

# Transformance Advisors Inc.

## *transformations to higher performance*

### Plant Mission Statements

#### A Common Theme

Focus is an essential theme for many of life's endeavors. It is an oft-repeated concept when military strategy is discussed, it is seen as vital to successful sports teams, and it is a regular finding of those who analyze that which makes a company successful. Witness Tom Peter's admonition to "stick to your knitting" or characterized by Jim Collins as the "hedgehog" concept in one of today's best sellers – Good to Great.

#### Mission Statement

From an Operations Management perspective, one potent tool to gain and maintain focus is the development of a Plant Mission statement. Each plant or plant-within-a-plant should have a mission. This plant mission guides management each time it is faced with answering the following questions:

- Which products should be produced in
- Which locations employing
- Which technologies?

Plant Mission statements are an important aspect of good Operations Management, but they are especially vital at four times:

1. When a new plant or significant new capacity is being planned,
2. When considering significant changes to the manufacturing strategy, such as contract manufacturing or outsourcing.

3. When considering merger, acquisition, or other reorganization,
4. With the launch of a new product and again at each transition point along the product's life cycle. Just as each stage along the product life cycle is accompanied by a distinct marketing strategy, the manufacturing location that offers the proper set of competencies to support that strategy may need to change in step.

#### Separate from Business Mission

A Plant Mission statement is not to be confused with a Business Mission statement. While the Business Mission is a broad reaching distillation of the firm's objectives and strategy, a Plant Mission statement is much more targeted. It must be sufficiently concrete to act as an effective filter for what should and what should not be done at a location, as well as what technologies will or will not be considered for installation. Very importantly, the mission must not merely state "we will be the best plant" or something equally generic and consequently equally worthless. It must be much more tangible.

#### Drives Resources

The Plant Mission statement steers management when determining the types of skills necessary for all levels of plant employees - both management, indirect, direct, and contract labor. The mission, once developed, should be rather "sticky".

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However, it should be clear that manufacturing operations and the skills and capabilities thereof must adapt as the demands of the customer change. These adaptations should be driven by updated mission statements. Be aware, however, that if the change in demands is too abrupt, or drifts sufficiently far from the point of origin, the strategically correct answer may not be to modify the mission statement but to instead consider dramatically restructuring or even closing the plant.

### **Focus on being focused**

The purpose of the whole exercise is focus. Focus is a key precursor to execution, and superb execution is the key to sustained competitive advantage. But people can't be expected to focus their efforts if they don't know what is expected of them. The Plant Mission statement provides that essential direction.

### **Summary**

A Plant Mission statement guides management decision making with respect to which products should be manufactured in which locations utilizing which technologies. Defining the Plant Mission provides the ability to focus on the appropriate skills, technologies, and other resources for each individual plant.

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