**Vision and Mission**

### *Setting the Course for Organizational Success*

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# Introduction

The concepts of vision and mission are often considered difficult to explain. Indeed, in much of the literature on these subjects, there is often no clear definition of one without mention of the other. The overlap between the concepts does not preempt their individual necessity or the need to develop individual statements of vision and mission when being applied within an organization. In fact, every organization can benefit from having well articulated, documented vision and mission statements and doing so becomes a predecessor to all other corporate strategic planning.

Just as an organization must begin its strategic planning by defining its purpose, understanding vision and mission statements begins with definition, continues with insight into the building blocks of successful statements and moves toward a framework for moving through the process for creation and communication. For an organization to become successful, it must first setup some method of evaluating and measuring that success.

## Definitions

Before creating effective vision or mission statements, each concept must be defined independently and then contrasted, considering the common similarities that often confuse their meaning and purpose. Mission statements have been defined in several ways. Bart defines the mission statement as a “formal document that articulates an organization’s distinct and enduring purpose” (Bart, *Health Care Management Review*, p.46). The author goes on to say that the statement answers the following questions: “why do we exist?”, “what is our purpose?”, and “what do we want to achieve?” In a separate paper, Bart adds that mission statements encompass “both the purpose of the corporation and its basis of competition and competitive advantage” (Bart, CA Magazine, p. 49).

Drohan defines the mission statement as expressing “an association’s reason for being, conveys the association’s identity, and articulates purpose, focus and direction” (Drohan, p. 117). He continues by adding that such a statement is meaningful and inspiring, serving to impart stability to the organization in the midst of change. Kotler adds that three characteristics are typical of good mission statements: they focus on a limited number of goals, they stress the major policies and values for dealing with customers, suppliers and employees, and they define the major competitive scopes that the organization will pursue (Kotler, p. 66).

Drawing from each author’s contribution, a comprehensive definition of mission statements would be, a formal statement of purpose that defines the purpose of the business, its competitive basis (products or services) and its major competitive scopes, including the focused goals of the company and its defining values.

Statements of a company’s vision differ primarily in breadth and in time. Whereas a mission statement is a timeless articulation of purpose and values, vision points to a time in the future when a certain, if broad, goal will be achieved. Bart defines the vision statement as “a goal that’s massively inspiring, overarching and long-term. Vision represents an emotionally driven destination” (Bart, *CA Magazine*, p. 49). Zuckerman and Coile write that the vision statement serves as a compass for organizational decision making over the next 5-10 years, noting that the statement “defines the domain in which it will operate, specifies its customer relationship, and details the strategic direction of the company” (Zuckerman and Coile, p. 295). Bert Nanus, writing in Hickman’s compilation defines vision as “a beckoning symbol of all that is possible for the organization – a shining destination, a distinctive path that no other organization is likely to have, even one that may be in the very same business” (Hickman, p. 231). Vision creates a common identity, provides a worthwhile challenge and energizes the entire organization towards making the future a present and meaningful reality.

Comprehensively, vision is a statement of the organization’s long-term goal that inspires a visceral emotion and inspiration throughout the organization, creating a common identity and challenge that energizes everyone towards making the future a present and meaningful reality.

Contrasting mission and vision leads to the following comparisons:

* Mission statements are timeless, while vision statements point to a long-term goal (5-10 years or longer)
* Mission statements answer the question of “why we’re here?”, while vision statements answer the question “where are we headed?”
* Mission statements are never achieved while visions become reality and then must be redefined

Both types of statements are key parts of developing a successful strategic plan.

## Antecedents

Before an organization can create its vision and mission statements, it must understand itself and its environment, especially considering the need to create a viable business model that fits the marketplace. Coming to terms with these antecedents is the first step for the creation of organizational goals and overall strategic planning.

Every company has been established with a fundamental set of core values. These deeply held beliefs are most often formed without thought and are usually derived out of the personal characteristics of the founders. As Yearout, Miles and Koonce describe, a company “doesn’t so much create its core ideology as arrive at it through an organic process of self-reflection and action planning” (Yearout, p. 31). These values are unchanging and transcend immediate customer or market demands. The most recognized visionary companies are characterized by their “bedrock faith and uncommon passion” for what they’re in business to do (Yearout, p. 31). Articulation of these core values is the first step towards creating the company’s vision and mission statements.

Looking within the company to understand the core values naturally leads to an assessment of the organization’s internal environment. Management must have a firm grasp of the company’s strengths and weaknesses in order to create a viable strategic goal that is attainable. Without this introspection, the resultant vision and mission may have no relevance whatsoever to the actual possibilities that lie within the organization. Tools for internal assessment such as the SWOT Analysis (strengths, weaknesses, opportunities, threats) are adept at pinpointing areas of strength that should be included or weaknesses that need to be developed for long-term success of the overall vision (Drohan, p. 117).

An assessment of the external environment is the remaining precedent for creating viable vision and mission statements. Models such as Porter’s Five Forces assist in assessing the various environmental influences on the organization, including the rivalry among existing firms (industry competitors), the threat of new entrants (potential entrants), the bargaining power of suppliers (suppliers), the bargaining power of buyers (buyers), and the threat of substitute goods or services (substitutes) (EL-Ansary, Porter’s Five Forces Model). Researching the external environment and the conditions in which the company is operating will have a profound effect on the goals that the company can hope to achieve in both the near and long term.

## Processes

Once the organization has gone through the steps of articulating its core values and of assessing the internal and external influences on the organization, creation of the vision and mission statements can begin, often with both statements completed simultaneously. However, the development of each remains a separate task considering the difference in style and scope that each statement encompasses.

Zuckerman and Coile give an example of a typical vision statement creation process for mid to large-sized companies, with the caveat that every organization follows a somewhat different path.

1. Planning staff gathers input about the vision from stakeholders through interviews and focus groups
2. Planning staff drafts a few alternative vision statements and presents to senior management
3. Senior management reviews the drafts and either selects a statement or creates a composite from the drafted suggestions
4. Planning staff makes changes and then holds cross-functional meetings to further refine the vision statement
5. Final version of the statement is presented for approval by senior management
6. Final version of vision statement is approved and ready for dissemination (Zuckerman, p. 298).

Yearout and Miles suggest that stakeholders from every level be involved in the process of creating and evaluating the vision statement. The greater level of involvement transforms the statement from a management directive into an inspiring part of corporate culture that all involved feel tied to because of their input. This also lays the groundwork for setting strategic goals within every level of the organization, which will of necessity follow after the process of formulating the vision and mission statements (Yearout, p. 31-32). The goal of this step is to create a vision statement that captures the imagination and inspires creativity within the organization’s stakeholders to push the company towards making the vision become a reality.

The typical process for creating a mission statement follows closely with that of the vision statement. However the goal is very different. The mission statement should be a timeless, inspiring statement that captures the organization’s core values, speaks to its core competencies and competitive scopes in a way that allows it to become a decision-making tool long-term. Management should be able to use the mission as a sort of litmus test, by which projects and strategic decisions can be evaluated. Again, a greater degree of stakeholder involvement in the creation of the company’s mission, the greater chances for acceptance and overall success. The wording of the final statement should be free of jargon and reflect a bias towards action (Zuckerman, p. 301).

The final stage of the process for creating the organizational vision and mission statements is communication of the final statements. This all-important last step takes the vision and mission and transforms it from a distant dream without a connection to today’s reality into a viable, realistic goal to be reached through motivated effort and teamwork.

Walinskas suggests the following components be made a part of the communication process:

* Communicate the vision and mission along with an explanation of “why” the change is necessary
* Repeat the statements often and in many ways
* Be sure the statements are action-oriented and specific so that stakeholders can “touch” the statement
* Utilize varied media to be sure that every person and type within the organization is reached with the new message
* Stimulate emotions in both the wording and in presentation
* Empower the employees to participate in the change, instead of just be carried along (Walinskas, p. 22-23).

In addition, management at all levels should find a way to “live the dream” by making the values and vision embodied in the statements a part of their everyday work and lives.

The following framework illustrates the process of creating the vision and mission statements from beginning to end:

**Communicate**

**Vision**

**Assess Organization**

**Articulate Core Values**

**SWOT**

**Analysis**

**Porter’s**

**Five Forces**

**Write down the core values**

**Mission**

**Timeless, inspiring, why we exist**

**Sparks creativity, long-range goal**

**Live the**

**Dream**

**Step 1:**

Management must understand and then document the core values of the organization

**Step 2:**

With both internal and external analysis, management must assess the organization’s strengths, weaknesses and opportunities for growth

**Step 3:**

Simultaneously or separately, the vision and mission of the Company can be articulated, based on the core values and the opportunities that are available to the organization

**Step 4:**

Communicate the vision and mission and integrate them into daily processes and decisions. Management and employees must move towards making the dream a reality; “live the dream!”

## Consequences/Outcomes

The logical outcomes of articulating the organization’s vision and creating the mission statement can lead to greater operational effectiveness, as well as prepare the organization to move into strategic planning cycle. No strategic decisions can be made until the organization understands why it exists and where it is headed. Bart specifically states several key outcomes of defining a well-formulated statement of vision and purpose:

* Helps the organization identify and focus on its core competencies and to deal more effectively with periods of dynamic change
* Guides the allocation of scarce resources, promoting both effectiveness and efficiency in operations
* Positions the company to respond to changes in the market and external environment by re-focusing the organization on its redefined purpose
* Tempers the effects of decreased employee morale by inspiring and motivating unit members to commit to the organization’s goals (Bart, Health Care Management Review, p. 47).

## Case Study

Ford Motor Company provides an historical example of the high cost of success when vision and mission are not clear for an organization. At its inception, Ford had a vision of “democratizing” the automobile and making it available for all Americans “making a good salary…” However, once the vision was accomplished, Ford did not respond to its market and quickly lost a large portion of its market share to its upstart rival, General Motors. However, while Ford had spent a great deal of time pursuing its vision, it had never articulated its mission and purpose for being in business. As a consequence, the organization could not look to its mission statement to provide stability and direction once dynamic change in the marketplace occurred. Vision and mission must both exist for an organization to remain viable over time (Hickman, p. 246-247).

## Conclusion

Examples abound that show the key part that pertinent, well-formulated vision and mission statements play in the overall strategic planning process of an organization, as well as in its daily decision-making tasks. By including as many stakeholders, including top-level management, middle management, front-line employees and to some extent the opinions of customers and suppliers, senior management can ensure that it creates a statement of purpose that is consistent with the company’s core values and core competencies. In addition, by assessing the company’s external and internal environments, an inspiring, viable vision can be cast, which can serve to lead a company and its greatest resource, employees, through unbelievable obstacles in reaching its goals. To know who you are, what you believe, and where you are headed are some of the most basic questions that a company must answer if it will be able to survive the turbulent, dynamic change that characterizes the marketplace of the 21st century.

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