

Mission

Key Points:

- A mission specifies the primary purpose of an organization.
- A mission helps provide context for business activities both inside and outside the organization. Mission is foundational in nature and is often times the starting point for strategy development. It can also be a key consideration when making strategic decisions.
- Effective missions are not difficult to create; however, good ones are rarely found in practice.

Main Thoughts:

At the most basic level a mission articulates the core purpose of an organization. It answers the fundamental question: “Why do we exist?” A mission specifies the goods and/or services an organization provides, to whom it provides them as well as what contribution the organization makes to society in a larger sense. The mission is typically documented in a mission statement—a short statement that lists the areas mentioned. A mission statement is never fulfilled or achieved; an organization continues to execute on its mission every day it operates. This is different than a vision which is specifically intended to be reached at some point. Lastly, missions are usually long-term in nature; most organizations do not change their mission frequently.

Building a Mission Statement

Mission statements are conceptually simple to develop. Four questions when asked and answered sequentially provide sufficient structure to develop a meaningful mission statement.

1. “Who are you?” A mission statement should start with a simple statement that clarifies who the organization is. This can be at the overall organization, group, division or department level within the enterprise.
2. “What do you do?” A mission statement should specify what the organization does. Here is where products and services provided are articulated at an overall level. While it’s important to clarify what is provided, excess detail is not needed or even useful in the body of the statement.
3. “Who are your customers/stakeholders?” Products and services are provided to recipients, typically customers with market segments. These segments can be listed in the mission statement in order to clarify what is known as competitive scope. Beyond immediate customers, sometimes mission statements acknowledge responsibilities to stakeholders.
4. “Why do you do this?” This question in effect answers the query posed at the outset: “Why do we exist?”. Products and services fulfill some kind of need for the recipient. This is best clarified right in the body of the mission statement.

Common Challenges with Mission Statements

Despite the fact that mission statements are short and conceptually simple, they are strikingly difficult to develop in practice. Senior managers can wrestle with mission statement development for weeks or months, depending upon the size of the organization and the level of participation sought. Moreover after all of the work has been done, the output is many times a lengthy paragraph that represents more

groupthink than it does a concise statement of purpose. Below are six questions that can be used to assess the quality of a mission statement.

Mission Statement Assessment Questions:

1. Does the statement describe an inspiring purpose that avoids playing to selfish interests of the shareholders, customers, employees, suppliers or other stakeholders?
2. Does the statement describe the organization's responsibility to its stakeholders?
3. Does the statement define a business domain?
4. Does the statement describe the strategic positioning in a way that identifies specific competitive advantage(s)?
5. Does the statement reflect the culture of the organization?
6. Is the statement clear and easy to understand? (typically less than 100 words)

These questions can be addressed using a simply 'yes or no' format or can be examined using a more detailed approach such as scaled responses (e.g. scale from 1 to 10).

As an Example:

Below are a few examples of effective mission statements. Links to the websites are contained in the references section at the end of the paper. Fairbanks Scales and Bain & Company both have videos that reference the mission statements. The Bain & Company video is quite good.

"We provide worldwide advice and solutions for accurate and reliable weighing."

-Fairbanks Scales corporate mission statement

"To attract and attain customers with high-valued products and services and the most satisfying ownership experience in America."

-Toyota Motor Sales, U.S.A. mission statement

"Bain & Company's mission is to help our clients create such high levels of economic value that together we set new standards of excellence in our respective industries."

-Bain & Company firm mission statement

Editorial

Mission statements present an interesting paradox. As a practitioner, I can state with certainty that I have never facilitated a company strategic planning meeting that somewhere didn't include a section where the mission statement is reviewed, if for no other reason than to ensure it was still relevant. Ask an academic how important a mission statement is to the health of an organization however and you might be surprised when their response is 'very little'. There is no evidence that having a mission statement—or even having what might be considered a good mission statement—has any effect on company performance. (NOTE: Practitioners are often times quick to reference Jim Collins' and Jerry Porras' acclaimed book *Built to Last* where mission statements of well-built companies are highlighted. It's important to note however that while the work represents an excellent comparative study, there is no evidence that company performances highlighted were caused by their mission statements.) Why then even bother creating mission statements? I believe there are important reasons that

managers should care about mission statements. Further, evidence notwithstanding, one could argue they indirectly impact company performance.

First, mission statements are tools that help organizations create both context and meaning. Employees want to know that their work matters. To find meaning they should be able to identify with a higher level purpose that transcends the highly tactical nature of their daily routine. Second, missions serve as an effective way to address the statement, "if you stand for everything, you don't stand for anything." Missions can help keep organizations from wandering outside of their competitive scopes if broadly understood. Finally, missions help customers and stakeholders identify with the organization. A well crafted mission statement effectively speaks to external groups. Right in the middle as well as on the top right of the Walmart corporate homepage is their mission: "Saving people money so they can live better." For the literally millions of people that shop there in good times and bad, this simple statement certainly means something.

For More Information See:

Web

<http://www.joinbain.com/this-is-bain/what-we-do/our-mission.asp>

<http://www.fairbanks.com/statement.asp>

<http://walmartstores.com/>

<http://www.toyota.com/help/faqs/company-what-are-toyotas-mission-and-vision-statements.html>

Magazines & Journals

Long Range Planning

Harvard Business Review

Books

n/a

References

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