

VISIONING
AN ESSENTIAL BUSINESS PROCESS

Knud Jensen
Ted Rogers School of Business Management
Ryerson University

The Power of Vision

The best companies have organizational vision, an internalized view of where the company is headed and what the company is really about. A company is a set of diverse individuals with different values and views; the vision is what brings them all together to share the direction of the company. A company must have an agreed upon direction in order to have a chance to reach its objectives. The vision provides the template and the line of continuity, allowing a single thrust and focus in a turbulent and chaotic environment. A vision is not a strategy; it precedes a strategy and sets the tone for the corporate strategy. A vision is the prism through which the company's efforts are viewed and concentrated. Sometimes, the vision is a little out of focus, but sharp images of the future are not necessary in a turbulent world. A vision is the painter's sketch before starting a work of art. It is rough, malleable yet succinct; it is not exhaustive, and the colours have yet to be applied. John Sculley, in his book, *Odyssey*, which deals with his turnaround of Apple, compares the standard quantitative business tools and skills with vision and finds that business methods are a *poor substitute for creative vision* in turning a company around. Sculley talks about visionaries as creative, driven people with a passionate belief in the power of ideas. Visionaries, he suggests, see the world ahead in terms of what it can be. They look over the horizon to see tomorrow. Sculley's book and his work at Apple demonstrate the power of corporate vision.

A more recent example of the power of vision in the same industry is the turnaround of IBM. Louis Gerstner became Chairman of IBM in 1993. He took over a leaking boat. His first statement, *The last thing IBM needs right now is a vision*, received a lot of publicity. In his book, *Who Says Elephants Can't Dance?*, he explains that most reporters dropped the *right now*. Six months after being appointed chairman he set out a vision for IBM which led to the major cultural changes and subsequent financial turnaround of the organization. As summarized in *Who Says Elephants Can't Dance?*, here are the eight principles that Louis Gerstner set out:

1. The marketplace is the driving force behind everything we do.
2. At our core, we are a technology company with an overriding

- commitment to quality.
3. Our primary measures of success are customer satisfaction and shareholder value.
 4. We operate as an entrepreneurial organization with a minimum of bureaucracy and a never ending focus on productivity.
 5. We never lose sight of our strategic vision.
 6. We think and act with a sense of urgency.
 7. Outstanding, dedicated people will make it all happen, particularly when they work together as a team.
 8. We are sensitive to the needs of all employees and to the community in which we operate.

An effective vision is a combination of views. It requires a creative understanding and delineation of the kaleidoscope of the corporate environment, along with a sifting of the past history and experience, and a glimpse of the future. Visions inspire and mobilize human resources into action. Leaders need to develop visions. Everyone has a vision or a dream, but not every vision makes it into the world of reality. According to Norman Strauss, former adviser to Prime Minister Thatcher, “The word is reserved for those that do. Other hopes are fantasies and illusions, the impractical dreams of unsound minds.”. Visions are a source of untold power for the corporation, rarely tapped to the fullest. Chance has always favoured the prepared mind; now it favours the prepared mind with a vision.

True leaders in all fields create visions. John Kennedy inspired a nation; Pierre Trudeau created a vision for Canada, adopted by millions of Canadians; Ray Kroc of McDonald’s had a culinary vision now shared all over the world; Mother Theresa was an inspiration with her vision of humanity. Vision is one of the few variables that can be shared by everyone in an organization and well beyond the corporate boundaries; for example, to the sporting field, the political arena, and any area of human endeavour. The ability to share and the shaping of values is what gives vision power. Vision seems to be reserved for the private sector, and in the private sector it must begin to play a more important role in the management process. The business environment is chaotic, the changes fast paced, with few signs of abatement. Vision creates stability, the corporate calm in the eye of the hurricane.

Types of Visions

Norman Strauss, in an article in *Director*, has suggested that there are several types of visions that the manager can develop. Until now, the discussion has centered on the overall corporate vision, which can be broken down into various components:

Historical Vision – An understanding of the past actions and activities of the company. Understanding how the company arrived is very important; much can be learned from history.

Situational Vision – An understanding of the current situation.

Strategic Vision – The direction to take in the future. In essence, where we have been, where we are, and where we are going.

Leadership Vision – An understanding of how to inspire people to achieve the corporate goals.

Organizational Vision – Structuring the organization so that it has a competitive edge.

System Vision – Strauss' most important and all encompassing vision is the view of the totality of the company and its environment. System vision determines the possibilities within the constraints.

Creating a Vision

In his book, *Thriving on Chaos*, Tom Peters recommends: *Via soul-searching, listening, assessment of the external situation and solicitation of all points of view, develop a succinct vision that is clear and exciting, and at the same time leaves wide latitude for the pursuit of new opportunities.* In other words, keep your eye on the future goal, but make sure that you take advantage of the opportunities that present themselves. The future vision supports day to day activities and provides them with meaning and direction, but it should not be a barrier to action and creativity.

As a chief executive officer and pathfinder, how do you set about

creating a vision for your company? The importance of a shared understanding of the organization is illustrated by the following quotes from leaders in 20 organizations ranging from the small to the large. These quotes are from a research project on managerial competencies carried out by Professor G. Morgan and reported in his book, *Riding the Waves of Change*:

It's absolutely crucial to have a good understanding – call it whatever you want – of why you are in business and what you are doing. The rapidity of change makes it all the more important. I think this is what the great successful organizations have in the key places.

The world is such a changeable place that you need to have a well-articulated long-term sense of where you're going, which gives you the base, the confidence, to take on whatever adaptability issues come along without losing your sense of direction. You've got to respond to the issues of the moment without losing that long-term sense.

You need a sense of corporate purpose and an awareness that the organization has a personality that goes beyond what it is doing right now.

First, keep in mind that a vision precedes any type of strategy. Vision is the envelope that surrounds a firm's strategy. Vision is about ideas, values, shared meanings and understanding, and most important, it is the beacon for tomorrow.

A vision is not a strategy and the two should not be confused, although they often are. Visions are about the future, they are inspirational, and they create motivation and commitment in an organization. Visions do not provide the specific road map; that is the business of strategy. Strategy and vision are intertwined. In his book, *The Rise and Fall of Strategic Planning*, Henry Mintzberg suggests that strategic plans fail if there is no vision to support the plans. According to Mintzberg, the vision also acts as a *stimulant to action*.

Vision Works

According to research by Mark Lipton (2004), *a well articulated vision, when implemented throughout an organization, had a profoundly positive impact*. His research on public corporations found higher revenue and profit growth in companies that are driven by a vision when compared by those that are not.

There are three steps: Creating a vision; Communicating the vision; Experiencing the vision.

Creating a vision:

Visions can be created at all levels of the organization. Leaders exist not only at the top, but also on the shop floor. Creating a vision starts with an understanding of both the internal organization and the relationship of the organization to its environment and its various stakeholders (organizations are seen to have stakeholders, or interested parties; some of these are: customers, distributors, shareholders, employees, and the community. The concept expands the old notion that a firm should take into account only shareholders' interests when making decisions). To this, you add your own values and experience. Everyone has a set of attitudes developed over time, and ideas of how the universe should unfold. Layered on these images are the voices, the ideas, and the thoughts of the stakeholders. Getting a clear picture of this calls for a lot of listening and interaction with stakeholders. This might come from informal chats on a walk through the plant, or more formal structures such as a customer forum. But the leader must read and understand before creating the vision, the direction. The kaleidoscope of these forces is the genesis of the vision of the future state of the organization (Table 1 illustrates the process).

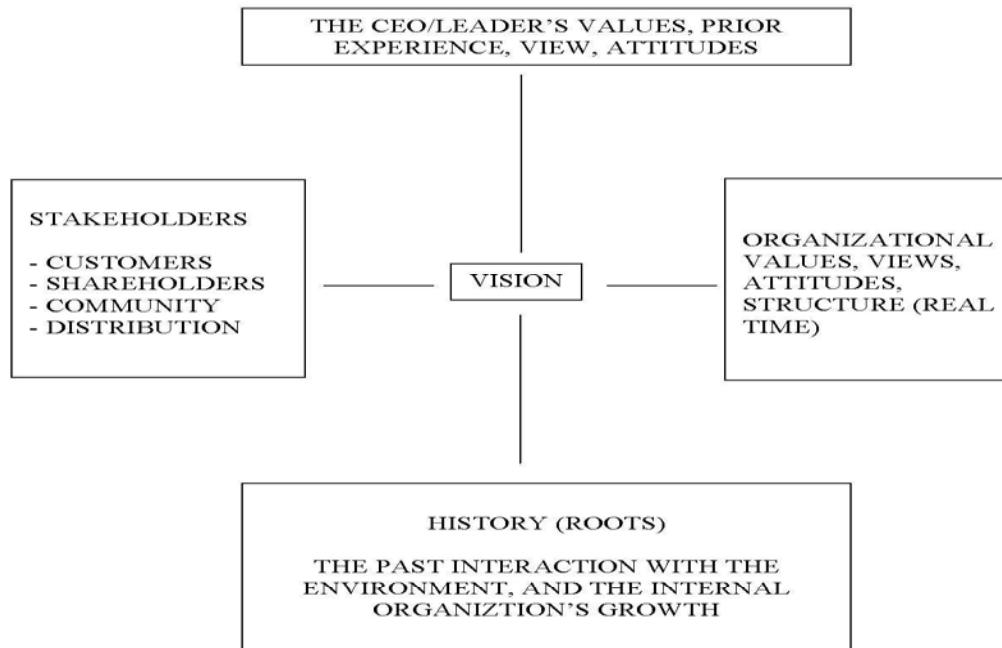
A vision is a target that beckons, according to Warren Bennis and Burt Nanus (1985). They talk about the empowerment of a vision for employees so that they see themselves as part of a larger whole that they understand. The accompanying sense of importance and control adds a powerful motivational and creative force to the company's arsenal. Enthusiasm comes from understanding and making a difference. The vision aligns the individual with the company.

Everyone plays the same march, but on different instruments, and the CEO leads the parade.

Communicating the vision:

Now that the vision exists, it must be communicated – literally delivered to everyone in the organization. It must be explained and the meaning must be clear to everyone. Simplicity, clarity, challenging describe the vision. The vision must be everywhere in the organization, underpinning the behaviour of the firm. In other words, it must become an institution. Metaphors are great ways of communicating visions. Politicians, of course, have practiced this for years, to the point of banality. Care must be taken that developing a vision is not just another exercise in going through the motions. Organizations are quick to spot insincerity. Don't let the vision go stale, pump it up on any occasion, discuss it, glorify it – a vision should be a living thing.

TABLE 1



Experiencing the Vision

A vision can be communicated with clarity, but in order to be powerful and enduring it must be experienced by the organization. It must be seen and felt, and only then will it be internalized. You can theorize about the value of a sextant, but only after using it to navigate can you truly appreciate and understand its value. The organization must live out the vision; it can't exist only in a manual or document. Vision is the central spirituality of the organization.

Characteristics of an Effective Vision in an Organization

Clarity – it must be easy to understand.

Stable over time – yet it must reflect change and the dynamics of the business environment.

A transfer of ownership of the direction and vision to the members of the organization must take place. The hearts and minds of those who are going to execute the vision must be captured and must be at one with the vision. There should be a consistency from the receptionist to the president.

Enthusiasm – nothing much happens without enthusiasm. The vision must grab and inspire.

The vision must be reflected in actions taken by the organization.

A vision must empower members of the organization.

A Path to the Future

An organization operating in today's tumultuous environment needs a beacon to follow in order to avoid the rocky shoals. A vision will provide such a beacon for the organization. The future is never known and even the best forecasts are filled with uncertainties. A vision guiding the pathfinders will provide a focus, some outside parameters, and the all-important organizational direction.

The vision provides the path to the future.

References

Bennis, Warren and Nanus, Burt. *Leaders – The Strategies for Taking Charge*. Harper & Row, 1985.

Gerstner, Louis V., Jr. *Who Says Elephants Can't Dance?* Harper Business, 2002.

Lipton, Mark. *Walking the Talk (really!): Why visions fail*. Ivey Business Journal. January/February 2004.

Mintzberg, Henry. *The Rise and Fall of Strategic Planning*. Free Press, 1994.

Morgan, G. *Riding the Waves of Change*. Jossey-Bass Publishers, 1988.

Peters, Tom. *Thriving on Chaos*. Alfred A. Knopf, 1987.

Strauss, Norman. *The Need for Vision Management*. Director, May 1988.