

## MISSION STATEMENTS

A company's mission differs from vision in that it encompasses both the purpose of the company as well as the basis of competition and competitive advantage.

Effective mission statements incorporate the concept of stakeholder management, suggesting that organizations must respond to multiple constituencies if they are to survive and prosper. Customers, employees, suppliers, and owners are the primary stakeholders, but others may also play an important role in a particular corporation. Mission statements also have the greatest impact when they reflect an organization's enduring, overarching strategic priorities and competitive positioning. Mission statements can also vary in length and specificity. The two mission statements below illustrate these issues:

- To produce superior financial returns for our shareholders as we serve our customers with the highest quality transportation, logistics, and e-commerce. (Federal Express)
- To be the very best in the business. Our game plan is status go... we are constantly looking ahead, building on our strengths, and reaching for new goals. In our quest of these goals, we look at the three stars of the Brinker logo and are reminded of the basic values that are the strength of this company... People, Quality and Profitability. Everything we do at Brinker must support these core values. We also look at the eight golden flames depicted in our logo, and are reminded of the fire that ignites our mission and makes up the heart and soul of this incredible company. These flames are: Customers, Food, Team, Concepts, Culture, Partners, Community and Shareholders. As keeper of these flames, we will continue to build on our strengths and work together to be the best in the business. (Brinker International, whose restaurant chains include Chili's and On the Border)

Few mission statements identify profit or any other financial indicator as the sole purpose of the firm. Indeed, most do not even mention profit or shareholder return. Employees of organizations or departments are usually the mission's most important audience. For them, the mission should help to build a common understanding of purpose and commitment to nurture.

Profit maximization not only fails to motivate people but also does not differentiate between organizations. Every corporation wants to maximize profits over the long term. A good mission statement, by addressing each principal theme, must communicate why an organization is special and different. Two studies that linked corporate values and mission statements with financial performance found that the most successful firms mentioned values other than profits. The less successful firms focused almost entirely on profitability. In essence, profit is the metaphorical equivalent of oxygen, food, and water that the body requires. They are not the point of life, but without them, there is no life.

Although vision statements tend to be quite enduring and seldom change, a firm's mission can and should change when competitive conditions dramatically change or the firm is faced with new threats or opportunities. Strategy Spotlight 1.7 provides an example of a firm, NextJet, that changed its mission in order to realize new opportunities.

Dess, Gregory G., G.T. Lumpkin and Marilyn L. Taylor. Strategic Management. 2 ed. New York: McGraw-Hill Irwin, 2005.