

## 7 Reasons Your Company Needs a Clear, Written Mission Statement

Sometimes business owners ask me if it is really that important to have a written mission statement. In many companies, it seems to just be a plaque on the wall with little or no value. Here is why I think it is critical that every business (even small businesses) have a clear, written mission statement.

- 1. It determines the company's direction.** Smart business owners use this statement to remind their teams why their company exists because this is what makes the company successful. The mission statement serves as a "North Star" that keeps everyone clear on the direction of the organization. And as Andy Stanley says, "It's your direction, not your intention, that determines your destination." This leads to the second reason.
- 2. It focuses the company's future.** Many people refer to this as the "vision" which is different than the mission. The vision is about a preferred future. Where will you be in 1 year? 3 years? 5 years? The mission tells us what we're doing today that will then take us where we want to go in the future.
- 3. It provides a template for decision making.** A clear mission sets important boundaries which enable business owners to delegate both responsibility and authority. Mission is to the company what a compass is to an explorer, a map to a tourist, a rudder to a ship, a template to a machinist. It provides a framework for thinking throughout the organization. It provides the boundaries and guardrails you need in order to stay on the path to your preferred future.
- 4. It forms the basis for alignment.** When a new employee is hired, it's critical that the new hire know what the company does and where the company is going. The mission statement forms the basis for alignment not only with the owner, but the entire team and organization. Your team will all be on the same page when it comes to what you do and why you do it, which leads to better effectiveness and efficiency.
- 5. It welcomes helpful change.** Many people are resistant to change because it causes us to feel insecure and sometimes out of control. However, if the mission is clear, then team members are more likely to see the value of the change and how it helps the organization accomplish the mission. This will create a culture that welcomes change when warranted.
- 6. It shapes strategy.** Every business and business owner needs a strategy. But strategies must not be created in a vacuum. Instead of looking at what's new or what competitors are doing and trying to copy them, wise business owners create the most effective strategies possible to accomplish the mission their company is set out to accomplish.
- 7. It facilitates evaluation and improvement.** It has been said that "What you measure will be your mission." If you have a clear, written statement of mission you will know exactly what to measure and how to measure it. Clarity of mission brings clarity on every other level of the organization.

Source: Glenn Smith, Glenn Smith Executive Coaching