

From Here to... Where? What is Your Mission?

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*From Here to... Where?
What is Your Mission?*

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By John M. Collard

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By John M. Collard

As trouble solidifies, it takes awhile for them to erode the equity. During this period, there is an absence

of direction, camouflaged by the facade that management knows where the company is going.

With the revelation that the company is in trouble and has no cash, there is a mad scramble to figure out why. Often, the focus of the management team was aimed in the wrong direction. Well, perhaps better stated, the company was allowed to proceed with no direction at all.

While in crisis, the immediate reaction is to 'stop the hemorrhaging,' cut costs, reorganize the balance sheet, hold the creditors at bay. In crisis, these tactics are necessary and mandatory for survival, *But what then?*

Stabilization tactics are short term in nature. What happens when the crisis consultant is through with his work? They frequently don't address the real need to rebuild the company so that it can stand on its own feet for the long haul. Why? Sometimes the driving force doesn't allow the time . . . if its the bank, they want to recover their investment . . . if its avoidance of litigation, this is akin to cutting the losses, you can think of other situations.

For the company to be truly viable, and create 'going concern value,' they need to build a solid management team that is able to generate revenues, keep costs in control, and manage bank and customer relations . . . here we go. But wait wait wait! Here we go again? All of this 'stuff' is great, but it sounds like the same old spiel. The real question is, Here we go where?

When this question wasn't answered in the first place, the company got off to a bad start. The management team signed the death warrant, and may not have known it. When the 'rudder' is left untended, only fate can guide the course of the company, and usually they end up on 'troubles reef,' wondering why.

Consider a novel idea, set a course with a high degree of probability of successful accomplishment, within allotted time frames, and stick to it. Setting such a course is an arduous task. It means work . . . and a lot of it. It means risk . . . someone, the leadership, needs to state which direction the company is to go in. Yes, someone must make a decision, but more importantly, have the conviction to follow it, and convince others to do the same. But which course, and how?

Why not consider a statement of our mission? NASA does when it sends man to the moon. Why? Because it is important to bring him back. That mission states . . . send a manned vehicle through space to arrive at and land on the moon, and then bring him and it back to Earth. At first it was to some a 'crazy' idea, but now a pole supporting an American Flag sticks in the moon's surface. Incredible . . . the mission was accomplished.

When a besieged company faces the abyss, is the challenge any greater? To those who have to overcome that challenge, it is on par with those who can send and recover man, and his objects, from space. Resources are scarce, or nonexistent. Direction . . . the which way will work, is in serious question. Why not take a lesson from those who have succeeded? This seems to work for me.

The role of the mission statement is to identify and provide the planning team, management, employees, customers all stakeholders with an understanding of future growth directions. It is a conceptualization, based on an appraisal of strategic alternatives. It provides an overview of the concepts of the business scope and direction, and furnishes a guideline for achievements in winning new business.

The process of developing a statement of mission is extremely complex and multidimensional, contrary to popular belief. Lets define mission. What is it? Why is it needed? Webster says "... a continuing task that one is destined or specially called upon to undertake ...," which implies direction, with a conviction. What's involved? What will produce the desired results?

The *Statement of the Mission* is a culmination of six components that will guide the company in a direction. Whether this direction is toward recovery, depends on the process of thought that goes into the preparation. The company can often be saved, if thought goes into it. On the other hand, the 'lick and a promise approach,' is still available.

Lets look at a template of how this would work. You fill in the blanks where the print in italics exists.

Our mission is to provide (*Specific Market Segments*) **with** (*Some Product or Service*) **because the** (*Customer Need*) **is being satisfied.** This begins to say something. It begins to address the needs of the customer, why he buys, when and where he buys. Now we're getting somewhere.

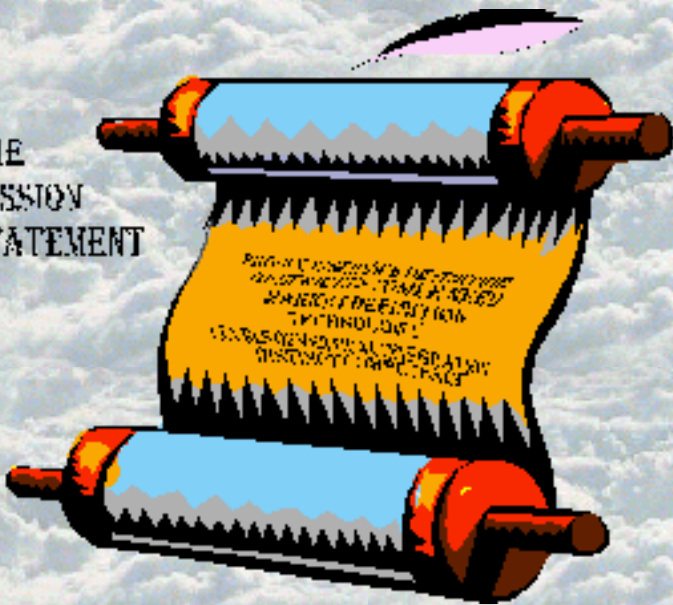
Only after developing a comprehensive matrix describing the relationship of the six elements, for each product or service offering, will we have properly completed our work. Surprise! You have a statement of direction that has substance. Some believe that developing a mission statement is perhaps the first step in the strategic planning process, some believe it to be the last, while others ignore both altogether. Running a company without proper focus is alot like driving a car while wearing a blindfold . . . in either case you are predestined to 'an abrupt end.'

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Elements of

Mission Statement

THE
MISSION
STATEMENT



Product/Service Definition -- What do we do or provide? We will offer *(specific products/services) that are positioned to (special benefit to be gained) and will be focused at (definition by line, scope, or positioning).*

Products and services should be defined in terms of how they are positioned to serve and benefit the customer. Include breadth of product line, attributes, price, quality level, product classification, and so on. How will you contribute to fulfilling the customer's mission? Limit the extent of the offering to focus on what you do very well.

Technology -- How will we deliver our services? We will use *(define technologies to be utilized) to provide our services.*

Choose which technologies, or combination thereof, you understand and are capable of offering; this is critical to setting an effective business development strategy. Here is where you begin to set the company's product apart from the competition, and from areas of business where you don't belong. Actually providing an array of multiple technologies can involve increased investment, and a risk of diluting effectiveness, commitment, and impact. Conversely, complimentary technologies can allow skill sharing economies of scale, controlled flexibility, and unique benefit to your customers.

Levels of Vertical Integration -- How much will we do? We will provide (*stages in the life cycle offering*) **designed to support** (*degree of penetration to satisfy the customer's entire need*). You can't be all things to all people, resources will not allow it, not to mention, it's just plain not good business sense.

Define which elements of the customer's requirement will, and will not, be satisfied. This effort will indicate where you need to develop new products, seek partners, or avoid competing. Plan how products and services will support changing customer dynamics, and how you will stay abreast.

Generic Customer Need -- Why will they buy? Our products and services will satisfy (*what important customer demand or necessity*).

What is the customer trying to accomplish? By defining generic needs versus 'today hurts,' you can identify future growth directions which have a higher probability of being funded and carried out. If the need is greater than you can currently offer, you clearly define areas where you may want to augment capabilities, or where strategic alliances may be necessary.

Statement of Direction or Market Definition -- Who will we sell to? Where are they located? Our main thrust will be dedicated to the (*market definition or segmentation*).

The key here is to focus on who you are, and as importantly, are not, going to aim your efforts at marketing. Define the scope of the market. Which specific customer groups or segments and geographic territory will be served or not served? This section enables the development of different strategies necessary to address multiple directions, yet accommodate your common goals.

Distinct Competencies -- Why will they buy from us? We will develop and maintain unequivocal qualifications in (*which areas*), **which will yield** (*specific capabilities*). **We commit to** (*level of expertise to set us apart*) **to remain recognized as an expert in** (*what we do better than anyone else*).

Define and focus on those special abilities which set you apart from the masses. Competencies will command the higher profit and cash flow margins. This is the most important thinking of all. What do you accomplish that the competition cannot? What areas do you need to invest in, to maintain your advantage? Address the level to which the distinct competence will differentiate you, and be recognized by the customer. Discuss how to bring these competencies to the

customers attention.

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