

## Strategic Management

### Lecture Five: Vision and Mission Statements

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#### Introduction

In our last lecture we looked at external environmental scanning, what it entails, tools that we can use to carry out the exercise and finally looked at the benefits to not only corporates but also to individuals. In the current lecture we are going to focus on essentially the beginning of strategic planning- crafting vision and mission statements.

#### Learning Outcomes

- Distinguish between a **vision** (aspirational future) and a **mission** (present-day purpose) using real-world examples.
- **Evaluate** the effectiveness of vision/mission statements using 3 key criteria (Clarity, Inspiration, Alignment).
- **Craft or refine** a vision/mission statement for their own organization/team using a structured template.

#### Opening Story-The Parable of the Bricklayers

- **Three bricklayers** are asked, 'What are you doing?'
- The first says, '**Laying bricks.**'
- The second says, '**Building a wall.**'
- The third says, '**Constructing a cathedral that will inspire generations.**'

#### Reflection

- Which of the three was right?
- The first two focuses on task
- The third one embodies a vision
- When people are connected to the vision, their engagement is deeper.

#### Vision Statement

- This is a forward-looking statement that speaks about where the firm is headed
- It is an inspirational statement

- It speaks of an ideal future that the firm is striving toward
- It answers the question “Where do we want to be?”
- A good vision statement should be able to paint a clear picture of what success looks like
- The vision statement should be short, preferably one sentence, and as many managers as possible should have input into developing the statement
- Is a simple statement of where a firm is going and what the firm’s leaders want it to be in the future.
- Can be very simple and brief-a couple of words
- A clear vision becomes foundation for developing a comprehensive mission statement

### **Purpose of a vision statement**

- Inspire and motivate employees and other stakeholders to work toward a shared goal
- Guide decision-making in the firm when the firm is faced with strategic choices
- Galvanize units around common purpose
- To some extent the statement differentiates your firm from the others especially when it speaks of the firm ambition

### **Characteristics of a Strong and Effective Vision Statement**

- **Clarity:** No use of jargon, difficult or vague terms or words such as “to be the best”
  - Example: Amazon – “To be Earth’s most customer-centric company.”
- **Inspirational:** the statement must evoke emotions, it should be capable of stirring excitement.
  - Example: Disney – “To make people happy.”
- **Future-focused:** the statement must talk about long-term not “now”
  - Example: Space x- “To make life multi-planetary by establishing a self-sustaining city on Mars.”
- **Brief:** The statement must not be too long to the extent it becomes difficult to remember, instead it should be short and memorable. One or two sentences at most
  - Example: Disney- “To make people happy”
- **Achievable:** In as much as the statement talks about the future, it must be possible to attain
  - Example: IKEA- To create a better everyday life for the many people.”
- It should be able to communicate the organization strategic emphasis

- Example: Tesla- “To become the most attractive automobile company of the twenty-first century by spearheading the world's shift to electric vehicles”

### Things to avoid when crafting a vision statement

- Being vague such “to be the best, to be the global leader”
- Use buzz words that may be outdated or common to many firms such as synergy, disruptive
- Too short-sighted looking at now instead of the future

### Class activities

- a. Re draft the following vision statements to adhere to the qualities already discussed
  - To be the best provider of solutions
  - To sell food in a fast, friendly environment that appeals to price conscious, health-minded consumers
- b. Assuming your firm is in the following sectors, draft possible vision statements that exemplify the already discussed characteristics.
  - Real estate
  - Financial sector
  - Higher education
  - Organic food
  - Transport

### Conclusion on Vision statement

- Vision statement need not be just words on your wall
- It needs to be a strategic tool to inspire, motivates, and drives innovation
- Its turns ambition into action

### Mission Statement

- An enduring statement of purpose that **distinguishes** one organization from other similar enterprises
- Is a declaration of an organization’s “reason for being.”
- It addresses “what is our business
- With a clear mission statement, a firm can formulate objectives and strategies
- Mission varies in length, format and content
- Mission statement defines our current purpose and reason for existence
- It primarily answers the following three questions

- **What** do we do? - your core/primary activities
- **Who** do we serve? - Primary stakeholders
- **How** do we do it? - approach or methodologies

### **What a good/strong mission statement should contain**

1. **Customers:** Who are the firm's customers?
2. **Product or services:** What are the firm's major products or services?
3. **Markets:** Geographically, where does the firm compete?
4. **Technology:** Is the firm technologically current?
5. **Concern for survival, growth and profitability:** Is the firm committed to growth and financial soundness?
6. **Philosophy:** What are the basic beliefs, values, aspirations, and ethical priorities of the firm?
7. **Self-concept:** What is the firm's distinctive competence or major competitive advantage?
8. **Concern for the public:** Is the firm responsive to social, community, and environmental concerns?
9. **Concern for employees:** Are employees a valuable asset to the firm?

### **NOTE**

A firm must make a choice of what is key to include in their mission statement since it may not be possible to have everything included.

### **Examples of Mission statement and the aspects they have prioritized**

1. **Purpose:** The organization's fundamental reason for existing.

Example: Tesla – “To accelerate the advent of sustainable transport by bringing compelling mass-market electric cars to market as soon as possible.”

2. **Stakeholders:** Identifies key beneficiaries (customers, employees, communities).

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

3. **Core Activities:** Highlights primary operations or services.

Example: Wikipedia – “To empower and engage people around the world to **collect and develop educational content... and disseminate it globally.**”

4. **Values/Principles/Philosophy:** Reflects guiding ethics or culture (optional but powerful).

Example: Patagonia – “Build the best product, cause **no unnecessary harm**, use business to inspire solutions to the environmental crisis.”

### **Principles in Mission Crafting**

The following lines synthesizing timeless principles are equally important to consider when you are crafting your mission statement.

- Don't offer me things
- Don't offer me clothes offer me attractive looks
- Don' offer me shoes, offer me comfort for my feet and pleasure of walking
- Don't offer me house, offer me security, comfort and a place that is clean and happy
- Don't offer me books, offer me hours of pleasure and benefit of knowledge
- Don't offer me furniture offer me comfort and the quietness of a cozy place
- Do not offer me things offer me ideas, emotions, ambiance, feelings, and benefits

### **Examples of companies that have mastered these**

- Apple's branding (“Think Different” – selling innovation, not devices).
- IKEA's vision (“Create a better everyday life” – selling comfort, not furniture).

### **Benefits of Mission statement**

- A well stated mission clarifies the purpose of an organization, and what it does.
- It unites teams around a common purpose or shared goals
- By communicating organization's values, it attracts stakeholders who share in such
- It inspires and motivate employees by connecting their work to a meaningful purpose
- By far, mission statement is the one that differentiate one firm from another
- It plants the firm on long term goal rather than short term trends and fads

### **Conclusion on mission statement**

- Mission statements are not just words

- They set a firm apart from others
- They inspire employees
- Direct daily operations

## Application of Vision and Mission statement at Personal Level

### Personal Vision Statement

- A forward-looking declaration of your long-term aspirations
- To define who you want to become and what legacy you want to leave.
- **Example** **Vision:**  
"To become a leader in sustainable technology, creating solutions that empower underserved communities to thrive."

### Personal Mission statement

- A present-focused statement outlining your core values, daily actions, and purpose.
- To define how you will act today to achieve your vision.
- **Example Mission:**  
"To learn relentlessly, collaborate with empathy, and use my skills to solve real-world problems while maintaining balance in my physical and mental health."

### Benefits of Having Both Statements

- **Clarity:** Reduces confusion about priorities (e.g., choosing between a part-time job vs. an unpaid internship in your field).
- **Resilience:** Keeps you focused during setbacks (e.g., a failed exam becomes a learning step, not a dead end).
- **Authenticity:** Helps you say "no" to peer pressure

### Topic Review

- **Vision vs. Mission:** Vision (future-focused, "Where do we want to be?") vs. Mission (present-purpose, "What do we do?").

- **Core Criteria:** Vision needs clarity, inspiration, brevity; Mission answers what, who, how.
- **Strategic Impact:** Vision guides long-term goals; Mission unifies teams and differentiates the organization.
- **Practical Focus:** Activities like refining vague statements and drafting sector-specific examples.
- **Personal Use:** Crafting personal vision/mission for clarity, resilience, and authenticity.
- **Next topic:** we will look at strategy formulation what it entails and its importance