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### **ABSTRACT**

The purpose of this experiential activity is to provide students in beginning or more advanced courses, or other business-learning participants, with a better understanding of the role of an effective mission statement in formulating competitive strategy. More specifically, it is designed to enable the participants to exploit the opportunity to develop and evaluate mission statements.

### **INTRODUCTION**

Recently renewed focus on developing and implementing effective competitive strategies has highlighted the importance of the organization's mission statement. It is increasingly recognized that the mission statement should show the organization's true function; that it provide direction and boundaries for growth; and that it give a basis for market definition and segmentation, as well as for resources allocation. To assure that managers are directed toward being market-driven, rather than product-driven or otherwise more internally misdirected, primary importance should be given in the mission statement to the basic consumer need to be fulfilled, the core market to be targeted and served, the core business/product to be provided, and the distribution, promotion, and technology strategies essential to satisfying those needs.

An activity is offered below for consideration in teaching topics related to the development and evaluation of mission statements.

### **EXPERIENTIAL ACTIVITY: DEVELOPING & EVALUATING MISSION STATEMENTS**

An organization's mission defines its purpose by specifying what it does or can do, in order to

satisfy basic needs of target markets. The organization's management is accordingly guided toward objectives and strategies which are consistent with and serve the stated mission. To develop a mission statement, or to evaluate an existing one, managers should seek appropriate answers to such guideline questions as the following:

Does the mission statement:

- depict accurately the organization that leaders and employees are building?
- enable an employee to define his or her job in the organization?
- provide a direction for the future of the organization without limiting it?
- define the business domain?

Equally importantly, the business domain of an organization, or of one or more of its component strategic business units (SBUs), is defined by identifying:

- the basic consumer needs to be satisfied;
- the potential customer groups to be served;
- the core business or core product to be offered;
- the distribution, promotion, and technology strategies necessary to satisfy those needs.

Assignment: In light of these mission statement guidelines and business domain considerations, evaluate the two mission statements in Scenario 1, then complete the assignment through all three scenarios.

### **Scenario 1**

Consider the mission statements of Jones Environmental Services and Smith Earthsavers, Inc.[fictitious names], two firms providing services to companies with environmental pollution problems.

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### Mission of Jones Environmental Services

Jones Environmental Services exists to solve pollution-related problems of organizations in any market through state-of-the-art technology.

### Mission of Smith Earthsavers, Inc.

Smith Earthsavers, Inc. is driven by a commitment to total quality management and a set of distinctive competencies. Smith Earthsavers, Inc. will:

- **Delight** our customers by delivering excellent products and service.
- **Commercialize** innovative technologies to attain an industry leadership position.
- **Empower** employees to achieve work excellence, to commit themselves to customer satisfaction, to contribute to the welfare of their communities, to grow personally, and to be rewarded for their contributions.
- **Exemplify** the highest standards of ethical behavior, environmental responsibility, health, and safety.
- **Generate** sustainable, superior rewards for our investors.

First, which of the mission statements do you prefer? Second, explain why you preferred this mission. Then, consult the above-mentioned guidelines and evaluate each mission statement stating explicitly how well each mission statement defines the business domain of the organization.

### Scenario 2

You are a strategic planning consultant to a firm that provides services to companies with environmental pollution problems. You begin to develop a mission statement to define the business domain, conforming to the above-mentioned evaluation guidelines. The format that follows will assist you in defining the firm's business domain. You may need to expand this format to assimilate ideas related to the other evaluation guidelines.

**To satisfy**

[Basic Consumer Need]

**of**

[Market to be Served]

**by providing**

[Core Business or Core Product]

**through**

[Distribution/Promotion/technology]

### Scenario 3

GUST, Inc. is a small firm in Louisville, KY that specializes in removing underground gasoline storage tanks. GUST has been providing this service for the last ten years. A recent law in Kentucky requires removal of all underground gasoline storage tanks and any surrounding contaminated soil at sites of former gas stations. This legislation also requires that existing gas retail outlets must repair/remove all existing underground storage tanks that leak or have leaked and remove any soil contaminated by leaks or spillage. Firms which specialize in such removal must meet special rules and regulations in Kentucky to be approved to continue offering removal of underground gasoline storage tanks and the surrounding contaminated soil. Write a mission statement that defines Gust Inc.'s business domain, using Scenario 2's format.

### INSTRUCTOR'S NOTES

Available on request.

### REFERENCES CITED IN PAPER

Available on request.