

Mission Possible: Six Questions Your Mission Statement Should Answer



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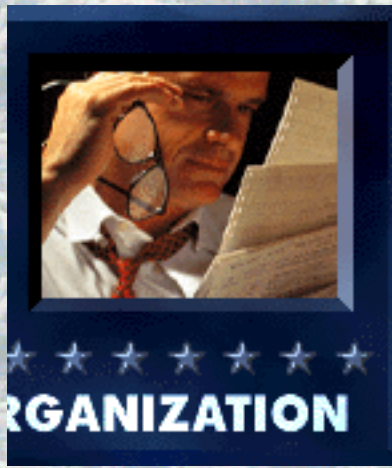
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By John M. Collard

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Mission Possible: Six Questions Your Mission Statement Should Answer

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When was the last time you read your company's mission statement? What did it say to you? More importantly, what does it really convey to others? Thousands of businesses have mission statements, but few have mission statements that serve their intended purpose. Where is your company going? What does it do? These words are supposed to inspire and guide you and your employees every working day and hour, whether your business is coming up ahead, lagging behind, or just sitting in the middle.

Yet all too often, a mission statement comes up short; it may say something nebulous such as, "The mission of our company is to provide excellence and quality for all of our customers." While these ideals are fine, they are basically expected. Most managers acknowledge that the company that they work for is going to want to provide excellence and quality for all of its customers. The words do not

give constructive guidance to management and professionals in their daily work lives. And a customer reading such a plaque over the receptionist's desk doesn't really get a feel for what the company does or why it is different from its competitors.

The role of the mission statement is to provide the planning team, management, employees, customers—all stakeholders—with an understanding of future growth directions. Somewhere in its body, it should include six components as highlighted below:

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1) *Product and its benefit to the customer: What do we do or provide?* What is the product line's breadth, attributes, and price and quality level (i.e. high-end vs. economy-version)?

2) *Technology: How will we deliver our services? What technologies are you using to deliver your services?* Using many technologies can increase your required investment in the business. However, there is a balance because complimentary technologies sometimes can be an indication of controlled flexibility, innovation, and lower manufacturing costs through economies of scale and a pooled labor force.

3) *Levels of vertical integration: How much will we do? Which customer needs will, and will not, be satisfied?* What degree of penetration will we use to satisfy the customer's entire need? Resources will not allow you to be all things to all people. Defining your boundaries will indicate where you need to develop new products, seek partners, or avoid competition.

4) *Generic customer needs: Why will they buy?* Defining generic needs will help you identify strategic alliances and marketing approaches that are more likely to be successful. If you can only supply a small portion of the total market need, you need to define growth areas.

5) *Market definition: Who will you sell to and where?* Define the scope of the market. This section allows you to develop different strategies to address multiple directions, yet accommodate your common goals.

6) *Distinct competencies: Why will they buy from you?* Differentiate yourself from your competition. Define and focus on those innovations and capabilities that give you an edge over your competitors. This will help you define where your highest profit and cash flow margins are and will indicate the areas where you may need to invest to maintain your advantage.

So, your next mission may be to write a new mission statement-or maybe not. Write us back with your thoughts on this subject.

Include comments on the insert card and mail it back to us. For more information on mission statements, contact John Collard at (410) 263-9100 or check xxxx on the reader request card, or visit <http://members>.

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Many thanks to John M. Collard, President of Strategic Management Partners, Inc. (Annapolis, MD), a transition management and corporate governance consulting firm, for assistance in writing this article.

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Supplement:

Lets take a look at a few mission statements, some of which you may recognize.

"We provide pick-up and on time delivery of important documents worldwide"

Very good. The service is one of delivery to a worldwide market. But not of all customer shipments, only that of small packages on an urgent basis. On time talks to the issue of reliability. While the specific of how is not discussed, it is implied that there is an efficient ground and air distribution network in place operated on a continuous basis.

"We provide systems engineering services to the defense department and military contractors"

Not so good. Systems engineering is a vague definition that omits any discussion of specific key deliverables, benefits to the customer, or differentiation from competitors who make the same claim. While at first blush the focus sounds direct, it really lacks focus, and implies a broad range of services, which in turn degrades credibility. Few small companies are an expert in all aspects of this large customers' requirements. Instead, limiting services to say logistics, satellite imaging, simulation modeling, you name it; provided to the BMDO, Air Force, Navy Air programs, etc. is much better.

"We provide unique application engineering, communications, and systems integration services to federal civilian agencies, departments of the armed forces, and commercial customers with needs in aviation command and control, avionics, and guidance systems"

Pretty good. When there is no definition of 'unique' [it sounds good], it leaves room to question credibility, and begs specificity. There is very direct focus at both customer and product or service offering, albeit at a broad level. It would be better if more limited [i.e.

to guidance and communications] offering(s) in this boundless high tech environment. The glaring omission here is the statement of why or how a provider can provide services to both the federal and commercial markets; the market needs and the approach to market and contracting are dramatically different. Small companies should address their niche and state why their product or service meets the needs of such a diverse customer set; when you can, the representatives of business will call you, if you can't, the phone just doesn't ring.

"At Dean Whitter, we measure our success one customer at a time"

Very good. Implies that the firm is successful and growing which gives credibility and encourages investors to come to them. They measure and therefore value success for their customers which is the customers desire, to increase the size of their portfolio. 'One customer at a time' strongly states focus on customer needs and servicing them are important.

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John M. Collard, a certified turnaround professional, is chairman of Strategic Management Partners, Inc. (SMP), Annapolis, Maryland. A past chairman of the Turnaround Management Association, Collard advises institutional and private equity investors, company boards of directors, and provides interim executive leadership. He has been advisor to President Clinton's National Economic Council, World Bank, European Bank for Reconstruction and Development, and Boris Yeltsin's Russian Privatization Agency. For more information about this topic, visit SMP's library on the Web at <http://members.aol.com/Strategist/library.html>.

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