

# Mission Statement

## Introduction

This item describes how to develop a mission or vision statement for a business. It explains why this is important and the process you can use. By working your way through the initial thinking process and then the creative process, you will develop a mission statement that communicates to your customers and motivates your employees.

## What it is

A mission or vision statement is a statement that provides a signpost of where your business aims to be in the future.

Your mission or vision statement has to do two things:

- It should explain to customers and other stakeholders what business you are in
- It should be motivational and provide a shared sense of purpose. This helps to create a focus for the efforts of all your employees and managers

Mission or vision statements have become common in large organisations, although some are not as effective as they might be. They can also help the smaller businesses by providing a direction for its growth and development plans. Here is an example of a mission statement which has not changed since the company, Newport News Shipbuilding, was founded in 1886:



'We shall build good ships here – at a profit if we can – at a loss if we must – but always good ships'. (Quoted in Drummond, G and Ensor, J., (1999). Strategic Marketing: Planning & Control. Oxford: Butterworth-Heinemann)

## Why it is important

An old saying has it that if you don't know where you are going, it doesn't matter which road you take. A mission or vision statement acts as a clear signpost to the future and provides a valuable focus to all those who are interested in the business – customers, employees, financiers, owners and even suppliers.

Once you know where you are going as a business, you can start to define relevant strategies. This significantly improves your chances of success as a business. Your managers and employees will be more effective in interpreting the respective roles of other people in the business and they are more likely to cooperate.

**What you need to know**

A mission statement is not the same as an objective.

Mission statement	Objective
Business has only one	Business may have many, usually as 'stepping stones' consistent with the mission
Not usually quantified	Usually quantified, e.g. to increase market share to 5%
Time not specified or is only loosely defined	Specific time limit
Directional rather than specific	Is achievable and measurable

What makes a successful mission statement? A good statement should:

- Provide future direction
- Be realistic, and therefore believable by both customers and employees
- Be outward looking and contain a clear customer benefit
- Be motivational, by embodying the challenge and rewards

**What you need to do**

The creation of a mission statement comes as the start of the process of defining where your business is going and how you are going to get there. To create a mission statement, you need to answer four questions:

- What business are you in?
- What are your business aspirations?
- What key words describe how the product or service will be delivered?
- What is the best way to express our mission?

**1. What business are you in?**

The first step is to be clear about what business you are in. This may seem obvious but is actually one of the most difficult questions that you are likely to encounter. For example, is an hotel in the business of:

- providing food and accommodation?
- providing holidays?
- providing leisure breaks?
- providing facilities for training events?
- enhancing personal well-being?

Many firms initially define their business in terms of the products or services that they provide, for example a butcher (seller of meat), a baker (produces bread) or a candlestick maker (makes candlesticks). However, in defining the business domain in which you operate, it is better to focus upon the customer's need that you are fulfilling. This will ensure you remain focussed because\* You are in business to solve a specific customer problem by meeting a need.

\* The ways in which that problem or need can be fulfilled could change over time. If you do not recognise these changes, your customers will be attracted to the other alternatives.

The table below shows the differences between product/service and customer based definitions:

Business	Type of business Product/service offered	Type of business Example of customer need met
Garden centre	Sells plants & accessories	Sells beautiful gardens
Courier	Sells transportation	Meets delivery requirements
Drill manufacturer	Makes drills	Sells the means to make holes
Tourist information centre	Provides tourist information	Sells a hassle free visit to local leisure and entertainment facilities



When you are defining what customer needs you are meeting, it is important not to be too narrow or too broad in your definition. If you are too narrow, you may reduce the size or shape of the playing field on which you will compete in the future. Equally, if you are too broad, you may suffer from lack of clarity. Your definition must take on board the business' ability (resources and skill) required to deliver and compete in meeting these needs.

Continuing with the example of an hotel, the mission statement could be:

'We will provide all our guests with high quality accommodation, superb food and excellent service'

This explains what the owners want to deliver. But what does it say about the customer benefits the hotel is providing for? 'Quality accommodation, superb food and excellent services' are all what the hotel is providing rather than the customer benefit. So, this version of the mission statement could be improved by defining it in terms of one or more customer benefits.

### 2. What are your business aspirations?

You can define your aspirations for the business

- in financial terms – for example, 'the business will double profits every five years'
- in market terms for example, 'the business will become the market leader'

However, neither of these is really customer-driven or motivational. They are less likely to motivate employees or fill them with a collective sense of purpose. It is better for these aspirations to be written in terms of the customer groups you will serve, the needs that you will address, or the method by which you will achieve this.

Using the hotel as an example again, we could say that the services on offer are geared specifically towards guests looking for a relaxing break:

'We will provide such a relaxing stay that our guests will want to return'

This defines the customer benefit (relaxation) and, by implication, the target customer group. It would distinguish the hotel from another that is targeting, say, guests looking for a family holiday or a fully equipped venue for a business activity weekend.

### 3. What key words describe how the product or service will be delivered?

The words you use in your mission statement should relate to the customer in a language they would recognise, understand and value. In the example above, we have used the words 'relaxing' (recognisable as a benefit) and 'guests' (rather than customers or clients).

In developing your mission statement, consider how such words will add vitality and meaning to your vision of the future.

### 4. What is the best way to express your mission?

Now you are ready to create a number of possible mission statements using the thoughts you have gathered in answering the previous three questions. Here is an approach designed to get you underway if you are not sure where to start.

- Start off with the words 'We are in the business of ...'
- Describe the type(s) of customers or customer group(s) you will serve
- Describe the customer need you are satisfying or the customer benefit you are providing
- Describe what you are doing or providing to meet that need



For example,  
 'We are in the business of re-energising (benefit to the customer) tired and stressed people (customer group) by providing a relaxing stay in a peaceful location with healthy food and exercise (what you are providing).'

The result contains the essential ingredients but is a little clumsy so you may want to polish it.

Then you can evaluate all the statements you come up with using the following criteria, rejecting all that do not pass the test.

- It provides a view of the future
- It is credible to both customers and employees
- It is outward-looking and contains or implies a clear customer benefit
- It is unique to your business, embracing what you are good at

The table below illustrates how a number of mission statements for our hotel are evaluated against these criteria:

Mission Statement	Future	Credible	Outward	Unique
We will provide all our guests with high quality accommodation, superb food and excellent service	x	?	x	x
We will be the preferred choice in Hightown for guests looking for high quality accommodation, superb food and excellent service	x	✓	x	x
We are in the business of reenergising tired and stressed people by providing a relaxing stay in a peaceful location with healthy food and exercise	x	✓	✓	✓
We will re-energise tired and stressed people by providing a relaxing stay in a peaceful location with healthy food and exercise	✓	✓	✓	✓

It can be seen that, in this example, the final statement meets all the criteria. This does not mean that this is the best, or indeed the only, mission statement. In fact, it is worth working up a number of statements that all meet the criteria.

This is a useful point at which to involve your employees in the process. They will be key in making the vision a reality and should feel that they wish to contribute to it. They should all be encouraged to evaluate the statements as a whole, as well as the key words or phrases they feel provide the most realistic and dynamic signpost to the future.

From this discussion a clear mission statement should emerge - one that motivates and involves everyone in the organisation.



### What to do now

When you have come up with a statement you are happy with, take it to the world. Every time you mention it to customers and others, you are not just reminding yourself of what your business is all about but also reinforcing your commitment to make it happen. Here are some simple tips to remember:

- It should be communicated consistently to everyone within the business and reinforced by action, not just words, at every opportunity
- You should do nothing that will compromise it. To do that would be to dilute the business' purpose. And without clear purpose, the direction of the business becomes less certain and the effectiveness with which it progresses will be retarded
- You should measure how well the business is performing to the values and in the direction stated in the mission. You should communicate this at regular intervals

You have now laid the foundation of a marketing plan or strategy. You can now move on to set objectives (specific steps on the way to realising your aspirations) and define your marketing activities.

### Where to find out more

For more information on deciding what your marketing activities need to be to realise your aspirations, take a look at the 10-minute Marketing Mix.

For more information on how to use your mission statement to promote your business, take a look at 10-minute Promotional Mix

If you want to proceed with marketing planning, there is a Marketing Planning tool available and this can be found in the Knowledge Hub [www.cim.co.uk](http://www.cim.co.uk).



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