

Vision, Mission and Purpose

Do you know where you are taking your business? Having a sense of vision, mission and purpose provides the underpinning for strategic direction.

Strategic Direction and Purpose

Business needs direction in terms of where the business owner or strategic leader wants it to go, and how he or she would wish it to develop. This is really related to the mission of the business and/or possibly a visionary statement concerning the future. A mission is likely to be stated broadly and generally and it is unlikely that it can ever be achieved completely. Thus, the organization pursues the mission, looking for new opportunities and new ways of building value for customers, dealing with problems and seeking to progress in the chosen direction continuously.

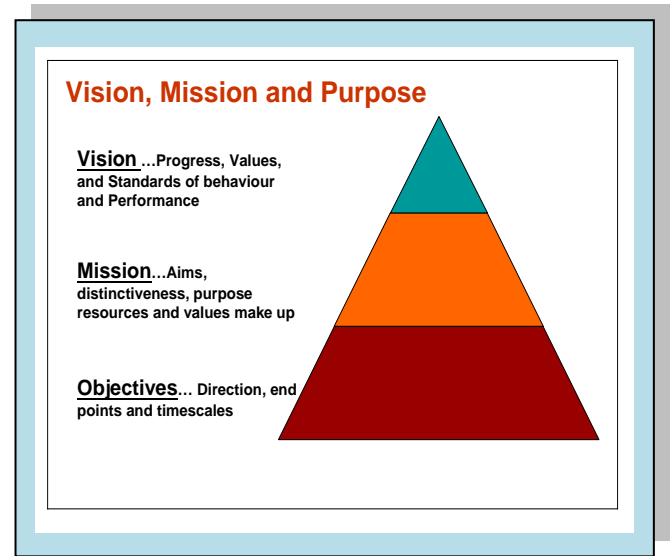
Improvements in the overall situation towards the stated mission are the appropriate measure of performance.

Managers at all levels are likely to be set specific objectives to achieve. These, logically, are quantifiable targets for sales, profit, productivity or output, and performance against them is measured and evaluated. Objectives then become measurable points which indicate how the organization is making definite progress towards its broad purpose or mission.

Goals and Objectives

Objectives should be set and communicated so that people know where the strategic leader wants the business to be at some time in the future. At the same time it's absolutely vital that the objectives currently being pursued are clearly understood. Because of incremental changes in strategies actual or implicit objectives may change from those that were

established and made explicit sometime in the past. Objectives therefore establish direction and in some cases set specific end points. They should have time-scales or end-dates attached to them. The attainment of them should be measurable in some way and ideally they will encourage and motivate people.



It is important, straight away, to distinguish between the idea of a broad purpose and specific measurable milestones. Intended strategies are developed from the mission and the desired objectives as they are the means of achieving them. Hence, a change of objectives is likely to result in changes of strategy. At the same time it is important to realize that incremental, adaptive and emergent changes in strategy whether the result of internal or external pressure affect the levels of performance of the business, i.e. its growth profit or market share and these performance levels should be related to the objectives actually being pursued.

The central theme of this paper is that it is essential that the most senior managers in a business understand clearly “where it is going,” and why. Ideally, as business owners and managers will appreciate the overall mission, and how their own role contributes to its attainment.

The strategies being followed may be different to those that were originally stated and there may be good reasons for this. Thus the situation should be reviewed constantly as the business owner or

company determine whether it has attained its maximum growth potential or highest quality?

Primarily, the mission statement should not address what an organization must do in order to survive,

but what it has chosen to do in order to thrive. It should be positive, visionary and motivating.

The visions of some of the big and beautiful...

British Airways

The world's favourite airline

This vision focuses on employees and customers...it emphasises BA's desire to be the world's global airline, which in turn generated a strategy of alliances. To be feasible, it had to obtain employee support which it failed to do.

Cadbury Schweppes

Working together to create brands people love.

The Sony Spirit

Sony is a trail blazer, always a seeker of the unknown. Sony will never follow old trails, yet to be trod. Through this progress Sony wants to serve mankind.

A good mission statement has five characteristics

1. It will contain a formulation of aims that enables progress towards them to be measured.
2. It differentiates the company from its competitors.
3. It defines the business(es) that the company wants to be in, not necessarily is in.
4. It is relevant to all stakeholders in the firm, not just shareholders and managers.
5. It should reflect corporate values

strategic leader should seek to remain informed and aware of what is happening.

Vision

While mission statements have become increasingly popular for business people, vision statements are less prevalent. The lack of a published statement, of course, is not necessarily an indication of a lack of vision. Where they exist they reflect the company's vision of some future state, which ideally a business will achieve.

Terminology and themes such as a world-class manufacturer, a quality organisation, a provider of legendary service and a stimulating, rewarding place to work might well appear.

The essential elements focus on those values to which the business is committed and appropriate standards of behaviour for all people. Possible improvement paths, employee development and measures or indicators of progress should be established for each element of the vision

Mission

The corporate mission is the overriding *raison d'être* for the business. Many mission statements prove worthless, one reason being that they consist of loose expressions such as '*maximise growth potential*' or '*provide products of the highest quality*'. How can a

Employees must feel that the business actually means what it is saying in its mission and vision statements.

How to develop a good mission statement

Ackoff, a writer of some note on the subject, in including aspects of vision, argues that there are four key issues involved in **developing** a useful mission.

1. **First**, it is important to clarify the purpose of the organisation - why it exists. Hanson plc, for example, led by Lord James Hanson for some 25 years said

"It is the central tenet of my faith that the shareholder is king. My aim is to advance the shareholder's interest by increasing earnings per share."

By contrast, and at the same time, Lex Service took a different view:

"We will exercise responsibilities in our dealings with our stakeholders and in case of conflict, balance the interest of employees and shareholders on an equal basis over time."

The implications of these contrasting perspectives are discussed elsewhere, so let us move on.

2. **Second**, the mission statement should describe the business and its activities, and the position that it wants to achieve in its field.
3. **Third**, the organization's values should be stated. How does the company intend to treat its employees, customers and suppliers for example?
4. **Finally**, it is important to ensure that the organization behaves in the way that it promises it will. This is important because it can inspire trust in employees and others who significantly influence the organization.

How Vision and Mission Statements Help

It is generally accepted that in successful companies middle and junior managers know where the strategic leaders are taking the company and why. In less Successful businesses there is often confusion about this.

Mission statements, like vision statements, can all-too-easily just 'state the obvious' and

'Shopping in big stores for basic items like socks is a fag, but nipping into an attractive kiosk at an underground station, British Rail concourse or busy high street is quick convenient and can be fun.'

as a result have little real value. The secret lies in clarifying what makes a company different and a more effective competitor rather than simply restating those requirements that are essential for meeting key success factors.

A mission (or vision) statement which could easily be used by another business whether in the same industry or not - as many can be - is simply of no great value. Companies that succeed long term are those which create competitive advantages and sustain their strong positions with flexibility and improvement. The vision and mission should support this.

The principal purpose of these statements is communication both externally and internally and, arguably a major benefit for business people is the thinking they are forced to do in order to establish sound statements.

Nevertheless, many are still worded poorly. In addition, it is essential that the mission (or vision) is more than a plaque in a foyer; people have to make the words mean something through their actions.

For this to happen, employees must feel that the organisation actually means what it is saying in the mission and vision statements. There must be an element of trust, for without it the desired outcomes will not be achieved.

At Sock Shop the mission clearly corresponds closely, to the basic philosophy or vision underlying the business and if there is a sound philosophy, strategies that generate success will be derived from it. Sock Shop was founded in 1983, with a simple vision.

One newspaper has described it as you see in the graphic opposite, features or strategies which have become the foundations of the company's success and rapid growth: Shops located within areas of:

1. Heavy pedestrian traffic with
2. Easily accessible products

The Strategist's Choice

3. Friendly and efficient service
4. A wide range of quality products designed to meet the needs of customers
5. Competitive selling prices.

In 1989 after a number of years of growth and success, Sock Shop began to lose money. The hot summer weather and the London Underground strikes were blamed for falling sales. Increasing interest rates caused additional financial problems. Moreover, Sock Shop expanded into the USA and this had proved costly. However, in February 1990 Sock Shop founder, Sophie Mirman commented: 'We provide everyday necessities in a fashionable manner...and our concept remains sound. Our merchandise continues to be not merely "lifestyle".' Sophie Mirman has since lost control of Sock Shop but her vision prevails.

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Best wishes

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