
Critical Analysis of Vision and Mission Statement with Special Reference to Selected Companies in FMCG Sector

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Abstract

The study aims at critically analyzing the vision and mission statements of the selected companies in FMCG sector. The paper analyses the vision and mission of HUL, ITC, Parle, Nestle, and P&G. This paper addresses the question that whether the companies are operating in the direction of their vision and mission statements. The paper also includes analysis of the vision and mission statement as per the chosen characteristics. The study reveals some of the shortcomings in communicating their message to the stakeholders.

Keywords: Vision, Mission.

Introduction: Fast Moving Consumer Goods sector has a wide base of industries within each of the companies have their own Vision and Mission which serves as a benchmark for them. The paper is based on analyzing the vision and mission statements of five selected companies from FMCG sector. These five companies are HUL, ITC, Parle, Nestle, and P&G. The analysis is done based on the secondary data available on the websites of companies as well as the on the press releases published from time to time in esteemed News papers.

Objectives:

- To analyze the vision and mission statements of the selected companies
- To critically evaluate the practices adopted by the companies in line with given mission and vision statements
- To assess the shortcomings in formulation of the vision and mission statements
- To evaluate the statements generated by the selected companies with respect to their characteristics.

HUL – Hindustan Unilever Limited: Hindustan Unilever Limited has been in India from about last 80 years and claims to be the largest fast moving consumer goods company With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. as Lux, Lifebuoy, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall's and Purei are some the leading brands in the basket of the

company. With an Annual turnover Rs.25,206 crores (financial year 2012 – 2013) the company is considered to be a financially sound one.

Mission:

- Our mission is to add Vitality to life. We meet everyday needs for nutrition; hygiene and personal care with brands that help people feel good, look good and get more out of life.

Vision:

- We work to create a better future every day
- We help people feel good, look good and get more out of life with brands and services that are good for them and good for others
- We will inspire people to take small everyday actions that can add up to a big difference for the world
- We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact

HUL has contributed towards the vision and mission of adding vitality and hygiene towards life of its customers. In this initiative they have started with some programs such as Clean Toilet programs in the same respect they have also launched a Domex Toilet Academy (**18-11-2013**: To build 24,000 toilets by 2015). In same respect Domex, the leading toilet cleaner brand of Hindustan Unilever Lever (HUL), has announced the launch of Domex Toilet Academy (DTA) to mark the occasion of World Toilet Day which is celebrated globally on November 19th every year. The academy aims to build 24,000 toilets by 2015 in areas faced with the problem of open defecation and where people do not have access to

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improved sanitation. DTA's ambition is to help eradicate open defecation and thus achieve 100% access to improved sanitation and educate people about the importance of safe and hygienic sanitation practices. DTA has already launched with pilot projects in Junapani a village in Wardha district, Maharashtra. Domex Toilet Academy is also partnering with the local self help groups to spread awareness among villagers about the importance of safe and hygienic sanitation. DTA is working with a network of 12,000 women self help groups across Vidarbha, Maharashtra through an NGO Nageshwara Charitable Trust. The awareness programmes target children, women and community groups to raise awareness on safe and hygienic sanitation.

- HUL has recently organized Project “Sunlight” to motivate people to live sustainable MUMBAI, 20TH NOVEMBER 2013, A NEW INITIATIVE TO MOTIVATE MILLIONS OF PEOPLE TO ADOPT MORE SUSTAINABLE LIFESTYLES. The initiatives are currently targeting Brazil, India, Indonesia, the UK and the US and particularly targeting parents to conserve resources for future generations.
- HUL CEO & MD, Sanjiv Mehta said, “The launch of Project Sunlight is a significant milestone in the history of our company. We believe that large companies like ours have to be part of the solution to the problems the world is facing.
- By the above mentioned initiatives taken from the company's part it states clearly that they (company) are working in line with the statements given by them.

The ITC:

Creating Enduring Value for India: A private sector company with a market capitalization of US \$ 45 billion and a turnover of US \$ 7 billion, rated as World's Best Big Companies, Asia's 'Fab 50' and the World's Most Reputable Companies by Forbes magazine and among India's Most Valuable Companies by Business Today. ITC ranks among India's '10 Most Valuable (Company) Brands', in a study conducted by Brand Finance and published by the Economic Times. ITC also ranks among Asia's 50 best performing companies compiled by Business Week.

Mission:

- To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value

Vision:

- Sustain ITC's position as one of India's most

valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders

ITC has claimed that they have been using renewable resources in fact all the hotels within their chains are been termed as green hotels, Green hotels are titled keeping in concern the sustainable use of resources as well as the contribution towards environment by these ventures.

ITC is also known for being the only Company in the world, to be carbon, water and solid waste recycling positive. It is clearly visible that the company is progressing towards the Mission with a great pace.

ITC's Brands: Creating Sustainable Livelihoods through a Robust Distribution Network. As a mission ITC aims to sustain the position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders. In this respect an analysis about the scripts was made. As per the BSE website, ITC is now the top holding in 30-share Sensex, followed by Infosys. Shares of ITC ended 1.65 per cent higher at Rs 330.20, while Infosys gained 0.59 per cent to close at Rs 3,749.90 on BSE. {PTI Jan 20, 2014, 08.44PM IST}

Procter & Gamble: Established in 1964, Procter & Gamble has a customer base over 650 million across India. P&G has the most trusted brand range viz; Vicks, Ariel, Head & Shoulders, Tide, Pampers, Pantene and many more. The company has not yet stated their vision and mission policy but on the website they have mentioned the purpose statement which was quite similar to sound as a mission.

Purpose:

- "We will provide branded products & services of superior quality and value that improve the lives of the world consumers.
- As a result consumers will reward us with leadership sales, profit and value creations , allowing our people , our shareholder, and the communities in which we live and work to prosper"

The company on its website has displayed a long list (bifurcated yearly basis) regarding the programs and initiatives taken by them in line with the vision and mission statements. Procter and Gamble concentrates and Provides for customer satisfaction. Their all efforts are directed towards the consumer. In fact the company's MD Shantanu Khosla is titled as The Consumer Captain" the company is frequently into news as "Innovation inspired by human needs. As we look at the product line offered by the company it can be very well deduced from the same that P&G innovates as per the consumer feedbacks and the needs of the customers. So a

conclusion can be drawn that the company is working as per the vision and mission stated.

Parle: The Parle name symbolizes Quality, Nutrition and Great taste. They are the makers of the world's largest selling biscuits. With a robust supply chain that even a remotest villager can have the access to the products, company grown to be multimillion dollar venture.

Vision: "To be the leaders in our business. We will stand apart from the competition by being the first in the market to innovate."

Mission: "We will be the leaders in our business by - maintaining high quality, introducing new and innovative products, reaching every part of India, remaining customer-centric, constantly upgrading our knowledge and skills."

As Parle with one of its product "Parle G" who has enjoyed being the first mover in the market has helped the company to a greater extent to be the market leader. Till today the company is holding its position as a market leader with 70% market share (October 30, 2013 | Shephali Bhatt, ET Bureau). With a wide product offering the company has kept its words to be a leader in the market. Strong sense of CSR is visible through its various initiatives with respect to the programs conducted by the company.

As per these activities and current market position one can say that the company is focused on its mission and moving towards the same with a great speed. But when we take a look to the next major players of the market we can say they are giving Parle an equal competition.

With growing shift of youngsters towards the other brands and products, the company's major concern should be "Will Parle-G be relevant to the next generation?" (Preethi Chamikutty, ET Bureau Jan 16,). If the company intends to be in the same position with the same market share, this question needs to be answered by the organization. Otherwise we can say the company may deviate from its mission and vision may get blurred.

Nestlé:

Over 140 years of company's existence, reflects its ideas of fairness, honesty and long-term thinking, Nestlé is the world's leading Nutrition, Health and Wellness Company. The Company was founded in 1866 by Henri Nestlé in Vevey, Switzerland, employee base is around 2, 80,000 and have factories or operations in almost every country in the world.

Our Mission:

- The world's leading nutrition, health and Wellness Company.
- Our mission of "Good Food, Good Life" is to

provide consumers with the best tasting, most nutritious choices in a wide range of food and beverage categories and eating occasions, from morning to night.

Vision and Values:

- To be a leading, competitive, Nutrition, Health and Wellness Company delivering improved shareholder value by being a preferred corporate citizen preferred employer preferred supplier selling preferred products.

The net profit was up 11.8% to CHF 10.6 billion and earnings per share increased 12.2%. In view of this performance and the company's strong financial position, the Board is proposing a dividend of CHF 2.05 per share, up from CHF 1.95 last year.

This has stated clearly that the company has offered such an extensive range of products that it is quite evident that they are performing as per the values and vision stated by them. The performance and actions of the abovementioned companies was found as per the vision and mission of them, hence it is evident that the organizations are working keeping these statements in mind. The further analysis is made as per the construction of the vision and mission is the company's able to frame their statements properly or not.

Below mentioned are some characteristics on the basis of which the statements were evaluated. These are Focus, Feasibility, Desirability, and Easy to Communicate. Focus characteristic says that whether the company has framed the statement in one direction or vaguely. Whereas feasibility evaluates in terms of what is stated in the statements is feasible or not. Desirability will evaluate whether the ideas in the vision and mission are desired by the customers or the statements contains ideas for the company only. The vision and mission statements are effective when they are easy to communicate to the public in general and hence it is a vitally important characteristic.

Tabular Representation of Characteristics:

In the below table, it can be stated that vision and mission statement of HUL is feasible statement, Desirable from the point of view of public and easily communicable to the stakeholders. In the similar manner P&G, Whereas Nestle lacks in terms of focus, Parle has a highly self obsessed statement (to be a leader and all) which is not desired by the customers and general public and statement by ITC are easily communicable to general public because of presence of high terminology.

	Present	Positive	Desirable	Easy to communicate
HUL		✓	✓	✓
ITC	✓	✓	✓	
P&G	✓	✓	✓	✓
Nestle		✓		✓
Parle	✓	✓		✓

Similar to the characteristics evaluation, there were certain shortcomings in the statements generated by the companies. The shortcomings are represented on the basis of five aspects i.e Vague, Not Distinctive, Incomplete, and Bland, Too reliant on Superlatives. Where vague states hazy and unclear, Not Distinctive stands for too common approach and nothing new or different is communicated by the organization. On the other hand Incompleteness is also visible in the statements at the same time statements are evaluated in terms of uninteresting and saying too big things.

Tabular representation of Shortcomings

	Vague	Not Distinctive	Incomplete	Bland	Too Reliant on Superlatives
HUL	✓	✓	✓		✓
ITC	✓	✓		✓	
P&G			✓		✓
Nestle	✓				✓
Parle		✓		✓	

Vision and Mission statements generated by HUL, P&G, and Nestle are too reliant on superlatives and seemed to be over exaggerating statements. ITC and Parle were observed to be Bland, whereas HUL and P&G generated incomplete statements in terms of communicating the idea clearly.

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