

# **Creating a Mission Statement**

The development of a mission statement is a critical component to any organization, and the fundamental step in the strategic planning process.

#### **Reasons for a Mission Statement**

- **Promotes unity**—A well-written and understood mission statement can rally the organization around a core set of values and reasons for being. Focusing on the most important purposes of an organization brings clarity to expectations.
- Helps allocate scarce resources—No organization has all the resources it could use, whether financial, environmental or human. Resource allocation decisions are among the hardest, but linking those decisions to an organization's mission makes them more reasoned and defensible.
- Helps move ideas to action—Undertaking the strategic planning steps of goal setting, developing objectives and defining measures are impossible without the critical step of defining the mission. This applies to the organization as a whole as well as to subunits and individuals.
- Establishes culture—An organization's culture emanates from the entity's mission and from its leaders. Acceptance of an organizational mission statement can ease the task of modifying organizational culture and help overcome resistance to these changes.

#### **Characteristics of a Mission Statement**

- Elicits an emotional, motivational response in employees—The rank and file should be able to identify with the mission statement, using it to make decisions and focus their energies.
- Should be easily understood and be transferred into individual action—The
  mission statement should be a practical tool to allow employees to see how their
  part of the organization relates to the greater whole of the mission.
- Is a measurable, tangible goal—Employees, managers, shareholders and others should be able to measure the organization's performance against its mission. Lofty missions are less effective than measurable, quantifiable ones.
- Is rooted in the competitive environment—Each organization is in competition for something. Measuring the competition and linking your mission statement to competitive advantage works.

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A mission statement should evolve by building the answers to three vital questions into the mission statement.

- 1. What is our most significant market? Whom do we serve? Who makes our business worthwhile? Which part of the market is our target?
- 2. What is our contribution to the market? What value do we add to the customer's life and work?
- 3. How do we rise above the competition in making that contribution? What distinguishes our product or service from our competitors?

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