**Mission, Vision, & Values: What are they, and why do they matter?**

**What is a mission statement? Why do we need it? How can it actually help our businesses?**

<http://biznik.com/articles/mission-vision-values-what-are-they-and-why-do-they-matter>

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As entrepreneurs, it’s almost impossible to avoid writing a mission statement. We need them for our business plans. We need them for our investors. Our mentors and advisors tell us we need them. But what is a mission statement, really? Why do we need it? How can it help our businesses? Let’s look at Wikipedia’s definition of the mission statement:

“A mission statement is a brief statement of the purpose of a company…The following elements can be included in a mission statement.
• Purpose and values of the organization.
• Products, services, or market; or, who are the organization's primary "clients" (stakeholders).
• What are the responsibilities of the organization towards these "clients"?
• What are the main objectives supporting the company in accomplishing its mission?”

That seems like a lot of information to cram into a few sentences that are supposed to sum up your business. In reality, there are several elements that comprise the foundation of your company and describe how you want it to be perceived.

I propose that we break this concept down into three progressive pieces, or core elements:

**Core Values** – Who are we?
Core values are 3-5 terms that describe the forces that drive you to form and grow your organization. If you are the founder, they are the same as or closely related to your personal values. Your values tell you not only who you are as an organization, but who you are not. They encompass your ethics, principals, and beliefs about your organization and its relationship to the world. Core values are immutable, they will probably remain the same for the life of your organization.

Example: "integrity, honesty, openness, personal excellence, constructive self-criticism, continual self-improvement, and mutual respect" – Microsoft

**Vision Statement** - Why are we here?
Vision is the reason your company exists. The world changes, technology changes, so your vision statement may not refer to your product. It should convey is why you are in this business (and not another). It should tie directly back to your core values. If the market changed dramatically, your vision should remain intact because it speaks to what your company represents, not just what it does.

Example: “..to help people and businesses throughout the world realize their full potential.” – Microsoft
 **Mission Statement** - What do we do?
While your mission should refer more specifically to the type of business you do or products you sell, it can also encompass what you feel your organization's contribution will be to your industry, community, or to the world. Your mission statement may change if your company outlives the industry it started in, but it should still tie back to your core values and vision.

Example: “Google's mission is to organize the world's information and make it universally accessible and useful.”

Ultimately, you may want to combine aspects of these three elements into one statement that you use externally and internally, but I feel it's important to differentiate between them during the development stage.

**Why do they matter?**
Values, Vision, and Mission are crucial to setting clear, understandable, and easily communicated direction for yourself, your partners and employees, and your investors and customers. It's not enough to feel passionate about your product or service, you have to consciously understand what drives you in order to communicate it to a diverse group of people.

The more clearly you can articulate your high-level goals from the start, the less time and resources you will spend on trying to fix poor communication, alignment, employee engagement, and unwanted cultural behaviors. Your strategic goals and tactical plans will be more aligned, streamlined, and easier to communicate to you stakeholders.

**Corporate ethics** are heavily influenced by core elements. A well known example of corporate values put to the test was in 1982, when several people died from taking cyanide-laced Tylenol caplets. Johnson & Johnson's credo states that their first responsibility is to their customers. True to their values, Johnson & Johnson responded to the health crisis by pulling 31 million bottles of the product from stores, and offering free replacements. While the short term cost to the company was high the company's fast and comprehensive response soothed consumer fears, increased investor confidence and paved the way for future growth.

In contrast, the Ford Pinto scandal illustrates a story of corporate values gone awry. When Ford leadership first learned of the faulty design that caused cars to catch fire when hit from the rear, they decided that the cost of paying damages to the families of those killed was more viable than redesigning the faulty fuel tank. Either Ford's values did not clearly emphasize ethical concerns, or they were not actively in use at the time.

**Branding and identity** must be authentic and compelling to attract customers. When branding aligns with corporate behavior, it is a powerful force. When misaligned, it creates confusion or disillusionment in customers. Walmart is known for providing great value to customers, but has a poor reputation regarding its relationship to suppliers and employees. By contrast, Southwest Airlines has a great customer service record, and is consistently cited is one of the best places to work in the country.

**Internal communications and policies** need to be aligned with core elements in order to be effective. Employment and hiring policies, compensation, training, and ethics must all reflect the organization's stated values and vision. Lack of alignment creates cognitive dissonance, or confusion and discomfort in employees who recognize that the organization doesn't "walk the walk." Employee engagement, efficiency, retention, and innovation are all impacted by how well core elements are communicated and demonstrated by leadership.

**The Hard Part**
How do we go about defining these elements so they are resonant and meaningful? How do we avoid Dilbert-esque jargon, or overly lofty platitudes? Start with yourself. If you don't understand what drove you to embark on the journey of entrepreneurship, you can't explain it compellingly to others.

I've often asked entrepreneurs why they started their businesses, and the answer is often "I wanted to make a lot of money." We all know there are much easier, less stressful ways to make money than starting your own company. Whether or not you know it, there is a compelling reason behind why you started your venture, why you're selling the product or service you offer, and why you think you can succeed.

The key to finding these answers begins with your personal core values.  When I understand my core values, I begin to understand the career choices I made in the past, and the underlying needs and assumptions that compelled me to create my own venture. They provide a framework through which I can understand my own motivations, and they strengthen my ability to talk to others about my company's goals.

Next, you may want to utilize an exercise from a book, or engage a consultant to help you further define your organizational values, vision, and mission. It's up to you if you want to communicate these elements publicly, or reserve them for your employees, shareholders, or customers. At the very least, I recommend that you have public mission statement, though it can involve elements of your values and vision.

Here are a few examples of compelling statements from well-known organizations:

Starbucks:
“To inspire and nurture the human spirit— one person, one cup, and one neighborhood at a time.”

Starbucks' statement is very clever - it describes how it's product adds to people's lives, shows it's focus on community, and has a little dash of humor.

Nike:
“To bring inspiration and innovation to every athlete in the world. If you have a body, you are an athlete.”

I love how this statement defines athlete to include everyone.
And here is an example of how not to write a mission statement:

“Apple ignited the personal computer revolution in the 1970s with the Apple II and reinvented the personal computer in the 1980s with the Macintosh. Today, Apple continues to lead the industry in innovation with its award-winning computers, OS X operating system and iLife and professional applications. Apple is also spearheading the digital media revolution with its iPod portable music and video players and iTunes online store, and has entered the mobile phone market with its revolutionary iPhone.”

A laundry list of accomplishments is not a mission statement. Mission statements are not promotional. They should communicate your organization's reason for being.

**Summary**
Organizational core elements: values, vision, and mission are vital to your ability to communicate clearly and consistently with your customers, shareholders, community, and employees. Through consciously understanding your personal values and goals, you can clearly articulate why your brought your company into existence, and how you feel that it can contribute to the world it inhabits. Nothing is more compelling to your customers, or motivating to your employees than that.