

Making a Statement

BY MARGARET REYNOLDS

Mission, vision and strategic position statements should guide your business.

More often than not, once completed, mission and vision statements rarely are referred to again except in the annual shareholder or employee meeting. And because they often are so generic, they do not relate to the day-to-day business of the organization. Many times, they include everything and exclude nothing. So are they necessary? They can be worth their weight in gold if done properly and used as meaningful management tools to guide the business and to evaluate strategic choices.

Mission and vision statements ideally are crafted when the business is started and updated about every five years. They are the longest-range component of an organization's strategic direction.

Mission Statement

The mission statement provides the starting point of strategy by defining why the company exists. It often includes the description of customers serviced, products and services offered, specific customer needs satisfied and may even provide insight into what extra value the organization provides. The content and the length of the statement are up to you. However, if it isn't meaningful in guiding behavior of the organization, it is not very valuable.

How many times have you seen a mission statement that goes something like this: "We are the global leader in providing the highest quality widgets, with unmatched value and superior customer service, earning industry leading returns for our stakeholders."

The biggest mistake companies make is crafting statements that are too generic and don't provide any guidance when it comes time to making decisions between two viable strategic options.

Contrast the above statement with NASA's mission statement under the Kennedy Administration. "Within the decade, it is our mission to land a man on the moon and return him safely to earth."

What one can imagine, one can often accomplish. But first you must be sure what it is you are trying to achieve. Why don't more businesses get as specific as NASA? They often aren't confident in their abilities or direction. "What if we can't get a man to the moon—is Venus okay?" "What if we don't have the technology or skill set to achieve our mission?" Or, "What if we decide we don't want to go to the moon?" A mission statement should be strong enough to guide strategic decisions, but flexible when external and/or internal forces dictate change. Developing a clear picture of the future is one of the toughest parts of strategy. It requires vision, creativity, resolve and a good understanding of what is possible.

Vision Statement

A vision statement also is a long-term strategy statement. It is a picture of the organization in the future and often describes what will be different as the company realizes its mission. Usually, it takes an external view of how the company wants to be perceived by the world.

Apple Computer's vision is to change the world through technology. With the creation of the iPod, Apple is changing the way we access and listen to music. The effort they put into leadership design of computers attracts the exact audience they are looking for. Ask the graphic designers and ad agencies of the world whether they use Macs or PCs. They are loyal Mac users because Apple makes their work easier, and they feel more creative using a Mac.

Strategic Positioning Statement

There is one more strategic statement that is critical to defining your company's overall direction—the strategic positioning statement. This tool describes the dimension on which you will differentiate your business. It answers

the question of why your customers should choose you, and implies that you will exceed your competitor's performance in that area. This concept may be illustrated best in Jim Collin's book, *Good To Great*. He suggests every great company has defined what they can be "best" at. He recommends that a company focus on what they can get passionate about, as well as what they have the capabilities to be "best" in.

Here is an example. Walgreen's chose to be best at being a convenient drug store. They pursued a location strategy that clustered stores by convenience and pioneered technology that added convenience. Walgreen's outperformed the stock market by more than 15 times from 1976 to 2000.

Meaningful Statements

So how do you know if you have effective and meaningful statements? Answer two questions:

1. Can this statement apply just as well to a different company? If yes, it is not specific enough to describe your business in a meaningful way.
2. What should we stop doing? If the statement doesn't reflect a clear choice and cause you to evaluate where you should and shouldn't be investing your resources, than it is not an effective management tool.

Mission, vision and strategic positioning statements can be powerful management tools, but too often they are poorly executed and ineffectual. Just like anything else, they will reflect the effort that goes into them. The result and the value are up to you.

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implement what they don't know or understand. Employees will be your first communication point, but share your strategy and intermediate goals with suppliers and customers too. They're a great source of innovation, but before they can partner with you they must know where you're going.

- Make it live. A written plan is barely worth its paper if it's just put on the shelf and forgotten. It must be a valuable tool for all key managers every day. It needs specific interim actions for each goal with performance expectations, dates and accountabilities. If your plan is being used, you'll know it. Walk around and see if employee copies are dog-eared and coffee-stained. Find ways to keep the message in front of them (e.g., put the

strategic slogan on business cards or office mugs, and have regular updates on progress toward goals).

- Walk the talk. Don't just talk strategy—live it. If employees sense a lack of commitment, or if behavior conflicts with the plan, there's little motivation to follow it. And if the plan brings change, a leader is just as likely as other employees to revert to old habits. However, it is more detrimental when leadership deviates from the plan because all eyes are watching. Ask a trusted colleague to let you know if you slip, so you can quickly get back on track.

- Make planning a dynamic process. This isn't a once-every-five-years process. Markets can change overnight. A competitor can dis-

appear. A new regulation can alter how you do business. If assumptions change, revise the plan accordingly. Several times a year assess performance against the action plan and re-evaluate key assumptions.

If your strategic plan is a living, breathing document that you and your leadership team visit regularly, you will have a significant advantage in navigating challenges and be well on your way to success.

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