

Developing Mission, Values & Vision

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“Early on I realized that I had to hire people smarter and more qualified than I was in a number of different fields, and I had to let go of a lot of decision making. I can’t tell you how hard that is. But if you’ve imprinted your values on the people around you, you can dare to trust them to make the right moves.”

—Howard Schultz

“When your values are clear to you, making decisions becomes easier.”

—Roy E. Disney

Chapter sections

2.1 Mission statement

2.2 Company values

2.3 Vision statement



Mozilla advertisements, Henrik Moltke. Photo credit.

Learning Objectives:

Upon completion of studying this chapter, *Developing Mission, Values & Vision*, learners should be able to:

- Discuss what is meant by a company's mission, values, and mission
- Compare and contrast concepts of mission and values, as well as values and vision
- Evaluate a company's mission, values, and vision by scrutinizing its website, literature, or annual reports
- Critique a company's actions in terms of whether or not they are in agreement with its mission, values, and vision

A company's mission statement, vision statement, and values statement are written, formal declarations of the purpose of guiding principles of the company. They set the stage for the organization's strategies and are the foundations upon which the company's culture and structure are built. They are communicated to the company's stakeholders, at meetings,

In-class with your iPad

As a quick exercise, check out this list of Fortune 500 mission statements, and see which ones answer the four questions that a good statement should address. What is Lynn University's mission statement and value statement?

training sessions, orientation programs, and more visibly through the company's website and marketing materials. These statements from the organization answer essential questions like who, what, why, where to, and how.

2.1 Mission statement

An effective **mission statement** is a clear, concise declaration about the company's business identity. It acts as a constant reminder to the employees of why the company exists and what the founder envisioned when it was created. Some may consider mission statements overused and unimportant in the scheme of things, but a well-crafted statement—along with a values and vision statement—helps the business and its employees stay focused on what is important to them, providing a framework for evaluating opportunities and strategies and establishing a brand. Consider how the mission of Southwest

Airlines—being *the* low-cost carrier—drives everything the company does, from the planes it buys to the routes it competes on. The following are some benefits of having a mission statement:

Informs organization's stakeholders about its plans and goals

- Unifies employees' efforts in pursuing company goals
- Serves as an effective public relations tool
- Provides a basis for allocating resources
- Guides strategic or daily decision-making
- Demonstrates that a company is proactive

There are four essential questions a well-written mission statement should address about the company:¹

1. Why does the company exist?
2. What does the company do? (What is the value proposition, and what does it offer?)
3. How does the company do it? (What is unique about this?)
4. Whom does the company do it for? (Who are the key stakeholders?)

For example, Advance Auto Parts' mission statement is: "... to provide personal vehicle owners and enthusiasts with the vehicle related products and knowledge that fulfill their wants and needs at the right price. Our friendly, knowledgeable, and professional staff will help inspire, educate and problem-solve for our customers."²

CVS Health: “Our mission is to improve the lives of those we serve by making innovative and high-quality health and pharmacy services safe, affordable, and easy to access.”³

Consider this example from the world’s dominant search provider: “Google’s mission is to organize the world’s information and make it universally accessible and useful.”⁴

Google’s is a short but substantial statement that tells you the why (to organize), the what (world’s information), the how (universal accessibility and usefulness), and the for whom (everyone). It is concise enough to answer the basic questions,

Team,

I believe that we can do magical things when we come together with a shared mission, clear strategy, and a culture that brings out the best in us individually and collectively. Last week I shared how we are aligning our structure to our strategy. Today, I want to share more on the overall context and connective tissue between our mission, worldview, strategy and culture. It is critical that we start the new fiscal year with this shared vision on what we can do and who we want to become.

Mission. Every great company has an enduring mission. Our mission is ***to empower every person and every organization on the planet to achieve more***. I’m proud to share that this is our new official mission statement. This mission is ambitious and at

yet open-ended enough to not limit itself to search engines. In fact, Google’s ventures include web analytics, cloud storage, smart phones, mobile technology, videos, maps, and book apps, just to mention a fraction of what they do.

Could a company’s mission statement change over time? Of course it can, and it should when the company has met its goals established in the vision statement, or when it has redefined new values. It should be revisited when there are significant changes in the structure of the company, for example, when it has been acquired by another firm.

But most of the time, a mission is rewritten because the company has outgrown it. Consider the case of Microsoft’s original mission—[a] computer on every desk and in every home—written by founder Bill Gates around 1980. By then end of the 1990s, this was already accomplished in the developed world. In the 2000s, the company was stuck in a rut and was better known for hardball sales tactics than innovation. Finally, in 2015 under the leadership of new CEO Satya Nadella, it was rewritten. The following scrolling text box has excerpts of the company-wide memorandum Gates sent to all Microsoft employees: Notice how Gates ties together the company’s new mission to its new vision, culture, and strategy.

2.2. Company values

Often presented along the mission statement is the organization’s **value statement**. Any survey of a business or organization’s website will expose you to the range of forms that mission and value statements can take. Value statements answer the following two questions:

1. What does the organization value?
2. What is the organization's philosophy and its guiding principles?

Core values are like the basic building blocks of a company —its DNA, so to speak. They define the fundamental principles upon which an organization is built and set the tone for the ideal and expected set of behaviors of its employees. A company's values lie at the core of its culture. They are enduring and actionable. "When core values are successfully integrated into an organization, they set the foundation for the organizational culture. Values set the climate of the workplace, and help determine how success is defined and measured."⁶

Take the events at Google as an example of a company living its values. Google's services in China had been subject to varying degrees of interference. In 2010, the company decided to shut down its Internet search services amid accusations of government censorship and intrusions by state-backed hackers. The company chose to exit the world's largest market rather than yield to China's censorship rules. The absence of Google from China left the market open to local competitor Baidu, which now enjoys a near monopoly. Doing the right thing and acting according to own values has consequences, of course. By leaving China, Google suffered a great deal in missed earnings, but it followed its own value—democracy on the web works—and the company stood by it.

Examples of core values from successful companies like Starbucks are as follows:⁷

- With our partners, our coffee, and our customers at our core, we live these values:

12 Reasons Core Values Are Important⁵

1. **Core values can set a foundation for the organization's culture.**
2. **Core values can improve morale and can be a rich source of individual and organizational pride.**
3. **Core values can align a large group of people around specific, idealized behaviors.**
4. **Core values can guide difficult decisions by determining priorities in advance.**
5. **Core values can help positively influence how employees interact with one another.**
6. **Core values can help you attract, hire, and retain the right type of employees.**
7. **Core values can help you assess performance (both individually and organizationally).**
8. **Core values can help prevent conflict and mitigate conflicts that do arise.**
9. **Core values can help you improve innovation.**
10. **Core values can help differentiate your brand in the minds of your customers and partners.**
11. **Core values can impact how the organization serves its customers.**
12. **Core values can help you attract the right breed of customers.**

- Creating a culture of warmth and belonging, where everyone is welcome.
- Acting with courage, challenging the status quo, and finding new ways to grow our company and each other.
- Being present, connecting with transparency, dignity, and respect.
- Delivering our very best in all we do, holding ourselves accountable for results.
- We are performance driven, through the lens of humanity.

Similarly, Toyota declares its global corporate principles to be.⁸

- Honor the language and spirit of the law of every nation, and undertake open and fair corporate activities to be a good corporate citizen of the world.
- Respect the culture and customs of every nation, and contribute to economic and social development through corporate activities in the communities.
- Dedicate ourselves to providing clean and safe products, and to enhancing the quality of life everywhere through all our activities.
- Create and develop advanced technologies, and provide outstanding products and services that fulfill the needs of customers worldwide.
- Foster a corporate culture that enhances individual creativity and teamwork value, while honoring mutual trust and respect between labor and management.

- Pursue growth in harmony with the global community through innovative management.
- Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

Google's Ten Things We Know To Be True:⁹

1. Focus on the user and all else will follow.
2. It's best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There's always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn't good enough.

The Container Store's Foundation Principles:¹⁰

The Container Store. Photo credit.



1. One great person = three good people.
2. Communication IS leadership. Fill the other guy's basket to the brim.
3. Making money then becomes an easy proposition.

4. The best SELECTION, SERVICE, & PRICE.
5. Intuition does not come to an unprepared mind. You need to train before it happens.
6. Man in the desert selling
7. Air of excitement

2.3 Vision statement

A vision statement, in contrast to a values statement, is a future-focused declaration of the organization's purpose and aspirations. In many ways, the mission statement lays out the organization's purpose for being, and the vision statement illustrates how, based on that purpose, what the company wants to become. Therefore, a vision statement answers these two questions: What does the company want to be in the future, and where is the organization going?¹¹

A vision statement is a declaration of a company's goals for the medium- to long-term future. Ranging from one line to several paragraphs, a vision statement identifies what the company would like to accomplish. A good vision statement provides the inspiration for daily operations, molds its strategic decisions, and paints a detailed mental picture of how the business will look like in a few years. Poor vision statements, in contrast, offer no inspiration, no energy, and no direction. Typically, statements are relatively brief, as in the case of Starbucks's vision statement:

"So it is our vision that together we will elevate our partners, customers, suppliers and neighbors to create positive change. To be innovators, leaders, and contributors to an inclusive society and a healthy environment so that Starbucks and everyone we touch can endure and thrive."¹²



CVS Pharmacy in Durham, 2008. Photo credit.

Vision statements are more dynamic than mission statements in the sense that they can change over time. As a company grows, acquires other businesses, is acquired by another business, enters new markets, or merges with another firm, its objectives and goals may be re-evaluated. Therefore, vision statements need to be modified as needed. Additionally, when the goals expressed in the vision statement are met, a new vision must be defined. In general, vision statements should be written to last for at least a few years (usually three to five years) and should be reviewed annually.

Consider the case of CVS CareMark, the second largest drugstore chain in America with 7,700 stores. The company's vision from 2007 to 2014 was to improve the quality of human life. The company not only changed its vision to "helping people on their path to better health," but also its name to CVS Health. In 2014, it went a step further by ending the sale of tobacco related

"It's my job as the CEO to ensure that we're positioning the company for not just short term success, but long term success," he said. "We're evolving into more of a health care company, and we're doing many things. We have 26,000 pharmacists and nurse practitioners who are helping millions of patients across the country everyday manage conditions like high blood pressure, high cholesterol, and diabetes—all conditions whose effects are worsened by the impact of smoking. It's a real contradiction to talk about all the things we're doing with people to help them on their path to better health, and at the same time sell tobacco

products in its stores—a \$2 billion reduction in revenue. With nearly 70% of smokers wanting to quit, the company is well-positioned to replace some of the tobacco revenue losses by becoming the retailer of choice for those seeking smoking cessation products and services. The president and CEO explained that the decision was the right one to make to show consistency with their long-term future and values:

After a company develops its mission, vision, and values statements, it is critical to live by them and own them. Otherwise,

they are as good as the paper wasted on printing them. The following example demonstrates the negative effect that results from the disconnect between what a company says and what a company actually does.

In 2013, rumors circulated that Wells Fargo employees in Southern California were engaging in aggressive tactics to meet their daily cross-selling targets, whereby they were opening accounts without the customers knowledge. Branch managers were assigned quotas for the number and types of products sold. More than 2,000,000 fraudulent accounts were opened. When the scandal broke in 2016, the damage was already done. The CEO was forced to resign, four mid-level managers were fired, and the bank was fined \$185 million. In reference to this scandal, Edward Lawler wrote:

"But carefully-crafted mission statements don't tell what the real culture is. What we know about culture is that it is determined by top management and supervisory behavior, not words. And clearly one of the key corporate behaviors that determines culture is what people see being rewarded and what they see being

Southwest Airlines Motivates Employees with a Purpose Bigger Than a Paycheck

If you're one of the 100 million passengers who fly Southwest Airlines every year, you might have noticed their award-winning service—happy, friendly employees who go the extra mile to satisfy their passengers. In fact, for many people, service is the principle reason they remain loyal Southwest customers. In recent discussions with Southwest executives, pilots, and

punished. What management says is much less important than what management rewards—and when what is said conflicts with what is rewarded, what is rewarded tells everyone what management genuinely believes, values, and wants.”¹⁴

In contrast, consider how Southwest Airlines’s culture becomes ingrained in the jobs that its employees do and is at the core of the company’s success:

REVIEW 2.1 Please assess yourself with this quiz.

Question 1 of 4

A _____ statement answers the question “what is our business,” whereas a _____ statement answers, “What do we want to become?”

- A. Value-vision**
- B. Vision-mission**
- C. Mission-value**
- D. Mission-vision**

Check Answer

