

Developing Effective Vision and Mission

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"It is awfully important to know what is and what is not your business." -- Gertrude Stein

In one of my first jobs out of college, the Fortune 500 company that hired me had its mission posted in every cubicle: "To continuously exceed our customers' increasing expectations." I remember looking at it the first day. It sounded ambitious, but raised a lot more questions for me than it answered. Who are our customers? What expectations do they have? How can I contribute to fulfilling this mission? And how long did it take a group of our highly paid executives to choose that particular mission statement over "To be the number one company in our industry" or "To be recognized as a worldwide leader in excellence"?

Unfortunately, in recent years vision and mission statements have become watered down in the corporate world to the point where they are essentially meaningless (bringing a case of beer along on sales calls may exceed customer expectations but not necessarily help a business achieve its goals). Because of this, vision and mission have been largely branded with negative connotations. However, when used properly, vision and mission statements can be very powerful tools, especially for new and small firms. Just as a successful coach has a vision for putting a team together and game plans for successful execution, vision and mission provide direction for a new or small firm, without which it is difficult to develop a cohesive plan. In turn, this allows the firm to pursue activities that lead the organization forward and avoid devoting resources to activities that do not. *Vision Statements for New and Small Firms*

Vision statements and mission statements are very different. A vision statement for a new or small firm spells out goals at a high level and should coincide with the founder's goals for the business. Simply put, the vision should state what the founder ultimately envisions the business to be, in terms of growth, values, employees, contributions to society, and the like; therefore, self-reflection by the founder is a vital activity if a meaningful vision is to be developed. As a founder, once you have defined your vision, you can begin to develop strategies for moving the organization toward that vision. Part of this includes the development of a company mission. *Mission Statements for New and Small Firms*

The mission statement should be a concise statement of business strategy and developed from the customer's perspective and it should fit with the vision for the business. The mission should answer three questions:

- What do we do?
- How do we do it?
- For whom do we do it?

What do we do? This question should not be answered in terms of what is physically delivered to customers, but by the real and/or psychological needs that are fulfilled when customers buy your products or services. Customers make purchase decisions for many reasons, including economical, logistical, and emotional factors. An excellent illustration of this is a business in the Twin Cities that imports hand-made jewelry from east Africa. When asked what her business does, the owner replied, "We import and market east African jewelry." But when asked why customers buy her jewelry, she explained that, "They're buying a story in where the jewelry came from." This is an important distinction and answering this question from the need-fulfilled perspective will help you answer the other two questions effectively.

How do we do it? This question captures the more technical elements of the business. Your answer should encompass the physical product or service and how it is sold and delivered to customers, and it should fit with the need that the customer fulfills with its purchase. In the example above, the business owner had originally defined her business as selling east African jewelry and was attempting to sell it on shelves of boutique retail stores with little success. After modifying the answer to the first question, she realized that she needed to deliver the story to her customers along with the product. She began organizing wine parties that included a slide show of east Africa, stories of personal experiences there, and pictures and descriptions of the villagers who make the jewelry. This method of delivery has been very successful for her business.

For whom do we do it? The answer to this question is also vital, as it will help you focus your marketing efforts. Though many small business owners would like to believe otherwise, not everyone is a potential customer, as customers will almost always have both demographic and geographic limitations. When starting out, it is generally a good idea to define the demographic characteristics (age, income, etc.) of customers who are likely to buy and then define a geographic area in which your business can gain a presence. As you grow, you can add new customer groups and expand your geographic focus.

An additional consideration with mission statements is that most businesses will have multiple customer groups that purchase for different reasons. In these cases, one mission statement can be written to answer each of the three questions for each customer group or multiple mission statements can be developed. Also, as a final thought, remember that your vision and mission statements are meant to help guide the business, not to lock you into a particular direction. As your company grows and as the competitive environment changes, your mission may require change to include

additional or different needs fulfilled, delivery systems, or customer groups. With this in mind, your vision and mission should be revisited periodically to determine whether modifications are desirable.