



## **Strategic Planning: Do You Have a Clear Vision and Mission?**

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In our recent article – [Does Your Business Do Strategic Planning?](#) – we discussed the importance of strategic business planning. In particular, we talked about the difference between having a strategic plan “in your head” and engaging in true strategic planning. By going through the formal process of strategic planning, you will create a written plan that your company can follow to make sure everyone is on the same page moving forward.

Don't make the mistake of confusing this written strategic plan with a business plan because they're two different things. Business plans tend to be more tactical in nature — they include tasks that must be accomplished in order for goals to be met. A strategic plan is more big-picture in nature — it spells out and clarifies your goals and objectives at a high level. Ideally, your business plan and strategic plan will work together to provide a blueprint for your company's future direction.

### **First Things First**

One of the first things you must do as part of your strategic planning exercise is identify your company's vision and mission. These also are two separate things, even though business owners sometimes use the terms interchangeably. In short: Your vision should clarify what your company stands for and where it wants to be in the future, while your mission defines who your company is at its core. Also, your vision should be longer-term than your mission and give your employees an idea of where the business will be in three, five or 10 years.

As the leader of your organization, it's up to you to cast this vision for the company. No one else can (or should) be tasked with this responsibility. Your employees spend their days focused on getting urgent tasks completed — they usually don't think much about the future of the business. If you don't cast a forward-looking vision, nobody else will.

So how exactly do you go about casting a corporate vision? Start by thinking about some big-picture things that could have a major impact on your company's future. For example, is your industry vulnerable to technological changes? The Internet is the best example of how technology revolutionized business, virtually wiping out some industries (remember when travel agents booked airfares for you?) while creating brand new industries to fill the vacuum. No one knows what the next major technological breakthrough is going to be, but spend some time thinking about possible technology changes in your industry that could prove to be disruptive.

Similarly, how could demographic shifts impact your industry? These are slow and subtle but over time, they can have a major effect on some industries and businesses. For example, the aging baby boomer generation and so-called “graying of America” will impact a wide range of industries, from homebuilders to home healthcare. In what ways could macro demographic shifts like this affect your company?

Also, is the way that your customers shop for and buy your products and services changing? The Internet again offers concrete examples of this. For example, almost no one buys anything expensive anymore without first going online to see where they can get it the cheapest. This has forced many companies to improve efficiency and eliminate waste in order to keep their prices competitive.

## **More Than a Mission Statement**

When they think about their company's mission, many business owners immediately think about a mission statement. But defining your business' mission involves much more than just creating a catchy mission statement you can share with your clients and put on your business cards. Your mission should answer one fundamental question: Why does your company exist? Of course, you exist to manufacture or distribute a product or deliver a service and to earn a profit. However, your mission should go deeper than this.

What do you want your customers and the general public to think when they hear your company's name? What do you think when you hear the names of some of the most recognized companies and brands in the world — like Apple, Coca-Cola or UPS, for example? Businesses like these have worked hard to define their mission and craft their mission statements in a way that resonates with the public and lets everyone know exactly why they exist and what they stand for.

Your company's name might not be recognized worldwide, but that doesn't mean defining your mission and crafting a well-thought-out mission statement isn't important. As you consider your mission, think about things like your commitment to delivering outstanding service to your customers and offering customers real value for the money they spend with you. Also, how is your reputation in your industry and community for reliability, and what is your company's commitment to social responsibility and social causes that you and your leaders are passionate about?

With answers to questions like these, you can start to work drafting your mission statement. Many companies make the mistake of creating a mission statement that's full of self-serving platitudes and fancy-sounding words like "synergies" and "added value." Instead, try to write a mission statement that's clear, concise, understandable and memorable. Spend some time on this exercise and get input from all the members of your executive team. Your corporate mission and mission statement are among the most important parts of your strategic plan.

## **Concluding Thoughts**

One of the first things you must do as part of strategic planning is identify your company's vision and mission. Your vision should clarify what your company stands for and where it wants to be in the future, while your mission defines who your company is at its core. As the leader of your organization, it's up to you to cast this vision for the company — no one else can be tasked with this responsibility. If you don't cast a forward-looking vision, nobody else will. An outsourced CFO services provider can help you cast a corporate vision and define your company's mission, both of which will be key components of your strategic plan.

## **About CFO Edge**

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