

Pack 1 - Mission Statements, Objectives and decision making

A mission statement sets out what a firm is trying to achieve, i.e. the reason it exists

Commonly focus on:

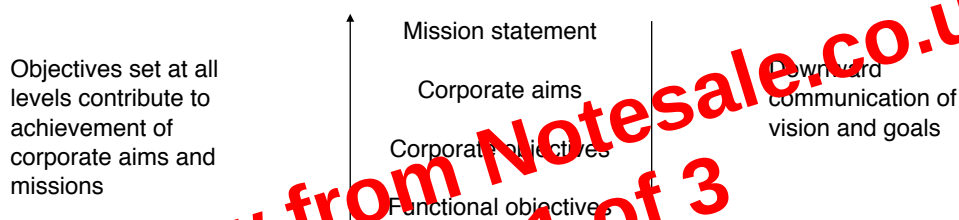
- Corporate values
- Non-financial objectives
- Benefits of the business to the community
- How customers can be satisfied

Purpose of setting out a mission statement:

- Everyone in the firm knows what they're trying to achieve
- Provides a common goal (e.g. something to believe in)
- All actions should be directed towards the same thing
- Make decision-making easier
- Motivation - sense of belonging & direction
- Corporate spirit
- Helps with the strategic planning
- Gives some transparency for investors - they understand the use that their capital will be put to
- Helps customers understand the ethics and objectives of the company

Only valuable if:

- Everybody believes in it
- Decisions are made in line with it
- It is lived out



Corporate aims and objectives

Qualitative Corporate aims	Quantitative Corporate objectives
Corporate aims are long term plans of the business from which its corporate objectives are derived	Corporate objectives are medium to long term goals established to coordinate the business
Aims are qualitative targets set by the directors of the business	These objectives enable the mission and is to be turned into something more quantifiable, which sets out clearly what is to be achieved
These aims should provide guidance for: -Setting corporate objectives -Setting functional objectives -Decisions taken in by management	Objectives should always be SMART Specific, Measurable, Achievable, Realistic, Time bound.