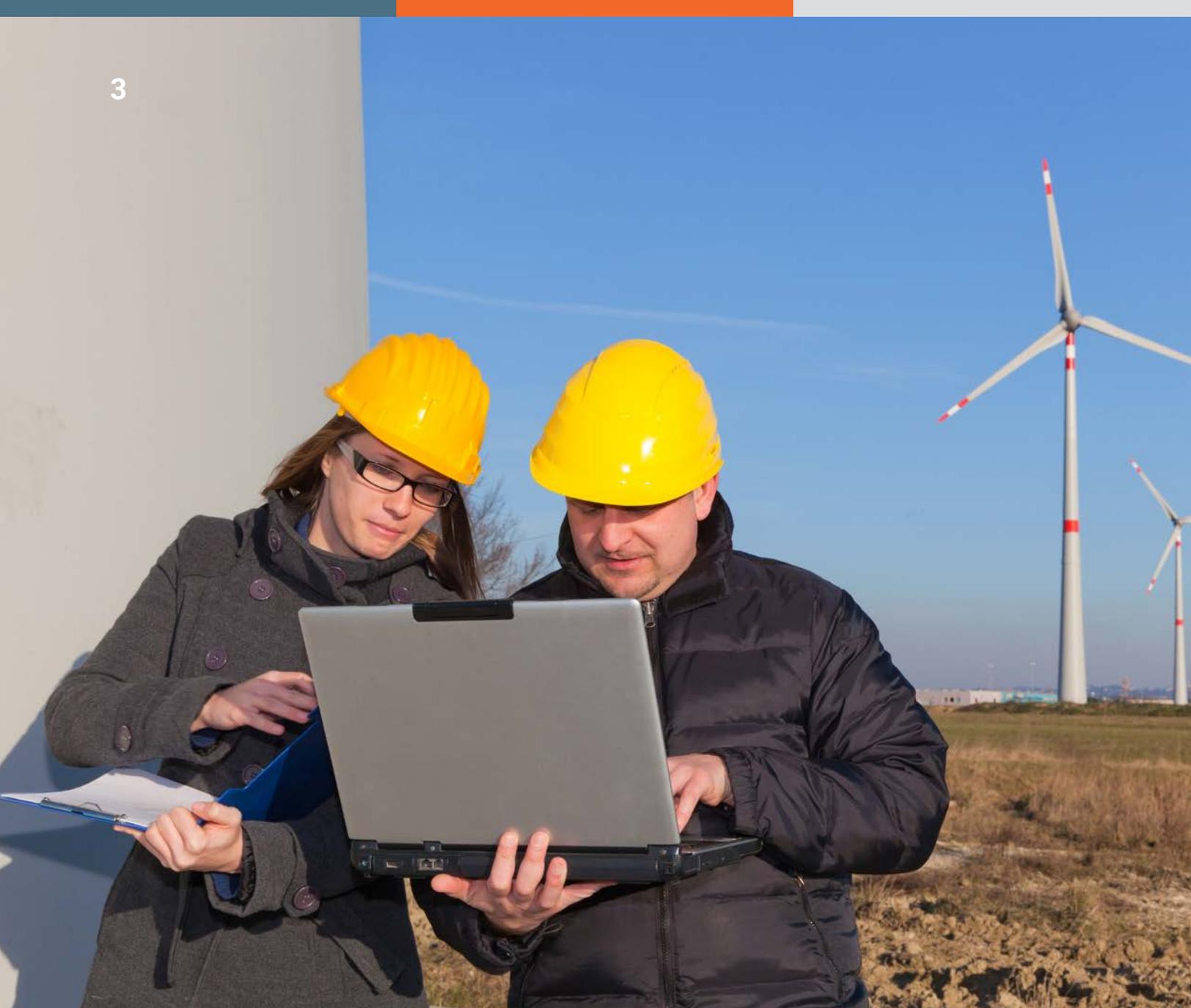
In our interviews with Atlantic Canadian CEOs we uncovered that purpose-led companies are growing and thriving in the face of our region's economic development challenges. We're excited to share the compelling insights from these conversations.

Our report gives companies across the region a roadmap to explore their own business purpose and understand how it can help them grow while making our world a better place. It also offers a new lens on the drivers of economic development in Atlantic Canada.



Allison Murray

CEO & Founder
Upswing Solutions



Employment

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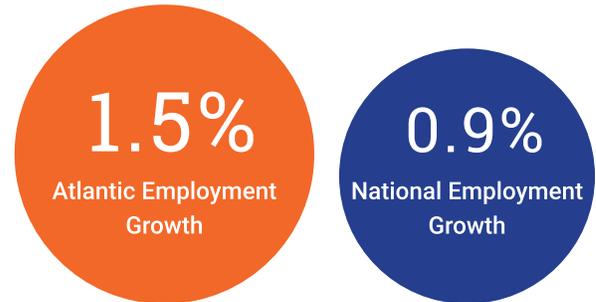
Those businesses that truly are purpose-led will flourish because they will get the best talent and that talent will come because of the purpose.

John Robertson
CEO, HomeEXCEPT

Atlantic Canada's Need for Workers

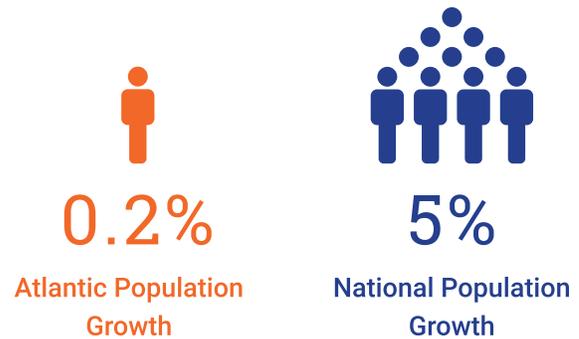
On the up

Despite the obstacles we face in Atlantic Canada, our economy is showing signs of improvement. The Atlantic Growth Strategy reports that between July 2017 and April 2018 more than 16,000 full-time jobs were created in our region, with employment growing by 1.5 percent, higher than the national average of 0.9 percent.¹ And though the real GDP per capita in Atlantic Canada is still lower than the national level, it's on the up: 81 percent of the national level in 2017, compared to 76 percent in 2000.²



Demographic challenge

Many view population growth to be Atlantic Canada's biggest economic challenge. Between 2011 and 2016, Canada's population grew by five percent while Atlantic Canada's grew by only 0.2 percent.³ And with more baby boomers retiring, family sizes declining and Atlantic Canadians continuing to migrate to other parts of the country, our population is predicted to actually decline over the next 20 years.⁴



Helping newcomers stay

Can immigration ease the challenge of Canada's aging population? Indeed, it's predicted to account for about two-thirds of Canada's population growth in 2022.⁵ Unfortunately for Atlantic Canada, we're struggling to keep newcomers in our region. The regional five-year retention rate for immigrants is lower in Atlantic Canada than anywhere else in Canada, ranging from 18 percent in Prince Edward Island up to 72 percent in Nova Scotia.⁶

Labour shortages

Our region is suffering from the biggest labour shortage in Canada, with 50 percent of small- to medium-sized businesses in Atlantic Canada experiencing problems finding new employees.⁷ And there's no good news on the horizon: The Business Development Bank of Canada says they don't expect labour shortages to improve for at least another decade.⁸

Atlantic Canada is lagging behind other areas of Canada as we struggle to attract and retain the workers we need to make our businesses successful. The good news is that the CEOs and executives that we spoke to were mostly positive and optimistic about recruiting and retaining talent, and credited their purpose with helping with that.

How Purpose Attracts and Keeps Talent

Why turn to purpose to attract and retain employees? In short, because people are increasingly looking for more than a paycheck from their jobs, and companies that offer meaningful careers are rewarded with higher levels of loyalty, productivity and performance.⁹ As the competition for talent becomes more fierce, businesses that lead with purpose can have a strong advantage over other businesses.

As PricewaterhouseCoopers reports in their 2016 study on purpose in the workplace, “The current era of disengaged, transient talent impacts every aspect of the business, and the need to activate purpose at work has never been more urgent. With an ever growing demand for highly skilled labor, recruiting top talent is only getting more competitive.”¹⁰

Yet of the CEOs and executives we interviewed, 90 percent said they find it easier to recruit employees because of their business purpose.

And when LinkedIn surveyed 26,151 of their members in 2016, they found that 37 percent are purpose-oriented, meaning they prioritized work that matters to them, and another 38 percent believed purpose to be just as important as either money or status.¹¹ The desire for purpose at work is no longer seen only on the fringes.

90%

of the executives we interviewed said they find it easier to recruit employees because of their business purpose.



Purpose for everyone

Millennials are well known for believing in business as a force for social good. The research backs this up: 86 percent of millennials believe that business should be measured by more than financial performance; and millennials are 5.3x more likely to stay in a job when they have a strong connection to their employer’s purpose. They want the companies they work for to do good and have a social purpose, and are more likely to stay long term with these employers. Considering the research also points to their transient nature, being purpose-led can give companies an advantage to recruiting and keeping millennials.

But it’s not just with millennials where purpose can be put to work. In a 2016 report from LinkedIn and Imperative, more baby boomers (48 percent) than millennials (30 percent) identified as purpose-oriented, with Gen X falling in the middle (38 percent). And although some occupations – such as health care services – are more likely to attract purpose-oriented candidates, 25-30 percent of people in finance, purchasing, and accounting see themselves as purpose-oriented.

Work with meaning

Key to any recruitment strategy is attracting the right people for your company. When purpose is part of that strategy, the “right people” means those with the skills you need and those who share your purpose and values.

90%

of the executives we interviewed believed that purpose motivated their employees.

Chris Cowper-Smith, CEO of Spring Loaded, points to their purpose with helping them recruit people he believes they wouldn't otherwise have been able to recruit, such as senior executives looking for more meaning in their work.

And over at TruLeaf, CEO Gregg Curwin has also found purpose helpful for recruiting and motivating employees. “Purpose is THE factor when you go through hard days. You can offer foosball and free lunches, but that novelty wears

off really fast,” says Curwin. “If you walk down the hall today and ask everybody you would get a sense that they're all on a mission and we're changing things.”

The idea of employees being on a mission together, of purpose being a motivator, rang true for 90 percent of the CEOs and executives we interviewed.

With only 27 percent of employees in Canada feeling highly engaged in their jobs,¹² this motivation and engagement from purpose gives purpose-led companies a useful advantage.



Purpose is **THE** factor when you go through hard days.

Gregg Curwin
CEO, TruLeaf





Let's talk about it

Despite the importance of employee engagement, and even though 79 percent of business leaders believe that purpose is “central to business success,” only 27 percent help employees understand why their work is important to the company.¹³

But in our interviews with purpose-led businesses, we found that every CEO talked to their employees about their business purpose. In some companies it showed up in performance reviews, regular monthly meetings and even casual conversations. In others, it has become a core business metric: Spring Loaded’s internal company dashboard has “Number of lives changed,” not “Number of braces sold.”

Stash Energy’s CEO Jordan Kennie talks about their purpose with employees on a regular basis as a way to “get everyone aligned to make sure we all have the same vision for the company,” while Chère Chapman, CEO of DGI Clinical, finds that it tends to “rally the troops.”

With wages being lower in Atlantic Canada than in other parts of the country, employees need compelling reasons to choose – and stay in – the region, and employers need to compete for talent based on more than just remuneration. Offering meaningful and purposeful employment offers an

opportunity for businesses. We saw this playing out in our interviews with purpose-led CEOs, and heard about how employees choose to stay because of purpose, even when it meant a lower salary.

“I think that the more Nova Scotia is recognized as a hub or incubator for purpose-driven businesses, where it’s not just the bottom line, it’s the triple bottom line, that you’ll just attract, you’ll suck in talent and you’ll keep talent here,” says HomeEXCEPT CEO John Robertson.



Every single employee is a piece of this machine we’re creating that is redeveloping the community. **Everyone has a key role and I always remind them of that.**

John Norman
 Founder, Bonavista Living

100%

of the executives we interviewed regularly talk to their employees about their purpose and values.

Case Study

SomaDetect

SomaDetect's purpose plays a big role in their ability to attract and keep the talent they need to succeed. Bethany Deshpande, founder and CEO of SomaDetect, believes that their employees are drawn to the company because of their purpose.

Because of this, they've brought their purpose into their recruitment strategy with an interview process that is designed to dig into the candidate's motivation for working at the company and to make sure they understand SomaDetect's purpose.

And having a clearly communicated purpose and mission has also made it easier for SomaDetect's network of advisers, friends and mentors to recommend potential employees who are a good fit for the company.

Understanding the impact

Deshpande believes the company's purpose helps motivate employees, especially when the work is less than glamorous. "We ask people all the time to do things that are tedious and uncomfortable. We just spent 30 days collecting samples in a barn, which is slow and arduous, smelly and hot. Yet we have everyone in the company helping out," says Deshpande. "This is because they understand that if they do it and they do it well, it will have a much bigger impact in the world."

Location: New Brunswick (HQ), Ontario, New York

Industry: Agricultural Tech

Size: Growth stage start-up (15 employees)

Purpose: To provide farmers with the information they need to make the best possible milk.

The Business: SomaDetect sells sensors, software and data analytics that allows farmers to monitor milk quality and animal health in real time.

This understanding of the company's purpose isn't an accident. In addition to bringing purpose into their recruitment process, they discuss and reflect on the company's purpose on a regular basis in monthly staff meetings. And because purpose is ingrained in their business model and shared by their employees, it also shows up on a daily basis while thinking about product development and strategy.

Choosing purpose

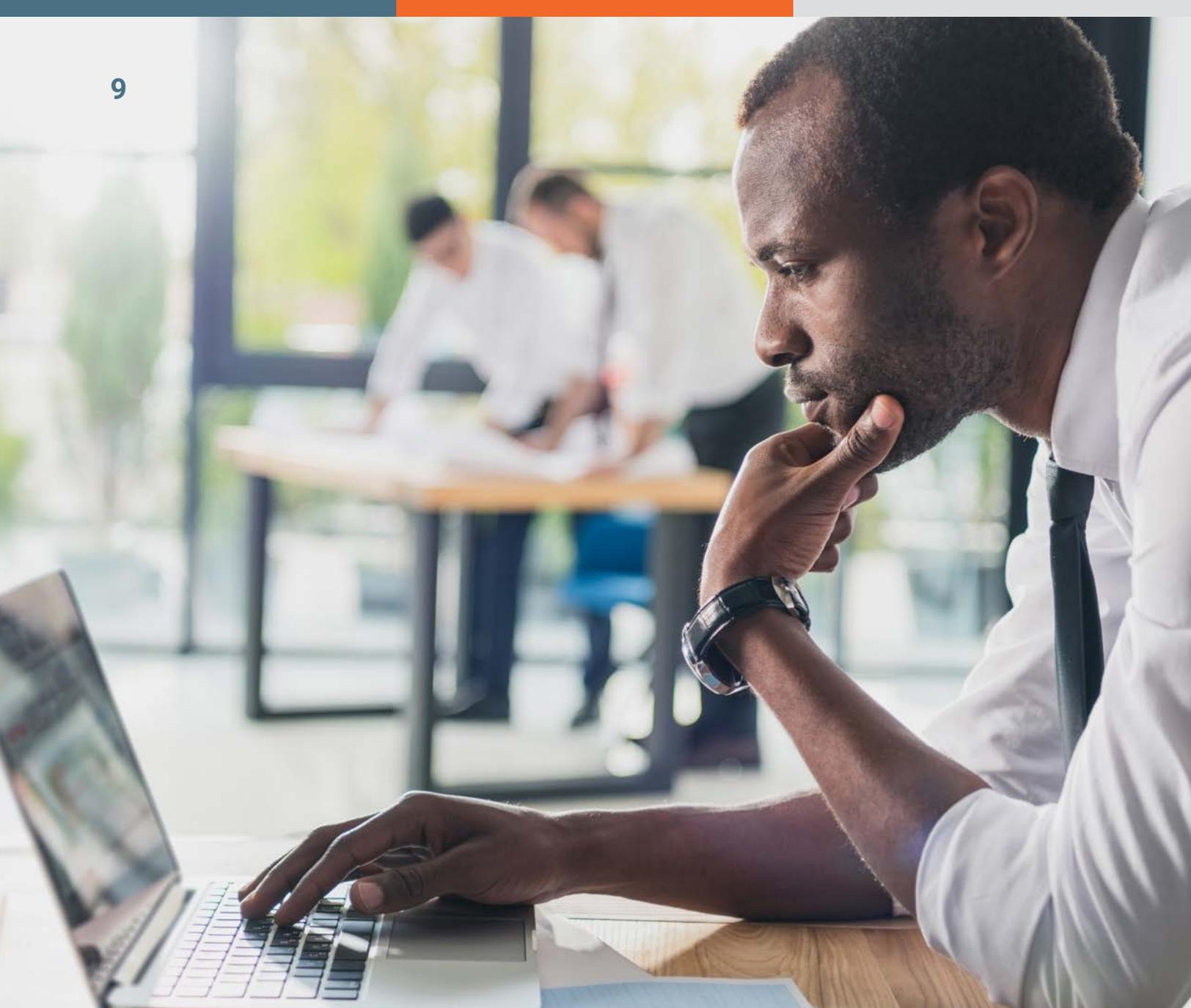
For SomaDetect, the reality of being a start-up means they don't offer the highest salary or many of the perks that come with living in bigger cities. Despite this they've been able to attract the graduate level talent they need, and have seen employees turn down other opportunities to stay with them.

"We've heard people say that they were offered another job but they stay because they believe wholeheartedly in the mission of SomaDetect and that is just wonderful," says Deshpande. "That is like being given a gift by each and every person that works for you."



We've heard people say that they were offered another job but **they stay because they believe wholeheartedly in the mission of SomaDetect.**

Bethany Deshpande
CEO, SomaDetect



Revenue & Investment

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This is where the world is going. I think that if you look at the companies that will survive over the next 10 to 20 years, having a clear purpose is going to be a really key part of that.

Bethany Deshpande
CEO, SomaDetect

Atlantic Canada's Growth Gap

Investing in our region

Since 2009, the economy in Atlantic Canada has been growing more slowly than in the rest of Canada.¹⁶ Investment dollars are one way to drive economic growth, but unfortunately our region is struggling with attracting these: Atlantic provinces are D rank according to the Inward Greenfield FDI (foreign direct investment) Performance Index in 2016, well below the rank for Canada as a whole.¹⁷

However, initiatives are underway to bring much needed new money to the region. The development of pre-seed investment groups across Atlantic Canada means the region is expected to draw about \$150 million in venture capital in 2018, up from \$116 million in 2017.¹⁸ And the Business Development Bank of Canada has invested over \$140 million in small and mid-sized businesses working in information and communication technology, agri-food, ocean technology and tourism in Atlantic Canada.¹⁹

Atlantic Canada Venture Capital Investment



Thinking global

Exporting in Atlantic Canada is currently less than the national average, and the gap is widening.²⁰ This isn't good news for our region because businesses that export generally have higher revenue and profit growth compared to businesses that do not.²¹

However, focused support from economic development agencies has helped grow export opportunities across the region. Exports from Atlantic Canada, valued at \$30 billion in 2017, increased 16 percent between 2016 and 2017, and the number of exporters increased by almost 70 between 2016 and 2017.²²

Innovation ecosystem

Since the call to action in the 2014 Now or Never report, there has been a significant focus on developing start-ups, high-growth companies and the innovation ecosystem in our region.

The Atlantic Growth Strategy aims to double the number of high-growth firms in Atlantic Canada by 2025. These companies export more than the average Canadian business and are twice as likely to innovate.²³

And the CEO of Innovacorp has big plans for Atlantic Canada: he wants our region to be one of the top 10 start-up ecosystems in the world.²⁴ We're off to a good start. Atlantic Canada is home to more than 400 start-ups – a jump of almost 60 percent since 2014²⁵ – as well as a variety of business incubators and accelerators.

For Atlantic Canada to truly prosper, we need to increase exports and foreign investment in our region. Purpose-led businesses can play a clear role here. In our interviews we heard from CEOs that having a clearly defined purpose helped their businesses grow revenue, find new export markets and attract investors.

How Purpose Drives Revenue and Investment



Our purpose will be one of the key driving factors that set us aside from anybody else.

John Robertson
CEO, HomeEXCEPT

Purpose-led businesses are proving that when it comes to competing and growing revenue, they're more successful than businesses without a social purpose.

Consider this: From 2013 to 2016, revenue decreased for 42 percent of non-purpose-led companies but increased for 85 percent of purpose-led companies.²⁶ And 58 percent of businesses that prioritize purpose experienced growth of at least 10 percent over three years, while only 42 percent of businesses that didn't prioritize purpose achieved the same growth.²⁷

90%

of the executives we interviewed said their purpose helps them generate revenue and grow their business.

Global consumer goods giant Unilever is a good example of purpose leading to profits. They recently reported their fourth consecutive year of growth for their sustainable living brands. These brands delivered 70 percent of turn-over growth and grew 46 percent faster than the rest of the business.²⁸

It's not just the top multinationals experiencing this. Of the CEOs and executives we spoke to, 90 percent said their business purpose currently helps or is expected to help generate revenue and grow their business. For example, Mitch Cobb, CEO of Upstreet Brewing, says purpose has been instrumental in generating revenue and helping them differentiate from others in the increasingly crowded craft beer market.

And HomeEXCEPT's purpose is also their differentiator in a market dominated by big tech firms. CEO John Robertson says it's their purpose that will help them grow. "Our purpose will be one of the key driving factors that set us aside from anybody else," says Robertson. "It's going to be our purpose that people really want to get behind."

Increasing demand for good business

The last few years have seen a growing demand from consumers for products and services that have a positive impact on the environment and are better for people.

If quality and price are equal, purpose is the deciding factor for consumers when selecting a brand to buy. Consumers are looking for socially minded businesses: 89 percent say there is a “strong likelihood they would buy from companies that support solutions to particular social issues.”²⁹

And in a 2018 survey of U.S. consumers, nearly eight in 10 said they are more loyal to purpose-driven companies and would recommend those companies to others.³⁰

We’re seeing this in Atlantic Canada as well. Of the companies generating revenue, 90 percent of the executives we asked said customers choose their business because of their purpose.

Gregg Curwin, CEO of TruLeaf, sees consumers making informed decisions about what they buy, which translates into growing demand and revenue for their company. “The demand is incredible. And I think it’s a testament to our quality, but also to the market demographic and what’s going on socially. People want to care about their food,” says Curwin.

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of the executives we interviewed said customers choose their business because of their purpose.



Customers will reward you for good work and good stewardship.

Claude O’Hara

Vice President of Business Development,
Glooscap Ventures

Glooscap Ventures is finding opportunities for their seafood in Europe, spurred by a demand for sustainable and socially responsible products. “We’re seeing success in our Glooscap seafood brand in Europe and a lot of that has to do with our whole philosophy on being true stewards of the water and the land,” says Claude O’Hara, Vice President of Business Development. “Customers will reward you for good work and good stewardship.”

Many of the Atlantic Canadian purpose-led businesses we looked at export products or serve international clients. The demand for purpose-led offerings is global.

The millennial impact

Much has been written about millennials and their demand for purpose-led businesses and meaningful careers. This is for good reason: millennials will be 75 percent of the workforce by 2025³¹ and their net worth is predicted to reach up to \$24 trillion globally by 2020.³² Businesses cannot ignore that they are a significant economic force.

According to a recent Morgan Stanley survey, millennials are twice as likely as the general investor population to invest in companies or funds that have social or environmental goals.³³ And so as millennials accumulate wealth and want their investments to reflect their values,³⁴ the rapid growth of responsible investing is set to continue.



The rise of responsible investment

Of the companies with investors, all of the CEOs and executives we interviewed said their business purpose has helped attract investment. And that's no surprise, considering the massive rise in interest in responsible investment seen in Canada and globally.

The 2018 Canadian Responsible Investment Trends Report reveals that assets in Canada that are managed using at least one responsible investment strategy increased from \$1.5 trillion at the end of 2015 to \$2.1 trillion at the end of 2017, a 41.6 percent increase in just two years. This means that responsible investment assets now account for over 50 percent of Canada's total Assets Under Management (AUM).³⁵

100%

of the executives we interviewed with investors said their business purpose has helped attract investment.

Just as investors are looking for investments that meet their responsible investing criteria, purpose-led businesses are looking for investors that meet their own. Dawn Jutla, CEO of Peer Ledger, says, "We pick our investors so we don't take every offer that comes our way. There's got to be a values match."

Likewise, John Norman, founder of Bonavista Living, says that their investors are completely on board with the company's social purpose. "Their first thought was not, 'oh we can make some money off of this,' their first thought was 'we can have a really positive impact in this community if we make what you're doing bigger, faster.' This town is on life support and it needs it now," says Norman. And despite having more investor interest over the years, they have declined all offers – some of which, says Norman, came from investors who were not aligned with their social purpose.



Who are impact investors?

Impact investors choose investments based on their potential for financial return as well as measurable social or environmental impact.

There were \$14.75 billion in impact investment assets in Canada in 2017, a 60 percent increase in two years.³⁷

Impact investors tends to be individual venture capital or equity investors who want to invest their own money in companies as equity owners.

The still widely held belief that investors need to sacrifice performance if they want to invest ethically has been debunked. A 2015 study by Morgan Stanley evaluated more than 10,000 funds and managed accounts and found that "investing in sustainability has usually met, and often exceeded, the performance of comparable traditional investments."³⁶

The impressive growth we see in responsible investing is a testament to how purpose-led businesses, or companies that manage their environmental, social and governance impact, are driving revenue growth and outperforming non-purpose-led businesses.

Case Study

TruLeaf

Farming. Anywhere.®

TruLeaf's purpose has given the company a strong competitive edge, enabling them to compete successfully against other well-known brands in the health and organic space. Their customers – retailers and distributors – are responding to consumer demand for the types of products that TruLeaf offers, but that demand goes beyond a simple desire for lettuce. Gregg Curwin, CEO and founder of TruLeaf, sees consumers making informed decisions about what they buy, attracted to the story told by TruLeaf about their purpose in their marketing.

“So I think the more we tell our story, the more the consumer understands it, it will directly affect our revenue,” says Curwin. “If we don't tell the story well, if we don't say that we're doing all these great things, then shame on us and then it will probably have a negative effect on revenue.”

Investing with purpose

Curwin's passion for TruLeaf's purpose is evident. He says their purpose has helped to motivate him through the ups and downs of starting and running a business. It's also played a role with their investors, who, says Curwin, might not have started out as impact investors but turned into them after buying into TruLeaf's social mission – and the company.

“We just recently closed a very large round of capital with McCain Foods and I remember looking at everybody in their board room and saying ‘this is why I'm doing this,’” says

Location: Halifax, Nova Scotia

Industry: Agricultural Tech

Size: Medium (65 employees)

Purpose: To improve public health and the environment by growing nutritious food using multi-level indoor farming technology.

The Business: TruLeaf uses their proprietary indoor vertical farming technology to grow and sell pesticide-free, nutrient-rich leafy greens all year round. The company sells to major food retailers, food service and distributors in Atlantic Canada, and is expanding to Ontario this fall. Their produce is sold under the GoodLeaf brand, through a wholly owned subsidiary.

Curwin. “And thankfully they really bought into it and they believe it themselves.”

Getting the timing right

Curwin believes that the time is right for purpose-led businesses to prosper, and TruLeaf is benefiting from this. But it wasn't always this way. He remembers in the early days of TruLeaf when discussions with a government department about his idea ended in ridicule. Thankfully, times have changed – be it conscious consumers creating a market demand, investors wanting to pursue a social purpose with their money, or employees searching for meaningful work that reflects their values.

“Don't be afraid of purpose-led. Embrace it and back it with a sound business case and then you're going to have a lot of fun,” says Curwin. “Never has there been a better time to start a purpose-led business.”

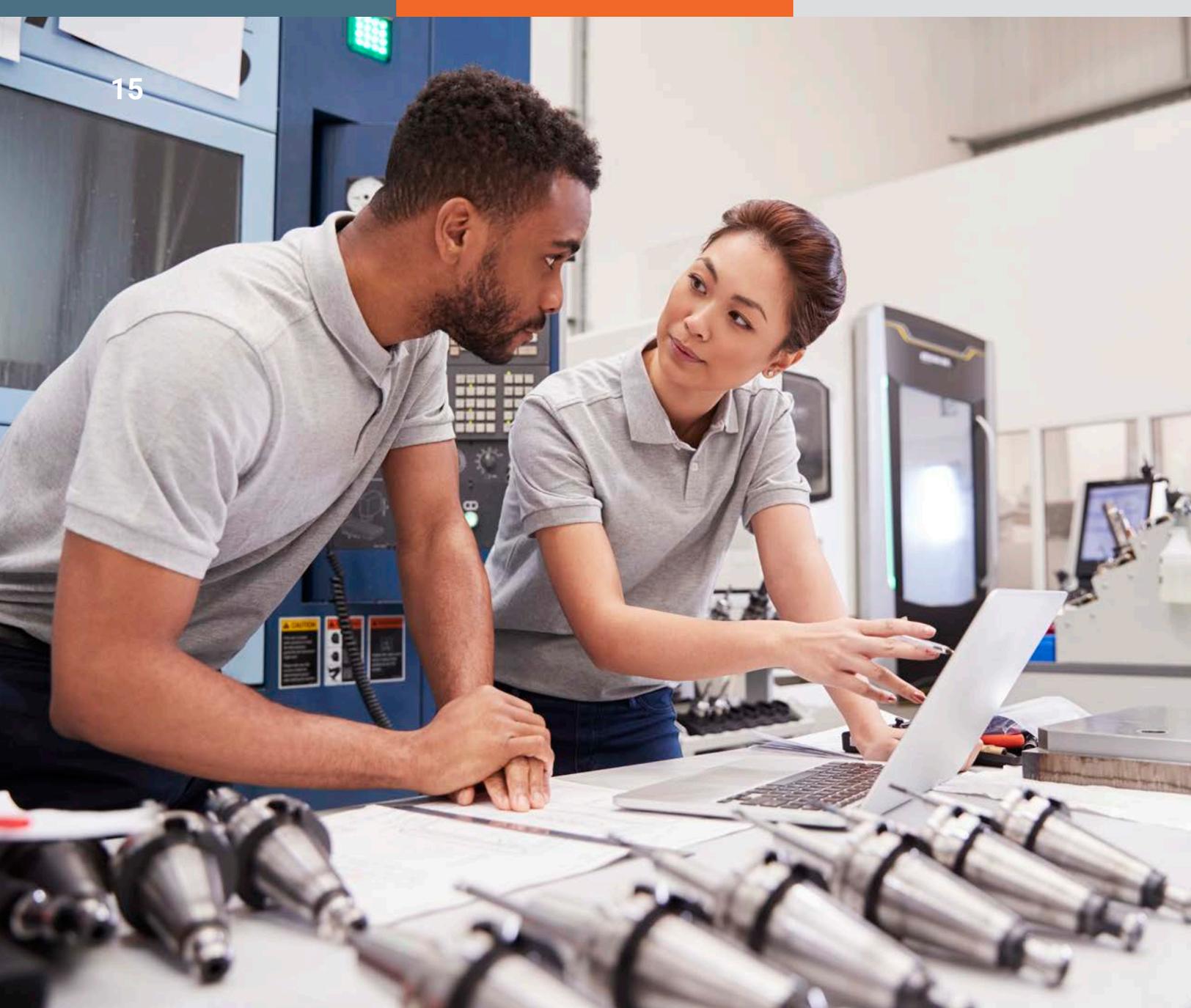


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Gregg Curwin

CEO and Founder, TruLeaf





Innovation

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If you don't know what your values are as a company then you have no ability to [make strategic decisions](#). But once you have those values laid out then the path forward is way more obvious.

Chère Chapman
CEO, DGI Clinical

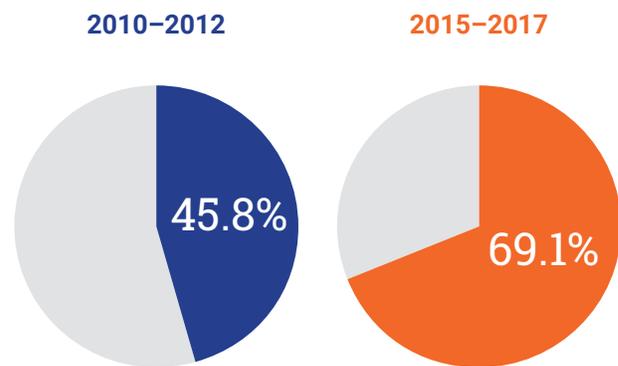
The State of Innovation in Atlantic Canada

Innovation gap

Atlantic Canada has been lagging behind other regions when it comes to business innovation and investment in research and development. Between 2015 and 2017, the proportion of innovative enterprises was lower in Atlantic Canada than in other regions,³⁸ and according to a 2018 survey, only 15 percent of small and mid-sized companies in our region are “digitally advanced,” the lowest in the country.³⁹

Our provincial governments and universities, along with private sector partners, have responded with significant investment in building our innovation ecosystem. The Atlantic Growth Strategy recognized the need to support innovative sectors of the economy to spur future growth. And we’re beginning to see the results: Atlantic Canada’s propensity to innovate increased from 45.8 percent in 2010–2012 to 69.1 percent in 2015–2017.⁴⁰

Atlantic Canada’s Propensity to Innovate



Clean tech in focus

Innovation in environmental sustainability and green tech is recognized as an opportunity for Atlantic Canadian businesses. The Atlantic Growth Strategy has invested \$185 million in the Low Carbon Economy Leadership Fund to support clean growth and reduce greenhouse gas emissions, along with launching the Clean Growth Hub. So far, the Hub has helped 30 Atlantic Canadian companies access clean technology programs and funding.⁴¹

Another example: Acadia University received almost \$3 million from the Atlantic Canada Opportunities Agency’s Atlantic Innovation Fund for research into green insect pest management solutions in 2017.⁴²

Our oceans advantage

New opportunities are springing up to create a sustainable ocean economy in Atlantic Canada. The Atlantic Fisheries Fund is investing \$400 million over seven years⁴³ to drive sustainable innovation in the fish and seafood industry. The new Ocean Supercluster is expected to create more than 3,000 jobs and add over \$14 billion to Canada’s economy.⁴⁴ And the new Centre for Ocean Ventures & Entrepreneurship, which provides marine infrastructure and collaborative spaces, is looking to support Atlantic Canada’s ocean economy.

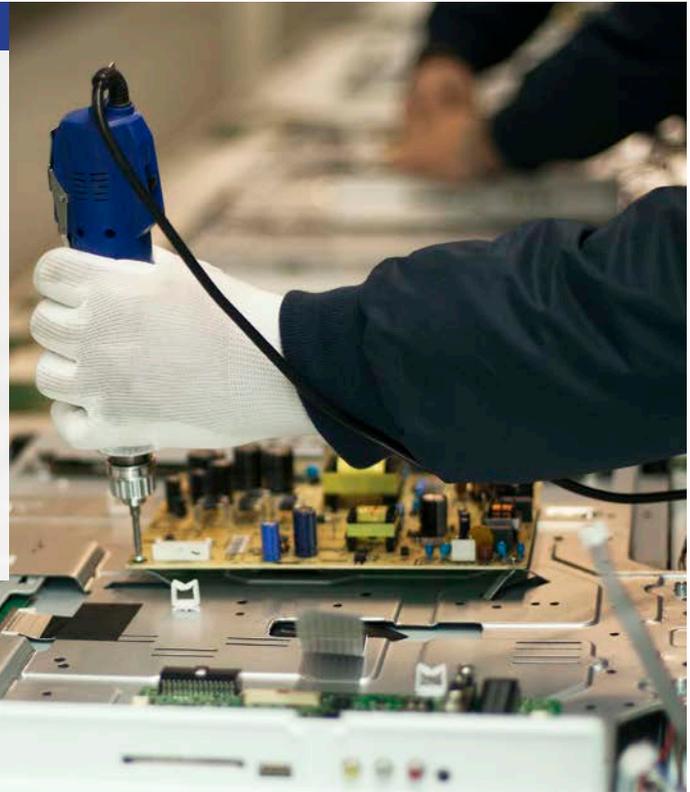
While Atlantic Canada has a way to go to catch up with other regions when it comes to innovation, the purpose-led approach to business is a natural fit for our region’s growing focus on clean tech and a sustainable ocean economy.

How Purpose Fosters Innovation



Our strategy aligns with purpose and values and **helps us decide what we will do**, as well as what we won't do.

Dawn Jutla
CEO, Peer Ledger



Can purpose help businesses innovate and transform?

Yes, according to recent research from the Harvard Business Review and the EY Beacon Institute. They found that businesses are more able to innovate, transform and grow revenue consistently when purpose is a core driver of strategy and decision making. The CEOs and executives we spoke to agreed: 100 percent said that purpose helped them innovate or transform.

In an HBR global survey of executives, 53 percent of companies who prioritized purpose were successful with innovation and transformation efforts, compared to 19 percent of companies that did not have a clear purpose.⁴⁶

And leading with purpose isn't only for the good times. Within the challenging economic landscape, 68 percent of businesses surveyed said that having a purpose allows them to innovate in times of disruption.⁴⁷

100%

of the executives we interviewed said that purpose helps them innovate or transform.

Keeping focused during R&D

From our conversations with purpose-led businesses in Atlantic Canada, we saw that purpose acts as a motivator and a guide during the often long, arduous research and development stage.

For employees, understanding the positive impact they could be making with the products and services they're developing gives them that motivation and drive to keep going. And putting purpose at the forefront can help CEOs and executives keep their teams focused and on track, as it has done for DGI Clinical.

"There are a thousand and one fascinating research projects at any one time we could undertake and we are filled with PhDs and master level employees and others who are just excited by the intrinsic nature of the interesting research that we do," says Chère Chapman, CEO of DGI Clinical. "But because we know exactly where we're headed, the research is all very aligned with that."

During research and development, when there are often many different paths a company can take, having a clear purpose means having a clear idea of what you want to achieve, a guiding North Star to keep you on the right path.

When the buzz around cryptocurrencies started to build, Peer Ledger's purpose helped them keep their business strategy on track. "For us start-ups it's very important to be able to focus. And at the same time, we are also scanning for opportunities," says Dawn Jutla, CEO of Peer Ledger. "Our strategy aligns with purpose and values and helps us decide what we will do, as well as what we won't do." As a result, Peer Ledger decided against doing their own coin to raise money and is using alliances to find strong business partners in sectors that matter instead.

Transforming with purpose

Purpose isn't just for start-ups and small businesses. Be it changing consumer demands or new regulations, a change in the competitive environment brings an opportunity for established companies to start thinking about their purpose, which can help transform and improve their competitiveness. In an HBR survey, 84 percent of executives believed that business transformation will be more successful if integrated with purpose.⁴⁸



What are B Corps?

B Corps are for-profit companies that exist for the benefit of all their stakeholders, not only their shareholders. They're certified by the non-profit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency.

Over 230 certified B Corps exist in Canada, many here in Atlantic Canada.

For more information visit www.bcorporation.net/Canada

Though T4G began crafting their values-based culture about 15 years ago, it's really only been in the last few years that they've transformed into a purpose-led business. According to Mark Fraser, T4G's Executive Vice President, the B Corp certification process was the logical next step for the company after over a decade of being on the Best Workplaces in Canada list and being active contributors to their local community. And in 2018 T4G was named Best For the World: Workers by B Lab.

This purpose transformation helps them compete against larger consultancies. Their below-average employee turnover rate means their clients receive a continuation of service and knowledge that wouldn't be possible if new consultants were added to the team often. "When we work with a company for 10 years in a row, it's likely that people that started working on that project 10 years ago are still there. That kind of institutional knowledge is hard to come by," says Fraser.



Purpose as a business strategy

Corey Rogers, CEO of LaHave River Credit Union, says their purpose – which is all about benefiting their members – guides their decision making and business strategy. “Everything we do for our strategic initiatives is looking at how can we help the member,” says Rogers. “We want to make decisions that are in the best interest of our members and our community. Yes, we need to make a profit. We need to pay our bills. But that’s not the be-all and end-all.”

While DGI Clinical’s purpose has always been inherently part of the company, over the past two years they’ve been working on sharpening their focus and becoming clearer on their purpose. By doing so, they’ve discovered that “our purpose is our business strategy.” And they’re not the only ones: all of the purpose-led CEOs and executives we interviewed told us their purpose is part of their business strategy.

Chapman admits that figuring this out hasn’t always been straightforward. With the company having the skills and expertise to generate revenue in a number of ways, they’ve dabbled with various offerings over the years, and even found success with that approach. But she believes for DGI to grow in the future, they need to be laser focused on their purpose.

“If you don’t know what your own values are as a company then you have no ability to make strategic decisions,” says Chapman. “There are always going to be tough questions to consider and tough decisions to make. But once you have those values laid out then the path forward is way more obvious.”



100%

of the executives we interviewed said their purpose is part of their business strategy.

Case Study



Nova Scotia Power, one of the oldest and largest companies in Atlantic Canada, has spent the last 10 years transitioning to cleaner energy in a way that is affordable for their customers. They call this their “coal to clean” plan. While initially spurred on by a requirement to meet emissions reductions set by the provincial government in 2007, Nova Scotia Power has gone beyond simple compliance over the past decade and sees their mission as a driver of long-term value for their customers, communities and shareholders as a subsidiary of Emera Inc.

The company says they will meet the legislated requirement of 40 percent renewable energy sources in 2020, after reaching 29 percent renewables on the grid in 2017. Nova Scotia Power leads Canada in carbon reduction, having already exceeded the national 2030 target of reducing carbon dioxide by 30 percent from 2005 levels. In fact, Nova Scotia Power is on track to almost double the 2030 goal, which was set at the 2015 United Nations Climate Change Conference.

Affordable energy

As with many business challenges, their mission means managing a fine balance between investing in renewable energy and ensuring electricity rates are affordable for Nova

Location: Nova Scotia

Industry: Electricity Generation, Transmission and Distribution

Size: Large (>1,700 employees)

Purpose: To safely deliver cleaner, affordable and reliable energy for Nova Scotians.

The Business: Nova Scotia Power is Nova Scotia's primary electricity provider.

Scotians. Despite increased fuel prices and investments in clean energy, Nova Scotia Power has kept recent rate increases in line with inflation. The company's long-term fixed-rate contracts with independent wind farms help build price stability.

As a regulated utility, it's important that Nova Scotia Power has legislation in place that supports electrification and their transformation to cleaner energy in a way that is affordable for citizens and businesses across the province.

Clean partnerships

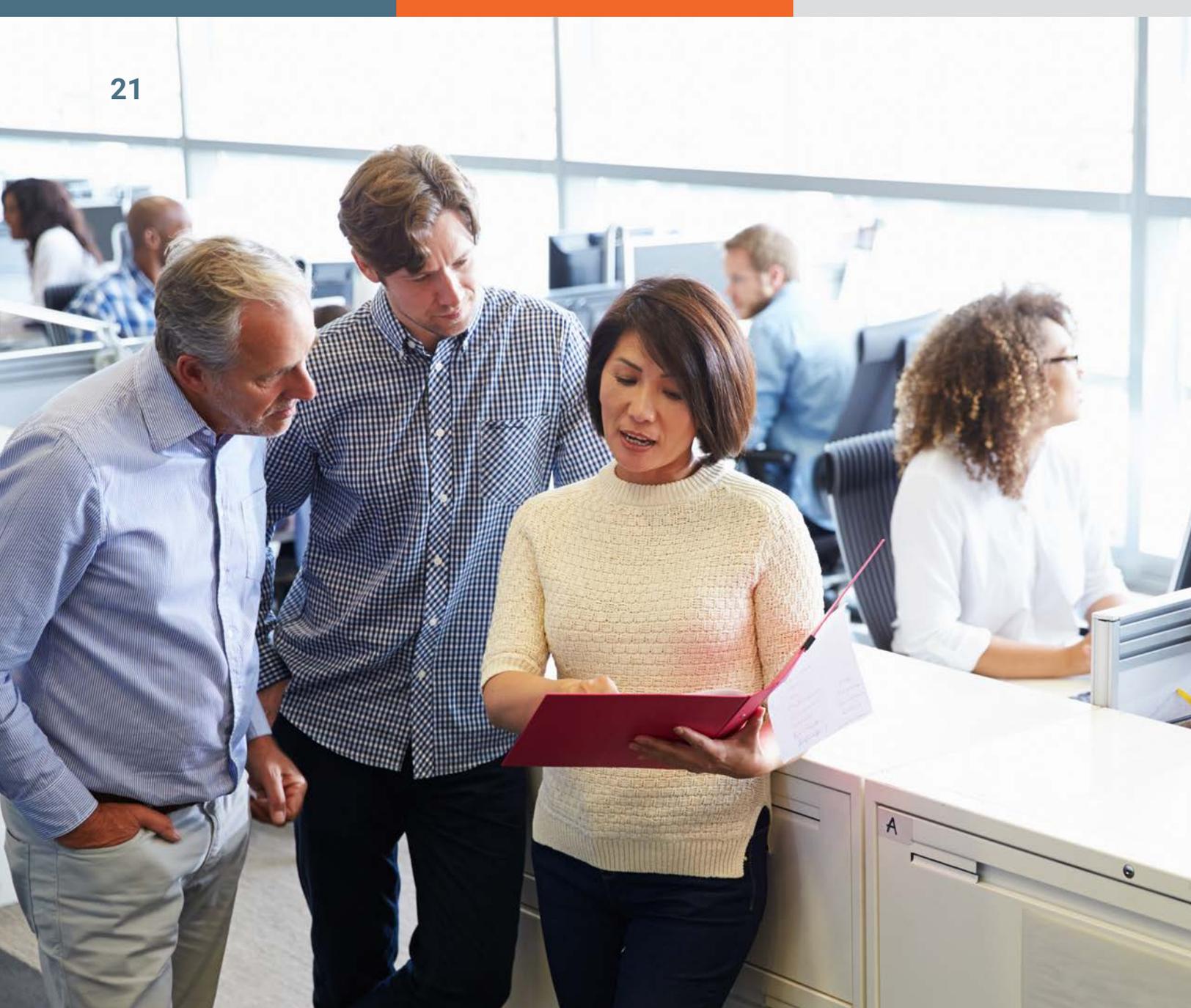
Nova Scotia Power has initiated partnerships with global leaders like Tesla to test battery storage to pave the way for more renewable energy capacity on the grid. Emera, their parent company, has invested in a new electric vehicle fast-charging network across the province to help Nova Scotians who want to move to electric vehicles.

“Moving to a clean, low-carbon future means we need to work with our employees, customers, and government to innovate and add renewable energy to the grid, while keeping electricity reliable and rates affordable for Nova Scotians,” says Karen Hutt, President & CEO of Nova Scotia Power.



A clean, low-carbon future means we need to work with our employees, customers, and government to innovate.

Karen Hutt
President & CEO, Nova Scotia Power



Conclusion



Our purpose is our business strategy.

Chère Chapman
CEO, DGI Clinical

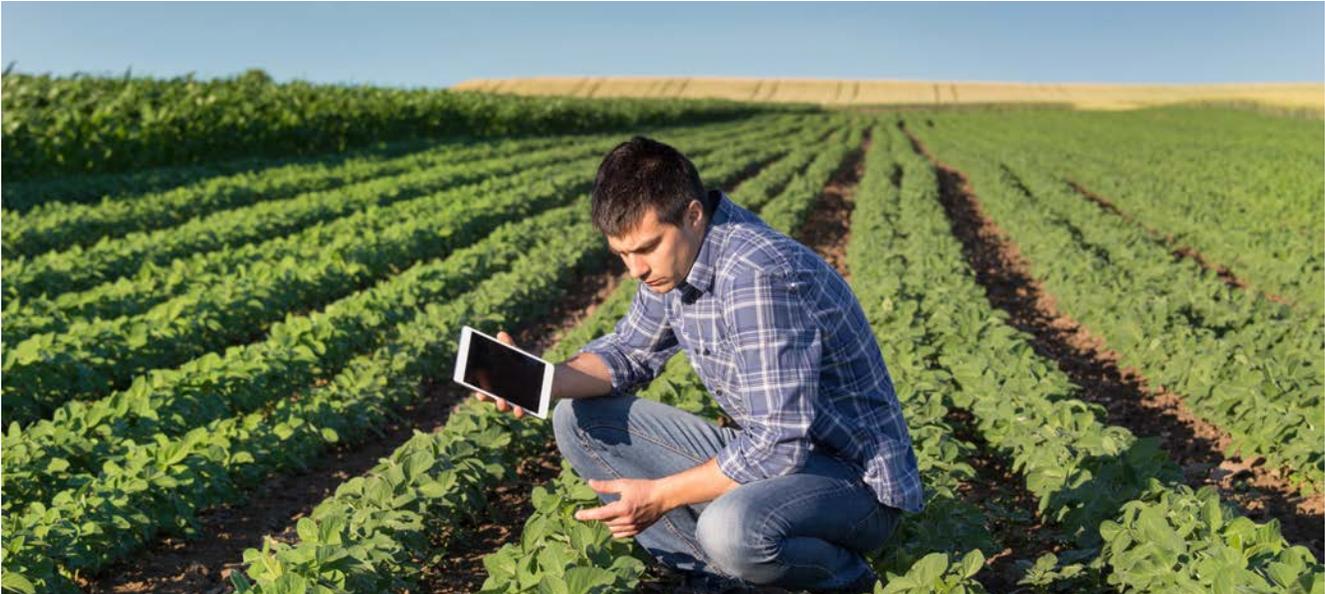
What Makes a Purpose-led Business?

The Atlantic Canadian CEOs and executives we interviewed for this report are running successful businesses while making our world a better place – often driven by a personal motivation and desire to make an impact. They are leading with purpose and they don't keep it hidden – they talk about their purpose with prospective employees, team members, customers, and investors every day. This helps them to attract people who are motivated by the same values, opening up new opportunities to create change.

We heard about the steps they are taking to imbed purpose across their company. These businesses are building products and services and running their companies in a way that is improving the well-being of their customers, their employees, their communities and our environment. And in turn, we heard that their businesses are growing and succeeding because of their purpose.

Because their purpose is part of their business strategy, it helps these companies to spot opportunities when new competitive challenges are on the horizon. Their purpose is who they are and what they stand for. As their company grows and evolves, so too does the way they implement their purpose.

For these companies, their purpose is more than just a poster on the wall. What sets them apart is that they aren't just talking the purpose talk – they're living it. Their purpose helps them make the right business decisions so their companies can succeed in this age of disruption.





A Roadmap for All Businesses

We drew on the insights these executives shared with us to give companies across Atlantic Canada a roadmap to start tapping into their purpose, no matter their size, age or industry.

Purpose-led companies:	And ask themselves:		
<p>Clearly define their purpose beyond profit.</p>	<p>How does our company make the world a better place? What really drives and motivates us?</p>	<p>What social, economic and environmental problems can we solve with our products and the way we operate?</p>	<p>How can we transform so we spot new opportunities to create value for our customers, employees, communities and businesses?</p>
<p>Lead with purpose.</p>	<p>How do I talk with our teams to embed a sense of shared purpose so we're all focused on the same goals?</p>	<p>How can I make sure our leadership team focuses on creating long-term shared value for all our stakeholders?</p>	<p>How can we align resources and incentive structures to give our teams the tools and signals they need to focus on delivering our purpose?</p>
<p>Use their purpose as a lens for business decision making.</p>	<p>Does this opportunity help deliver the benefits we want to create?</p>	<p>Does this opportunity help us stay true to our values? Will it help build or erode trust?</p>	<p>What social and environmental issues do our stakeholders think we should be focusing on?</p>
<p>Talk about their purpose and the impact they want to have.</p>	<p>How do we start highlighting our purpose in our recruitment process and with our customers?</p>	<p>Does every person in our business understand their role in delivering our purpose? How can we talk about our progress in our regular team meetings?</p>	<p>How can we demonstrate the full range of value that we are creating in our investor communications?</p>

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How can we help your business grow with purpose?

Strategy

We design purpose-led business, product and partnership strategies. Our work is grounded in data and insights, giving you a clear plan to deliver shared value for your customers, communities and your business.

Performance

Purpose is simply an aspiration if you can't measure your progress. We can help you define your metrics and measure your social, environmental and economic performance, combined with practical strategies to help you move the bar.

Communications

We can help you tell your purpose story. From reports to marketing campaigns to internal communications, we can help engage and inform your stakeholders using deep insights about what matters most.

About Upswing Solutions

Upswing Solutions is a boutique consultancy that works with companies to develop purpose-led business and product strategies, measure their impact and tell their stories.

We specialize in delivering high-impact strategies with actionable plans for companies that want to grow their business while improving their customers' and community's lives and our environment.

Contact us:

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About The Purpose Project

The Purpose Project was launched by Upswing Solutions to shine a spotlight for the first time on purpose-led businesses in Atlantic Canada. We wanted to find out what makes them tick. Why have they set a clear purpose beyond profit? What benefits are they seeing for their customers, their employees, their communities and our environment?

Between July and November 2018 we interviewed over a dozen CEOs and executives of purpose-led businesses from across our region and shared their stories on The Purpose Project website. This report is a compilation of the insights that they shared with us. It explores how these businesses are growing and succeeding because of their purpose, and provides a new lens through which to view business and economic development in Atlantic Canada.

Read their case studies and find out more at www.thepurposeproject.ca

