

Free building a framework for vision and mission statements analysis essay sample...

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Evaluation Toolkit for Vision and Mission Statements

Research Background

Well-formulated and effectively supported by shared values strategy is critical for any organization. There are several crucial factors that determine the success of strategic planning. First of all, strategy turns from a plan to the reality only with the buy-in from the internal stakeholders. Secondly, strategy only worth if there are external stakeholders that are interested in what the company has to offer. Finally, strategy should be aligned with the industry's potential and should address external influences. Mission and vision statements help the organization to communicate these strategic elements and its relevance to internal and external stakeholder (Sadler, 2003). To build an effective tool for the analysis of the mission and vision statements, it is crucial to understand the purpose of each of these elements in the company's strategy. Mission statement, according to Sadler (2014) constitutes the objective of the business, its differential and approach to the business. These elements should be clearly incorporated into the

organizational business model in a manner that will be able to address all stakeholder groups and reflect organizational culture and values. Good mission statement should be able to give fast and embracing answer the core questions that stakeholders may have about the current and the near future position of a given company (Appendix I):

- What is the Business About?
- What is its current position and near future plan?
- How Will The Company Get There?

Vision statement, on the other, should be able to demonstrate the ambition of the future development of the company and outlines its strategic direction. With that in mind, the core questions that a good vision statement should be able to answer are:

- Why Are We in the Business?
- What Are We Trying to Achieve?
- Why Are Our Stakeholders?

Fortune 500 outlines the best mission and vision statements of contemporary corporations (Appendix I). A review of these statements allows identification the process that the company's management has to go through to build a sharp and effective mission and vision statement. This framework reveals four critical steps to build these elements. First of all, the management should build a clear understanding of the values and corporate culture. Secondly, understanding of the major stakeholders' groups is crucial for the development of the vision and mission statement. Thirdly, clear and measurable achievable near-term and long-term objectives have to be in place to be able to formulate the statements. Finally, the company should

create an effective internal communication process as internal stakeholders are the ambassadors of the organizational mission and vision statements (Welch et al., 2008; Collins and Porras, 1996).

Criteria

Current Mission and Vision statements analysis framework is comprised of five evaluation criteria for each element:

Definitions of Criteria

Clear – the vision statement illustrates clear objectives and focus on specific strategic direction.

Abstract – vision statement is an ambitious interpretation of the organizational growth and development plans and, thus, in contrary to the mission statement, it should be less pragmatic and value-driven (Peng, 2014).

Stating the purpose – every vision statement should be able to outline the purpose of the company's existence in the future. The statement of purpose can include the company's product or service and the market as well outline the impact of its proposition on the stakeholders.

Challenging – vision statement is something that the company aims to achieve, and it is always significantly further than its mission. With that in mind, vision statement should challenge internal and external stakeholder with clarity and succinct statement.

Inspiring and Future Focused – if we put the vision and mission statements on the timeline of the organizational development, it could look in the following way:

Present 10 years from now

With that in mind, it is important that the vision statement embraces strategically long period up to ten years.

Simple – mission statement has very wide audience, and it is important that it is equally understandable for the customer, supplier and technical specialist in the company. It should not challenge, but rather educate its audience.

Relevant – to interest the stakeholders, company's product or service should have a demand. Mission statement, therefore, should demonstrate the tangibility of the service and product in the current environment.

Memorable – mission statement is the motto, it should be treated as a guide and describe the business in a way that easy to remember for everyone that comes across it.

Achievable – mission statement describes the present and should be able to create a balanced outline of what the company does and what are its capabilities for the future. Good mission statement should become guidance for daily work for internal stakeholders.

Informative and Present-oriented – the purpose of the mission statement is to inform. It should be able to answer the questions outlined in the research background.

Conclusion

Mission and vision statements, both are equally important for the company. The major difference between these two elements is their positioning in time and the message. Mission statement is pragmatic, present-oriented and

informative. Vision statement, on the other hand, should inspire, drive the attention to the future and challenge the stakeholders. Both statements should be effectively built to be clear and relevant for all the stakeholders, as they have to serve the purpose of transferring the values, purpose of existence and future goals of the company to all the parties (Johnson, Scholes, and Wittington, 2011). It is important that a both statements are built on the strategy of the company. In other words, vision statement should give continuity to what is expressed in the mission statement.

The selected criteria for the presented framework allow measuring the effectiveness and evaluating the statements from the core elements and take the evaluator back to the critical factors: how effectively and explicitly the statement addresses the three questions. The framework is simple and easy to use; all the criteria are objective and help to understand the focus of each statement.

References

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Appendix I – Best Mission Statements (Fortune 500)

Aflac

1932 Wynnton Road Columbus, GA 31999

Slogan / Motto

Aflac insurance policies may help you with those expenses not covered by

your major medical plan.

Description

Aflac is a supplemental insurance company in the US. Its main business is

into health and life insurance policies that cover special conditions, particularly cancer. Aflac insurance policies help customers with expenses

not covered by the medical plan. And unlike other health insurance companies that pay out the money to the doctor or the hospital, Aflac can

reimburse the customer so that he is able to control the cash settlement instead.

Mission Statement

AGCO

AGCO Corporation 4205 River Green Parkway Duluth, GA, USA 30096

Slogan / Motto

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A World of Solutions for your Growing Needs

Description

AGCO is the chief manufacturer and distributor of agricultural equipment such as replacement parts, tractors, hay tools, sprayers, forage equipment, and implements. Their brand names include AGCO, Challenger, Fendt, Gleaner, Hesston, Massey Ferguson, RoGator, Spra-Coupe, Sunflower, Terra-Gator, Valtra, and White Planters

Mission Statement

Profitable growth through superior customer service, innovation, quality and commitment.

Albertsons

Albertson's, Inc. 250 E. Parkcenter Blvd. Boise, ID 83706

Slogan / Motto

Helping Make Your Life Easier.

Description

A supermarket and drugstore, Albertsons is a food and drug retailer located in Boise, Idaho. With a team of more than 200, 000 in 2, 300 stores all over America, Albertsons has over 2, 500 locations in 37 states of the US.

Mission Statement

Guided by relentless focus on our five imperatives, we will constantly strive to implement the critical initiatives required to achieve our vision. In doing this, we will deliver operational excellence in every corner of the Company and meet or exceed our commitments to the many constituencies we serve. All of our long-term strategies and short-term actions will be molded by a set of core values that are shared by each and every associate.