

How to Create an Effective Non-Profit Mission Statement

10:34 AM Monday March 14, 2011 - Harvard Business Review
by Francis Pandolfi

"Mission" for nonprofits is the same as "profits" for private sector companies. In the private sector, corporations achieve their goals by carefully designing business operations that are reflected in a budget and then regularly reporting on how actual profits compare to that budget. If mission accomplishment is as important as profit attainment, why do most nonprofits not spend equivalent time in mission creation and monitoring?

In reality, nonprofits often completely mess this up. As important as missions are, nonprofits frequently go off in ineffective directions by relying on mission statements that can be little more than slogans. At a time when nonprofits around the world are struggling both to stay afloat and to achieve their missions, they are missing out on **one of the most valuable tools** available to them. [see *8-word Mission Statement below*]

As important as they are, mission statements are frequently little more than slogans. Many are lengthy and ambiguous or, to be useful, they must be accompanied by vision statements and lists of values, goals, principles and objectives. Because they are not carefully constructed, most mission statements cannot be used for regular and rigorous analysis, as is the case with corporate sales and profits. Furthermore, many nonprofit managers do not instill the discipline in their organizations to use the mission on a regular basis as a tool to make decisions and achieve goals. Quite the opposite is true with the sales and profit budgets of successful corporations.

An effective mission statement must be a clear description of where an organization is headed in the future that distinctly sets it apart from other entities and makes a compelling case for the need it fills. Furthermore, this mission must be short, memorable and appropriate for a variety of organizational stakeholders including, for example, employees, funding sources, served constituencies and the Board of Trustees.

The process of creating a mission statement, often as important as the final result, may take several months; but well done, a mission statement can last for years. Here are three things to remember when crafting your mission statement.

A mission statement must clearly describe the nonprofit's strategy. This commonly used term — "strategy" — defines the actions that make the nonprofit unique. In the private sector a clear and effective strategy (i.e., "uniqueness") facilitates attraction of customers, and that results in a profit. In a nonprofit a clear and effective strategy facilitates attraction of funds and provides the ability to take smart action. An effective strategy provides competitive advantage.

A well-crafted mission statement allows an NGO to operate with focus and discipline. It provides consistency in decision making over both time and geography. In other words, used as a tool to decide between various courses of action, the statement will be understood by employees in the same way over time and from location to location, because it is clear and easy to understand and not subject to multiple interpretations.

The process of creating the mission statement is just as important as the end result. Why is this? Because the staff and the board will have embraced this definition of strategy. Over time it is the board that is the keeper of the mission statement and the board will challenge the staff regularly to see that the statement is being achieved just as the board of a private-sector corporation will monitor profit.

One organization that has gotten it right is the Nature Conservancy with its mission "to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive." This mission has been unchanged for years and the organization has been highly successful because its mission is simple (only 26 words), crystal clear and compelling.

For a nonprofit, in the end it is smart action that is equivalent to making a profit. As much time and energy should be devoted to creating a mission statement as to creating a sales and profit budget.

Francis Pandolfi has worked with over 40 NGOs as a Board member and a consultant. He was formerly CEO of Times Mirror Magazines and COO of the US Forest Service.

http://blogs.hbr.org/cs/2011/03/how_nonprofit_misuse_their_mis.html?utm_source=twitterfeed&utm_medium=twitter

The Eight-Word Mission Statement

9:12 AM Friday October 22, 2010

by Eric Hellweg | Harvard Business Review

Day one of the [PopTech conference in Camden, Maine](#) was a polyglot delight. Presentations covered topics as far afield as the establishment of jaguar preserves to the neurological patterns that occur when humans encounter non-expected data. Fascinating stuff. My colleague Associate Editor Sarah Green and I have been Tweeting the conference in process. You can follow our real-time reports at twitter.com/skgreen and twitter.com/ehellweg, respectively.

One of the many presenters who spoke on a topic of real interest to the HBR community was [Kevin Starr](#), the executive director of the [Mulago Foundation](#). Mulago channels investments to socially minded businesses. It looks for opportunities to invest in "lasting change that goes to scale." The social sector is a young sector, and as such, is awash with many different ideas, companies, and approaches. There's also a strong amount of investment in the sector, and like any burgeoning field, there's a range of quality when it comes to the approaches to and efficacy of the various companies.

Mulago has a compelling approach to help it winnow out the pitches and approaches of lesser quality, and it revolves around the mission statement and a very simple way to stay focused on a single issue. Most companies, regardless of their sectors, have a mission statement. And most are awash in jargon and marble-mouthed pronouncements. Worse still, these gobbledy-gook statements are often forgotten by, misremembered, or flatly ignored by frontline employees.

To combat this, Starr insists that companies he funds can express their mission statement in under eight words. They also must follow this format: "Verb, target, outcome." Some examples: "Save endangered species from extinction" and "Improve African children's health."

The mission statement is a key part of Mulago's approach, but it's not the only part. Once the mission statement is established, Starr insists that companies that get investment "measure the right thing" and "measure it well."

Mulago's approach is refreshingly sparse, and really helps to clarify the thinking. It's a great "forcing function" as well. As Starr spoke, you could almost see PopTech attendees workshopping their mission statements, trying to get them down to under eight words in this format. It can be quite hard to do.

How long is your company's current mission statement? Do you think you could get it down to under eight words using the "verb, target, outcome" format? It's a good exercise to consider running, if only to start real conversations at your company about what you're doing, to/for whom, and toward what outcome. Fascinating approach.

Eric Hellweg is the editor of hbr.org.