

BUSINESS POLICY

UNIT 2

Corporate Vision

What is it? The Vision expresses the future state of what you want to be. What is it you want to become? (Or some might say Achieve.) It offers a long term path. It is - or should be - the North Star for all things that follow. What you want to be can include the high level problem your trying to solve. It's your inspiration. It answers the questions: "What or where do you want to be one day? In what direction should be going?" The result is ideally inspirational. This vision - if done well - should rarely change even over long periods of time. Again, it's about "someday."



Do you need this? Maybe you can progress with simple goals and objectives. The trouble emerges when you run into challenges with lower order choices. How do you determine direction? What's your so-called "North Star?" Without some higher order overarching story and direction, you're going to find yourself somewhat lost. You have no criteria for choice. Any progress you make is more likely due to past momentum, luck, or leadership intuition. And those three things, while perhaps amazing and even somewhat magical, aren't necessarily by design. So maybe not consistently repeatable over time.

About the Order... Vision first or Mission first. We'll see arguments on both sides of this. But consider... if Mission is more about what you're doing now and intend to do soon, (as we'll cover in a moment), then how or why could that possibly come before what it is you aspire to become long term?

Corporate Mission

What is it? The mission statement is about your high level purpose. What are you doing now and what's your intent over the next handful of years. The point is that it's about what you're doing and for whom and what the benefits may be. It answers the questions: "What are you doing and what do you intend to do near term; and how does this differentiate you, if at all? Where should you focus your attention?" The result is ideally directional. This mission - even if done well - may occasionally change over long periods of time. Generally, it's been said that Mission might be more about who, and how. It's what you do every day.

The Mission clarifies what you're doing and for whom and perhaps how. It's going to drive overall strategy, as well as inform more specific goals and objectives. The things you do, from actual behavior to messaging, should align with your Mission. (And your Vision of course.) Otherwise, what are you? What is your brand anyway? One problem with the whole "Which comes first, Vision or Mission" thing is possibly due to the definition being somewhat dual purpose. That is, long ago, someone somewhere saddled mission with the ideas of both "purpose" and "what you're doing now." That's a problem. If it was just purpose alone, maybe it could be argued it would come before vision. But when you add in what you're doing, that's more of an activity.

Importantly, your Mission also should help you decide what you should not be doing. That is, while vision might be somewhat abstract when thinking about alignment of strategy, goals, objectives and tactics, mission should not be. Any of the lower order activities down to the tactical level should be able to be clearly aligned with mission. If not, then something is likely wrong; either the Mission or what you're doing.

Vision vs Mission Quick Interrupt...

So again... just to try to be clear... Vision is about what you want to be, over a long period of time. The Mission is about purpose, but even more so about the now and what you're doing. So ideally you can now see why I suggest the order goes Vision and then Mission. (For those of you who chose to stick with Mission as purpose alone, well... that's fine. Put it where you want. I can't personally seem to find clear consensus on this among the guru crowd. By all means, comment and correct me if you believe otherwise.)

Can you Combine Vision and Mission Statements

Sure. You can do anything you want. A lot of companies do combine them. Doesn't matter. I'm suggesting the correct order for the ideas, but if the concepts are conflated, fine. The idea is to make sure you cover the important issues at hand. Because the whole point is for upcoming sub-components to be aligned with the Vision / Mission ideas, however they happen to be expressed. Otherwise, how can judgements be made regarding goals, strategies, etc. in terms of if they're taking you where you want to go?

Vision vs Mission: Just a couple examples

These are easy to find. Again, note that many do craft these as one. Just do some searches for your favorite companies.

Tesla

Tesla has actually been messing with their statements a bit. The following is from a 2011 presentation as well as a CEO blog...

Vision: Create the most compelling car company of the 21st century by driving the world's transition to electric vehicles

Mission statement: to accelerate the advent of sustainable transport by bringing compelling mass-market electric cars to market as soon as possible.

And yet on their about section, they just list mission: Tesla's mission is to accelerate the world's transition to sustainable energy.

Amazon

Vision: to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online.

Mission: We strive to offer our customers the lowest possible prices, the best available selection, and the utmost convenience.

Corporate Values

Publishing your corporate Values is optional. You have them of course, whether you publish them or not. They're implied by your behavior anyway since your behavior will scream your values more so than anything you say. There is also an argument for leaving them out. In today's politically charged environment, if you publish them, but leave out something that others may feel is critical, they may say, "Sure, you care about the environment, but what about, this, that, and the other thing." So, your call.



The thing about values is they can be a little tricky. If you look at the values - for example - of a firm like Habitat for Humanity, or Patagonia, your firm may find it hard to signal quite as much virtue if you happen to make... I don't know... sugary sodas, or crappy little plastic party favors people toss out as soon as they can, etc. Still, between the lofty values of a Research Hospital versus a Sugary Snack Maker, there's a whole lot of ground to cover.

What are Corporate Values? Values are about your culture. They define how you want to behave both with your own team and external stakeholders. They express your beliefs, either explicitly or by proxy through your stated behavioral imperatives. Having clear values can help answer the questions: "Is what I'm doing in alignment with how we want to behave in the world?" So if the Vision is typically very long term, (potentially decades), and Mission includes both purpose and what you're doing somewhere from right now through five years or so, how long do we hold our values? The answer is - ideally - forever. Yes, you may tweak these every now and again as new things come up. But really, if you're flip-flopping your core values around a lot, chances are you have other issues.



VMSO Elements

Your VMSO will consist of the following four simple and clear written statements representing the company's position.

1. **Vision:** Provides a word picture describing the desired future of the organization. Vision sets the future context: "Imagine a world..." I like Kellogg's vision statement: "A good and just world where people are not just fed but fulfilled."

2. **Mission:** Describes the organization's purpose, its reason for existence and the core values that guide its actions. It answers the question, "Why do we exist?" The mission should not change much, if at all, over time. Some high-profile examples:

Google: "To organize the world's information and make it universally accessible and useful."

- 3.

Amazon: "To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices."

- 4.

OpenAI: "To ensure that artificial general intelligence (AGI) – highly autonomous systems that outperform humans at most economically valuable work – benefits all of humanity."

- 5.

Atlassian: "To unleash the potential in every team."

6.

7. **Strategy:** Represents the approach or plan that outlines how the organization will achieve its goals and fulfill its mission. It involves making choices about where to compete and how to win. Here are some basic implied strategy outputs from the mission statements above.

What is business all about?

Businesses are all about producing items or services to sell, meeting a particular need for society, and are mainly concerned with profit. Though their main focus is being profitable, businesses also focus on meeting societal needs and reaching common goals.

What is the definition of business, and what is an example?

Businesses are made up of individuals working together to meet society's needs, as well as common goals. Some examples of businesses include Coca Cola and Walmart, as well as smaller private businesses such as an accounting firm or a local grocery store.



What is Business?

Well-known professors of business Jack Kapoor, William Pride, and Robert Hughes have written countless texts to teach the ins-and-outs of the business world and define what a business is. What's the meaning of business? What does business mean? Businesses are opened with the goal of becoming profitable by selling goods or services to consumers. Businesses can differ in classification, type, and ownership, but for the most part conduct the same internal activities and exhibit the same characteristics.

Business is the practice of making one's living or making money by producing or [buying and selling products](#) (such

as [goods](#) and [services](#)).^{[1][2][3][4]} It is also "any activity or enterprise entered into for profit."^[5]

A business entity is not necessarily separate from the owner and the creditors can hold the owner liable for debts the business has acquired.^[6] The [taxation system](#) for businesses is different from that of the corporates. A business structure does not allow for corporate tax rates. The proprietor is personally taxed on all income from the business.

A distinction is made in law and public offices between the term business and a [company](#) such as a [corporation](#) or [cooperative](#). Colloquially, the terms are used interchangeably.

Corporations are distinct from with [sole proprietors](#) and [partnerships](#). They are separate legal entities and provide [limited liability](#) for their owners and members. They are subject to [corporate tax](#) rates. They are also more complicated and expensive to set up, but offer more protection and benefits for the owners and members

Strategic Statements Definition

A strategy statement defines the strategic actions of a company. It acts as a blueprint of the company's movement for years to come. It also sets the company's long-term strategic plan.

A strategy statement appears at the beginning of a [business plan](#) and follows the vision and mission statements of the company.

Before we get down to explaining all the elements in detail, let me tell you that the strategy statement consists of six main elements which I am going to discuss.

Strategic Statements Elements



Let us scratch the whole surface by defining the elements of the Strategic statements' hierarchy.

There are six main elements and starting from the bottom those are:

- Vision, which represents what we want to be.

- Mission, which explains the reason we exist.

- Values, defining the things we believe in and our behavior.

- Strategic Objectives.

- Scope.

- Competitive Advantage.

Vision

To fully visualize your project at the moment and in the future (something like 5 to ten years), you need to create a vision.

For instance, **Microsoft's vision** is to empower people through great software, any place, any time, or any device. **Wal-Mart's vision** is to become a worldwide leader in retailing.

It contributes to effective decision-making and effective business planning.

Vision statements are about the future. Mission statements, to be effective, should create an urgency in the present.

Let's look at an example. I will be able to assert that this is often perhaps the simplest vision statement ever written:



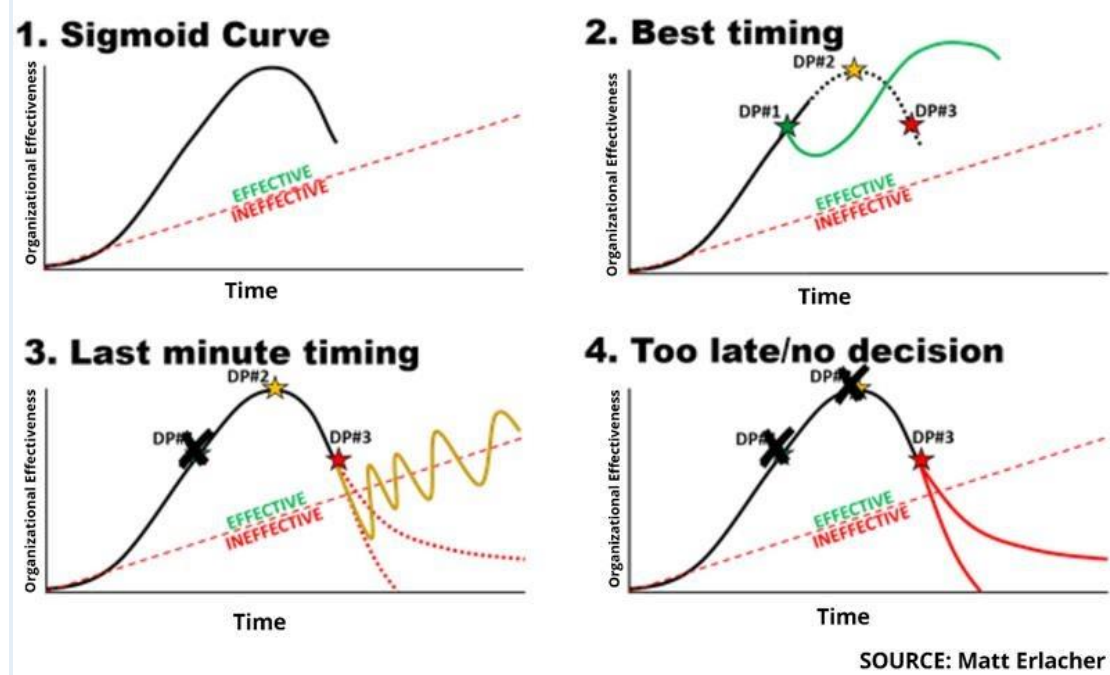
And I've seen the promised land.
I may not get there with you.
But I want you to know tonight,
that we, as a people will get the
promised land.

-Martin Luther King-

That is vision: painting a transparent picture of how the planet is going to be different someday.

But remember, you would never attain your vision because you would understand your organization's trajectory and make changes to your vision to maintain freshness and relevance in your particular industry.

Organizations that thrive always remake themselves to remain before downturns in their Sigmoid curve (see illustration). The vision must stay far sooner than current reality to stay relevant and drive positive change.



In the Sigmoid depiction of organizational life cycles, **leaders** must keep decisions at the correct times and effective follow-through.

So, a vision statement is for the organization and its members, unlike the mission statement which is for the customers or clients.

Mission

This explains the reasons why your company or project exists. It describes what the organization does (present capabilities), who it serves (stakeholders) and what makes an organization unique (the reason for existence).

For instance, **Microsoft's mission** is to help businesses and people throughout the world to realize their full potential. **Wal-Mart's mission** is To provide ordinary people with a chance to buy the same thing as rich people.

The mission is about time-bound goals. Let's take a glance at the subsequent example which is additionally one among my favorites:

May 25, 1961

“I believe this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth.”

John F. Kennedy
Message to a joint session of the Congress



Here we have JFK throwing down the gauntlet. We will get a man on the moon- tells us about a clear goal. It will happen by the top of the last decade — a transparent timeline. Sparing no expense shows how the mission will get done.

So, the Mission statement formula is

Mission = Clear Goals + How + Time Limit + Tools for building clarity and humor

If you still have to explain what your organization does and why after reading it, then you don't have a good mission statement.

If you aren't changing your company's mission, purpose or structure, then what you're doing isn't "strategic" but it's still going to be important.

This must be a change in an action (tactical or strategic) to try and do something different a minimum of temporarily or permanently, or why would you undertake the project at all?.

So, spend the next 10 minutes writing an engaging personal statement that crisply defines your goals for the next month.

MISSION WORKSHEET

CREATE YOUR OWN MISSION STATEMENT

Questions	Answers
Where do you want to be in the future?	
What needs to be changed?	
Why should issues be addressed?	
What are our strengths and advantages?	
What is our dream end-state?	
What would success look like?	

Values

This represents a set of beliefs of your organization with how the organization will behave.

This involves **decision-making** processes with some core principles to maintain the organization's culture.

What comes as absurd is that people often focus on technical aspects of the project and often oversee these core values that make the machine run smoothly.

COMPANY NAME

MISSION

VISION

OUR VALUES

VALUE 1

VALUE 2

VALUE 3

VALUE 4

VALUE 5

VALUE 6

Strategic Objective

The strategic objective is the single, specific objective that will drive your business over the next few years.

It is very important to be precise and not mix this element with mission and values.

I can freely say that this is the motor that will drive your machine over the next several years.

Your objective should be specific, measurable, and time-bound. It must be a single goal for either growth or profitability.

One of the most common objectives is maximizing shareholder value. So, when creating a strategy statement, you must answer the question: Which objective is most likely to maximize shareholder value over the next few years?

For example, for early-stage startups, the objectives relating to your market strategy depend on the type of market you plan to enter.

Scope

The company's scope encompasses three dimensions—the target customer, geographic location, and vertical integration (whole product).

Clearly defining the boundaries make it obvious which activities to concentrate on and which ones to avoid.

It should specify where the business or company will not go. This will prevent employees from wasting time and resources on projects that do not fit with your company's strategy.

Competitive Advantage

Can you present the details that make you specific compared to the others? What will your consumers remember you for? Are you better or more efficient?

This will help you in giving up the right answer to what is your advantage.

As soon as you establish a competitive advantage you can be sure that the strategy you have is the right one.

Every advantage consists of two segments:

Statement of the customer **value proposition**

This explains why consumers should be loyal to your products and services. If a strategy cannot explain that, then your offering will end up in failure.

Deliver the customer value proposition

One of the ways to do so is capturing the unique activities; the other is a complex combination. Here all boils down to consistency about making choices.

How to write strategic statements

Create a product strategy

The product we produce helps our company accomplish _____ and _____ by providing _____ and _____ product that makes _____ feels _____ or _____ so that they can _____ or _____.

<goal> <goal> <adjective>

<adjective> <audience description>

<emotion> <emotion>

<task> <task>

First, create a product strategy based on your industrial base and landscape.

Then, craft your strategy statement based on it. that captures the strategy's essence in a way that makes sense to everyone in the company

I recommend using this template that includes the three key components of any product strategy:

- Business goals
- Target audience
- Audience needs

Use the core product strategy statement to choose topics

Use your core product strategic statement as a basis for brainstorming the ideas and choosing which topics to say yes to.

Bring together stakeholders to evaluate **business ideas** as a group. I recommend using a product decision-making matrix like the one shown.

Topic or Product Idea	Meet Business Goals	Meet Audience Needs	Total

Product Roadmap

The product roadmap describes what products and features will be built to realize the strategy and vision, who is responsible for building those product features, and, also, an estimate of when those products and features will be released.

The biggest problem with this definition is of course that in a lean/agile world, we might not know yet what “features” we will build to achieve the goals we have.

Summary statement of strategy

A "summary statement of strategy" is a concise explanation of a company's overall plan to achieve its goals, outlining its key objectives, target market scope, and the competitive advantage it intends to leverage to succeed in the market, essentially communicating the "what," "where," and "how" of its strategic direction in a clear and focused manner.

Key elements of a strategy summary statement:

- **Strategic Objective:** The primary goal the company aims to achieve, often tied to market share, revenue growth, or customer satisfaction.
- **Market Scope:** The specific customer segments or market niches the company will focus on.
- **Competitive Advantage:** The unique value proposition or differentiation that sets the company apart from competitors.

Example of a strategy summary statement:

"To become the leading provider of sustainable, high-quality fashion apparel in the premium women's market by focusing on ethically sourced materials, innovative designs, and a personalized customer experience, thus achieving a 20% market share within the next five years through targeted digital marketing and strategic collaborations with ethical suppliers."

"Deducing strategy fraction & endeavours"

"**Deducing strategy fraction & endeavours**" suggests a focus on strategic thinking, resource allocation, and effort distribution. Here are some possible interpretations and insights:

1. Strategy Deduction (Logical Analysis of Strategy)

Deducing strategy means analyzing a situation to determine the best course of action. This often involves:

- **Assessing available information** (data, trends, probabilities).
- **Identifying objectives** (desired outcomes).
- **Recognizing constraints** (time, resources, risks).
- **Anticipating competitor/opponent moves** (game theory, decision trees).

2. Fraction of Strategy (Resource Allocation & Prioritization)

The term "**strategy fraction**" may refer to how much of a given resource (time, money, effort) is allocated to different strategic components. Examples include:

- **Pareto Principle (80/20 Rule):** 80% of results often come from 20% of efforts.
- **Investment in high-impact actions:** Dividing resources into core vs. experimental strategies.
- **Risk diversification:** Splitting resources across multiple strategic bets to minimize failure.

3. Endeavours (Effort Distribution & Execution)

Strategic endeavours involve breaking down high-level strategies into actionable plans. Key approaches:

- **Incremental vs. Radical Execution:** Balancing short-term wins with long-term innovation.
- **Agile Adaptation:** Monitoring progress and adjusting strategy dynamically.
- **Leverage & Synergy:** Ensuring that different initiatives support each other.

4. Application in Different Fields

- **Business:** Market expansion vs. core business development.
- **Military:** Dividing forces between offense and defense.
- **Personal Growth:** Time spent on skill development vs. execution.

Case Study: The Strategic Transformation of EcoGlow Inc.

Background:

EcoGlow Inc., a mid-sized renewable energy company, was founded in 2010 with a vision of making sustainable energy accessible to households and businesses globally. Initially, the company focused on manufacturing and selling solar panels but faced stiff competition from larger players in the market.

Mission & Vision

- **Mission:** "To drive a sustainable future by providing innovative and affordable renewable energy solutions."
- **Vision:** "To be a global leader in renewable energy, ensuring clean power for every home and business."

Objective Setting

EcoGlow set the following strategic objectives for the next five years:

1. Expand its product range to include wind and hydro energy solutions.
2. Enter emerging markets in Southeast Asia and Africa.
3. Achieve a 25% increase in revenue through sustainable growth.
4. Invest in R&D to improve the efficiency of renewable energy products.

Business Definition

EcoGlow defines its business as:

- **Industry:** Renewable Energy
- **Core Offerings:** Solar panels, wind turbines, and hydro energy solutions
- **Target Market:** Residential, commercial, and industrial energy consumers
- **Competitive Edge:** Affordable pricing, technological innovation, and customer-centric services

Summary Statement of Strategy

To achieve its objectives, EcoGlow decided to adopt the following strategy:

1. **Diversification** – Expanding beyond solar energy into wind and hydro solutions.
2. **Market Penetration** – Entering developing markets with high energy demand.
3. **Innovation & Cost Leadership** – Investing in R&D to improve energy efficiency while maintaining affordability.
4. **Strategic Partnerships** – Collaborating with governments and NGOs to implement large-scale renewable energy projects.

Deducing Strategy Execution & Endeavors

EcoGlow's leadership took the following steps to implement its strategy:

- **Partnerships & Expansion:** Formed joint ventures with local companies in Africa to facilitate market entry.
- **Innovation & Efficiency:** Developed a new type of solar panel with 20% higher energy efficiency.
- **Brand Positioning:** Launched a global marketing campaign emphasizing sustainability and affordability.
- **Financial Planning:** Secured funding from green energy investors to support expansion efforts.

Results & Challenges

- Within three years, EcoGlow successfully expanded into two emerging markets.
- Revenue grew by 30%, surpassing the initial 25% target.
- However, competition and regulatory hurdles in some regions slowed down progress.

Discussion Questions:

1. How did EcoGlow's mission and vision guide its strategic decisions?
2. Were the objectives set by EcoGlow realistic and achievable? Why or why not?
3. How did business definition help EcoGlow position itself in the market?
4. What are the strengths and weaknesses of EcoGlow's strategic plan?
5. What additional strategies could EcoGlow adopt to sustain its growth?
6. How do partnerships and innovation contribute to business success in competitive industries?
7. What risks might EcoGlow face in its future expansion, and how can they be mitigated?