



Three Things You Forgot Your Company Needed

Does a company with an articulated mission statement have a competitive advantage? What about a clear vision or core values? Most organizations have them; they're well-worded and catchy, warm and fuzzy—and, too often, devoid of any meaning. [Ian Brenner](#) discusses why it's imperative that companies develop and harness a true sense of purpose—one that goes beyond just profit.

Let's start with an organization whose values were, "respect, integrity, communication and excellence." It went further to define "respect" as "treat(ing) others as we would like to be treated ourselves....We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness and arrogance don't belong here."

Any guess what company this was?

If the name [Jeffrey Skilling](#) rings a bell—you're probably on the right track. The disgraced CEO is fresh out of prison and already trying to get back into the energy business. Maybe, this time, he can actually live up to the corporate values he puts down onto paper.

The truth is, most companies view the whole mission, vision and values exercise as a nice-to-have—a business plan element that looks good on paper but isn't really essential.

When done correctly, a company's mission, vision and values can drive business success. They provide organizational direction, purpose and clarity that reach beyond profits, and form the moral backbone of your company—and in today's business environment, they've never been more important.

The benefits of these three statements can be felt beyond your organization's moral standing too. In fact, a strong articulation of your mission, vision and values can positively impact your bottom line and even long-term survival by strengthening your capital allocation framework, attracting and motivating employees and mitigating risk in the most effective ways. To be clear, here are some definitions we use with our clients:

- **mission:** your mission is the reason the organization exists. It is what you do and how you are different from your competition
- **vision:** it is the guiding image for success, that inspires, motivates and guides people to work together
- **values:** these are the beliefs that an organization's members hold in common and endeavor to practice through their everyday actions

Mission: What you do = how you should spend

A mission statement defines an organization's DNA—it outlines its strengths in the market, its shortcomings and its competitive advantage. With this information clearly in hand, it becomes easier to evaluate proposed investment opportunities and select those that will help the company carve its pre-determined space in the market.

For example, say a medical cannabis company had \$100,000 to invest in the business. Should it invest the money in building a retail brand or expanding its geographic footprint? The answer to this question hinges on its mission. If its mission is to build a lifestyle company, then maybe branding is the way to go. Alternatively, if it wants to grow as a medical company, it would make more sense to hire a pharmaceutical rep in another region of the country to help physicians learn how to prescribe cannabis.

Most people know of the aspirational mission of companies like Patagonia. They are a clothing company, but their mission is clear but has nothing to do with clothing; "[We're in business to save our home planet](#)." This mission has informed how they invest their resources and most importantly, all their actions reflect this mission.

Vision: Good attracts good

There's no question that employees appreciate a good salary, but to retain your people for the long haul—and motivate them to do their best work—you need to offer them more than money.

Humans are naturally inclined to strive to do better, and a company vision that outlines your organization's pie-in-the-sky goals can unite everyone behind one common purpose. By shining the spotlight on this purpose and integrating it into your brand identity, you'll not only be able to inspire those who already work for you, but also attract new employees who value fulfilling work.

Additionally, if you succeed at getting your management team and employees to buy into your aspirational vision, this will inevitably trickle down to your customers. Whether you're in the consumer space or the B2B realm, people like companies that prioritize more than just profits—making an aspirational vision a strong differentiator.

There are some B2B companies that have visions that are aspirational. [Workday](#), for example cuts through some of the clutter and technobabble in the HR technology space by focusing not on features or benefits, but by “put(ting) people at the center of enterprise software.” This vision will attract certain customers and employees and repel others.

Values: Mitigating risk

Not a single bank in the world has *employee safety* as a core value, but every mining company does. Why? Because values are important reminders of what we need to do every day to effectively mitigate risk.

While it's true a strong risk management strategy includes an array of checklists, controls and firewalls, for those things to be effective, you first have to look at employee behaviour. Every day, employees make thousands of decisions—from whether to click a suspicious-looking email to whether to enter the construction site without a helmet. Each of these decisions could lead to serious repercussions.

To avoid them, your first and last line of defense will always be your employees' behaviours. And while there are many good tools to reinforce good decisions-making, explicit values are the bedrock principles that inform employees faced with ambiguous situations. Explicit value statements should eradicate any danger of misinterpretation—which would inevitably lead to poor judgement and, potentially, risky behaviour. It should also address the critical aspects of your company, from how you treat customers to how you treat each other, and clearly outline organizational expectations.

A strong set of well-articulated values are brought to life through organizational stories—stories that underline the type of behaviour, thought-processes, decisions and attitudes your organization idealizes. These stories can then, in turn, help build a positive company culture, which is mutually reinforcing with robust policies and enforcement processes.

When these break down, when the top brass fails to reinforce them in their daily behaviours, you get situations like Wells Fargo. The CEO was quoted on the company website saying “everything we do is built on trust. It doesn't happen with one transaction, in one day on the job or in one quarter. It's earned relationship by relationship.” Yet, the company has paid over \$1.7B USD in fines for breaching that trust in one of the major banking [scandals](#) this decade. Their revised values under the latest CEO include a clearer statement, saying Wells Fargo does “what's right for customers. We place customers at the center of everything we do.” We will see if the new language helps.

Forward, with intention

While strong mission, vision and values statements may seem like optional exercises—and are often treated like an afterthought—they are arguably the most fundamental aspect of running a business. Not only are they the bedrock upon which decisions are made, but they're something stakeholders both expect and demand.

Understanding this, it's clear that crafting such statements isn't merely a one-hour conversation or something you want to outsource to a marketing company that has a great copywriter. To ensure they have the ability to make a real impact, you need to sit down with various teams throughout your organization, invite them to share their thoughts and determine the mission, vision and values that truly drive your company—and that will help you become the organization you want to be.

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