



Vision & Purpose Statement

Case Studies



Google



amazon



Module 6
Vision Introduction

Vision & Purpose Case Studies

Vision Introduction



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Vision and Purpose Statements

A vision, quite simply, is a picture of what success looks like at a particular time in the future.

Articulated as a Vision Statement, it's function is to influence and guide business performance, in terms of your strategic planning, your mid to long-term goals and your actions, year upon year.

Alongside your Purpose, these two statements are the overarching strategic drive for organisational direction and performance measure for your business. Both statements should be good enough to make both you and your team excited about why your business exists and where you are heading.

	 PURPOSE	 VISION
Definition	A statement of aspiration that articulates why you do what you do, why your business exists and what higher cause your serve.	A statement of aspiration that articulates what your business would like to achieve or accomplish in the mid-term or long-term future.
Function	It inspires you to give your best. It can be used to build morale and gain support and understanding inside and outside of your business. It can be easily used as a benchmark for decision-making.	It is intended to serve as a clear guide for charting current and future courses of action.
Answer	It answers the question, "Why are we here?"	It answers the question, "Where do we want to be?"
Longevity	Your Purpose should remain intact, even if the market changes dramatically, because it speaks to what you represent, not just what you do.	Your Vision statement may change, but it should still tie back to your Purpose, Pillars and Promise.
Summary	A Purpose statement talks about your passion, drive and is timeless. It answers the question, "Why are we here?"	A Vision statement talks about your future. It answers the question, "Where do we want to be?"

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Starbucks Coffee

Established in 1971 in Seattle, Washington, Starbucks Coffee continues to follow its Purpose and Vision Statements to influence organisational performance and strategic direction. Their success and global industry leadership in the coffeehouse industry is a direct manifestation of these statements.

The Purpose indicates what the company wants to do at the core of its business, and shows customers the benefit they can get. On the other hand, Starbucks Coffee's Vision Statement shows what the company wants to achieve in the future. In this regard, the business guides the activities of employees, and shows customers what the business is capable of doing.



Starbucks Vision Statement

To establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow.

This vision statement has the following components relevant to Starbucks:

1. Premier purveyor 2. Finest coffee in the world 3. Uncompromising principles 4. Growth

Let's break it down

1. Being a **premier purveyor** means Starbucks Coffee wants to achieve leadership in providing the best quality products, especially it's coffee. They have already achieved this component of its Vision Statement because they are now the largest coffee and coffeehouse company in the world.
2. It's not yet clear if Starbucks effectively addresses the **finest coffee in the world** component. Analysts and critics point out that coffee from McDonald's or Dunkin Donuts may be better than Starbucks coffee in some aspects. While Starbucks has one of the finest coffees in the world, the company must continue evolving to improve its products, to keep ahead of the competition.
3. Nonetheless, Starbucks Coffee addresses the **uncompromising principles** component of its vision statement. These principles include ethical conduct and a warm culture. Starbucks maintains these principles, especially after Howard Schultz resumed his role as CEO in 2008.
4. Starbucks satisfies the **growth** component, as manifested in the continuing global expansion of the business through new cafés. They have more than 22,500 locations around the world.

They should perhaps change their Vision Statement to reflect the growing array of products now offered, such as Starbucks merchandise sold at grocery stores.

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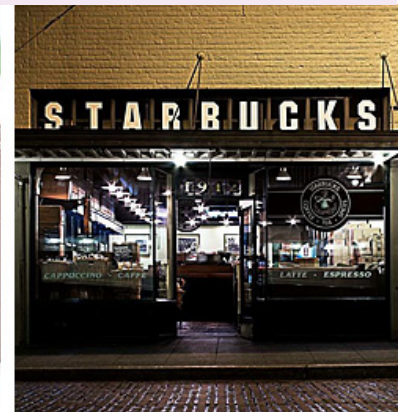
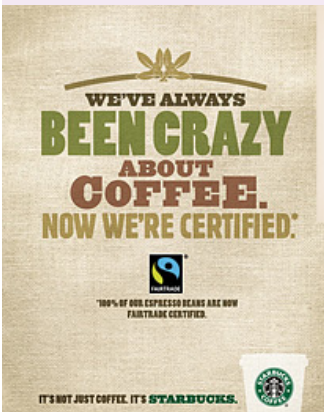


Starbucks Purpose Statement

To inspire and nurture the human spirit — one person, one cup and one neighbourhood at a time.

This reflects what Starbucks does to keep its business running with the following key components relevant to their business:

1. ***Inspire and nurture the human spirit***
2. ***One person, one cup and one neighbour at a time***



Let's break it down

1. Starbucks Coffee ***inspires and nurtures the human spirit*** starting with its employees. The company maintains a small company culture, where rapport and warmth are important. This component of Starbucks Coffee's Purpose also relates to customers' experience. The company extends this warm and small company culture to its customers. The design of Starbucks cafés feel warm and cosy and first names are used for employees and customers alike. These approaches inspire and nurture meaningful and warm relationships.
2. Starbucks Coffee's Purpose also indicates a personal and gradual approach. The ***one person, one cup and one neighbour at a time*** component shows that the firm ensures meaningful impact on every employee and customer. This part of the statement also means that Starbucks Coffee plans to continually and gradually grow the business, one place or neighbourhood at a time.

Starbucks Coffee addresses its purpose well because it manages to keep its warm and small company culture and ambience. They now have a loyal following, which represents the firm's effectiveness in the '*inspire and nurture the human spirit*' aspect.

However, this Purpose Statement is quite simplistic and doesn't present approaches that Starbucks Coffee uses in its business. It could provide more information about approaches, strategies or plans on how the company *inspires and nurtures the human spirit*.

Although successful, Starbucks has had changing fortunes at times and is a company that has divided people's opinions over time.

In recent years, it has attracted a more diverse customer base, changing from an affordable luxury 'third place' option to a 'first place', as reflected in its decision to expand its ever broadening menu. This strategy worked and resulted in higher operating margins, revenue and earnings growth. But, the risk is that it could undermine the 'coolness' of the brand and alienate its core customer base.

Perception is everything. Would Starbucks want to go from affordable luxury to being pitted against and compared by consumers in the same light as McDonalds for example?

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Google

Google's Purpose and Vision statements reflect the powerful position of this company in terms of what it wants to achieve. Founded in 1998, the company has been following its Purpose and Vision statements, leading to its current position as one of the most valuable brands in the world.



Google's Purpose defines the strategies of the business, such as the development of new products. In a similar way, the company's Vision pushes the organisation to achieve new heights, such as through rapid innovation.



Google's Vision Statement

To provide access to the world's information in one click.

The company's nature of business is a direct manifestation of this vision statement. For instance, Google's most popular product is its search engine service. This product enables people to easily access information from around the world. It has three components relevant to Google:

1. World's Information 2. Accessibility 3. One click

Let's break it down

1. The firm fulfills the **world's information** component of the vision statement by crawling web pages. The company maintains databases containing indexes of these websites.
2. Google fulfills the **accessibility** component by offering its search engine services to everyone around the world.
3. The **one click** component of the vision statement refers to easy access to information. The firm fulfills this component by offering innovative products, such as the easy-to-use Google Search.

Google now offers new products like Google Fiber and Google Glass. This diversification is not reflected in the Vision statement which remains as it was.

The wording could be revisited to depict the future condition of the company with consideration to its diversification and wide variety of products it now sells.

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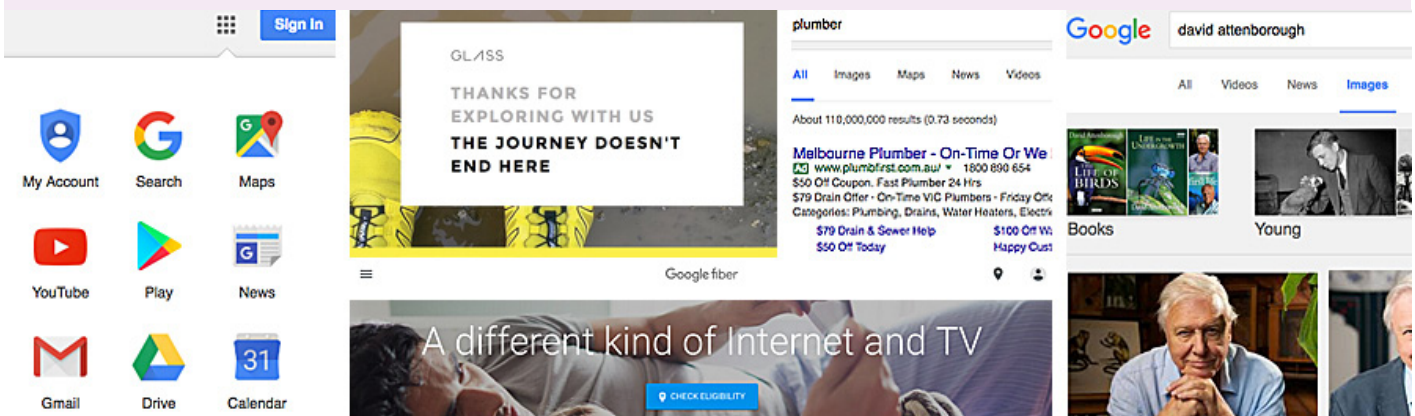


Google's Purpose Statement

To organise the world's information and make it universally accessible and useful.

Since inception, the company has focused on developing its proprietary algorithms to maximize effectiveness. Google continues to focus on peoples access to information they need. It's Purpose is parallel to the Vision Statement and includes four components:

1. World's information 2. Organise 3. Universal accessibility 4. Usefulness



Let's break it down

1. As noted in the Vision, they fulfill the **world's information** component of by crawling web pages.
2. The company **organises** the information through its proprietary algorithms or programs.
3. Google also fulfills the **universal accessibility** component of its purpose by offering its services worldwide. Innovative strategies and the company's leadership in the market satisfies this component by making Google's products widely available.
4. Such processing and organising of information also makes search results **useful**.

Their leading position empowers them to continue to follow their Vision and Mission. But, as stated, their Vision statement could be adjusted to reflect the current diversification into new products.

Ideally their Purpose should be constant and enduring but when there is radical change, their Purpose should be modified so as to indicate Google's aims and aspirations in terms of such a diversification.

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Amazon.com Inc

Amazon.com Inc.'s Vision and Purpose Statements have pushed the company to become the largest online retailer in the world.

The Vision Statement provides organisational direction and a strong motivational force toward a desired future condition of the business – one of global dominance in the online retail industry. The Purpose statement presents what the company is passionate about providing its customers – effective and high quality service, and therefore guides strategic formulation in the company.



Amazon's Vision Statement

To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online.

This vision statement underscores the organisation's main aim of becoming the best e-commerce company in the world. The following components or characteristics are emphasized:

1. Earth's (global reach) **2. Customer-centric** (prioritisation) **3. Discover anything** (widest selection)

Let's break it down

1. In stating the **Earth** as the market, the company shows that it aims to continue expanding globally. Thus, a corresponding strategic objective is global expansion, especially through market penetration and market development. Amazon have developed an *Intensive Growth Strategy* that includes:

Market Development – Each new country is considered as a new market and establish new retail websites that correspond to these new countries. From the USA, it now operates e-commerce websites in more than 10 countries.

Market Penetration – The company's generic strategy is cost leadership, for example, they use advanced computing and network technologies for maximum efficiency, which translates to minimum cost.

This low cost operation allows them to penetrate each market with the ability to offer lower prices alongside implementing an aggressive marketing campaign to attract more consumers to their e-commerce website.

2. The **customer-centric** component shows that they consider the customer to be the most important stakeholder group so that everything they do as a company is geared towards customer satisfaction

3. The **discover anything** part indicates continuing efforts to offer the widest selection with a broadening product mix.

For both **2** and **3**, Amazon have another two parts to their *Intensive Growth Strategy* that helps them to deliver on these goals:

Product Development – Amazon grows partly by developing new products over time. They now offer more products such as AmazonBasics products and Amazon Web Services. The goal is to develop and offer new products to gain higher revenue. Making sure they maintain low-cost business processes, an objective related to their *Intensive Growth Strategy* is to increase research and development (R&D) investment for rapid product development and release to the online market.

Diversification – Perhaps the least significant of their strategies, Amazon partly use acquisition to implement their strategy. For example, they grew through the acquisition of Audible, a producer of audiobooks and related products. Their generic strategy of cost leadership enables them to grow in diversification by applying the same approaches to minimize operating costs and selling prices to consumers.

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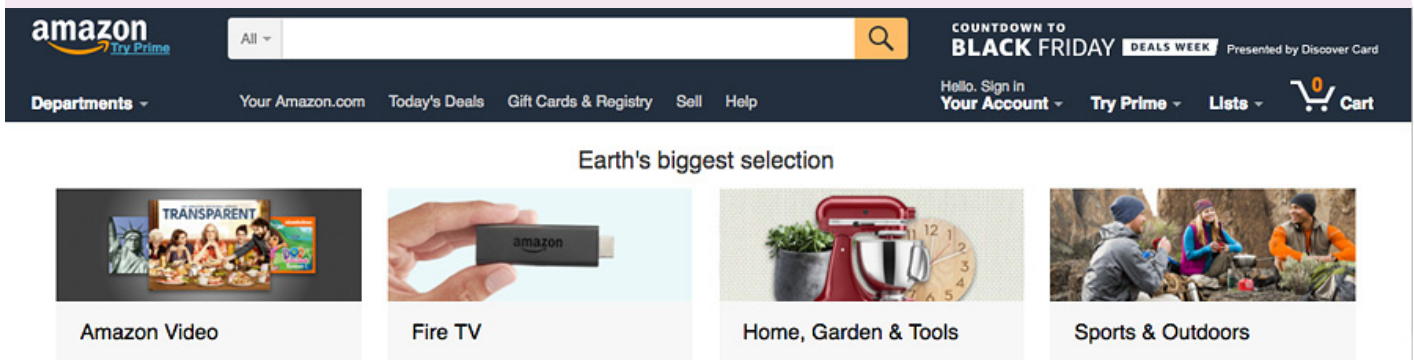


Amazon's Purpose Statement

We strive to offer our customers the lowest possible prices, the best available selection, and the utmost convenience.

This Purpose statement promises an attractive e-commerce service to satisfy customers' needs with the following components identified:

1. **Lowest prices** 2. **Best Selection** 3. **Utmost convenience**



Let's break it down

1. The **lowest prices** component of their Purpose guides Amazon.com Inc.'s pricing strategy. Such low prices are a selling point that makes the company's e-commerce website and service attractive.
2. **Best selection** means they work towards always having of a wide variety of products available the website is a major factor that attracts customers.
3. They intrinsically understand that **utmost convenience** is a major criterion that consumers use to evaluate the quality of the online retail service.

Their Purpose is clear and includes the necessary components on which to build strategic direction of the e-commerce business around pricing, product selection and service quality. Including the nature of the business, i.e. e-commerce, could help in the specifications of its online retail strategies.

Amazon's Vision Statement has strong characteristics, such as the specification of the company's target market and an aspect of its marketing mix approach. As they could diversify more e.g. they have a physical bookstore now in Seattle, known as Amazon Books, they may consider broadening it.

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Tesla

Tesla Motors was founded in 2003 by a group of engineers in Silicon Valley who wanted to prove that electric cars could be better than petrol-powered cars. Key technologies were developed that allowed electric cars to be more powerful with zero emissions.

Tesla's strategy has been to emulate typical technological-product life cycles and entered the market with an expensive, high-end product targeted at affluent buyers. As the company, its products and consumer acceptance matured, it is moving into larger, more competitive markets at lower price points.



Tesla's Vision Statement

To create the most compelling car company of the 21st century by driving the world's transition to electric vehicles.

This vision emphasises the company's focus on renewable energy. The following components are significant in Tesla's vision statement:

1. Most compelling 2. Car company 3. 21st Century 4. The world's transition to electric vehicles

Let's break it down

1. Tesla aims to be the **most compelling** in the industry where leadership and excellence in business are key. They approach this aim by integrating advanced technology in its electric cars and related products. They want their electric products not just to work but to wow the high end consumer. Their market was not solely environmentalists or tech enthusiasts, but those who wanted a cool high end product.
2. The **car company** component, on the other hand focuses effort on designing and manufacturing cars. This may have seemed a monumental effort but the automotive ecosystem had quietly made itself inviting to startups with most of the manufacturing being outsourced. With a segmented network of suppliers Tesla was able to design and buy the parts it needed.
3. The company's leadership in electric vehicle design and production satisfies the **21st century** component. It implies the firm's use of advanced technology to address current concerns, such as environmental conservation. They also recognise the opportunities in increasing automation in business, popularity of online mobile systems and the high rate of technological change. The latter could also be a threat in terms of potential rapid obsolescence of technologies used in its products.

However the technological advances in the remote or macro-environment could alleviate this threat.

4. The fourth component **the world's transition to electric vehicles** points to the company's global goals. Tesla continues to expand its operations, with plans for new factories in developing regions in Asia. So their Vision Statement clearly shows their aim to be the dominant player in the global electric vehicle market.

As part of a new and growing industry, Tesla has specific factors that affect whether it can achieve its Vision, such as:

- Political** – opportunities for government incentives or expanding free trade agreements, or threat of political instability in major markets.
- Economic** – opportunities in decreasing battery and renewable energy costs to make products more affordable.
- Technological** – opportunities/threats in the high rate of technological change.
- Ecological/Environmental** – opportunities around climate change, expanding environmental programs and rising waste disposal programs.
- Legal** – opportunities to expand international patent protection and energy consumption regulation. Opportunities/threat in dealership or direct sales regulations.

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Tesla's Purpose Statement

To accelerate the world's transition to sustainable energy.

Tesla slightly changed the last part of their Purpose from “sustainable transport” to “sustainable energy” in 2016, to address the significant shift in their business to address market opportunities in renewable energy. The Purpose has the following components:

1. Accelerate 2. The World's transition 3. Sustainable energy



Let's break it down

1. The **acceleration** component establishes Tesla's role in pushing the automotive industry toward advanced technologies for sustainable business and products that rely on renewable energy.
2. **The world's transition** indicates Tesla's expectation of successful dominance in the global market for electric automobiles and related products. This component directly relates with the vision statement's emphasis on the global market.
3. The change from “sustainable transport” to **sustainable energy** shows that Tesla's Purpose evolves to match the current strategic objectives of the business. For example, the company used to focus on producing electric automobiles only. However, the growing demand for renewable energy is now reflected on Tesla's improved business scope, to cover products like batteries and other potentially profitable renewable energy solutions in the future.

The Purpose is not normally changed but as Tesla has shifted its focus, a slight change (not a total revamp) was required. It explains clearly what they are wanting to achieve, but it could possibly include information about the general direction of Tesla's organisational development.

Tesla's vision statement effectively describes business aims. However, while the Purpose has already changed to consider “sustainable energy,” the vision statement still focuses on “electric vehicles.” An adjustment of words to reflect their increasing interest in products other than electric vehicles.

The brand is strong despite limited marketing. They pour money into refining products, building things that matter to people alongside telling a story that resonates.

One of the founders Elon Musk does a lot of interviews, they have pop up shops (some now permanent), product launches and an avid Tesla community forum of passionate fans discussing how to market Tesla better.

Here's just one example of great PR when Tesla decided to give away patents for free.

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Grill'd

The examples so far have been for larger businesses so here is a smaller one founded by Simon Crowe in 2004 in Hawthorn, Melbourne. He saw a burger landscape in Australia that was devoid of choice, dumbed down fast food, dominated entirely by multinationals. He wanted something that harked back to the past.

Crowe launched Grill'd, a franchised healthy burger chain which has won awards such as Emerging Franchisor of the year (2009, 2010), Australian Retailer of the Year (2010, 2011), the BRW Fast 100 (2010). Grill'd had 5 outlets in 2005 growing to 125 across Australia by 2016.



Grill'd Vision Statement

To provide our guests with the tastiest healthy burgers going around, that we source using only the highest quality and premium ingredients from local suppliers.

A vision statement could not be found for Grill'd but this was written on the website by Simon Crowe. It emphasises the company's focus on quality and includes these components:

1. Tastiest healthy burgers 2. highest quality, premium ingredients 3. local suppliers

Let's break it down

1. The burger in Australia according to Crowe was held up as the pinnacle of all things inappropriate, and non nutritious. **Tastiest healthy burgers** is about repositioning low end food to guilt free pleasure. Grill'd's commitment to deliver something better and healthier. They have developed a low carb Super Bun which is gluten-free, grain-free and dairy-free combination of free range eggs, almond meal, coconut cream, honey, tapioca flour, and psyllium husk. How low on carbs? Less than 9 grams, which happens to be less than a sushi roll.
2. To achieve this, they commit to using only the **highest quality, premium ingredients** which include no caged animals, no chemicals, no hormones. They only use 100% grass-fed beef and lamb and chicken that is free from antibiotics and added hormones. This positions Grill'd as a burger restaurant where food integrity and ethics are integral to the brand
3. Grill'd's commitment to **local suppliers** means more control over processes and freshness of products. It's a paddock to plate mentality that has seen some of the beef used in Melbourne restaurants coming direct from Crowe's cool climate farm on the Mornington Peninsula, Victoria, Australia.

Their Vision Statement clearly states company goals focused on health to challenge the notion of burgers being a low nutritional, high in fat food option.

The Vision doesn't have a high level goal eg to be Australia's Number 1 premium, healthy burger company, so this may be something they could consider changing as they expand further.

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Grill'd Purpose Statement

To make burgers that are good for you, good for the soul and good for the community

This Purpose statement has the following components relevant to Grill'd:

1. Good for you 2. Good for the soul 3. Good for the community



Let's break it down

- 1. Good for you** directly relates to the Vision of having the healthiest burgers and a guilt free pleasure. Given the trend towards healthier lifestyle choices as people become more aware of what they're consuming and the increase in dietary intolerances, it's been a clever move for Grill'd to continually improve the nutritional content and variety of what they serve including low sugar, low carb, gluten free, vegetarian, vegan and dairy free options. Having lots of choice on the make up of the burger gives consumers more control over what they put in their body.
- Crowe studied psychology at Melbourne University and knew the importance of understanding how people think, how they might behave and what's important to them. Grill'd restaurants hone in on sounds, smells, theatre, ambience, music, temperature, lighting and service making it **good for the soul**. As Crowe says *"The layer effect of all of those things is what's special and powerful. When we get that right, it's intoxicating. It's actually almost addictive."*

- 3. Good for the community** relates to the companies philosophy of giving back. They set up a community donation program called 'Local Matters'. For every burger sold, customers get a token to put into one of three jars for local community groups. Every month, each restaurant donates \$500. The community group with the most tokens receives \$300 while the other two groups receive \$100 each. Everybody gets something.

Grill'd has had a fairly rapid rise and is a well respected brand, but it has not been without it's share of problems. In 2015 they were taken to the Fair Work Commission because of underpayment of young workers by hiring on compulsory traineeships and outdated employment agreements. In damage control Grill'd agreed to "modernise" agreements and flagged pay rises for employees. On the one hand they addressed an issue that was affecting the internal culture of the brand, but were only pushed to do so by a sacked worker who took them on.

Hopefully Grill'd is now making efforts to re-engage with it's employees – one of its most important assets. Whether this issue has damaged the brand, time will tell.