

VISION & MISSION STATEMENT

VISION

- ▣ A vision defines where the organization wants to be in the future. It reflects the optimistic view of the organization's future. It is a source of inspiration which provides a clear decision-making criteria

- ▣ The vision of an organization refers to the broad category of long-term intentions that the organization wishes to pursue. It is broad, inclusive and futuristic.
- ▣ Developing a vision statement is often considered the first step in strategic planning

- ▣ A vision is something that a firm or a person aspire to be in future. For example the dream of a management graduate may be to become a general manager in some concern or in a MNC. Some others may dream to own their successful business ventures.
- ▣ Vision is a mental image of the future state of an organization. Thus it might be difficult for the organization to actually achieve it in the long run. However it provides the direction and energy to work towards it.
- ▣ A firm may also dream in a similar way by the persons owning the firm.

- ▣ An vision to be ideal should be:
- ▣ Broad, all inclusive and forward thinking
- ▣ Mental image of the future state
- ▣ A dream that is shared across the entire organization

- ▣ The Ford Motor Company's vision is to become the world's leading consumer company for automotive products and service.
- ▣ The vision of Tata Motors is to be the best in the manner in which it operates, best in the product it delivers and to the best in the value system and ethics

- ▣ **AMAZON**

- ▣ **Our Vision is to be earth's most customer-centric Company, to build a place where people can come to find and discover anything they might want to buy online.**

Company Mission

- ▣ The mission statement of a company defines the business in which the company is currently in and it differentiates the company from other companies in the industry which are there.
- ▣ It also clearly specifies the company's intent and identifies the scope of its operations both in product and market terms
- ▣ Generally a mission statement reflects the philosophy of a decision maker. It tries to explain a number of things like the image the company seeks to project, the important product and service areas in which the company intends to cater and the basic customer needs the company will attempt to satisfy.

- ▣ The mission statement makes the vision statement more tangible. A well planned mission statement defines the fundamental, unique purpose that sets a company apart from other firms of its type and identifies the scope of the company's operations in terms of products and services offered and markets served. Managers in large organizations may find it difficult to relate to broad vision statements to the organizational intent. In order to make it more clear a mission statement is used.

A mission statement classifies the following aspects of an organization.

- ▣ The reason of existence of the organization.
- ▣ How the organization is different from others and
- ▣ The basic beliefs, values and philosophy of the organization.

The mission statement can be used for the following purposes:

- ▣ Defining what the company is
- ▣ Explain what shape the company intends to take in the future
- ▣ Should be broad enough to allow for growth.

Mission statement of some companies

3M

- ▣ To solve unsolved problems innovatively

Merck

- ▣ To preserve and improve human life

Wall-Mart

- ▣ To give ordinary people the chance to buy the same thing as rich people.

Walt - Disney

- ▣ To make people happy

Bayer

- ▣ Science for a better life

Coke

- ▣ To create a growth strategy that allows us to bring good to the world by refreshing people everyday and inspiring them with optimism through our brands and our actions.

Characteristics of a Good Mission Statement

- ▣ **It should be attainable** – A good mission should be a achievable and not impossible one. For example, the mission of the NASA in the sixties was to land on the moon. Since it was a attainable one hence it materialized.
- ▣ **It should be precise and specific** – A mission statement in order to be meaningful should be precise and specific. For example manufacturing mobile phones is a narrow mission statement whereas in the business of communication is a too broad term.
- ▣ **It should be clear to understand** – A mission statement in order to be useful should be clear enough for better understanding and for the purpose of attaining goals. For example, the mission of Asian paints is clear as it clearly specifies “Leadership through Excellence”.

- ▣ **It should indicate major components of strategy** – A mission statement to be attainable and feasible should incorporate the objectives and strategies of the organization. For example while launching the people's car Nano the mission was to create a break through product globally that rewrites the rules of the small car business.
- ▣ **It should be motivating** – A well defined mission statement acts as a guide to its employees and managers.

GOALS AND OBJECTIVES

- ▣ Goals denote what the Organisation hopes to accomplish in a future period of time. They represent a future state or an outcome of the effort put in now.
- ▣ Objectives are the ends that state specifically how the goals shall be achieved. They are concrete and specific in contrast to goals which are generalised.

Goals and Objectives Setting at Canara Bank

- ▣ B.Ratnakar ,Ex-Chairman of Canara Bank expressed the purpose of his Organisation as follows:
- ▣ Our Mission is to be the most Competitive and progressive Institution in Banking Industry.The Bank's Goals are:Growth,Innovativeness,High profits as a measure of efficiency and high involvement of employees distinctly charged with pride.

During his tenure he had attempted to achieve the above goals through operational objectives:

Growth had been achieved in terms of

- ▣ Customers
- ▣ Average Business per Employee
- ▣ Deposits per Branch

Innovativeness was reflected in a number of new ventures like merchant banking and portfolio management

- ▣ A High profit of Rs.45 Crore in 1987 was the highest among all public sector banks.
- ▣ Increase in Employee Involvement.
- ▣ From the above we can see that Bank's Mission is supported by goals ,which in turn are achieved through objectives that are measurable.

Role of Objectives

- ▣ Objectives define the Organisation's relationship with its environment
- ▣ Objectives help an Organisation to pursue its Vision and Mission
- ▣ Objectives provide the basis for strategic decision making
- ▣ Objectives provide the standards for performance appraisal

Characteristics of Objectives

- ▣ Objectives should be understandable
- ▣ Objectives should be concrete and specific
- ▣ Objectives should be related to a time frame
- ▣ Objectives should be measurable and controllable
- ▣ Objectives should be challenging
- ▣ Different objectives should co-relate with each other
- ▣ Objectives should be set within constraints.

STRATEGIC INTENT

- ▣ Strategic Intent could be defined as a Statement about the long-term intentions of a company. It gives an impression about what a Company wishes to attain in the long-term.
- ▣ Strategic Intent involves the following:
 - ▣ Desire to have the Leadership Position
 - ▣ Establishing the Criteria for charting out the Progress

- ▣ Examples of Strategic Intent
- ▣ Canon ----- Beat Xerox
- ▣ Appolo Programme----- Landing a Man on Moon ahead of the Soviets

Management Process to attain the Strategic Intent

- ▣ Communicating the value of the target
- ▣ Leaving room for individual and team Contribution
- ▣ Sustaining enthusiasm by providing new operational definitions as circumstances change
- ▣ Using Intent consistently to allocate resources

Characteristics of Strategic Intent

- ▣ Strategic intent captures the essence of winning
- ▣ Strategic Intent is stable over time
- ▣ Strategic Intent sets a target that deserve personal efforts and commitment
- ▣ Strategic Intent involves analyzing Competitor

Hierarchy of Strategy

- ▣ A Business Firm usually considers three types of Strategy. These are
 - ▣ Corporate Level Strategy
 - ▣ Business Level Strategy
 - ▣ Functional Strategy

Corporate Level Strategy

- ▣ It mainly describes a Company's overall direction in terms of its general attitude towards growth and management of its various business and product lines.
- ▣ Corporate Strategy typically fits within the three main categories of Stability, Growth and Retrenchment.

Business Level Strategy

- ▣ Business Level Strategy is a means of separating out and formulating a competitive strategy at the level of the individual business unit.
- ▣ This is sometimes referred to as a Strategic Business Unit.
- ▣ A Strategic Business Unit is a distinct part of an Organisation which focuses upon a particular market or markets for its products and services

- ▣ The role of Business Unit is to devise a Strategy which allows it to compete successfully in the marketplace and to contribute to the corporate strategy.
- ▣ The Managers of the Business Unit may have considerable autonomy to devise their business level strategy because of their knowledge of local markets, customers and competitors.
- ▣ However the Business Unit Managers must ultimately show that their business strategy contributes to the Corporate Strategy.

Functional Strategy

- ▣ It is the approach taken by a functional area to achieve Corporate and Business Unit Objectives and Strategies by maximizing resource productivity.
- ▣ It is concerned with developing and nurturing a distinctive competence to provide a Company or Business Unit with a Competitive advantage