

From profit to purpose: How Covid helped an outdoor media owner find its 'why'

By [Simon Wall](#), issued by [Tractor Outdoor](#)

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This past year has disrupted just about every facet of life as we know it. But with crisis often pre-empting much-needed change, it has also brought with it silver linings in many - even if occasionally disguised - forms.

As one of the first employees at Tractor Outdoor, I have seen many chapters in the 20 years we have been in business, but it is only now that I believe that we've truly matured as a business. We now understand exactly where we are going, what we stand for and *why* we stand for what we stand for.

Finding the why

Business leaders will often make reference to their mission statement or brandish their company values on mugs and other desktop paraphernalia, intending it to serve as a cultural reminder to employees as to *what we're all about*. But these loftily-held values tend to go the same way as Bill and Melinda Gate's marriage when not underpinned by a deep understanding of the 'why', and reinforced every day by considered and consistent action. And it is the 'why' that makes up the very DNA of the business and drives the company culture. Culture challenges in your company? I always say that you should go back to the drawing board and understand why it is that you do what you do, because it all starts there. And no, it cannot only be for profit.

The purpose of Coca-Cola? Nope - the answer is not only to sell millions of cans of their thirst-quenching beverage. Coke's purpose, in fact, is *'to refresh the world and to make a difference'*. Nike? *'To move the world forward through the power of sport – breaking barriers and building community to change the game for all.'* Red Bull? The energy drink giant articulates its 'why' as *'to give wings to people and ideas'*.

The purpose of a car is not to buy petrol - and the purpose of a company is not to make money.

The purpose of a car is to go somewhere, and fuel helps you get there. The purpose of a company is to advance a greater cause and contribute to society, and money will simply help you get there.



Simon Wall



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Out of home when consumers are staying in their homes

To state the obvious, last year's lockdown threw the outdoor industry an enormous curveball. What becomes of a category

built on selling audiences when there is no audience? When billboards that once proudly proclaimed brand messages no longer have commuters to communicate to? When consumers are told to stay at home - yet as the name suggests, the very nature of your industry relies on consumers being *out* of their homes?

Like so many industries that are reliant on the inherently social nature of human beings, when lockdown was announced last year, Tractor Outdoor was forced to rethink how we did business.

The easy (or, at least, *easier*) option would have been to go into survival mode. Batten down the hatches, retrench, implement pay-cuts - do whatever we could to preserve cash and protect our bottom line. And who could blame us? *It's business after all; it's not personal.*

Except that it *is* personal. It is personal when your clients - with whom you have worked with for many years - under huge financial pressure and with no overhead relief, are forced to liquidate. Or when the people you work with every day cannot make ends meet. When the communities in which you operate, start to slowly perish. A crisis of this magnitude affected everyone in some or other form, and when the time came to decide what our survival strategy would be, we refused to ignore the symbiotic relationship between the health of our business and that of our stakeholders; namely our clients, our employees and our community.



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Tractor Outdoor 22 Oct 2020



Protecting the ecosystem

And so, when lockdown was first announced, we committed to keeping every staff member on payroll and on full salary. However, we demanded something from our employees in return, and that was that they would treat everyone on their own 'personal payroll' the same; domestic workers, nannies, gardeners and so on would continue to be paid in full, as they too have their own families to provide for. We recognised the importance of protecting our ecosystem, and we knew that in order for our broader community to survive, we needed to do our part.

Rather than hold clients to their contracts and insist on payment for the campaigns they had committed to - despite the fact that there would be no audience to even see these campaigns - we provided extensions on media exposure and offered alternative payment arrangements, among other initiatives, to help those that were severely impacted. We did whatever we could to provide the relief they needed to protect their own cash flow.



To all our valued partners

Tractor Outdoor 19 Mar 2020



And so our advertisers, in turn, keep their commitments to us. It is important to remember that our outdoor media also supports the broader community, thanks to its revenue-share model. On average, the industry pays an approximate R125m every month towards its inventory landlords - which are often schools, NGOs and tenanted buildings home to SMEs such as restaurants and offices. That billboard you see on the exterior of a school is used towards its funding; meaning that this ad spend, in part, contributes towards teachers' salaries. And so, when lockdown restrictions started to ease, these campaigns once again sprung to life.

In 2020, we also launched an SME advertising fund, with the intention of supporting businesses that were hardest hit by the pandemic. The initiative was incredibly well-received, and we're currently sifting through a whole lot of deserving applications for this year's #20in21 SME Initiative. The idea is that, as we celebrate two decades in business, we've

committed to helping another 20 local businesses in 2021, in the hope that they too will someday see their 20th birthday.



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Tractor Outdoor 13 Apr 2021



And so, 2020 became a pivotal moment for Tractor, which led to a shift in our entire approach to business. We're currently in the process of obtaining our B-Corp certification, which is granted to companies that meet the criteria of balancing profit and purpose. Our responsibility to shareholders will remain, but there's now a greater emphasis on the role we play within our community, as we recognise our potential to create ripples of change that will positively impact the social and environmental fabric of our country.

ABOUT THE AUTHOR

Simon Wall is the CEO at Tractor Outdoor

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