

Vision

Key Points:

- A vision is an organization's long term aspiration.
- A vision represents the desired future state for an organization. This future vision should be desirable enough to engage and motivate employees toward achieving it. Further, strategic decisions are made with the forethought of achieving the vision.
- Visions, like missions, are not usually well developed. Much of this can be attributed to an overemphasis on the wording of the vision statement versus the creation of a good vision itself.

Main Thoughts:

A vision encapsulates the desired future state for an organization. A vision answers the basic question: "Where do we want to be in the future?" Despite representing the desired future state, there is no guarantee the organization will ever reach its vision. However, because the vision is typically much more desirable than the current state, the organization is willing to vigorously pursue it even in the face of a significant risk of not achieving it. Like a mission, the vision is typically documented in a vision statement—a short written sentence or paragraph that paints a picture of the future of the organization. While visions usually persist for several years—in some cases upward of 20 or 30—they can and do change. They change when the desired future state of the organization changes or when the organization achieves its vision and creates a new one.

Creating a Vision. The most well known work pertaining to vision development comes from Jim Collins and Jerry Porras in their Harvard Business Review article, *Building Your Company's Vision*. In it the authors describe two key components to a vision: a Big, Hairy, Audacious Goal (BHAG) and an Envisioned Future. Taken together these elements constitute a vision. Understanding them individually is an important precursor to developing a good vision.

Big, Hairy, Audacious Goal (BHAG). A Big, Hairy, Audacious Goal or BHAG as it is more commonly referred to in practice, is a very challenging, long-term goal. The name aptly characterizes the goal. First, it is significant. It usually consists of orders of magnitude greater than the current performance of the organization in areas such as revenue, market share, or profitability. Second, it is daunting. The BHAG is not a goal that is easy for an organization to accept, mainly because of the effort required to reach it. Finally, it is bold. A hallmark of a BHAG is that it can seem almost unreasonable. However, the authors assert that it is these aspects of the goal that makes it so compelling.

Envisioned Future. Paired with the BHAG is the concept of envisioned future. The envisioned future is literally a word picture of the future; it is the mental image of the location where the organization will be once the BHAG is reached. In practical terms, the envisioned future is usually a paragraph that provides a rich description and vivid imagery of the organization's desired future. This picture helps employees conceptualize what the future will be like once the organization achieves the BHAG.

Common Challenges with Vision Statements. Vision statements suffer from the same general challenges of mission statements. Senior managers labor over vision statements for long periods of time and when they are finally complete, the resulting visions often lack aspiration, inspiration or both. More recent work on visions from Balanced

Scorecard creators Robert Kaplan and David Norton help with this problem. In their book *The Execution Premium* the authors describe what they call three key elements of a vision statement: a defined niche, a measurable goal and a time boundary. These elements can be used as a means to both create and critique visions.

Defined Niche. A defined niche is an area of a market where an organization chooses to compete. The purpose of specifying a niche is to add precision to the vision. Since organizations cannot be 'all things to all people,' adding a niche to the vision statement helps remedy this common challenge.

Measurable Goal. A measurable goal built into the vision statement is designed simply to help the organization determine when it has reached its vision. Despite being aspiration oriented, visions are indeed intended to be achieved. In order to know if a vision has been reached, there must be a measure of success.

Time Boundary. While visions are long-term, they are not timeless; at some point the organization should either reach or abandon the current vision for the future. By adding a time boundary to the vision statement, the organization can calibrate its actions to be consistent with the time in which the vision is to be reached.

As an Example:

The following are BHAG examples from Collins and Porras article *Building Your Company's Vision*:

- "Crush Addidas" - Nike, 1950's
- "Become the Harvard of the West" - Stanford University, 1940's
- "Become a \$125 billion company by 2000" -WalMart, 1990

Below are vision examples from Kaplan and Norton's book *The Execution Premium*:

- "To become a top quartile specialist in 5 years" - CIGNA Property & Casualty
- "To have one-million on-line customers by the end of the decade" - Wells Fargo, 1990
- "By 2015, our distinctive ability to integrate world class research, scholarship and education will have secured us a place among the top 50 universities in the world" - Leeds University, UK

Editorial

Management teams seem to love working on visions. Vision and vision statement development provide one of the rare occasions where leadership teams can unleash their creativity in an unbridled fashion. In most instances top managers feel strongly that their visions represent their imprint on the business. Again a word of caution: there's no specific evidence—even taking Collins' and Porras' excellent work into account—that indicates visions specifically improve companies performance. That said, *Built to Last* has some great examples in it and the book is worth owning for any organization that believed strongly in the concepts of vision and core ideology.

I think that inspirational vision statements provide employees with a 'reason to get out of bed' in the morning. I once worked for a consulting firm where everyone believed we were really improving the practice of management in organizations world-wide. Indeed it was motivating as anyone who has worked for this type of organization can attest. But all too often managers get wrapped up in the wording of the vision versus the vision itself.

And while not expanded in depth in this paper, the concept of envisioned future is critical in developing a good vision. A measurable goal is important too. But remember, most people are highly visual. Having a clear, shared picture of the future fixed in the mind of every employee is a powerful catalyst of action and, ideally, success.

For More Information See:

Web

<http://www.jimcollins.com/index.html>

<http://www.inc.com/resources/startup/articles/20050201/missionstatement.html>

Magazines & Journals

Harvard Business Review: Collins, J. and Porras, J., *Building Your Company's Vision*, Harvard Business Review, September-October 1996.

Books

Collins, J. and Porras, J., *Built to Last: Successful Habits of Visionary Companies*, Harper Business, 1994.

Norton, D. and Kaplan, R., *The Execution Premium*, Harvard Business Publishing, 2008.