

“You can’t have a compelling value proposition and differentiation if you do not know who you are, why you exist, and the purpose and function of the company”

Why do this? Isn’t this all fluffy stuff?:

This is all foundational work from which you will build or re-build your company. Consider it the cornerstone. In the construction trade a cornerstone is the first stone of the foundation which is laid. Usually it is at one corner of the structure and from this point out this is the reference point as the rest of the foundation and the structure is built.

Consider your purpose, vision, mission and values the cornerstone of your company. From here your company will have the focus and foundation from which to align all future strategies, tactics and policies.

Think of it another way. If you are taking a flight from Los Angeles to China but fail to adequately plan and clarify your vision and end up 10% off target. May not seem too bad, because after 100 miles you are only 10 miles off your target, but after 10,000 miles you are 1,000 miles off your target and in a different country.

What about the employees? Does it matter to them?:

Everyone has a need to be a part of something bigger than ourselves. When the employees of a business share in a common goal strategically, operationally and financially, they tend to be more motivated and are more likely to be satisfied in their careers, and more likely to work to their full potential to achieve those goals. This results in a more creative, empowered, effective, efficient, dedicated and loyal employees as well as an increased sense of community within the company. People best support that which they help create.

Defining the company's "Purpose":

Webster defines "purpose" as, "the object toward which one strives on for which something exists; an aim or a goal; to intend. Purpose is different from vision and mission in that this describes the company's *function and utility*.

Examples might be:

- Maximize shareholder value.
This is primarily an investment. This is most common and applies to most publicly traded companies and its purpose is to maximize wealth. Therefore all management, labor and customer decisions should align with this purpose. Examples of this might be GE, Wal-Mart and Ford.
- Be a credible and reputable platform from which to accomplish personal, professional, societal and environmental goals.
- For the entrepreneur, it may be a sense of identity or personal fulfillment.

Defining the company's "Vision":

- Your vision is a description of your "desired future state" describing your organization as you'd like it to be in five, ten or more years.
- A precise and well-crafted declaration to where your company wants to go and painting a picture of what it is to become: a compass.
- A Vision is a stated goal that will provide direction, align employees, strategy and operational tactics to achieve a common purpose.
- Reflects what he/she envisions the business to be, in terms of growth, values, employees, contributions to the community, and society.
- As markets and industry changes the company's focus may need to be refined.
- "Without a vision, the people perish."

Defining the company's "Mission":

While this is sometimes confused with the company's purpose, it is definitely different. Perhaps more than a vision statement, the mission statement is what draws people to a company and has as much meaning outside the company as inside the company.

A company's mission can be defined as:

- A special assignment given to a person or group
- An operation intended to carry out specific program objectives
- A higher calling or meaning, a reason for being. Often this is the reason the company was first created – to fill a need in the marketplace or society.
- A concise statement of business strategy developed from the *customer's perspective* and it should be aligned with the company's vision.
- Should be free of jargon.
- Not lengthy and verbose. A good rule of thumb is 50 words or less.
- Inspires innovation, commitment, and must resonate with the employees and key constituents the organization hopes to impact.
- The mission should answer three key questions:
 1. What is it that we do?
 2. How do we do it?
 3. For whom are we doing it?

Defining the company's "Values":

Guiding principles or rules of conduct that the company will be known for and how it will behave. A value is something of worth and importance and held in esteem. Non-negotiable behavior and rules of conduct.

A values statement can sometimes turn out to be too simplistic with words that sound good on paper but difficult to put into practice. For a set of values to be effective they must be aligned with the culture, departmental strategies, operations, rewards and incentives of the company.

The company's values should influence the hiring, recruiting and retention of key employees, compensation and rewards, how we treat each other and the customer.

What do we do next?:

1. **I already have a business plan or strategy but do not have this foundation work.**

Put it in place quickly and clearly communicated to all employees. A company of one person is not too small to have a vision, mission and values.

Problems exist in the growth of companies because they tend to clarify their vision, strategy and methods of operating once trouble arises and then it becomes a distraction to straighten the course.

2. **I don't have a business strategy or I need to re-evaluate what I have and I don't have this foundational work either. Which should I do first?**

Take what you have and what you have learned about your business and clients and step back to clarify and clearly focus your business lens. What you see as the vision for your company and what it is about will naturally flow into your business and operating strategies.

3. **We already have all of this in place.**

Great! Confirm that you are operating in a way that will help you achieve your vision and strategy through the behavior and operating principles of your company. Talk to your employees, customers and suppliers as well as inspect your financial and operational goals and objectives.

Much success to you and your company!