Mission Statement

Objectives for the Day

• The importance of planning

• Organizational mission statements

• Spotlight on Ben & Jerry’s

Why is planning important?

Without planning:

• Working very hard, climbing a ladder

• but ladder is leaning against wrong wall

• Every step gets you to the wrong place faster, using resources in the process

• Efficient but not effective!

• Caught in the activity trap

Why is planning important?

• Management: process of working with people and resources to accomplish organizational goals

• Must establish organizational goals

• Where are we now, where should we go, and how do we get there?

• Begin with end in mind

Why is planning important?

• Good planning provides an organization:
  – participation → buy-in from managers and employees
  – direction and purpose
  – Coordination of departments and divisions so they can strive for same goal
  – Control: hold managers accountable
    – Planning, leading, organizing, controlling

Strategic Planning (linked to goals) (3 – 10 years)

Tactical Planning (linked to objectives)

Operational Planning (linked to decisions)

Leadership Comes First

• Client needs constantly changing

• Leadership needed to monitor and react

• Need to focus on big issues, not day-to-day activities

• Need to be proactive

• Need to be aware of your circle of influence, and expand it

• Organization will prosper as a result
Covey’s Centeredness
(introspective analysis)
Personal Mission Statement

- spouse
- family
- money
- work
- possessions
- pleasure
- friend/enemy
- church
- self

Keeping the end in mind
(Personal Mission Statements)

- Understand your values
- Improve on your character (character ethic)
- Understand your roles
- Be proactive

- Where do you want to go?
- Where do you want the organization to go?

Three steps to planning

1. Mission statement
2. Formulating strategy
   - SWOT Analysis
   - Porter’s Five Forces of Competition
3. Implementing strategy

Mission Statement

- Describes the organization’s purpose
- Goals and strategies provide vehicles to realize mission
- Best mission statement involves all levels of organization - not just top executives
- No involvement! No commitment! (Covey examples)

9 Components of Mission Statement:

1. Customers
2. Products/services
3. Geographic markets
4. Technology
5. Concern for survival/growth/profits
6. Philosophy
7. Public Image
8. Employees
9. Distinctive competence

Why study Ben & Jerry’s?

- Changing mission
- Principle centered leadership
- Planning for growth
  - Remember Webvan.com
- Hiring the right people for the right job
  - Remember Dell
- Good case study for a SWOT analysis
What is the status of Ben and Jerry’s?

• 2000 Unilever buyout for $43/share
  – $326 million
  – Against wishes of both founders
• Unilever largest food distributor in world
• Agreed to separate Bd. Of Dir. to allow company to focus on social mission
• Company is now a subsidiary of Unilever
• Neither owner involved
• Both active in Businesses for Social Responsibility

SWOT Analysis of Ben & Jerry’s (1978)

• Strength =
• Weaknesses =
• Opportunities =
• Threats =

“T” in SWOT stands for threats from external environment

Porter’s Five Forces of Competition

• Rivalry among existing competitors
• Potential of entry – (easy or difficult to enter industry?)
• Threat of Substitute products
• Leverage of buyers
• Leverage of suppliers

The five forces conspire to keep profits down!

The Five Forces Model

1. Rivalry among existing competitors

Factors:
• numerous, equally balanced competitors
• high fixed costs (don’t change with production)
• ability to differentiate – cost or differentiation
• exit barriers (high cost of asset liquidation) – what are exit barriers if you fail?

2. Potential of Entry

Factors:
• economies of scale - manufacturing
• location – supply, labor, customers, raw materials
• capital requirements – start-up costs, facilities, office space
• access to distribution channels – wholesale or retail outlets, shelf space
• high/low brand loyalty – examples?