Chapter 1

Missions, Visions, and Other Expensive Pastimes

Mission and vision statements are now organizational imperatives—which in plain English means that no self-respecting organization would be seen dead without them. No business dares venture into the marketplace without a pithy statement of its mission and vision. Any study of high-performing organizations will identify the pervasive presence of these "softer" strategic elements. Southwest Airlines, General Electric, Microsoft, Johnson & Johnson, Nordstrom, and Toyota all have distinctive styles, cultures, and values that are at the heart of much of what they do. Unfortunately, any list of failed entities will also contain a high proportion with crisp mission and vision statements. As Johnson & Johnson's CEO, William Weldon, commented, "Some of the best business principles ever written were Enron's. It's just an extraordinary document."[1]

So what's the difference between success and failure? It is pretty simple really—you must walk the talk. Missions and visions must guide behavior and decision making; otherwise, they are just empty words. Mission and vision statements that exist only on paper are a great leading indicator of an organization that will struggle in times of great opportunity never mind times of stress. Of course, there is no chance that Cruciant's mission and vision statements will be empty promises.

Fiction: Meeting Room at an Exclusive Country Club, Northern New Jersey—February 2007

Three consultants from Innovisions, a firm specializing in the "innovative articulation of corporate missions and visions" are leading the Cruciant executive team through a facilitated workshop to craft new mission and vision statements that "clearly represent everything Cruciant stands for to all stakeholders." After an opening presentation that describes the role of mission and vision statements in inspiring customers, associates (the politically correct term for employees), and other stakeholders, the management team is divided into three groups to brainstorm possible elements of Cruciant's mission and vision. An Innovisions consultant leads each group through a discussion of the "words or phrases that capture the essence of Cruciant." After 45 minutes the teams reconvene and share their ideas. A sampling of the words and phrases resulting from the exercise includes innovative, responsible corporate citizen, inspiring, ethical, insanely great, global, technologically advanced, respectful, respected, people-centric, empathic, authentic, growth-oriented, a great place to work, talented, exciting, customer-focused, and trusted.

For the next two hours there is considerable, sometimes heated, debate about many of the attributes during which a number of the executives reveal a previously hidden passion for lexicography. This is highlighted by a rather distracting argument about whether the correct word to use is empathic or empathetic, during which an online dictionary and thesaurus are consulted. (Author's note: At a nonprofit on whose board I sit, we had this precise debate; it consumed the best part of three months over two board meetings and numerous email exchanges.)

Eventually, the consultants manage to bring some order to the proceedings and lead the management team through a prioritization and ranking exercise to come up with a short list of mission and vision attributes. As the meeting draws to a close, Innovisions undertakes to take the "great output" from the session and develop a few "drafts, or straw-man mission and vision statements" for the management team to consider.

As the meeting breaks up, four members of the management team duck into the locker rooms and emerge a few minutes later on the first tee, while the others head back to the office.

Over the next few weeks there are a couple more sessions during which the wordsmithing debate reaches new heights. The empathic/empathetic debate continues, and one of the team members even consults his former English college professor to seek an opinion. Unable to reach consensus, the group finally decides that being empathic or empathetic isn't really that important after all (the same conclusion we reached at our nonprofit). Finally, they agree on the following mission statement:

"Cruciant creates insanely great products that inspire our customers to become our strongest advocates. We measure our success by the value we deliver to our customers and shareholders and the loyalty of our hugely talented associates. We will always adhere to the highest ethical standards in everything we do and will be acknowledged as an outstanding corporate citizen."

The accompanying vision statement reads:

"Cruciant will be one of the most respected companies in the world, recognized as a great place to work, a source of breakthrough innovations and a leader in environmental sustainability."

CEO Steve Borden is happy the process is complete and he is anxious to get on with growing the company; however, at the next management meeting he cautions his team that "Now the hard work starts. We have to live and breathe the mission and vision in everything we do. It is your job as leaders to ensure that all our associates buy into what we are trying to accomplish." Everyone nods his or her head.

A few weeks after signing off on the mission and vision statements, large posters start to appear in every company facility and all employees—sorry, associates—are given a handy laminated card with

the mission and vision statements printed on one side. On the other side is a list of actions that every associate can take to "Walk the talk at Cruciant." It includes such penetrating advice as "be respectful to all your fellow associates" and "always ask yourself, is this in the best interests of Cruciant?"

A comprehensive series of mission and vision briefings are held across the company at which teams of associates discuss what the statements mean to them and how they can "live the mission" on a daily basis. A new catchphrase pops up on bulletin boards, t-shirts, and coffee mugs, "Is it insanely great enough?"

A few weeks later, Henry, Cruciant's CFO, scrawls his initials on Innovisions invoice for $375,000 to signify its approval for payment.

Facts: "We Are on a Mission from God"[2]

Scott Adams, through his comic strip creation "Dilbert," defined a mission statement as "a long awkward sentence that demonstrates management's inability to think clearly."[3] Like most humor, it is painfully close to the truth.

The first problem with mission and vision statements is trying to understand the difference between them. While researching an earlier book of mine, *Best Practices in Planning and Performance Management* (John Wiley & Sons, 2007), which has achieved some renown as a cure for insomnia, I spent quite a bit of time seeking a clear definition of the difference. At the time, I failed. The best I could come up with was the following from William Drohan:

> "A vision statement pushes the association toward some future goal or achievement, while a mission statement guides current, critical, strategic decision making."[4]

I am not sure this helps much, so here is my own humble attempt to differentiate between them:

- Vision: Describes a dream or goal.
- Mission: Describes a way in which you would like to fulfill the vision.

Despite the tremendous investments of both time and money that organizations make, most mission or vision statements are worthless.

The supposed objective is to create a short, pithy statement that, in the words of one nameless commentator, "motivates the type of individual behavior that maximizes the probability of achieving strategic objectives." My own unscientific research indicates that maybe one in twenty associates can accurately recite his or her employer's vision and mission.

Despite my cynicism, there are mission and vision statements that work well. I hate to be yet another Google sycophant—after all, it is well on the way to becoming the Microsoft of the twenty-first century—but I love its mission statement. No one is left in any doubt as to the company's modest aspirations!

> "Google's mission is to organize the world's information and make it universally accessible and useful."[5]

This is what a mission statement should be. It is ambitious, unambiguous, and to geeks like me, exciting.

Mission and Visions Twenty-First-Century Style

In recent years, mission and vision statements have become as much about marketing and strategy as they are about motivating employees. A great example is Lululemon—where do they get these names? Lululemon is a fashionable retailer focused on the yoga lifestyle. Founded in 1998 with a single store in Vancouver, British Columbia, it has grown to over 100 outlets around the world. Lululemon is the latest in a long line of health and fitness brands that probably started with Nike's waffle-iron-soled running shoes in the 1960s. Being cool also means that the company is rather full of itself, as its website demonstrates.

On the day I first looked at the site, it was touting that one of the key advantages of shopping online was being able to do so in the nude. The mental image this created confirmed that I was not their target demographic. The site went on to explain Lululemon's growth strategy: "Although the initial goal was to only have one store, it was soon obvious that to provide a fulfilling life of growth, family, salary, and mortgage for our

amazing staff, we would have to provide more opportunities. It was really a matter of grow or die because active minds need a challenge." In a strange way, it is very honest—Lululemon is saying that it is in business to make money and have fun—customers and products are merely means to that end.

Lululemon's mission is described as "creating components for people to live a longer, healthier, more fun life," and one of their core values is described this way: "Fun—When I die, I want to die like my grandmother who died peacefully in her sleep. Not screaming like all the passengers in her car."[6] Are we supposed to take this seriously? I don't know, but it certainty grabs your attention.

The site also offers up *The Lululemon Manifesto,* offering such pithy homilies as, "Friends are more important than money" and "Dance, sing, floss, and travel." This is not a lifestyle brand but a cult. But at its heart, Lululemon is all about marketing. In a March 2009 interview, CEO Christine Day invoked the first commandment of modern marketing when she described the company's secret for success as, "If you want to be successful in this industry, it's about being authentic."[7]

Being authentic appears to be the most important attribute for anyone seeking a place in today's branded lifestyle world; although being customer-centric and environmentally responsible follows close behind. At Lululemon everyone takes authenticity very seriously; the company's community director emphasizes the importance: "Your job is pretty easy when you are authentic with people." I guess authenticity is very important when selecting your $54 Basic Yoga Tote; after all, no authentic Indian yogi would be seen dead without one.

Lululemon has successfully wrapped its relatively humble products, workout tops, bras, and hoodies, in a lifestyle of calm and vitality. While I may make fun of them, Lululemon's performance is no joke. During 2008, not exactly a banner year for retailers, the company increased its sales by 30 percent to more than $350 million and its earnings by 10 percent to $56 million. So beneath all that authenticity is a well-run business.

Even boring businesses can seem more attractive with a pithy mission or vision statement. Federal Express makes package delivery sound sexy with its vision: "By accelerating global connections, we provide access to new opportunities and empower people and businesses with more choices and greater confidence."[8]

Other companies are less direct, opting for vision statements that give little hint of what the company actually does. For example, BMW promises, "The uncompromising pursuit of the superlative,"[9] and Alcoa modestly strives "to be the best company in the world—in the eyes of our customers, shareholders, communities and people." Tesco, the UK supermarket leader, seeks "to create value for customers to earn their lifetime loyalty."

Such statements do not limit a company strategically; as long as BMW is both uncompromising and superlative, it can fulfill its vision. Similarly, Tesco can pursue many diverse lines of business and still fulfill its core purpose of creating value for customers. However, such statements offer little insight and, frankly, appear vacuous. No doubt we can expect BMW to launch an uncompromisingly, superlative line of toasters, while Tesco will no doubt expand into a range of highly effective erectile dysfunction treatments that will put a smile on the face of all its customers, thereby securing a lifetime of gratitude and hence loyalty.

Mission statements can be boring and yet still effective. Cemex, the Mexican building materials company, is clearly not as sexy a company as Google, and its mission is consequently more mundane:

> "Our goal is to serve the global building needs of our customers and create value for our stakeholders by becoming the world's most efficient and innovative building materials company."[10]

Despite its lack of glitz it works. It is simple and focuses on the basics of business—efficiency and innovation.

I suspect that deep in the bowels of a consulting firm somewhere a couple of nerdy programmers are developing a neat little computer program that takes all the politically correct words that can be used in a mission and vision statement and automatically generates a random set of three possible statements based upon a

few simple inputs in an effort to corner the market. Unfortunately, their effort will be wasted. A company called Kinectic Wisdom already offers a product called Mission Expert, which promises to help you in "creating effective organizational mission statements" all for less than $25.

At this rate, the whole exercise will be reduced to checking a box on some form that simply confirms that your organization conforms to the world's first globally applicable mission statement, which will be something along the lines of:

> "We will be authentically innovative while being insanely focused on our customers and operating in a socially and environmentally responsible manner in pursuit of superior stakeholder returns."

As you will no doubt have discerned, my cynicism knows no bounds and I'm only just getting started. Despite this, I am a believer in the value of mission and vision statements (I am also a hypocrite). Used correctly, mission and vision statements can serve as an effective communication vehicle both internally and externally, but it is important to keep things in proportion—a great mission statement does not make a great company, nor is the absence of one an indicator of impending demise.

Some companies have spectacularly failed to live up to the aspirations contained in their mission or vision statements. AIG in its 2006 annual report assured readers that "Financial strength is the bedrock of AIG. By putting strategies into action that enhance our strong capital position, we create value for our shareholders and investors." Enron promised to "work with customers and prospects openly, honestly and sincerely."

UK mortgage lender Northern Rock described the secret of its success in terms of a virtuous circle that embraced cost control, enhanced earnings per share growth, improved returns, enhanced capital efficiency, high-quality asset growth, competitive products, innovation, and transparency. Clearly, the virtuous circle collapsed during 2007, leading to the company's eventual bailout by the British government.

Mythbuster Wisdom: The Best Mission Statements of All Time

In second place, but only by a whisker, is John F. Kennedy's challenge to America made in a special address to Congress in 1961: "I believe this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth."[11] It has all the attributes: It's short, just 29 words; heroic; unambiguous; and above all, inspiring. It probably should be number one, but I have a soft spot for a mission statement that has echoed across four decades. It first appeared in a not-very-successful, two-season television show in the late 1960s. Today, forty years later, it still resonates. In the immortal words of the organization's CEO, Captain James T. Kirk: "Space, the final frontier. These are the voyages of the Starship Enterprise, its five-year mission to explore strange new worlds, to seek out new life and new civilizations, to boldly go where no man has gone before." Now isn't that an organization you want to work for?

So What?

- Keep it simple: If a fifth grader gets it, you are probably okay.
- You have to walk the talk and that starts at the top.
- Results prove words: If you say you will be innovative, you'd better deliver.
- Avoid clichés: Everyone wants to be authentic, innovative, and socially responsible—we get it.
- An enemy helps: For years Pepsi's mission was succinct—Beat Coke; in the 1970s Honda set its sights on Yamaha in the motorcycle market and rallied behind the cry of "Yamaha wo tsubusu," which apparently means we will crush, squash, slaughter Yamaha—not much ambiguity there.

Notes

1. Geoff Colvin and Jessica Shambora, "J&J: Secrets of Success," *Fortune*, May 4, 2009.
2. Elwood Blues, *The Blues Brothers*, 1981.
3. Scott Adams, *The Dilbert Principle* (New York: HarperCollins, 1996).
4. William Drohan, "Writing a Mission Statement." *Association Management*, vol. 51, 1999, p. 117.
5. Google.com, September 2009.
6. Lululemon.com, April 2009.
7. Danielle Sacks, "Lululemon's Cult of Selling," *Fast Company*, March 18, 2009.
8. Fedex.com, April 6, 2009.
9. BMWGroup.com, April 2009.
10. Cemex.com
11. John F. Kennedy, Special Address to Congress, May 25, 1961.