

CREATING A STATEMENT OF PURPOSE

HOW TO BUILD A MISSION STATEMENT FOR A NONPROFIT

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So much has been written about the need for a nonprofit organization to have an effective mission statement that at some point one might actually wonder how to do it. As Peter Drucker said in his 1990 book *Managing the Non-Profit Organization, Principles and Practices*, "The first job of the leader is to think through and define the mission of the organization. Nonprofit institutions exist for the sake of their mission."

Let's think about the need for a mission statement by comparing the nonprofit to the for profit (or private sector) organization. There is a wide cultural divide between the private sector and nonprofits at a very fundamental level:

Private sector organizations are profit driven. Nonprofits are mission driven.

Building a business when the available data is quantitative is a process that can be easily tracked and evaluated. This is the case in the private sector. Where it is possible to demonstrate success, such as increasing sales and profitability, investment capital is obtainable and the business can be grown to an even larger and more profitable size. At the same time, the management team that is responsible for the company's progress is rewarded with bonuses of cash or stock options to incentivize them to continue to grow sales and profits.

On the other hand, a nonprofit may not always have useful quantitative data to demonstrate its success. While it may point to contribution levels and the ability to balance its budget, that is not why it exists. It exists to achieve its mission and its management team is not incentivized to grow it beyond feeling that the passion to achieve the mission has been rewarded. But if it can use good performance measures to demonstrate increasing success, it will attract more contributions and grants, the nonprofit's equivalent of investment capital.

If, then, you look at the private sector and see all that it does to understand the drivers of profitability, to create budgets to allow it to manage its business thoughtfully, to monitor sales and profits and so on, you must ask the question of whether or not a nonprofit shouldn't put just as much effort into creating and monitoring its mission. A well-constructed and well-understood mission

statement should enable a nonprofit to measure success just as readily as a private-sector enterprise using profit for the same purpose.

The creation of a mission, if done properly, will create the simplicity and focus that a nonprofit needs to survive and prosper – and prosperity in this case means achieving that very mission on a better and better basis each year.

WHAT EXACTLY IS A “MISSION”?

When you talk about a “mission,” what do you really mean? Missions, goals, visions, agendas, objectives, aims, values – all these terms describe where your organization is headed in the future. A group of people asked to define any of these “planning” words would likely come up with as many definitions as there are people. What you are looking for in a mission is an action tool, not a slogan. You want something that is easy to articulate and understand, that is competitively distinct and compelling. In other words, what you want is *a clear description of where an organization is headed in the future which distinctly sets it apart from other entities and makes a compelling case for the need it fills.*

The term that best describes this effort is “Statement of Purpose.” The Statement of Purpose, a mission statement created according to a formula, has four components: (i) a description of the actions of the nonprofit, (ii) the target upon whom or which the actions are focused, (iii) the measurable results that are important and (iv) the vision of the organization. When developed with care, the Statement of Purpose will be only 25 to 30 words long (you are more likely to accomplish what you can remember). To achieve something meaningful that is short, creators are forced to build a Statement that is highly focused. This is not an easy process and cannot be completed in a couple of hours any more than a budget designed to achieve profitability can be created in a few hours. But with proper planning and sufficient time it is quite possible!

Here is an approach to creating the four important elements of the Statement of Purpose:

Action

In order to create the Statement of Purpose, one must focus first on the most critical element: the actions of the organization. What does the organization do? Typically organizations believe they do many different things and, in fact, they probably do. But these many activities must be sorted to focus on what is most important. This part of the Statement is defined by action verbs such as “educate,” “protect,” “maintain,” “create,” and so on. These are some questions to ask in order to define the “action.”

What are all of the actions that you take? What do you do each day to accomplish your good work?

Sort through all of the organization's printed materials, its web site and other communication vehicles to prepare a list of all of the actions that it takes. Look for the action verbs.

How are you organized? What does each department of your organization do?

If you were forced to eliminate some of our actions, what two or three would remain for certain?

Is there a single action you take that is more important than all of the others, that is the heart of why your nonprofit exists?

What commonly understood word best describes your most important action? This must be a word that most people will understand in the same fashion. It is not an "internal code word" with clear meaning only within the organization.

Target

On whom or what does the organization focus when it takes the actions it does each day? The target may be animate or inanimate. For example, the Red Cross targets "people in trouble" to assist while the Nature Conservancy targets "land, water and wildlife" to preserve. These are some questions to ask in order to define the "target":

Specifically whom or what do you target? To say you target "people" is very broad. What kind of people do you target: young, old, minorities, students, television news broadcasters, corporate human resources executives, government managers, etc.?

If you are trying to change behavior, exactly whose behavior change is most important to you? For example, if you are trying to change the behavior of children, are you doing that by working with the children, their parents or their teachers? You may want to change the children's behavior; but your target may be the parents and it is through them that you impact the children.

If you have trouble defining a specific target, you are probably trying to do too much. Of several targets, which one when impacted results in the most important change?

Measurables

What do you hope to accomplish? You take action in order to produce a measurable result. The important measurables need not be listed in the Statement but it must be very clear that there are readily measurable things that will define your success. These are some questions to ask in order to define the “measurables”:

When you take the action(s) on the target(s) you have defined, is it clear that there is something you can measure to see if the actions are creating a change?

What actual, readily measurable results do your actions produce? Such results can usually be measured with reasonable precision. For example, “ten miles of riparian area restored,” “there is a 10% per annum growth in mating pairs of a threatened species,” “the number of minority children (or their parents) educated regarding the threat of lead paint grows at 30% per year,” etc.

Measurable results can be created from the factors over which you have a high degree of control. For example, as an environmental organization, whether you repair ten miles of stream or 15 is a function of how much time, money and manpower you can obtain. It is less related to uncontrollable factors such as the political environment or society’s acceptance of your point of view. Therefore, what factors do you control and can you measure the results produced by those factors?

Remember that the most important measurables are “outcomes” rather than “outputs.” For example, the USDA Forest Service can measure how much fence is put up, how many acres of weeds are eradicated and how many cattle can graze on 100 acres of land. But these are “outputs:” important but not the heart of the matter. The outcome of the agency’s work is a “healthy forest.” What is your outcome if you are successful?

Vision

This is the inspirational, high calling you aim for in the long term. It’s what makes all of your work worthwhile. It’s your legacy. It clearly defines why it is worth doing what you do. Here is where you articulate the compelling nature of what you do. By comparison to Measurable Results, the Vision is something you may not have much direct control over. For example, if you repair ten miles of stream with great care, there is a high likelihood that improved habitat for a threatened aquatic species will result; but there are external factors that also impact on habitat restoration such as acid

rain or how fishermen or recreational boaters behave. So the fact that you do the repair work is not a guarantee of success. The Vision may not be measurable with numbers, but you will clearly feel good as you begin to achieve it! These are some questions to ask in order to define the “vision”:

What’s the ultimate result of your actions?

Do your actions take you where you want to go in the future and are they helping you to become what you want to be?

What is truly exciting about what you do? Is this something that excites both you and your constituencies or just you? It should excite both.

PUTTING IT ALL TOGETHER

Once you have defined the four components of the Statement of Purpose, you are ready to put it all together:

Statement of Purpose = Action + Target + Measurable + Vision

Let’s say that you run an organization designed to help poor, single mothers to raise healthy children. Here is what you might arrive at after discussing the four components of the Statement:

Action – Educate through classes held in a local church hall and by distributing inexpensive brochures available in neighborhood delicatessens.

Target – Single mothers existing below the poverty line.

Measurable – Number of mothers who attend classes (output). Number of children whose health improves (outcome).

Vision – Creating a population of healthy children who are less dependent on the health care system because they have been taught how to live healthy lifestyles and thus enjoy more fulfilling lives.

The organization’s Statement of Purpose might then become:

We educate poor mothers to raise healthy children who will understand the importance of practicing healthful lifestyles and thus lead fulfilling lives without burdening society. (25 words)

Every element of the results of the analysis of the four components need not be used in the Statement of Purpose. For example, there are actually three actions which the group has defined:

- To educate.
- To hold classes.
- To distribute brochures.

Clearly the most important action descriptor is “to educate;” and while holding classes and distributing brochures are important actions, they result in “education” and thus we have chosen “educate” alone for the Statement.

Note also that there is no need to mention the measurables that the organization must use to demonstrate its results. But the factors that should be measured – both outputs and outcomes – can clearly be determined from the Statement.

EXAMPLES OF MISSIONS AND STATEMENTS OF PURPOSE

Having reviewed the contents of a Statement of Purpose, let’s look at some mission statements created by nonprofit organizations and see if they can be considered Statements of Purpose:

AMERICAN MEDICAL ASSOCIATION

To promote the science and art of medicine and the betterment of public health.

AMERICAN RED CROSS

To provide relief to victims of disaster and help people prevent, prepare for, and respond to emergencies.

CORNELL LABORATORY OF ORNITHOLOGY

To interpret and conserve the earth’s biological diversity through research, education and citizen science focused on birds.

HARVARD COLLEGE

Striving to create knowledge, to open the minds of students to that knowledge, and to enable students to take best advantage of their educational opportunities.

IDAHO CONSERVATION LEAGUE

To protect and restore the air, water, wildlands, and wildlife of Idaho

through citizen action, public education, and professional advocacy.

METROPOLITAN MUSEUM OF ART

For the purpose of establishing and maintaining in [New York City] a museum and library of art, of encouraging and developing the study of the fine arts, and the application of arts to manufacture and practical life, of advancing the general knowledge of kindred subjects, and to that end of furnishing popular instruction.

NATURE CONSERVANCY

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.

UNITED WAY

To improve lives by mobilizing the caring power of communities.

ORGANIZATION	ACTION	TARGET	MEASURABLES	VISION	WORDS
AMERICAN MEDICAL ASSOCIATION	To promote the science and art of medicine.	Not stated.	Not clearly implied. AMA says nothing about why it "promotes" science and the art of medicine.	The betterment of human health.	14
AMERICAN RED CROSS	(a) To provide relief. (b) To help prevent, prepare for and respond to emergencies.	(a) Victims of disaster. (b) People.	(a) Number of victims, type of relief. (b) Number of people.	Not stated.	17
CORNELL LABORATORY OF ORNITHOLOGY	Interpret and conserve the earth's biological diversity.	Not stated.	Not clearly implied.	Conserve the earth's biological diversity.	16
HARVARD COLLEGE	Create knowledge, open minds, enable.	Students.	Knowledge created, number of students reached.	Take best advantage of educational opportunities.	25
IDAHO CONSERVATION LEAGUE	Protect and restore through citizen action and public education and professional advocacy.	Air, water, wildlands and wildlife of Idaho.	Acres of land protected, improvement in air and water quality, growth in wildlife populations.	Not stated.	20
METROPOLITAN MUSEUM OF ART	(a) Establish and maintain. (b) Encourage and develop. (c) Advancing. (d) Furnishing.	(a) museum and library of art. (b) Not stated. (c) Not stated. (d) Residents of New York City.	(a) Growth of collections. (b) Courses created. (c) Not stated. (d) Number of residents involved.	Not stated.	53
NATURE CONSERVANCY	(a) Preserve. (b) Protect.	(a) Plants, animals and natural communities. (b) Lands and waters.	(a) Species of plants, animals and natural communities preserved. (b) Acres of land and water protected.	Enhance the diversity of life on earth.	26
UNITED WAY	(a) Improve. (b) Mobilize.	(a) People. (b) Communities.	Number of lives improved.	Improve lives.	10

One of the most important factors in Statement of Purpose creation is to use words that are easily understood in the same way by all people reading the Statement. Many of the words used in these Statements are vague and in need of greater clarification. Ambiguity is the great enemy of an effective Statement of

Purpose. The following chart describes where the ambiguities lie in the statements above:

ORGANIZATION	TERMINOLOGY WHICH MAY BE INTERPRETED IN MANY WAYS	DISCUSSION OF TERMINOLOGY IN QUESTION
AMERICAN MEDICAL ASSOCIATION	Art.	Is medicine an “art?” What does the AMA mean by “art?”
AMERICAN RED CROSS	None.	
CORNELL LABORATORY OF ORNITHOLOGY	Citizen science.	This is a term that has become more well known over the years and may be acceptable as is. But it may sound a bit mysterious to the layman.
HARVARD COLLEGE	None.	
IDAHO CONSERVATION LEAGUE	None.	
METROPOLITAN MUSEUM OF ART	Kindred subjects.	There is no indication of what “kindred subjects” might include and thus the use of the term opens up consideration to a great many possibilities.
NATURE CONSERVANCY	Natural communities.	This is a common phrase within the environmental community; but is the average citizen likely to know what it means? It may mean a whole range of things to the uninitiated.
UNITED WAY	Caring power. Mobilizing.	This is likely a term of “code” within United Way. It probably has a clear meaning there and it is likely to have positive connotations outside United Way. But it is not clear what “caring power” really implies for those who may want to contribute to United Way. How does United Way “mobilize” caring power? You can certainly guess; but there is no commonly understood Approach for mobilizing caring power.

When considering what “code” is, think about who will read the Statement of Purpose. Who are all of the audiences for your Statement and will they interpret your words similarly? Many of these ambiguous words are “feel-good” words that evoke grand gestures such as “caring power!” But “feel-good” words are better suited to slogans than to Statements of Purpose.

PUTTING YOUR STATEMENT OF PURPOSE TO WORK

If you spend the time to create a good Statement of Purpose, you should use it as a tool to run your nonprofit. It should not sit idly in a drawer.

Here are some of the things you should do with your Statement of Purpose:

Whenever you are trying to decide between implementing two new initiatives, ask which one better satisfies the Statement of Purpose.

Put it on the home page of your web site.

Put it on the top of the front page of your newsletter.

Put it on the cover of your annual report.

Put it on your stationery.

Have every employee hang it in her office.

Put it on a placard that sits in the center of the table at every Board meeting.

Tell it to every candidate applying for a job and ask what it means to him.

Use it when you create the annual budget. Are the expenditures in the budget each focused on achieving the Statement?

When you must cut costs in tough times, which costs are least likely to allow you to achieve your Statement of Purpose?

Remember, your Statement of Purpose is not a slogan. It is a TOOL and it will serve you well if you spend the time to create it carefully and thoughtfully.

THE AUTHORS

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Dr. Dombeck received the 2001 Presidential Rank Award as a Distinguished Executive for his former role as chief of the USDA Forest Service. He has authored, co-authored, and edited over 200 popular and scholarly publications, including the book *Watershed Restoration: Principles and Practices*, and most recently the book *From Conquest to Conservation: Our Public Land Legacy*. He makes frequent national and international scientific presentations.

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Mr. Pandolfi is a recipient of the Chevron Conservation Award, the Distinguished Service Award of New York's South Street Seaport Museum and the Colorado Ski Country President's Award all recognizing his leadership in the environmental arena. He was also honored by the National Ski Areas Association for his work in conservation.

Mr. Pandolfi graduated from Princeton University and Harvard Business School.