

MISSION

Introduction

“A mission statement is an enduring statement of purpose”. A clear mission statement is essential for effectively establishing objectives and formulating strategies.

A mission statement is the purpose or reason for the organisation’s existence.

A well-conceived mission statement defines the fundamental, unique purpose that sets it apart from other companies of its type and identifies the scope of its operations in terms of products offered and markets served. It also includes the firm’s philosophy about how it does business and treats its employees. In short, the mission describes the company’s product, market and technological areas of emphasis in a way that reflects the values and priorities of the strategic decision makers.

The mission of a firm defines its reasons for existence.

A company’s mission describes its purpose and its present business (who we are, what we do and why we are here). It announces what the company is providing to society; either a service or a product.

Mission statement is also called a creed statement, a statement of purpose, a statement of philosophy etc. It reveals what an organisation wants to be and whom it wants to serve. It describes an organisation’s purpose, customers, products, markets, philosophy and basic technology. In combination, these components of a mission statement answer a key question about the enterprise: “What is our business?”

Definition of Mission

Thompson defines mission as “The essential purpose of the organisation, concerning particularly why it is in existence, the nature of the business it is in, and the customers it seeks to serve and satisfy”.

Hunger and Wheelen simply call the mission as the “purpose or reason for the organisation’s existence”.

A mission can be defined as a sentence describing a company's function, markets and competitive advantages. It is a short-written statement of your business goals and philosophies. It defines what an organisation is, why it exists and its reason for being. At a minimum, a mission statement should define who are the primary customers of the company, identify the products and services it produces, and describe the geographical location in which it operates.

Example

Reliance Industries: *To become a major player in the global chemicals business and simultaneously grow in other growth industries like infrastructure.*

Microsoft corporation: *to empower every person and every organisation on the planet to achieve more.* (It is a customer-oriented mission statement).

McDonald: *To offer the customer fast food prepared in the same high quality worldwide, tasty and reasonably priced, delivered in a consistent low-key décor and friendly manner.*

Hindustan Lever: Our purpose is to meet every day needs of people everywhere – to anticipate the aspirations of our consumers and customers, and to respond creatively and competitively with branded products and services which raise the quality of life

Most of the above mission statements set the direction of the business organisation by identifying the key markets which they plan to serve.

Missions have one or more of the five distinct and identifiable components:

1. Customers
2. Products or services
3. Markets
4. Concern for growth
5. Philosophy

Components of a Mission Statement

Mission statements may vary in length, content, format and specificity. But most agree that an effective mission statement must be comprehensive enough to include all the key components. Because a mission statement is often the most visible and public part of the strategic management process, it is important that it includes all the following essential components:

1. *Basic product or service:* What are the firm's major products or services?
2. *Primary markets:* Where does the firm compete?
3. *Principal technology:* Is the firm technologically current?
4. *Customers:* Who are the firm's customers?
5. *Concern for survival, growth and profitability:* Is the firm committed to growth and financial soundness?
6. *Company philosophy:* What are the basic beliefs, values, aspirations and ethical priorities of the firm?

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7. *Company self-concept*: What is the firm's distinctive competence or major competitive advantage?

8. *Concern for public image*: Is the firm responsive to social, community and environmental concerns?

9. *Concern for employees*: Are employees considered a valuable asset of the firm?

10. *Concern for quality*: Is the firm committed to highest quality ?

Products or Services, Markets and Technology

An indispensable component of the mission statement is specification of the firm's basic product or service, markets and technology. These three components describe the company's activity.

Survival, Growth and Profitability

Every firm has to secure its survival through growth and profitability. These three economic goals guide the strategic direction of almost every business organisation.

Public Image

Mission statements should reflect the public expectations of the firm since this makes achievement of the firm's goals more likely.

Example: "Johnson & Johnson make safe products" reflects the customer expectations of the company in making safe products.

Sometimes, a negative public image can be corrected by emphasizing the beneficial aspects in the mission statements.

Concern for Employees

Mission statements should also emphasize their concern for improvement of quality of work life, equal opportunity for all, measures for employee welfare etc.

Quality

The emphasis on quality has received added importance in many corporate philosophies.

Evaluating Mission Statements

For a mission statement to be effective, it should meet the following ten conditions:

1. The mission statement is **clear and understandable to all parties involved**. The organisation can articulate and relate to it.
2. The mission statement is **brief enough** for most people **to remember**.
3. The mission statement **clearly specifies the purpose** of the organisation. This includes a clear statement about:

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- (a) What needs the organisation is attempting to fill (not what products or services are offered)?
 - (b) Who the organisation's target populations are?
 - (c) How the organisation plans to go about its business; that is, what its primary technologies are?
4. The mission statement should have a primary focus on a single strategic thrust.
 5. The mission statement should reflect the distinctive competence of the organisation (e.g., what can it do best? What is its unique advantage?)
 6. The mission statement should be broad enough to allow flexibility in implementation, but not so broad as to permit lack of focus.
 7. The mission statement should serve as a template and be the same means by which the organisation can make decisions.
 8. The mission statement must reflect the values, beliefs and philosophy of operations of the organisation.
 9. The mission statement should reflect attainable goals.
 10. The mission statement should be worked so as to serve as an energy source and rallying point for the organisation (i.e., it should reflect commitment to the vision).

Difference Between Vision and Mission

Mission statement describes what the organisation is now; a vision statement describes what the organisation would like to become. A vision statement defines more of a direction as to “where are we headed” and “what do we want to become”, whereas the company’s mission broadly indicates the “business purpose” of the organisation. The distinction between vision and mission can be summarized as follows:

	Vision		Mission
1	A mental image of a possible and desirable future state of the organization.	1	Enduring statement of philosophy, a creed statement.
2	A dream.	2	The purpose or reason for a firm’s existence.
3	Broad.	3	More specific than vision.
4	Answers the question “what we want to become?”	4	Answers the question “what is our business”.