

Putting the Horse Back in Front!

Strategic Planning That Gets Mission Statements back Where They Belong

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Chief executives, on the advice of many consultants and academics, often start their company strategic planning process by getting their top team to agree a Mission or Vision Statement, or both. Then they ask - “Would you like a values statement with that?” This is to put the cart before the horse! There are three reasons to use a different order of things

Brain bypass

First, working on a mission statement at the beginning pre-empted the whole point of the strategic planning process. This process should invite your top people to make a thorough review of all your most fundamental activities and then – and only then – to make major strategic decisions about the way your organization will look in the future. But if the chief executive of, say, the number three widget maker in Australia begins the planning process by announcing the Mission or his Vision as, “We aim to become Australia’s leading widget manufacturer,” the CEO has made a string of big decisions before any colleagues have said a word. These decisions have been taken pre-emptively - (a) to stick to Australia and not to open up in, say, Southeast Asia; (b) to become number one – not stay number three or two; (c) to continue to make widgets, as opposed to outsourcing their manufacture; and (d) to go on making widgets – rather than making something else.



Ego trip

Second, it invites ego-tripping. Could this chief executive be using the company as a chariot for their own aggrandisement in the community? It’s not entirely unknown among chief executives! That little widget company will have to throw a disproportionate chunk of its resources into beating its two bigger competitors. Dozens of alternative strategies, and other uses of capital, were open to it. They never got a look-in.

Beaten by the buzz

Third, many Mission and Vision Statements can be pretentious nonsense. They can be generated by a ‘buzz word generator’, make sure to include: Sustainable, Partnership, Excellence. This can end up making people cynical about planning at least, and misdirect management efforts at worst, leaving the firm very

vulnerable to competitors who use practical methods of strategy review and development.

Don’t start with mission statements!

So - never use Mission or Vision? No, we say, ‘Never start the planning process with them’.

Once you have fully assessed the situation and decided what the key strategies are to be, by all means summarise these in a brief, pithy statement – even call it Mission if you wish – so that your employees, customers and financiers know what you intend to do with your company and can join in with enthusiasm. The power of a Mission Statement to motivate is not in doubt.

But if you do not start the planning process with Mission and Vision, and we put them back in the position of the cart, what is up front as the horse? Where should you start? Up front define your organization’s *purpose*.

Firstly: Is your company working for its shareholders, or for its stakeholders?

Secondly: What are you trying to do for them? Next: How much of that should you be generating for them; that is, set long term targets.

Finally, by using your Strengths and Weaknesses to deal with your Threats and Opportunities, select your strategies to achieve those targets.

Then, at long last, we’ll happily encourage you to compose your Mission Statement! Now you have some real decisions, clarified in discussions with those you expect to implement them. The Mission you write with this behind you will really mean something; you will have the horsepower to pull the mission through!

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