

Why Mission Statements are Important

A White Paper from AchieveIt

Every organization needs to define its fundamental purpose, philosophy, and values. The mission statement answers the basic questions of why the organization exists and describes the needs the organization was created to fulfill. Without the guidance of a mission statement, programmatic priorities are difficult to establish.

Mission Statements: Finding Your Purpose:

A sturdy mission statement articulates the company's purpose and the motivations for doing its work. Be careful not to confuse purpose with company goals or strategy. Many business leaders often get stuck in identifying a purpose and end up describing the services or products the company offers. A great tool to use is the "Five Whys."

“ Using the “Five Whys:”
Start by asking the question, “Why do we make a certain product or provide a certain service?” Then ask “why” four more times, answering each question with a question. ”

After five rounds of “why,” you will find yourself able to describe the reason behind

your company's existence in just one short statement. This is your organization's fundamental purpose. The purpose then gets drafted into the company mission statement. Mission statements should be brief. How brief? Eight to 10 words at the most. If it takes lengthy paragraphs to explain the purpose of your organization, how can you possibly hope to convey the essence of why you exist to your own employees, much less to your customers – who don't know the inner workings of your organization nearly as well as your own staff? Disney's mission statement is simply, “To make people happy.” If the company's mission had been to make the world's highest-quality animated films, none of us would ever have had the pleasure of visiting a Disney theme park or taking a cruise on Disney's Big Red Boat.

To illustrate the importance of mission statements even further, in 2000, Memorial Health in Savannah, Georgia, adopted a five-word mission statement: “We help people feel better.” The mission statement was the foundation for its vision to be one of the top 100 healthcare providers in the country and one of the top 100 employers. By developing a strategy to move from mission to vision, and driving the mission into everything that the organization did, the organization rose to dominate the local healthcare market, while being named by Thomson Reuters as one of “America's Top

100 Hospitals” and by Fortune magazine as being one of the “100 Best Companies to Work For.”

The organization's mission and values need to guide and inspire those within the company. Why not outsiders? Shouldn't a company's mission attract new business and flashy press? The people inside the organization will be the ones committing to your vision for the long term, so it is important they believe in your company's mission and live the values in their daily life. If the mission and values are dynamic and well-written, your company will attract others who believe as you do.

Creating a mission statement from scratch is tough work, and it requires planners to strip away all the extraneous organizational “stuff” and hone in on the purity of the company's existence.

This is Why it is Important:

The mission statement also provides the basis for judging the success of an organization and its programs. It helps to verify if the organization is on the right track and making the right decisions. It also provides direction when the organization must adapt to new demands. Attention to mission helps the organization adhere to

its primary purpose and serves as a touchstone for decision making during times of conflict. The mission statement can also be used as a tool for resource allocation. A powerful mission statement attracts staff, donors, volunteers, and community involvement.

For instance, the mission statement of Liberty Health in Jersey City, NJ, is: “We enhance life.” The mission statement of Harley Davidson is: “We fulfill dreams through the experience of motorcycling.”

As you see from these two mission statements, mission statements are as varied as the organizations they serve. However, all mission statements will broadly describe an organization’s present capabilities and activities.

The difference between a mission statement and a vision statement is that a mission statement focuses on the organization’s present, while a vision statement focuses on what the organization hopes to achieve in the future.

Every organization should have a mission statement, both as a way of ensuring management alignment and to serve as a baseline for effective business planning.

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