Put Your Mission Where Your Mouth Is:
Once Stakeholders Doubt You, Many May Be Gone For Good

Joel Adams, Indiana University, USA

If you’re going to lead with your mission, your understanding of that mission needs to be clearly and consistently communicated to your stakeholders, making clear its ongoing relationship to all the venture’s major strategic changes and actions.

As an entrepreneur, you know how valuable your early supporters are. It is through these stakeholders that you are able to improve your products and services, cultivate loyalty, and hone your image. They are your venture’s touchpoint with the ever-evolving real world, and losing them can spell doom for any venture.

Many ventures, whether because they are focused on social value creation or simply because they are passionate about their offering, choose to win over early supporters through the communication of shared values and a shared mission. This can be a powerful tool for early growth, but growth gained through this channel carries with it a correspondent risk, analogous to the risk of product failure.

Ventures that gain stakeholders through a sense of shared mission may risk, with actions otherwise commonplace in the early stages of venture growth, losing those stakeholders amid accusations of the abandonment of that shared mission—as hypocrisy, inauthenticity, or selling out. This can occur even when the venture has not, to its founders’ understanding, abandoned that mission at all, and in some cases, they may believe they have strengthened it.

When the founders of the Impossible Project shifted their analog photography venture to incorporate some digital components, they learned that many of their early users considered this a betrayal of the venture’s mission, and many of those stakeholders soured on the venture. When the Marine Stewardship Council changed its plan and decided to grant its seal of approval to fisheries that promised to meet their standards but did not currently meet them, they faced a similar stakeholder reaction. In both cases, the ventures had acted strategically to survive and enhance the reach and effectiveness of their missions as they saw them, but stakeholders saw the matter differently.

New experimental research reveals how a single negative communication interpreting a venture’s actions as a mission violation can reduce support by more than 50%, and that a single communication explaining the changes from the venture’s perspective can recover nearly 40% of the losses, confirming the suggestion in a recent case study of the Impossible Project, that communication—sharing and explaining the internal reasoning and struggles over these changes—can significantly help to recover from their negative interpretations by stakeholders. Further, this research contradicts current situational crisis communications theory by revealing that the type of explanation used in the recovery communication (we used explanations of survival, opportunity to grow the mission, and the need for a course correction) is not relevant to the rate of support recovery. Importantly, however, it also reveals that many (about 60%) of that lost support stays lost. The research goes on to suggest that it makes no difference whether ventures try to “get out in front” of the problem first, the rates of loss and gain remain the same.

This suggests the diligence with which mission-oriented ventures need to strive to keep that mission intact. Justifying changes through communicating with stakeholders may be able to prevent
losses from negative reactions, but only if it can prevent the spread of the negative interpretation of the venture’s actions that would cause the loss. Even when ventures tried to get out in front of negativity, they ended up in the same place as those who waited until it had spread. If the negative interpretation is allowed to disseminate, winning back a portion of those lost is the best case. So if you choose to leverage your mission as a means of gaining support, or if mission as a means of gaining support is inevitable for your venture, put your mission where your mouth is and communicate its meaning and relevance to all your tough decisions. Making these communications an organizational habit from day one may help to prevent the emergence of negative interpretations and ensure that your stakeholders stay with you through even the toughest times.

CONTACT: Joel Adams; jadams7@iu.edu; (T): +1 502-599-9745; Indiana University – Kelley School of Business; 1275 E 10th St, Bloomington, IN, 47405 US.