PSU Problem Solving Process

1. Position
   - Explore the problem-solving context

2. Sense
   - Mission, Vision, Values
   - Stakeholders
   - Decision-making Models
   - Impediments

3. Uncover

4. Solve

5. Build

6. Achieve

Who Are These Companies?

- Pfizer
- Bristol-Myers Squibb
- GSK
- AstraZeneca
- Novartis
- Merck

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Their Mission Statements…

- Company A’s mission is to improve the quality of human life by enabling people to do more, feel better and live longer.
- The people of Company B are dedicated to discovering, developing and delivering innovative pharmaceutical solutions; enriching the lives of patients, families, communities and other stakeholders; and creating a challenging and rewarding work environment for everyone.
- At Company C, our mission is to extend and enhance human life by providing the highest quality pharmaceuticals and health care products. Our medicines are making a difference in the lives of millions of customers across the globe. And by living our mission and growing our company for well over a century, we are making a difference in the lives of our shareholders, employees and neighbors as well.

Their Mission Statements…

- The mission of Company D is to provide society with superior products and services by developing innovations and solutions that improve the quality of life and satisfy customer needs, and to provide employees with meaningful work and advancement opportunities, and investors with a superior rate of return.
- Company E: We want to discover, develop and successfully market innovative products to cure diseases, to ease suffering and to enhance the quality of life. We also want to provide a shareholder return that reflects outstanding performance and to adequately reward those who invest ideas and work in our company.
- Company F: We will become the world’s most valued company to patients, customers, colleagues, investors, business partners, and the communities where we work and live.

Vision-O-Meter

- OUR VISION IS TO BE A ___(a)___ ORGANIZATION THAT PROVIDES___(b)___TO___(d)___IN THE___(e)___MARKETPLACE.
  - (a) growing; leading; world-class; premier; benchmark; first-mover
  - (b) dynamic; innovative; creative; breathtaking; cost-effective; diverse; high-quality
  - (c) products; services; people; products & services; people & services
  - (d) thrill our shareholders; delight our customers; enrich our stakeholders’ lives
  - (e) hypercompetitive; emerging; growing; attractive; thriving
  - (f) business-solutions; health-solutions; consumer-solutions; financial-solutions; environmental-solutions

How’s This?

- OUR VISION IS TO BE A world-class ORGANIZATION THAT PROVIDES innovative products and services TO delight our customers IN THE hypercompetitive health-solutions MARKETPLACE.
## Definitions

- **Vision statements:**
  - A simple statement or understanding of what the firm will be in the future.
  - An attractive, ideal future that is credible yet not readily available.
- **Mission Statements (business purpose):**
  - The organization’s core broad purpose and reason for existence
  - What a firm is and what it stands for – fundamentals values and purpose

## Common Themes Of Vision

- Vision has broad appeal
- Vision deals with change
- Vision encourages faith and hope
- Vision reflects high ideals
- Vision defines the destination and the journey

## Judging Vision Statements

- **What makes a good statement?**
  - graphic – paints a picture
  - directional
  - focused, flexible, feasible
  - desirable
  - easy to communicate
- **What makes bad statement?**
  - vague or incomplete
  - bland or unmotivating
  - not distinctive
  - too many superlatives
  - too generic or broad

## How Do These Measure Up?

*Be the world’s beer company. Through all of our products, services and relationships, we will add to life’s enjoyment.*

*To be the company that best understands and satisfies the product, service and self-fulfillment needs of women - globally.*
How Do These Measure Up?

Helping people around the world eat and live better.

How Do These Measure Up?

Provide a global trading platform where practically anyone can trade practically anything.

Mission Versus Vision

- **Vision is...**
  - “where we are going and why”
- **Mission is...**
  - “who we are, what we do, and why we are here”
- **Mission is...**
  - …defined by the buyer needs it seeks to satisfy, the customer groups and market segments it is endeavoring to serve, and the resources and technologies it is deploying in trying to please its customers.

Mission or Vision?

At Trader Joe’s, our mission is to bring our customers the best food and beverage values and the information to make informed buying decisions. There are more than 2000 unique grocery items in our label, all at honest everyday low prices. We work hard at buying things right: Our buyers travel the world searching for new items and we work with a variety of suppliers who make interesting products for us, many of them exclusive to Trader Joe’s. All our private label products have their own “angle,” i.e., vegetarian, Kosher, organic or just plain decadent, and all have minimally processed ingredients.

The Essence Of Vision

- **Vision can often be captured in a slogan:**
  - “We will clothe the world by marketing the most appealing and widely worn casual clothing in the world.”
    - Levi Strauss & Company
  - “To make London the safest major city in the world.”
    - Scotland Yard
  - “To halt environmental abuse and promote environmental solutions.”
    - Greenpeace
The Real World

• Do you really need both a mission statement and a vision statement?
  – You’ll be lucky to find one of them, and many companies combine them.
• Who really cares about this?
  – Customers? Employees? Shareholders?
• Where do values fit in? What are values?
  – Beliefs and ideology that guide business activities.
  – Principles, standards and qualities.

Core Business Values

• 3M
  – sponsoring innovation
  – protecting the creative individual
  – solving problems in a way that makes people’s lives better
• WalMart – the three beliefs
  – respect the individual
  – service to our customers
  – strive for excellence

Context and Problem-Solving

• Mission, Vision and Values should inform good problem solving and decision making.
  – eVineyard.com
  – Alternatives?
  – Decision?

PSU Mission

Ben & Jerry’s

Group Activity 1.1

• Read and complete Activity 1.1
• Review and discuss the PSU and Ben & Jerry’s statements as a group
• Develop and write down a group consensus as to their quality.
• Do you think they accurately reflect the two organizations?
• For PSU – does it matter to you? Why or why not?
• Think of a recent PSU decision – is it consistent with the mission/vision? Why or why not?
• Write a mission statement for your BA 301 group.
What Has Driven This Change?

Business allegations...

- Little concern for the consumer
- Cares nothing about the deteriorating social order
- Has no concept of acceptable ethical behavior
- Indifferent to the problems of minorities and the environment

What responsibility does business have to society?

Corporate Social Responsibility

"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." World Business Council for Sustainable Development

"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." European Commission

"Managements’ obligation to make choices and take actions that will contribute to the welfare and interests of society as well as the organization.”

There Have Been Practical Results

- From the 1950’s to the present, the concept of CSR has gained considerable acceptance and the meaning has been broadened to include specific issues, such as:
  - product safety
  - honesty in advertising
  - employee rights
  - affirmative action
  - environmental sustainability
  - ethical behavior

A Range of Responsibilities

- The social responsibility of business encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time. (Archie Carroll)
A Four-Part Definition of CSR

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Societal Expectation</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Required</td>
<td>Be profitable, maximize sales, minimize costs</td>
</tr>
<tr>
<td>Legal</td>
<td>Required</td>
<td>Obey laws and regulations</td>
</tr>
<tr>
<td>Ethical</td>
<td>Expected</td>
<td>Do what is right, fair, and just</td>
</tr>
<tr>
<td>Philanthropic</td>
<td>Desired/ Expected</td>
<td>Be a good corporate citizen</td>
</tr>
</tbody>
</table>

The Pyramid of CSR

Philanthropic Responsibilities
- Be a good corporate citizen.

Ethical Responsibilities
- Be ethical.

Legal Responsibilities
- Obey the law.

Economic Responsibilities
- Be profitable.

The CSR Equation

\[
\text{Economic Responsibilities} + \text{Legal Responsibilities} + \text{Ethical Responsibilities} + \text{Philanthropic Responsibilities} = \text{Total Corporate CSR}
\]

CSR, Stakeholders and Problem-Solving

- Again, what does this have to do with problem-solving?
  - CSR has broadened the list of relevant stakeholders.
  - The needs and objectives of these stakeholders must be considered as context for decision-making and problem-solving.
  - Your task (specifically in the research paper) is to define and prioritize these stakeholders.

Who Are Business Stakeholders?

- **Primary Stakeholders**
  - Have a direct stake in the organization and its success

- **Secondary Stakeholders**
  - Have a public or special interest stake in the organization

Business Stakeholders - Broad

- [Diagram of business stakeholders]
Key Questions In Stakeholder Management

1. Who are our stakeholders?
2. What are our stakeholders’ stakes?
3. What opportunities and challenges do our stakeholders present to the firm?
4. What economic, legal, ethical, and philanthropic responsibilities does the firm have to stakeholders?
5. What strategies or actions should our firm take to best address stakeholder challenges and opportunities?

So What?

- Think about CSR and multiple stakeholders for your term paper project.
  - Problems and their solutions typically involve a broad set of stakeholders
  - You have to think about the multiple bottom line.
    - Economic performance
    - Social performance
    - Environmental performance