
The Business Vision & Mission

**Sharif MBA – Strategic Planning
Session 3 – 23rd Bahman 1385**

**Strategic Management: Concepts & Cases
Fred David, 11th Edition, Chapter 2**

Chapter Outline

- What do we want to become?

- What is our business?

- Importance of Vision and Mission Statements

- Characteristics of a mission statement

- Components of a mission statement

- Writing & evaluating mission statements

Partial Schedule:

Saturday 23rd Bahman

- **Session 3 Vision/Mission**

Saturday 28th Bahman

- **Case/Workshop #1**

Monday 30th Bahman

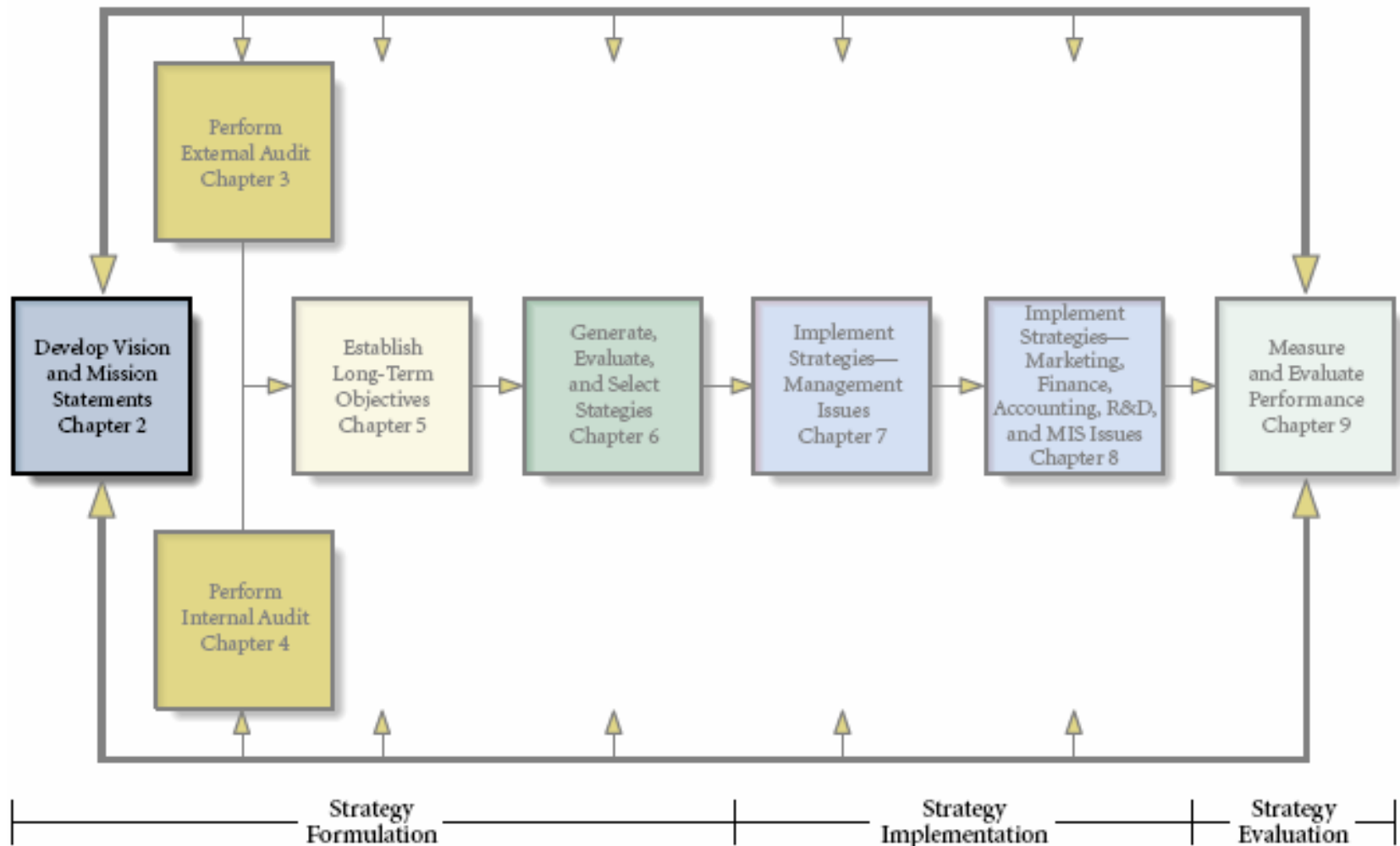
- **External Environment**

Saturday 5th Esfand

- **Case/Workshop #2**

FIGURE 2-1

A Comprehensive Strategic-Management Model



Source: Fred R. David, "How Companies Define Their Mission," *Long Range Planning* 22, no. 3 (June 1988): 40.

Vision

“The last thing IBM needs right now is a vision.” (July 1993)

What IBM needs most right now is a vision.” (March 1996)

-- Louis V. Gerstner, Jr., CEO, IBM Corporation

Mission vs. Vision

- A **business mission** statement focuses on **current** business activities
 - ❑ Business(es) company is in now
 - ❑ Customer needs currently being served

- A **strategic vision** concerns a firm's **future** business path
 - ❑ The kind of company it is trying to become
 - ❑ Customer needs to be satisfied in the future

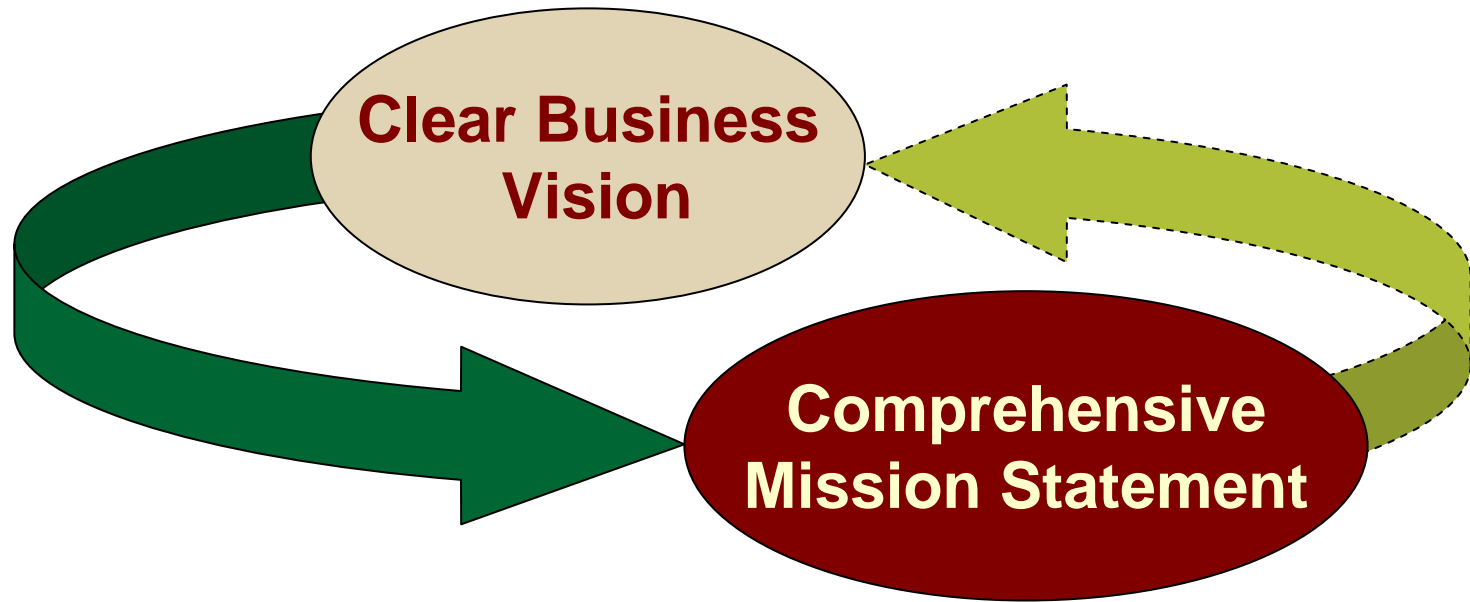


Basis for Vision and Mission

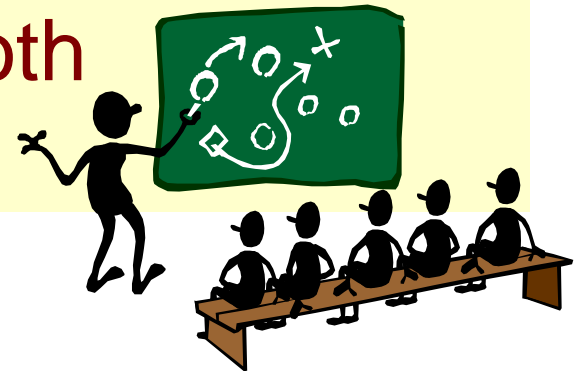
- **Core Values**
- **Basic Purpose**
- **Strategic Intent**
- **Business Model**
-



Vision & Mission



Many organizations develop both vision & mission statements



Isn't it about Profit-making?

- **Our Mission is:**

To Make Money!?



- **Our Vision is:**

To Make More Money!?

Vision

Agreement on the basic vision for which the firm strives to achieve in the long run is critically important to the firm's success.

“What do we want to become?”



Vision for all

Shared Vision --

- Creates commonality of interests
- Reduce daily monotony
- Provides opportunity & challenge

Vision Statement Examples

A national organization which represents its members in all aspects of poultry and eggs on both a national and international level

-- U.S. Poultry & Egg Association

The Vision of Manley Baptist Church is to be the people of God, on mission with God, motivated by a love for God, and a love for others

-- Manley Baptist Church

Vision Statement Examples

To be the first choice in the printed communications business. The first choice is the best choice, and *being the best* is what Atlanta Web *pledges* to work hard at *being* — *every day!*

-- Atlanta Web Printers, Inc.

The Vision of USGS is to be a world leader in the natural sciences through our scientific excellence and responsiveness to society's needs

-- U.S. Geological Survey (USGS)

Mission Statements

“What is our business?”



-- 90% of all companies have used a mission statement in the previous five years

Mission Statements

- Enduring statement of purpose
- Distinguishes one firm from another
- Declares the firm's reason for being

Also referred to as:

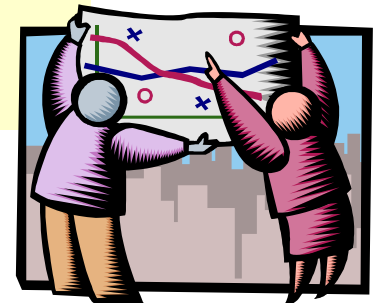
- Creed statement
- Statement of purpose
- Statement of philosophy
- Statement of business principles

Mission Statements

Reveal what an organization wants to be and whom it wants to serve



Essential for effectively establishing objectives and formulating strategies



Vision & Mission

Profit & vision are necessary to effectively motivate a workforce



Shared vision creates a community of shared interests



Developing a Mission

Participation from diverse managers is important in developing the mission



Clear mission is needed before alternative strategies can be formulated and implemented

Mission Statement Examples

It is the California Energy Commission's mission to assess, advocate, and act through public/private partnerships to improve energy systems that promote a strong economy and healthy environment.

-- California Energy Commission

Mission Statement Examples

The Bellevue Hospital, with respect, compassion, integrity, and courage, honors the individuality and confidentiality of our patients, employees, and community, and is progressive in anticipating and providing future health care services.

-- The Bellevue Hospital

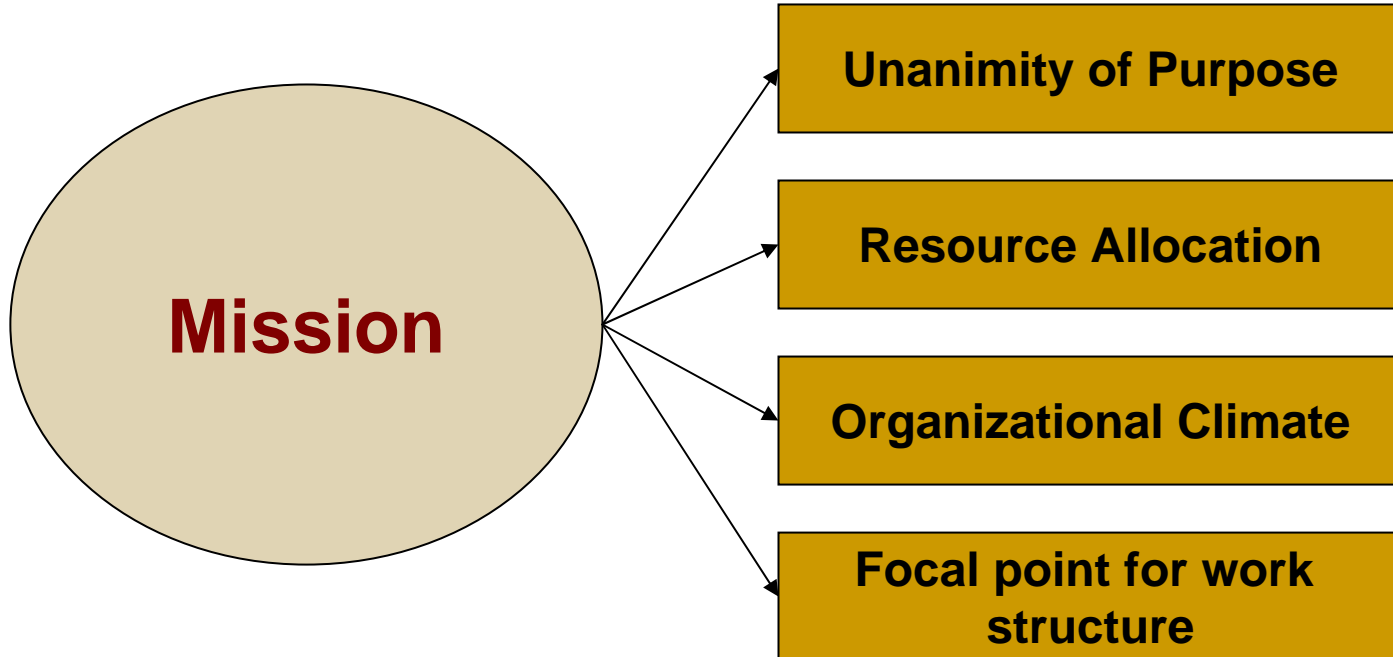
Mission Statement Examples

John Deere has grown and prospered through a long-standing partnership with the world's most productive farmers. Today, John Deere is a global company with several equipment operations and complementary service businesses. These businesses are closely interrelated, providing the company with significant growth opportunities and other synergistic benefits.

-- John Deere, Inc.

Importance of Mission

Benefits from a strong mission

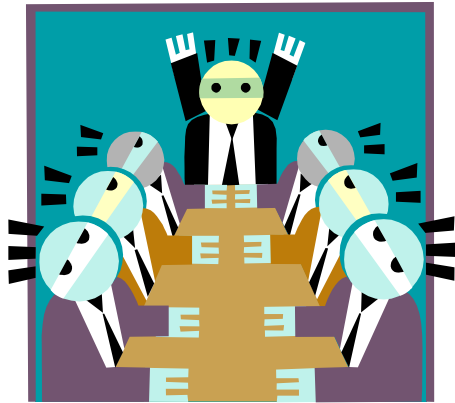


Effective Missions



- ✓ **Broad in scope**
- ✓ **Generate strategic alternatives**
- ✓ **Not overly specific**
- ✓ **Reconciles interests among diverse stakeholders**
- ✓ **Finely balanced between specificity & generality**

Effective Missions



- ✓ **Arouse positive feelings & emotions**
- ✓ **Motivate readers to action**
- ✓ **Generate favorable impression of the firm**

Effective Missions



- ✓ **Reflect future growth**
- ✓ **Provide criteria for strategy selection**
- ✓ **Basis for generating & evaluating strategic options**
- ✓ **Are dynamic in nature**

Mission & Customer Orientation

An Effective Mission Statement --

- **Anticipates customer needs**
- **Identifies customer needs**
- **Provides product/service to satisfy needs**

Mission & Vision – A summary

- Define what the organization is
- Define what it aspires to be
- Limited to exclude some ventures
- Broad enough to allow for growth
- Distinguishes firm from all others
- Stated clearly – understood by all



Social Policy & Mission

Managerial philosophy shapes social policy --

- **Affects development of vision & mission**

- **Responsibilities to –**
 - **Consumers**
 - **Environmentalists**
 - **Minorities**
 - **Communities**

Social Policy & Mission

Social policy should be integrated in all strategic-management activities

Mission should convey the social responsibility of the firm

Mission Statements

2005 Rated Best in Social Responsibility

1. Fannie Mae
2. Proctor & Gamble
3. Intel Corporation
4. St. Paul Companies
5. Green Mtn. Coffee
6. Deer & Company
7. Avon Products, Inc.
8. Hewlett-Packard Co.
9. Agilent Technologies
10. Ecolab, Inc.
11. Imation Corp
12. IBM

Benefits of Vision & Mission

Research results are mixed, however, firms with formal mission statements generally see a:

- **2x average return on shareholder's equity**
- **Positive relationship to company performance**
- **30% higher return on certain financial measures**



PepsiCo Mission

PepsiCo's mission is to increase the value of our shareholders' investment. We do this through sales growth, cost controls, and wise investment resources. We believe our commercial success depends upon offering quality and value to our consumers and customers; providing products that are safe, wholesome, economically efficient and environmentally sound; and providing a fair return to our investors while adhering to the highest standards of integrity.

Ben & Jerry's Mission

Ben & Jerry's mission is to make, distribute and sell the finest quality all-natural ice cream and related products in a wide variety of innovative flavors made from Vermont dairy products. To operate the Company on a sound financial basis of profitable growth, increasing value for our shareholders, and creating career opportunities and financial rewards for our employees. To operate the Company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community—local, national and international.

Mission Statement Evaluation Matrix

COMPONENTS					
<i>Organization</i>	<i>Customers</i>	<i>Products Services</i>	<i>Markets</i>	<i>Concern for Survival, Growth, Profitability</i>	<i>Technology</i>
PepsiCo	Yes	No	No	Yes	No
Ben & Jerry's	No	Yes	Yes	Yes	No

Mission Statement Evaluation Matrix

COMPONENTS					
<i>Organization</i>	<i>Philosophy</i>	<i>Self-Concept</i>	<i>Concern for Public Image</i>	<i>Concern for Employees</i>	
PepsiCo	Yes	No	No	No	
Ben & Jerry's	No	Yes	Yes	Yes	

For Review (Ch. 2)

Key Terms & Concepts

Concern for Employees

Concern for Public Image

**Survival, Growth, &
Profitability**

Creed Statement

Self Concept

Social Policy

Customers

Markets

**Mission Statement
Components**

Managerial Philosophy

Stakeholders

Vision Statement