

## [BUSINESS ★★] WHY TWITTER'S MISSION STATEMENT MATTERS

(P1) Believe it or not, Twitter Inc. has a perfectly respectable mission statement:

(P2) Our mission: To give everyone the power to create and share ideas and information instantly, without barriers.

(P3) CEO Dick Costolo had to point this out Wednesday night, after a slide from an investor presentation by CFO Anthony Noto became the laughingstock of Twitter. It featured a Venn diagram with interlocking circles labeled “objective,” “scope,” and “competitive advantages,” then this “strategy statement”:



(P4) Reach the largest daily audience in the world by connecting everyone to their world via our information sharing and distribution platform products and be one of the top revenue generating Internet companies in the world.

(P5) This is 80 characters over Twitter's 140-character limit. It is also a wordy, clunky mess that instantly lent itself to derision, revision, and even this complicated sentence diagram. Then again, as Peter Kafka of Re/code pointed out, investors seemed perfectly happy with it, as the company stock price rose 7% by the end of the day.

(P6) This raises a question: Does it really matter if a company has a good mission statement?

(P7) My reading of the HBR literature on this is that the answer is yes. Maybe not a mission statement *per se*, but a vision, a set of goals, a strategic intent that (1) goes beyond just making lots of money and (2) is unique to the company. In other words, something that doesn't sound like this:

(P8) The Company's primary objective is to maximize long-term stockholder value, while adhering to the laws of the jurisdictions in which it operates and at all times observing the highest ethical standards.

(P9) That's the profoundly uninspiring and undistinguished mission statement of Dean Foods, which I learned about in Greg McKeown's 2012 HBR.org piece, "If I Read One More Platitude-Filled Mission Statement, I'll Scream," a helpful guide to paring down a "directional document" to what really matters. The closest thing to a definitive guide to building such a document in the first place may be James C.

Collins and Jerry I. Porras's 1996 HBR article "Building Your Company's Vision." Here's their explanation for why an organization needs a vision:

(P10) *Truly great companies understand the difference between what should never change and what should be open for change, between what is genuinely sacred and what is not. This rare ability to manage continuity and change—requiring a consciously practiced discipline—is closely linked to the ability to develop a vision. Vision provides guidance about what core to preserve and what future to stimulate progress toward.*

(P11) Collins and Porras divide their vision thing into two parts. One is the company's core ideology, which is made up of its core values and core purpose. The other is its envisioned future, where one finds the famous "BHAGs" (Big, Hairy, Audacious Goals) that Collins and Porras first described in their book *Built to Last*, plus vivid descriptions of what it will look like when they're reached.

(P12) Twitter's mission statement is a pretty good on the core purpose, which Collins and Porras define as "the organization's reason for being." The strategy statement seems to be a groping, as-yet-incomplete attempt at defining a BHAG. What's missing is any expression of the company's core values. This seems about right for Twitter, which at the tender age of eight has already seen all its founders — the people most often responsible for giving a company durable values and vision — leave. And while Ev Williams and Jack Dorsey are still board members and significant shareholders, the sense one gets from Nick Bilton's entertaining history of the company's early days, *Hatching Twitter*, is that they never came close to agreeing on what the company's core values should be.

(P13) This is a big challenge for Costolo, and a reason to fear that the company is letting its values be defined by its outside shareholders. It's also a sign that the Collins-Porras framework actually can be helpful in figuring out where a company's vision needs work.

(P14) Next up is Google, where co-founder and CEO Larry Page has decided that its mission statement ("to organize the world's information and make it universally accessible and useful") needs to be expanded as the company moves from purely digital endeavors into the physical world. Google has pretty clearly expressed core values, although they have been greeted with a lot more skepticism in recent years as the company has grown into a global giant. But now it has to sort out its core purpose from its BHAGs. This may sound a little silly, but actually involves the crucial strategic question of what about Google should stay the same and what should change.

(P15) At Twitter, the question is whether it can groom its BHAGs and paint a vivid picture of what it will be like to achieve them, while at the same time deciding on some core values. And if that sounds a little silly, here's what doesn't: growing fast enough to keep its investors off its back while it figures all this stuff out.

**Words:** 829

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## DISCUSSION QUESTIONS

If you found the passage difficult to read or had problems understanding specific words or idiomatic expressions, please discuss them with your tutor. The following discussion questions should be answered in your own words and with your own arguments.

1. Briefly summarize the content of the article in your own words.
  2. Why did the Venn diagram become the subject of derision? (P3-5)
  3. Why does the author argue that a company's mission statement matters? (P7) What is wrong with (P8)?
  4. Why does an organization need a vision (P10)? What is the vision of your company?
  5. What is the difference between core ideology and envisioned future (P11)? What are core and vision of Twitter described in the article (P11-12)?
  6. What is the challenge that Costolo faces for Twitter (P13, 15)?
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## WHAT / WHO / WHERE ARE THEY?

### Dick Costolo

(Person) Dick Costolo is the current CEO of Twitter and was its former COO. He took over as CEO from Evan Williams in October 2010.

### HBR (Harvard Business Review)

(Media) Harvard Business Review (HBR) is a general management magazine published by Harvard Business Publishing, a wholly owned subsidiary of Harvard University. It is published 10 times a year and is headquartered in Watertown, Massachusetts.

### Dean Foods

(Company) Dean Foods is an American food and beverage company that specializes in dairy products. The company maintains plants and distributors in the United States and the United Kingdom. Dean Foods has 100 facilities located in 35 American states as well as five manufacturing plants in the countries of Belgium, France, the United Kingdom, and the Netherlands.

### Ev Williams

(Person) Evan Clark Williams (born March 31, 1972) is an American Internet entrepreneur who has founded several Internet companies. Two of the internet's top ten websites have been created by Williams's companies: Blogger, a weblog-authoring software of Pyra Labs – and Twitter, where he was previously Chairman, and CEO

### Jack Dorsey

(Person) Jack Dorsey is an American web developer and businessman widely known as a co-founder and co-creator of Twitter, and as the founder and CEO of Square, a mobile payments company. In 2008, he was named to the MIT Technology Review TR35 as one of the top 35 innovators in the world under the age of 35. For 2012, The Wall Street Journal gave him the "Innovator of the Year Award" for technology.

### Nick Bilton

(Person) Nick Bilton is a British-American journalist and author. He is a technology and business columnist at the New York Times' and formerly the lead blogger for the New York Times' bits blog.

## Hatching Twitter

(Book) Non-fiction of behind story of building of Twitter. Bilton's unprecedented access and exhaustive investigating reporting—drawing on hundreds of sources, documents, and internal e-mails—have enabled him to write an intimate portrait of four friends who accidentally changed the world, and what they all learned along the way.

## Larry Page

(Person) Lawrence "Larry" Page (born March 26, 1973) is an American business magnate and computer scientist who is the co-founder of Google, alongside Sergey Brin. On April 4, 2011, Page succeeded Eric Schmidt as the chief executive officer of Google. As of October 2014, Page's personal wealth is estimated to be US\$30.4 billion, ranking him number 19 on the Forbes list of billionaires.

## VOCABULARY

Believe it or not	(expression) 믿거나 말거나
Respectable	(adj) 꽤 괜찮은, 부끄럽지 않은
Barrier	(n) (통행을 막는) 장벽
Laughingstock	(n) 웃음거리
Objective	(n) 목적, 목표
Scope	(n) (주제·조직·활동 등이 다루는) 범위
Competitive advantage	(n) 경쟁우위(競爭優位)
Via	(prep) (특정한 사람·시스템 등을) 통하여
Revenue	(n) 매출
Clunky	(adj) 투박한
Lend itself to smth	(expression) ~에 적합하다; 스스로 ~한 대우를 받게 만들다
Derision	(n) 조롱, 조소
Per se	(expression) 그 자체가, 그 자체로는
Intent	(n) 의지, 의향
Maximize	(v) 극대화하다
Long-term stockholder value	(n) 장기적 주가
Adhere to	(v) ~을 고수하다[충실히 지키다]
Jurisdiction	(n) 관할권; 사법권
Observe	(v) (법률·규칙 등을) 준수하다
Profoundly	(adv) (영향 등을) 깊이
Platitude	(n) 진부한 이야기
Pare down	(expression) ...까지 줄이다.
Continuity	(n) 지속성
Discipline	(n) behavior in accord with rules of conduct; behavior and order maintained by training and control (n) 핵심
Core	(n) 핵심
Preserve	(v) (특정한 자질·특색 등을) 지키다; 보존하다
Stimulate	(v) 자극하다, 활발하게 하다
Ideology	(n) 이데올로기, 이념
Envision	(v) (특히 앞으로 바라는 일을) 마음속에 그리다
Audacious	(adj) 대담한
Vivid	(adj) 생생한
Grope	(v) 손으로 더듬는, 암중모색하는; moving or going about clumsily or hesitantly; stumbling
As-yet-incomplete	(expression) 아직[그때](까지) 완성이 덜 된
Tender	(adj) 연약한
Shareholder	(n) 주주(株主)
Framework	(n) (판단·결정 등을 위한) 틀; 체제, 체계
Endeavor	(n) 노력, 시도, 애씀

Greet with	(expression) ...로 맞아들이다.
Skepticism	(n) 회의; 회의론; 무신론
Groom	(v) (중요한 일·직책에) 대비시키다
Keep someone off back	(expression) 신경쓰지 않게 두다; 멀리하다