

1. DEVELOP A VISION STATEMENT

A *vision statement* focuses on the “what” of your business. Your *vision statement* should describe your idealized perception of what your business will look like under perfect conditions, if all your goals and objectives have been met. It lays out the “Super Goal” that you would like your business to achieve. The key components of your *vision statement* will be:

- the name of your planned business venture
- the product/service offering you plan to provide
- the target market(s) you intend to serve

Your *vision statement* should be short (a sentence or two). It should also be easy to understand and easy to remember.

For example, a typical *vision statement* for a new sporting goods retailer might be:

The Hockey House plans to provide a wide range of hockey-related products and services to casual skaters, minor hockey players, community clubs and organizations, and competitive hockey teams and players.

2. FORMULATE A MISSION STATEMENT

A *mission statement* focuses on the “how” of your business. It defines the purpose of your venture. It outlines the reason for the existence of your business and provides some understanding of how your business will be operated. It is, in fact, the “Super Strategy” of your business. The key components of your *mission statement* will describe:

- what your business will do
- its market focus, niche, or particular image
- your planned location and the geographic market served
- how you plan to grow the business
- your sustainable uniqueness, or what will distinguish your business from others and will continue to do so on a long-term basis

Your *mission statement* should be a series of short phrases that addresses each of these elements. For example, a *mission statement* for The Hockey House might state:

The Hockey House will provide a broad range of skates, sticks, pads, sweaters, and other related hockey equipment and services intended to meet the requirements of ice and in-line hockey players at all levels of ability; from beginners to semi-professional and professionals. It will also sell related supplies and equipment such as goal nets and timers, with a view to being the one-stop shop for hockey in Manitoba and northwestern Ontario. It will sell to individuals, teams, and community clubs through a retail outlet located adjacent to a major hockey complex in Winnipeg but will also produce a four-colour catalogue and call personally on groups in communities outside the city. Our principal competitive edge will be the breadth of selection we can offer and the quality of service we plan to provide.

3. DEFINE THE FUNDAMENTAL VALUES BY WHICH YOU WILL RUN YOUR BUSINESS

Many arguments, particularly in family businesses or partnerships, occur because the members do not share common values, even when they often assume that they do. For a new business to have a good chance of succeeding all principals should agree on a basic set of values by which they will operate. The process of discussing and trying to achieve agreement on these values is likely to identify points of difference that should be addressed before the business is started. This process can be conducted in two steps. Step 1 requires you and any other principals associated with the business to define their own personal values. Step 2 consolidates the common values by which the business will be operated.

An example of a statement of business values might look like the following:

In conducting our business, we will implement our Vision by conducting our affairs so that our actions provide evidence of the high value we place on:

Integrity by dealing honestly with our customers, employees, suppliers, and the community

Responsibility by taking into account the environment in which we do business, community views, and the common good

Profitability by being conscious that an appropriate level of profit is necessary to sustain the business and allow our values to continue to be observed

Value by providing quality products that are recognized as delivering value for money

Employees by providing quality, equitable opportunities for development in a healthy workplace, with appropriate rewards

4. SET CLEAR AND SPECIFIC OBJECTIVES

Setting objectives for your business provides you with yardsticks with which to measure your ability to achieve your vision. Objectives define measurable targets whose achievement can also contribute directly to the successful accomplishment of the mission of your business. Unlike "Goals," which provide a broad direction for your business, "Objectives" provide you with the means to measure directly the performance of your business.

Business objectives usually relate to such issues as:

- the return on investment the business should achieve
- a desired level of market position or market share
- projected stages of technological development
- specific levels of financial performance

To be effective an objective should:

- refer to a specific outcome, not an activity
- be measurable
- be realistic and achievable based on the actual capabilities of the business
- contain a specific time deadline

For example, a reasonable set of objectives for The Hockey House might be:

1. *To generate \$xxxx in sales by the end of year one*
2. *To achieve \$yyy in after-tax profits in year one*
3. *To increase inventory turnover from x times to y times during year one*

1. DEVELOP YOUR VISION STATEMENT

- a. Write short phrases to describe each of the three elements in your vision statement:
 - the name of your planned venture
 - your product/service offering
 - the target market(s) you plan to serve
- b. Combine these phrases into a single sentence

2. FORMULATE YOUR MISSION STATEMENT

- a. Write short phrases to describe each of the following elements of your business:
 - what your business will do
 - its market focus, niche, or particular image
 - its planned location and geographic market served
 - how growth of the business will be achieved
 - your sustainable uniqueness or distinguishing characteristics

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- b. Combine these phrases into short, linked sentences.

3. DEFINE THE FUNDAMENTAL VALUES BY WHICH YOUR BUSINESS WILL BE RUN
Step 1 Personal Values

Have each principal involved in the business complete the following framework for five values that they hold to be personally important.

- a. *Value:* Express as a single word _____

What: A brief explanation of what the word means to you.

Why? Outline why it is important to you that the business operate this way.

- b. *Value:* Express as a single word _____

What: A brief explanation of what the word means to you.

Why? Outline why it is important to you that the business operate this way.

- c. *Value:* Express as a single word _____

What: A brief explanation of what the word means to you. _____

Why? Outline why it is important to you that the business operate this way. _____

- d. *Value:* Express as a single word _____

What: A brief explanation of what the word means to you. _____

Why? Outline why it is important to you that the business operate this way. _____

- e. *Value:* Express as a single word _____

What: A brief explanation of what the word means to you. _____

Why? Outline why it is important to you that the business operate this way. _____

Step 2 Values by Which the Business Will Be Managed

Complete Step 2 from the information provided by each of the principals in Step 1. Include only values that were *common to all principals*. Others should only be included after discussion, negotiation, and consensus among all individuals. Since some values will differ, it is necessary for all parties to agree which will be the common values used to guide the operations of the business. This list should contain five or six values at a maximum and it is important that they be compatible with each other. Each principal will then have to decide whether he/she will be able to work in a business where, perhaps, only some, or none of his/her personal values will be given expression.

a. Value: _____

What: _____

Why? _____

b. Value: _____

What: _____

Why? _____

c. Value: _____

What: _____

Why? _____

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d. Value: _____

What: _____

Why? _____

e. Value: _____

What: _____

Why? _____

4. DEFINE YOUR OBJECTIVES

The business's vision will be achieved when the following objectives have been attained:

a. Objective _____

b. Objective _____

c. Objective _____

d. Objective _____

e. Objective _____