

I. Introduction:

This paper will evaluate the mission statement of the Ocean Bank of Florida. The paper begins with a suggestion of the common elements that comprise a well-conceived mission statement; and then discusses the common elements that are present in the sample statement, which elements are not contained, the statement's length, the implications of its "message" to stakeholders (including unspoken messages), and the implications for the organization. Also contained is a concluding paragraph that provides a final perspective on the sample mission statement.

II. Components of a Well-Conceived Mission Statement:

Research by John Pearce and Fred David (1987) suggests that the relative strength of a firm's mission statement may be determined by how well it communicates the following nine components:

- A. Description of its target market
- B. Geographic domain
- C. Products/services
- D. Technology used to produce and market its offerings
- E. Intentions to grow and increase shareholder profitability
- F. Competitive strengths
- G. Importance of its employees
- H. Guiding principles
- I. Desired public image

III. Example ¹:

Ocean Bank aspires to be one of the most financially sound, profitable banks in the Southern Florida market. The bank will grow by meeting the broad financial needs of local businesses, families, and other select customer groups in a most personal and professional manner.

To support this mission, Ocean Bank is committed to accomplish the following:

Our Customers

- *Constantly assess client needs to find profitable ways to meet the financial requirements through high quality offerings.*
- *Employ highly qualified personnel to provide prompt, personal, professional service.*
- *Act in a prudent manner which demonstrates stability and promotes trust in the bank.*

Our Employees

- *Ensure a fair measurement and reward system to foster the best possible service to our customers.*
- *Provide career development opportunities that increase the professionalism and technical proficiency of our employees.*
- *Encourage a decision-making process that allows for teamwork, yet places clear responsibility and authority with the individual.*
- *Develop and preserve a superior capital position, becoming one of the most financially strong banks in Southern Florida.*

Our Community

- *Serve the role of a business leader and responsible corporate citizen, encouraging employees to participate in activities which enhance the community's quality of life.*
- *Conduct business in a responsible manner which fulfills the requirements of EEO/AA and CRA guidelines.*

Our Shareholders

- *Provide a continuous long-term source of profitable growth and superior return on investment.*
- *Become a model in the market for prudent lending and operating practices; by growing carefully and selectively, and by maintaining stringent conformance with banking regulations and policies.*
- *Develop and preserve a superior capital position, becoming one of the most financially strong banks in Southern Florida.*

IV. Analysis:

Using the components suggested by Messer's Pearce and David (ibid), the following is an examination of the mission statement of the Ocean Bank.

A. What the Mission Statement Does Contain:

1. Description of target market and geographic domain: The statement makes it clear that the firm's target market is Southern Florida.
2. Intentions to grow and increase shareholder profitability: The objective of providing profitable growth and superior return on investment is clearly stated in the guiding principles.
3. Importance of its employees: The significance the bank gives to its individual staff members is evident.
4. Guiding principles: The sample mission statement includes 4 supporting paragraphs detailing Ocean Bank's guiding principles.
5. Desired public image: The statement specifies the bank's commitment to fulfilling both its regulatory, community, and ethical responsibilities.

B. What the Mission Statement Does Not Contain:

1. Products/services: "Broad financial needs" is too generic a term. A prospective customer may wish to know if the bank offers services beyond basic loans and deposits, such as investment counseling, agricultural or public financing, capital markets, check 21.
2. Technology used to produce and market its offerings: The basic statement could benefit by including wording about the bank's modernization practices, such as the implementation of the most up-to-date and secure electronic systems and information technologies.
3. Competitive Strengths: No mention is made of the bank's differentiation from its competitors.

C. The Statement's Length: The opening paragraph of the statement is short and concise. While not containing all the elements proposed by Pearce and David (ibid), it does clearly state the bank's basic vision for its customers, employees and shareholders in the Southern Florida market. The 4 subsequent guiding principle statements, while greatly increasing the length of the proclamation, impart a very good understanding of the bank's intentions toward sustaining growth while concurrently maintaining ethical business practices.

D. The Implications of the Statement to Stakeholders: The major implication of a carefully conceived value statement, contend Forest and Fred David (2003), is that stakeholders perceive a "positive relationship between mission statements and organizational performance". A group of value points for each stakeholder group - customers, employees, the community, and shareholders - was contained in Ocean Bank's mission statement and its accompanying guiding principles, therefore demonstrating careful consideration by management toward providing the value outcomes expected by the bank's stakeholders.

E. The Implications for the Organization: Old Dominion professor's Bartkus, Glassman, and McAfee (2006) contend that adherence to the fundamental rules of business, as contained in a mission statement, can have "...a significant positive relationship with financial performance." Should Ocean Bank follow the "fundamental rules" contained in its mission statement, it will enhance consumer confidence - and hence solidify its market share - by demonstrating a willingness to align its operations with its strategy; by providing an appealing working environment, that should attract a high caliber of employees and reduce turnover; and by being a good corporate citizen.

V. Conclusion:

The mission statement contained in this paper, while quite lengthy, demonstrates how an institution can develop assertions that present a positive image of its vision and that serve as a solid foundation for its operating strategy. Ocean Bank's mission statement is a solid example of how a company can use such a proclamation to show concern for its employees, commit itself to strong financial growth for its shareholders, assume responsibility to the society in which it conducts business, and emphasize its value proposition.

Endnote:

1. Mission Statement of Ocean Bank - Florida. Retrieved 4 March 2008 from <http://www.oceanbank.com/89423.html>

References:

Bartkus, Barbara, Glassman, Myron, and McAfee, Bruce (2006). *European Management Journal*. London: Feb 2006. Vol. 24, Iss. 1; pg. 86. Retrieved 4 March 2008 from <http://proquest.umi.com/pqdweb?did=999411171&sid=1&Fmt=2&clientId=55007&RQT=309&VName=PQD>

David, Forest R., David, Fred B. (2003) It's time to redraft your mission statement. *Journal of Business Strategy*, January 2003, ppg 11-14. Retrieved 4 March 2008 from <http://proquest.umi.com.library.norwich.edu/pqdweb?index=0&did=283115351&SrcHMode=1&sid=1&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1204848988&clientId=55007>

Pearce, J. & David, F. (1987). *The Academy of Management Executive*; May 1987; 1, 2; ABI/INFORM Global. pg. 109