

Agribusiness Procedures

Mission Statements

The importance of mission statements is summarized quite eloquently by author Lewis Carroll through the words of the Cheshire Cat in Alice in Wonderland,



"If you don't know where you're going, it doesn't matter which way you go."

WHY YOU NEED A MISSION STATEMENT

“Many small business owners don’t write a Mission Statement because they feel their reason for being is too obvious. A car repair shop is a car repair shop, a two-man painting service is a just a painting service, right?”

OK, but only if you want to be just another me-too business. But remember, the primary reason for long term, above average success in business is that somewhere along the line, the successful business has figured out how to be better or different than the rest.

Putting together a formal Mission Statement may seem like trivia, particularly to a creative Entrepreneur, but it can be a definitive moment in the direction of your company.

Here’s what it does for your business:

1. It states the primary reason for your being in business
2. It sets market boundaries for the enterprise
3. It establishes standards for values and integrity
4. It keeps the company and management focused on its primary purpose

As a small or fledgling business, if you don’t write a clear Mission Statement, you don’t know what you truly are or what you want to be when you grow up!”

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After you have captured the essence of what you are and are striving to be, you need to communicate it to everyone. It becomes your *creed** and should be a public statement suitable for distribution to customers, vendors, employee associates, investors and anyone else wishing to get to know your business.

***Creed: a system of principles or beliefs.**

Suggested process for creating a Mission Statement

- List 5-10 words or phrases that describe your business. Highlight the three most important.
- List 3-5 words or phrases that describe the company's ideal image from a customer's point-of-view.
- List 3-5 words or phrases that describe the company's ideal image from a management and employee point-of-view.

This vision must then be tempered with a focus on the purpose of the business:

- List the market opportunities and/or customer needs that your company intends to address (e.g., the business' value proposition).
- Who are your customers? List the company's primary and secondary target markets (target markets are discussed in the Market Analysis lesson).
- With your customers in mind, list each service or product your business will provide.
- List 3-5 measures of your business' success.

Elements you may want to include in a Mission Statement

Highly recommended –

- Purpose: Why does your organization exist? What is the ultimate result of your work?
- Business: What activity are we going to do to accomplish our purpose?
- Values: What are the basic beliefs that we share as an organization?

Also –

- What is the problem or need your organization is trying to address?
- What makes your organization unique?
- Who are the beneficiaries of your work?

- The YMCA of San Francisco, based in Judeo-Christian heritage [values], seeks to enhance the lives of all people [purpose] through programs designed to develop spirit, mind and body [business].
- “The Coca-Cola Company exists to benefit and refresh everyone it touches.”
- “Our Mission at Publix is to be the premier quality food retailer in the world. To that end we commit to be: Passionately focused on Customer Value, Intolerant of Waste, Dedicated to the Dignity, Value and Employment Security of our Associates, Devoted to the highest standards of Stewardship for our Stockholders, and Involved as Responsible Citizens in our Communities.”

Examples

- McDonalds: "McDonald's vision is to be the world's best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile."
- J. Sainsbury (high-end British grocery store): "Our mission is to be the consumer's first choice for food, delivering products of outstanding quality and great service at a competitive cost through working faster, simpler, and together."
- Big Binoculars: "Our mission is simply to offer our customers the most binocular aperture, at the highest quality, for the lowest price."
- Levi-Strauss: "We will market the most appealing and widely worn casual clothing in the world. We will clothe the world."

Examples

- Be direct and powerful
- Be brief – “it should fit on a t-shirt”
- Use plain language
- Easily understood – would your grandmother understand your business from reading the statement?
- You ARE allowed to change the statement as you change the focus of your business!

Tips for Effective Mission Statements

- Warning: If you can't wrap a single mission statement around your business, maybe you have more than one business or maybe the focus of your business is too fragmented or too broad to succeed.
- Keep the words and phrases from the exercises you complete in the Creating a Mission Statement steps. These will be critical for giving direction to your business plan!

The Mission Statement and Business Planning

1. Briefly describe the business opportunity you have chosen to explore this semester in this class, i.e. which of your three ideas did you choose?
2. Create a mission statement for the business.

Due on Wednesday, September 2

Assignment