

## **Mission Statements – Sometimes Not So Daft**

As reasonably down to earth Midlands manufacturers, you would expect that we should have little truck with “mission statements”.

After all, we all know what our business is, and why we do it – to make money through selling goods and services that customers want to buy. Mission statements are surely only for big companies with too much time on management’s hands. Otherwise reputable companies performing linguistic gymnastics in an attempt to articulate the obvious.

Mission statements optimally include: where the organisation sees itself in the future, the business area(s) which the company believes it is in, its distinctive competence / capability therein, and its essential values / philosophy. It must also be succinct if customers and employees are going to get the message in one.

However, the result is often so anodyne as to have no meaning or effect at all. Invensys’ strategy, for example, is a classic, but by no means unique, example: “To achieve sustainable growth, a company needs to provide world-class products, services, and solutions, but it must also promote trust with investors, business partners, employees, and the general public.” **(Note 1)**

One might argue that the mission statement of a diverse group will always be a bit of a compromise. Surely it must be more straightforward when a business is relatively focussed - for example, a supermarket. Well, Sainsbury’s also tries to tick all the boxes, but ends up with something sounding like the Boy Scouts Promise:

“Our objective is to meet our customers’ needs effectively and thereby provide shareholders with good, sustainable financial returns. We aim to ensure all colleagues have opportunities to develop their abilities and are well rewarded for their contribution to the success of the business. Our policy is to work with all of our suppliers fairly, recognising the mutual benefit of satisfying customers’ needs. We also aim to fulfil our responsibilities to the communities and environments in which we operate” **(Note 2)**

Dib dib dib! But hardly a compelling siren call to pop into your local Sainsbury’s.

Professional firms are relatively new to the world of marketing and it sometimes shows. Avoid hostages to fortune. Global accountancy firm Ernst & Young claims a core value of having “People who build relationships based on doing the right thing” (Note 3) Excuse me, is this the same Ernst & Young that a judge recently banned from accepting new audit clients in the United States for six months, because it violated Securities and Exchange Commission rules on auditor independence? (Note 4)

Worse, some lose the plot altogether. Marks & Spencer’s stated mission in its 2004 annual report – at least until very recently - was “Making aspirational quality accessible to all” (Note 5). What’s that all about?! I’m afraid that it has all the signs of something that was dreamt up in an offsite meeting by top management which has simply lost touch with what the business is truly about. (The stated vision that “Our vision is to be the standard against which all others are measured” (Note 6) isn’t much better in terms of obscurity and un-verifiability.)

So, are all attempts at “mission statements” doomed to be clumsy retrospective rationalisations of what a business is already doing? And in trying to send a “one size fits all” message, do all of the target audiences end up confused anyway, because there are natural tensions between their constituencies. For example, customers want the best value, but shareholders are more inclined to be into maximising profits. Employees usually yearn for security and opportunity, but business is more inclined to “right sizing”.

However, weak examples apart, the secret power of a well thought through mission statement is *clarity of purpose*.

The best mission statements show some evidence that they are the result of a disciplined strategy formulation process; or a *deep* understanding of why products / services are relevant to customers, and why the target customers should obviously prefer the products / services offered as opposed to those of the competition.

The pay off is that, by communicating your positioning and distinctiveness clearly, it becomes easier to sell your product; and your business becomes more effective, as employees identify with that which it is absolutely essential to get right.

There are also benefits for business decision – making in general. As well as becoming the basis of “tag lines” in advertising, packaging, etc, the mission statement can become a “filter” for resolving those bigger business issues which at first might appear marginal or difficult. Dilemmas can be tested against business purpose as articulated in the mission statement. Shall we invest in specialised plant for this customer’s new product? Should we offer an exceptional discount to gain access to this new distribution channel? Should we pay a little extra to hire this individual with this particular experience / skills? Does this potential acquisition truly enhance our stated business purpose?

Even if the proposition under review does not pass through the “filter”, it can trigger a useful re-evaluation of what the business purpose truly is, or has become. For while mission statements, in order to have value, must remain reasonably constant, that value is lost if it they become mere dogma. For example, if you find that you need to change your mission statement after two years, that may be perfectly sensible. If you need to re-state every two months, then that is a sign that you may not have grasped the essence of what your business is truly about.

There are plenty of good examples of mission statements. Dixons Group is simple and to the point: “Through all our brands we aim to provide unrivalled value to our customers by the range and quality of our products, our competitive prices and our high standards of service” (**Note 7**)

My own favourite is that of the Pret A Manger sandwich chain. It’s right there in the window. Pret A Manger ...“creates hand made, natural food, avoiding the obscure, chemicals, additives and preservatives common to so much of the 'prepared' and 'fast' food on the market today.” Customers can instantly recognise what makes the product attractive and distinctive; and employees and suppliers know what they must get right.

So, in summary therefore, some do’s and don’t’s in devising your business’s mission statement:

Don’t:

- Be glib; for example, by simply saying how wonderful your product or quality is
- Copy somebody else’s – you need to be you, and not someone else
- Bother if you are not inclined to *deeply* probe into why customers should truly prefer your product or service
- Keep changing it

Do:

- Make sure that the statement makes clear your products’ positioning (eg economy / premium, product / package, standard / custom, etc) in the marketplace
- Prioritise customers’ perceptions over those of shareholders
- Learn from others’ mistakes
- Ensure that you believe in your message

You may be surprised by the effect on your clarity of thinking, and on your employees’ understanding of what you want them to achieve. Indeed, there is some research evidence that there is a positive relationship between comprehensiveness of a mission statement and business performance (**Note 8**)

For those who find the above all a bit much, but still want something with all the buzz words, all I can do is to refer you to:

[http://www.dilbert.com/comics/dilbert/games/career/bin/ms\\_noun.cgi](http://www.dilbert.com/comics/dilbert/games/career/bin/ms_noun.cgi);

which is the Dilbert Mission Statement Generator! It has all the management-speak required to cut and paste a portentous sounding statement but without diminishing vacuity.

And here's hoping that, if you have an existing mission statement, it is relatively Dilbert-free!

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Note 1 <http://www.invensys.com/us/eng/aboutus/ourstrategy/ourstrategy.htm>

Note 2 [http://www.j-sainsbury.co.uk/ar\\_2004/pdf/JSains\\_Report2004.pdf](http://www.j-sainsbury.co.uk/ar_2004/pdf/JSains_Report2004.pdf)

Note 3 [http://www.ey.com/global/content.nsf/International/About\\_EY\\_-\\_Values](http://www.ey.com/global/content.nsf/International/About_EY_-_Values)

Note 4 <http://news.bbc.co.uk/1/hi/business/3636559.stm>

Note 5 <http://www2.marksandspencer.com/thecompany/whoweare/index.shtml>

Note 6 <http://www2.marksandspencer.com/thecompany/>

Note 7 <http://dsgportal01.dixons.co.uk/wps/portal/dixonsURL>

Note 8 "Mission statements: is it time to shelve them" Jatinder Sidhu, European Management Journal, Vol 21, No 4 2003, pp 439-446