



Mission development

“Management’s job is not to see the company as it is....but as it can become.”

John W. Teets

“A strategy is a commitment to undertake one set of actions rather than another.”

Sharon M. Oster



Strategic Management Principle

Effective strategy-making begins with a *vision* of where the organization needs to head!



Example: John Deere's Strategic Vision

Who Are We?

John Deere has grown and prospered through a long-standing partnership with the world's most productive farmers. Today, John Deere is a global company with several equipment operations and complementary service businesses. These businesses are closely interrelated, providing the company with significant growth opportunities and other synergistic benefits.





Example: John Deere's Strategic Vision

Where Are We Going?

- Deere is committed to providing genuine value to company's stakeholders. In support of that commitment, Deere aspires to:
 - Grow and pursue leadership positions in each of our businesses.
 - Extend our preeminent leadership position in the agricultural equipment market worldwide.
 - Create new opportunities to leverage the John Deere brand globally.





Example: John Deere's Strategic Vision

How Will We Get There?

- By pursuing the broader corporate goals of profitable growth and continuous improvement, each of the company's businesses is expected to:
 - Achieve world-class performance by attaining a strong competitive position in target markets.
 - Exceed customer expectations for quality and value.
 - Earn in excess of the cost of capital over a business cycle.





Example: John Deere's Strategic Vision

How Will We Get There?

- By growing profitably and continuously improving, each of the company's businesses will benefit from and contribute to Deere's unique intangible assets:
 - Our distinguished brand.
 - Our heritage of integrity and teamwork.
 - Our advanced skills.
 - The special relationships that have long existed between the company and our employees, customers, dealers and other business partners around the world.





Example: John Deere's Strategic Vision

How Will We Measure Our Performance?

- Each business will make a positive contribution to the corporation's objectives in the pursuit of creating genuine value for our stakeholders. Our "scorecard" includes:
 - Human Resources--employee satisfaction, training
 - Customer Focus--loyalty, market leadership
 - Business Processes--productivity, quality, cost, environment
 - Business Results--return on assets, sales growth

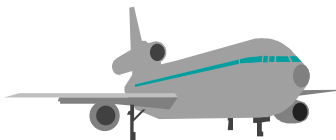




Example: Delta Airline's Strategic Vision



..... we want Delta to be the **WORLDWIDE AIRLINE OF CHOICE.**





Example: Delta Airline's Strategic Vision

DELTA AIRLINES

WORLDWIDE, because we are and intend to remain an innovative, aggressive, ethical, and successful competitor that offers access to the world at the highest standards of customer service. We will continue to look for opportunities to extend our reach through new routes and creative global alliances.



Example: Delta Airline's Strategic Vision

DELTA AIRLINES

AIRLINE, because we intend to stay in the business we know best -- air transportation and related services. We won't stray from our roots. We believe in the long-term prospects for profitable growth in the airline industry, and we will continue to focus time, attention, and investment on enhancing our place in that business environment.



Example: Delta Airline's Strategic Vision

DELTA AIRLINES

OF CHOICE, because we value the loyalty of our customers, employees, and investors. For passengers and shippers, we will continue to provide the best service and value. For our personnel, we will continue to offer an ever more challenging, rewarding, and result-oriented workplace that recognizes and appreciates their contributions. For our shareholders, we will earn a consistent, superior financial return.



Three Elements of a Strategic Vision





Characteristics of a Mission Statement

- Defines **current** business activities
- Highlights **boundaries** of current business
- Conveys
 - **Who** we are,
 - **What** we do, and
 - **Where** we are now
- Company **specific**, not generic — so as to give a company its own identity

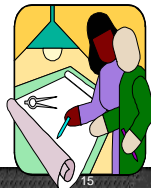


A company's mission is not to make a profit !
 The real mission is always—"What will we do to make a profit?"



Defining a Company's Business

- A good **business definition** incorporates three factors
 - **Customer needs** -- **What** is being satisfied
 - **Customer groups** -- **Who** is being satisfied
 - **Technologies and competencies employed** -- **How** value is delivered to customers to satisfy their needs





Business Mission: Cardinal Health



- Cardinal Health is a leading provider of services supporting health care worldwide.
- The company offers a broad array of services for health-care providers and manufacturers to help them improve the efficiency and quality of health care.
- These services include pharmaceutical distribution, health-care product manufacturing and distribution, drug delivery systems development, . . . , retail pharmacy franchising, and health-care information systems development.

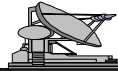




Business Mission:



- JDS Uniphase is the leading provider of advanced fiber optic components and modules.
- These products are sold to the world's leading telecommunications and cable television system providers . . .
- Our products perform both optical-only functions and optoelectronic functions within fiber optic networks.
- Our products include semiconductor lasers, . . . , and isolators for fiber optic applications.
- In addition, we design, manufacture, and market laser subsystems for a broad range of OEM applications, which include . . .





Business Mission: Russell Corp.



- Russell Corporation is a vertically integrated international designer, manufacturer, and marketer of athletic uniforms, . . . , and a comprehensive line of lightweight, yarn-dyed woven fabrics.
- The Company's manufacturing operations include the entire process of converting raw fibers into finished apparel and fabrics.
- Products are marketed to sporting goods dealer department and specialty stores, mass merchandisers, . . . , and other apparel manufacturers.





Broad or Narrow Mission Statements?

- **Narrow** enough to specify **real arena** of interest
- Serve as
 - **Boundary** for what to do and not do
 - **Beacon** of where top management intends to take firm
- **Diversified** companies have **broader** business definitions than single-business enterprises





Definitions: Broad vs. Narrow Scope

• **Broad Definition**

- Furniture
- Telecommunications
- Beverages
- Global mail delivery
- Travel & tourism

• **Narrow Definition**

- Wrought-iron lawn furniture
- Long-distance telephone service
- Soft drinks
- Overnight package delivery
- Caribbean cruises



Business Mission: The McGraw Hill Companies (a diversified firm)

- The McGraw-Hill Companies is a global publishing, financial, information and media services company with such renowned brands as Standard & Poor's, Business Week, and McGraw-Hill educational and professional materials.
- The Company provides information via various media platforms: books, magazines and newsletters; on-line; via television, satellite and FM sideband broadcast; and software, videotape, facsimile and CD-ROM products.
- The Company now creates more than 90 % of its information on digital platforms and its business units are represented on more than 75 Web sites.





Business Mission: FDX Corporation
(a diversified firm)

- FDX is composed of a powerful family of companies: FedEx, RPS, Viking Freight, FDX Global Logistics and Roberts Express.
- These companies offer logistics and distribution solutions on a regional, national and global scale: fast, reliable, time-definite express delivery; . . . expedited same-day delivery; . . . ; and integrated information and logistics solutions
- With all this expertise under one umbrella, the FDX companies can provide businesses with the competitive advantage they need by providing streamlined solutions that are on the cutting edge of technology.





Example: Mission Statement



Pfizer Inc.



Pfizer is a research-based, global pharmaceutical company.

We discover and develop innovative, value-added products that improve the quality of life of people around the world and help them enjoy longer, healthier, and more productive lives.

The company has three business segments: health care, animal health and consumer health care. Our products are available in more than 150 countries.



Example: Mission Statement



Ritz-Carlton Hotels



The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission.

We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed yet refined ambiance.

The Ritz-Carlton experiences enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests.



Example: Mission Statement



Apple Computer



Apple Computer, Inc., ignited the personal computer revolution in the 1970s with the Apple II, and reinvented the personal computer in the 1980s with the Macintosh.

Apple is now committed to its original mission--to bring the best personal computing products and support to students, educators, designers, scientists, engineers, business persons and consumers in over 140 countries around the world.



Example: Mission Statement



The Gillette Company



The Gillette Company is a globally focused consumer products company that seeks competitive advantage in quality, value-added personal care and personal use products. We compete in four large, worldwide businesses: personal grooming products, consumer portable power products, stationery products and small electrical appliances.

As a company, we share skills and resources among business units to optimize performance. We are committed to a plan of sustained sales and profit growth that recognizes and balances both short- and long-term objectives.



Example: Mission Statement



The Gillette Company



Our **mission** is to achieve or enhance clear leadership, worldwide, in the existing or new core consumer product categories in which we choose to compete. Current core categories are:

- ◆ Male grooming products - blades and razors, electric shavers, shaving preparations and deodorants . . .
- ◆ Female grooming products - wet shaving products, hair removal and hair care appliances and deodorants . . .
- ◆ Alkaline and specialty batteries and cells.
- ◆ Writing instruments and correction products.
- ◆ Certain areas of the oral care market - toothbrushes . . .
- ◆ Selected areas of the high-quality small household appliance business - coffeemakers . . .
