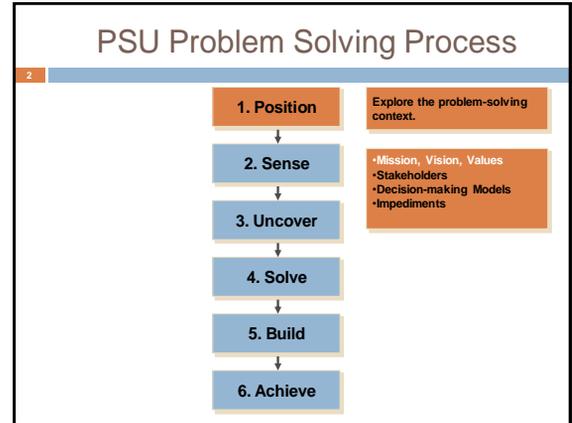


1

# BA 301

BA 301 Winter 2011  
Chapter 1 - Position

Research & Analysis of Business Problems



- ## Definitions
- 4
- **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.
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## Name This Market?

5

**Pfizer** **Bristol-Myers Squibb**

**gsk** GlaxoSmithKline **AstraZeneca**

**NOVARTIS** **MERCK**

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- ## Mission, Vision or Blather?
- 6
- From developing new therapies that treat and prevent disease to helping people in need, we're committed to improving health and well-being around the world.
  - We are committed to applying science and our global resources to improve health and well-being at every stage of life.
  - 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.
  - As a global biopharmaceutical company, our activities touch many people's lives. We work closely with all these groups to gain the insights we need to maintain a flow of life-changing medicines that make a real difference for patients in the fight against disease and which add value for our stakeholders and society.
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## Vision-O-Meter

7

□ OUR VISION IS TO BE A (a) ORGANIZATION THAT PROVIDES (b) (c) TO (d) IN THE (e) (f) 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

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## Common Themes Of Vision

8

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

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## Judging Vision Statements

9

- A good statement is...
  - graphic – paints a picture
  - directional
  - focused, flexible, feasible
  - desirable
  - easy to communicate
- A bad statement is...
  - vague or incomplete
  - bland or demotivating
  - not distinctive
  - too many superlatives
  - too generic or broad

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## How Do These Measure Up?

10

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



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## How Do These Measure Up?

11

***To be the company that best understands and satisfies the product, service and self-fulfillment needs of women - globally.***

AVON

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## How Do These Measure Up?

12

***Helping people around the world eat and live better.***



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## How Do These Measure Up?

13

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



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## Does It Really Matter?

14



*"Motorola – applying technology to benefit the public."*



*"Zenith – develop and sell television sets."*



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## Vision Versus Mission - Again

15

- 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.

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## No Substitute For Strategy

16

- Vision and mission reinforce and support strategy.
- A shared understanding of direction and values helps guide in daily decisions and actions.
- Good strategy should be consistent with fundamental values and beliefs.
- Strategy provides a coherent plan for realizing mission and vision.

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Welcome to  
**TRADER JOE'S**  
SOME NEIGHBORHOOD EPICUREY SCOPE

17

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.

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## Mission or Vision?

18



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## The Essence Of Vision

19

- 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

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## The Essence Of Mission

20

- Firms will often use mission statements to identify core concepts
  - Business Purpose
  - Corporate Values
- What are values?
  - Beliefs and ideology that guide business activities.
  - Principles, standards and qualities.

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## Core Business Values

21

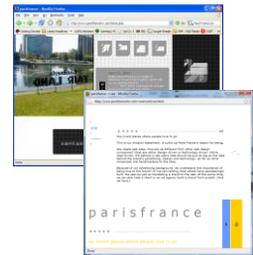
- 3M
  - sponsoring innovation
  - protecting the creative individual
  - solving problems in a way that makes people's lives better
- WalMart – the three beliefs
  - respect the individual
  - service to our customers
  - strive for excellence

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## Context and Problem-Solving

22

- Mission, Vision and Values should inform good problem solving and decision making.
  - eVinyard.com
  - Alternatives?
  - Decision?



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## How Does This Relate To The Paper?

23

- Before you identify a problem, learn about the company:
  - Mission, Vision, Values
- But, “my company doesn't have a vision statement...”
  - Look for “what we do, who we are, what we believe.”
- Where can I find this stuff?
  - Corporate web sites – About Us, Investor Relations, etc.
  - Annual Reports

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## PSU Mission

24



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## Coca-Cola

25



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## Group Activity 1.1

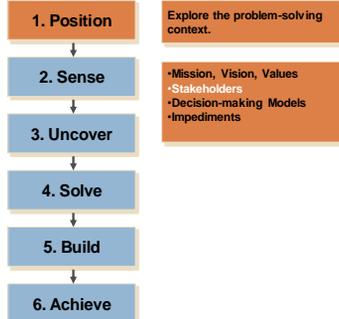
26

- Read and complete Activity 1.1
- Review and discuss the PSU and Coca-Cola 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.

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## PSU Problem Solving Process

27



## Who Are You Responsible To?

28

- According to Milton Friedman – owners and shareholders - **STAKEHOLDERS**
- Emphasis on sustainable development and social responsibility has expanded the range of corporate stakeholders
  - CSR (Corporate Social Responsibility)
- Today's manager must have a broader perspective on his/her constituency

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## What Has Driven This Change?

29

### 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?

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## Corporate Social Responsibility

30

"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."

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## There Have Been Practical Results

34

- 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

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## A Range of Responsibilities

35

- *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)

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## A Four-Part Definition of CSR

36

### Understanding the Four Components

Responsibility	Societal Expectation	Examples
Economic	Required	Be profitable. Maximize sales, minimize costs
Legal	Required	Obey laws and regulations
Ethical	Expected	Do what is right, fair, and just
Philanthropic	Desired/Expected	Be a good corporate citizen

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## The Pyramid of CSR

37



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## The CSR Equation

38

$$\begin{array}{l}
 \text{Economic Responsibilities} \\
 + \\
 \text{Legal Responsibilities} \\
 + \\
 \text{Ethical Responsibilities} \\
 + \\
 \text{Philanthropic Responsibilities}
 \end{array}
 =
 \begin{array}{l}
 \text{Total} \\
 \text{Corporate} \\
 \text{CSR}
 \end{array}$$

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## CSR, Stakeholders and Problem-Solving

40

- 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.

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## Who Are Business Stakeholders?

43

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

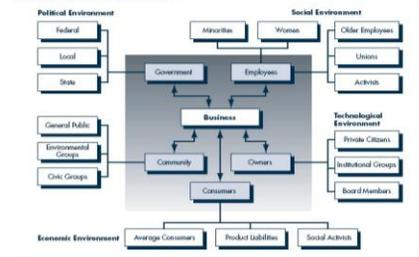
**Secondary Stakeholders** Have a public or special interest stake in the organization

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## Business Stakeholders - Broad

44

### The Stakeholder View of the Firm



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## Key Questions In Stakeholder Management

46

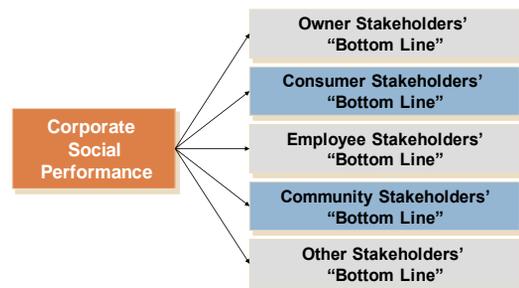
1. *Who* are our stakeholders?
2. What are our stakeholders' *stakes*?
3. What *opportunities and challenges* do our stakeholders present to the firm?
4. What economic, legal, ethical, and philanthropic *responsibilities* does the firm have to stakeholders?
5. What *strategies or actions* should our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



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## A Multiple Bottom-Line Perspective

48



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## So What?

49

- 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

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## Activity 1.2

51

- Objective – understand how changing missions and stakeholders can affect decisions
- Three different registration options for college
  - Online
  - Semester abroad
  - Traditional
- Read Mission A – choose an option and discuss how and why the mission and stakeholders affects the choice.
- Do the same for Mission B
- Takes notes and don't forget to discuss the exercise and decisions for the scribe report

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