How To Define Your Company's Mission, Vision, and Values

For many organizations, planning is an exercise in establishing big goals, creating a plausible and tangible roadmap for achieving them, and then executing the plan with relentless focus and precision. This alone has been the hallmark for nearly every great company born from the womb of American business and industry. It is also the reason why many become stagnant or fail.

The organizations that don't find success aren't following this three-step design:

1) Establish a vision

2) Create a roadmap

3) Execute with precision

Oftentimes the difference between success and failure rests not with the ability to plan and execute, but with the vision statement itself. Vision statements unclear in their expected outcomes, weak in their portrayal of the future, or – as happens more often than you might think – have already been achieved, are all causes for planning processes to move toward a culture of status quo.

For instance, a Southeastern U.S. organization established a vision in the late 1990s of becoming the market leader in its industry in a two-state region, which was its primary market area. Having achieved that distinction in 2005, it should have recast its vision statement to something bolder and grander. Instead, the company kept planning around a vision that had already been accomplished. Instead of trying to achieve something great, the organization developed a status quo mentality, merely trying to maintain its market position. It was of no surprise that by 2010, this organization had fallen from its market leadership perch. A vision of staying where you are is no vision at all.

The Company's Core: Mission & Values

To ensure you draft a lasting vision statement, your company mission needs to be broken down into two parts: a succinct statement of purpose and core values.

> " Ask yourself the following questions: Why does this company exist? Why do we come to work here every day and do what we do? "

Successful organizations will be exposed to endless adversity: market cycles, technological advancements, and leadership transitions, to name a few. It is of the utmost importance to have a strong mission statement in order to ground and guide the company during troubled times. It is equally important the mission statement focus on the company's core reason for being, not on the products or services it produces. Organizations that have weathered dramatic market shifts usually do so by embracing its mission while changing market offerings.

If IBM's mission were to make the world's best tabulating and accounting machines, it would certainly be out of business by now. This company has had a variety of product lines over the years, including mainframe computers, floppy disks, airline reservation systems, automated teller machines, and computer operating systems. Today, IBM consulting services account for more than 50 percent of the company's revenues. While the company's mission statement is a bit wordy, it nonetheless focuses on why people work at IBM, not the products and services IBM produces:

IBM's Mission Statement

"At IBM, we strive to lead in the invention, development, and manufacture of the industry's most advanced information technologies, including computer systems, software, storage systems, and microelectronics We translate these advanced technologies into value for our customers through our professional solutions, services, and consulting businesses worldwide."

Imagine a hospital whose mission statement focuses on caring for the sick. With healthcare quickly moving toward a payment

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system that rewards hospitals for keeping people well, how does an organization address this new market dynamic? Many healthcare organizations are holding onto mission statements that box them into treating illness and disease rather than improving the overall health of their communities.

Your organization's mission statement, as important as it is, should be bolstered by a set of core values. These core values are a set of guiding principles; statements that require no external justification. Values need to be nurtured out of the company's belief in its inherent worth, not in an effort for monetary gain. Ralph Larsen, the former CEO of Johnson & Johnson, put it aptly when he once said:

> **The core values embodied in our credo might be a competitive advantage, but that is not why we have them. We have them because they define us for what we stand for, and we would hold them even if they became a competitive disadvantage in certain situations.**

What if the global markets collapsed tomorrow and you were forced to start your business over in a completely different economic environment? If it wasn't advantageous anymore to have a value, would you still keep it? If you cannot honestly answer, "yes," then the statement is not a core value. As an example, The Walt Disney Company has held its set of values for more than 60 years; their credo of nurturing wholesome Americana, fostering creativity, and holding imagination above all else continues to drive

their multi-billion-dollar empire.

Most companies have between three and five core values. Try to limit your own to this number; any more, and the core values become confused with best practices or business strategy. A great way to clarify your values is to ask the most important question: Do our values stand the test of the time? In 60 or 100 years, do we still want to have these same values?

Keep in mind the values that hang on the boardroom wall are often different from the values lived daily within your organization. The gap that exists often causes great organizational distress, as employees are told that the "boardroom values" are ultimately most important, but what they witness through their daily interactions with colleagues and management tells them something else. It is for this reason you should periodically survey your employees on the company values that are 1.) most critical to the organization, and 2.) lived daily by the people who work there. Compare the results of these two questions with the values the organization ascribes to in its formal corporate documents.

If there are gaps between any of the three categories – 1) Values critical to the organization, 2) Values lived by the organization daily, and 3) Values the organization has officially adopted – then a cultural problem exists within your company.

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