



## Thoughts on Vision

It is a very rare company indeed that has a well thought out, clearly articulated vision. This is perhaps the biggest single opportunity to create greatness, sustainability and enhance shareholder value in companies large and small. Since our work is focused on helping boards, CEOs and senior leaders build high performance teams, cultures and sustainable value, I've spent the better part of two months looking for great material on creating a compelling vision that resonates with all stakeholders, not just shareholders and senior management. It is truly shocking that there is so little great information available on such an important subject. This is an amalgamated and condensed collection of the best information we could find, much of which came from Jeffrey Gandz, a Professor of Strategic Leadership and Managing Director, Program Design, in Ivey Business School's Executive Development division at Western University. Thanks in particular to Dr. Gandz.

A compelling vision is far more than can possibly be contained in a *vision statement*, and focuses on the potential inherent in the company's future, or what they intend to be. A compelling vision communicates to the total organization that the company's leadership knows where it's going, believes what it's saying and that there is something in for all who are willing to work hard for the realization of the company's vision. It connects the most senior managers in the company with the rank-in-file. People join people; not just organizations.

In its most highly developed state, a compelling vision, designed to engage and energize the entire workforce, will lay out a case for urgency for all stakeholders to unite in the pursuit of the company's aspirational vision, strategy, culture, implications for its constituents and rewards for those who are willing to "get out of the stands and in to the game".

While a vision statement might contain references to how the company intends to make that future into a reality, the "how" is really part of a mission statement while the vision statement is simply a description of the "what," meaning, what the company intends to become.

## Apple Computer's Vision Statement

"We believe that we are on the face of the earth to make great products and that's not changing. We are constantly focusing on innovating. We believe in the simple not the complex. We believe that we need to own and control the primary technologies behind the products that we make, and participate only in markets where we can make a significant contribution. We believe in saying no to thousands of projects, so that we can really focus on the few that are truly important and meaningful to us. We believe in deep collaboration and cross-pollination of our groups, which allow us to innovate in a way that others cannot. And frankly, we don't settle for anything less than excellence in every group in the company, and we have the self-honesty to admit when we're wrong and the courage to change. And I think regardless of who is in what job those values are so embedded in this company that Apple will do extremely well."- Tim Cook, CEO of Apple Computer.

Apple's vision statement is six or seven times longer than the norm and does a far better job of painting a picture that has the potential to create an adrenaline rush all the way to shop floor. This, in my mind, is closer to a vision than just a vision statement.

While most leaders insist in having a compelling vision, the fact is that most, both the leaders and the visions, leave people sitting in the stands, unmoved. A leader who engages stakeholders when developing a vision will, in the end, articulate one that resonates strongly and impels people to act enthusiastically, urgently and with passion to make the organization's objectives a reality.

Lucy, from Peanuts fame often lectures Charlie Brown on the meaning of life: "Charlie Brown, life is like a deck chair on a cruise ship. Passengers open up these canvas deck chairs so they can sit in the sun. Some people place their chairs facing the rear of the ship so they can see where they've been. Other people face their chairs forward – they want to see where they're going. On the cruise ship of life, which way is your deck chair facing?" Replies Charlie, 'I've never been able to get one unfolded.'

Unlike Charlie Brown, leaders today must have a vision. There are many stakeholders – employees, shareholders, governments, special interest groups, and the media — who simply demand to know, "Where is this organization going and what is going to get it there?" Everyone who is a leader or wants to be a leader – of an organization, division, department or team – must be able to formulate, articulate and communicate a compelling vision if they are to engage and inspire people to follow them. They must also ensure that their followers find meaning in this vision, the context in which they operate. If followers can find this meaning, if they can grab on to it, hold it in their hands and make it a mental bookmark, their actions are likely to reflect and support their leader's vision.

Some visions compel people to act whereas others leave people cold or even alienate them from their leaders. This causes some leaders to give up on the visioning challenge, to let their actions rather than their words convey a sense of direction.

Compelling visions are not just slogans. For example, consider General Electric's "We bring good things to life" or "Imagination at Work", Nikon's "Our Aspirations — Meeting needs. Exceeding expectations", "Honda's "How we see things" or Coca-Cola's "It's the real thing." These may all have worked well as advertising slogans or signature lines, but they didn't lay out with any degree of clarity what the leadership of these organizations wishes them to become in the future. Toronto-Dominion Bank's vision, "To be the Better Bank," is more goal-oriented, while Manulife Financial's is more specific, stating boldly that its vision "...is to be the most professional life insurance company in the world: providing the very best financial protection and investment management services tailored to customers in every market where we do business." These vision statements give a better sense of where those companies are heading. But, since they are targeted to multiple stakeholders, they also lack the specificity that some of those stakeholders would like to see.

The content or substance of a leader's vision must appeal to would-be followers as well as the leader. This appeal generally rests on the belief of followers-to-be that the leader can deliver something that they want and need – the feeling that their leader serves their needs and that they can achieve through their leader. They might assume this servant-leader role for altruistic reasons, without care for her or his own needs, or on the other hand, to satisfy their own needs through satisfying the desires of their followers.

Effective leaders are good at understanding the wide variety of physical, economic, psycho-social, and emotional needs that people have, and in their ability to tailor a "vision" so that it promises to satisfy unmet needs. The person who doesn't have a job, can't pay the rent, has a family to support and has other basic needs may be attracted to any vision that seems to

promise material rewards and security. Someone who has savings, a secure pension or is near retirement age may not care too much about getting paid more, but may put a high value on the social satisfaction that they get from doing their job – the quality of interaction that they have with clients, suppliers, co-workers, and so on. Someone who has a high need for achievement may be attracted to an audacious vision; someone who has a high need for security may reject that same vision in favor of one that promises security and stability. Charismatic or transformational leaders can get followers to transcend their narrow, personal “economic” interests and embrace the leader’s mission, whereas transactional leaders operate on a more material plane. Both types have to develop a content-rich vision to motivate people to follow them.

For any leader, the challenge is to figure out what will “turn people on,” at least those people who will be essential for achieving the vision. The problems arise when very different, sometimes totally contradictory, things turn on the people who need to be motivated to follow. A CEO or executive team may be turned on by profit growth, especially when they have substantial stock options that vest when certain profitability targets are met. The union leader may see these profitability targets being achieved only through plant closures, loss of jobs and consequent reduction in union membership. Little surprise, then, that the union leader does not enthusiastically embrace the leadership vision. For the vision of profitable growth to be embraced by both union leaders and management, each has to see a payoff somewhere in the content of that vision. It is not essential that everyone agrees with every aspect of a vision, only that they find something in that vision which resonates with them.

Even within management teams, there may be a lack of buy-in to certain corporate visions. A risk-averse CEO who has a substantial portion of his personal wealth tied up in in-the-money options may embrace a vision that emphasizes slow and steady domestic growth. On the other hand, the head of the international division may be focused on the higher-risk strategy of entering emerging markets.

The problem with many enterprise-level visions is that they have to be crafted to appeal to multiple stakeholders or, at a minimum, so as not to create conflict among any interests that have some countervailing power. This is a high hurdle for visionaries to overcome. One vision has to appeal to shareholders, managerial and non-managerial employees, partners, customers, governments, supply-chain participants, and community activists. Such “enterprise” visions, as they are referred to, often lack the focus or an edge. Indeed, many corporations are vague about their visions, at least in public, preferring instead to focus on their broader “missions,” often stated in socially progressive, non-threatening ways. Who can argue with British Petroleum’s “Beyond Petroleum” in an environmentally-conscious world or Archer-Daniel-Midland’s “To unlock the potential of nature to improve the quality of life”?

### **Vision and the Necessity for Context**

If visions are to motivate, especially employees, it’s essential that employees find the vision meaningful in the context of their work. A vision for an HR department may well be “to create the best employment brand of any company in our industry,” or for a risk management department of a bank to embrace “the highest risk-adjusted return in our industry,” or for the marketing department of a food processing company to “have 50 percent of sales in products that are less than five years old that match the lifestyles of busy people today.” This means that there may be several visions within a company. All need to be aligned with the company’s overall mission, though each would have a particular meaning for a selected constituency in

the enterprise. Each person should have a line of sight to the firm's higher-level organizational mission and vision, and be able to see how they can contribute to its fulfillment by realizing their own visions. This means that everyone with a leadership role in an enterprise, from a team leader to department manager to business unit manager, to functional leader and CEO, must be involved in "the visioning thing." It's not just one, over-arching vision from on high that does it.

Individuals' salient wants and needs are dynamic, and vary by circumstances, time and place. Desperate people, experiencing material or psychological threats to their immediate wellbeing, are primed to respond to a leader who promises the hope of delivering them from their current situations.

We see this most evidently in the socio-political context. Martin Luther King drew on a deep vein of anger and frustration in the civil rights community and mobilized Afro-Americans to action. Barack Obama called for an era of change for an American population frustrated and angry with the Bush administration. Margaret Thatcher roused the British from their welfare-state torpor in the 1970s and got that country moving again, although there are still many people who would say it was in the wrong direction.

But we also see the ability of a vision to mobilize in a corporate context. Jack Welch used the powerful vision of "being number one or number two in each market we are in" to focus a number of the small, powerful business units in the conglomerate-like General Electric. He subsequently used powerful visions such as "the largest small company on earth, smart, agile, nimble" to bust the silo mentality and excessive bureaucracy that characterized the GE that he had inherited from his predecessors. The contexts for these visions were situations in which employees felt constrained, restricted and dissatisfied with the way the company operated. As well, shareholders were unhappy with results that were negatively influenced by the slow, resource-wasteful practices of the "old" GE, suppliers who found the company hard to deal with, customers who were unhappy with product and service reliability and quality, and even unions and employees that saw the only real security in the face of free trade and Japanese competition was in superior performance.

A business leader in a turnaround situation may be able to articulate a vision that compels people to act, whereas that same vision, articulated a year earlier or later, before the enterprise has run into trouble or after it has started a recovery, may well fall on deaf ears. One who seeks to build a long-lasting institution by making long-term investments may attract few people to that vision when the stock price is low; however, such a course of action may stimulate interest when the organization is performing well. One whose vision focuses on innovation and creativity may stimulate followers to action when the basics are working well, though he or she may fail to do so when the fundamentals of the business need fixing. There are times when there are several competing visions and a leader must consider the relative power of his or her vision to move people who may be torn between competing, attractive alternatives.

Time and circumstances may compel a shift of a particular vision. As the economic slowdown of early 2008 merged with the global banking meltdown of the second half of the year, most companies had to re-think their goals in light of what was achievable over a specific time frame. As competitors succeed in reducing a market leader's advantage, that leader may have to adjust the vision. Michael Dell discovered this when Hewlett-Packard, under the leadership of Mark Hurd, achieved supply-chain economics comparable to Dell's. Dell found that the shift to notebook computers required potential buyers to have a tactile experience. This persuaded

Dell to re-embrace the retail distribution channel that it had abandoned many years previously, when it switched to the Dell Direct business model.

While flexibility is required to deal with dramatically changed circumstances, constant vision changing inevitably creates confusion and consternation, a lack of faith that the leadership knows where they are heading. Vision drift is a constant danger and the “vision-du-jour” phenomenon is to be avoided at all costs. The President and CEO of TD Bank Financial Group, Ed Clark, continues to focus on creating a truly North American powerhouse in the face of an economic slowdown, a continued focus that has some critics calling for a time-out from the pursuit of this goal. But Clark is determined and very conscious of the fact that any perceived weakening of resolve could derail the achievement of a worthwhile, long-term aspiration for the Bank. This is not some innate stubbornness, but rather the resolve of a leader for whom the creation of an enduring institution is a higher-order imperative.

### **Credibility: Of Vision and Visionary**

There are those who just have dreams and those whose dreams will inspire others to follow them. The difference may have more to do with the credibility of the visionary rather than with the content of the vision.

The leader with a good track record, who is known for having achieved what they set out to do in the past, who “knows the business” and is recognized as an expert by those they are seeking to influence, is more likely to inspire a following than one who lacks such credentials, other things being equal. Such a leader has personal credibility which, when allied with the right content and context may provide powerful transformational leadership. Such was the case with Lou Gerstner, a former, highly successful CEO of RJR Nabisco, who was hired to turn a moribund IBM around and transform it from a product-focused company in to one that had a blend of products and services. He had an impressive track record at American Express and, importantly, was not steeped the culture of IBM, a culture that had spawned a great company in the period 1950 – 1990, but was in danger of strangling it in the much faster-moving, high- technology environment of the 1990’s.

But such personal credibility may not outweigh a vision that lacks substantive appeal and is credible in its own right. Has this been done before? When and where? By whom? With what resources? A vision may be appealing and the visionary may have some degree of personal credibility, but if the vision seems too fantastic, too implausible, it will not be seen as compelling, an absolute must for any successful leadership vision. When Mike Zafirovski came to Nortel Networks from Motorola, he came with high personal credibility. However, the company was in so much trouble, faced such serious financial problems, and had an innovation deficit compounded by the need to limit R&D expenditures that personal credibility could not carry the day. Individuals that might have made it possible for Nortel to succeed had defected to competitors, where they saw the resources required to be a leader in the telecommunications field. Those that remained at Nortel discovered that they did not have the resource base to compete effectively against the Cisco’s and Alcatel-Lucent’s of this world.

Then sometimes, we see a newcomer who, armed with words but without a history of deeds, and who may lack a degree of evidence-based credibility, can nevertheless still be persuasive. In Barack Obama’s presidential campaign, we saw a leader whose oratory, command of language and personal presence in a context where people were desperate for new leadership — but one who carried a very thin resume – elected to the most powerful office on earth. This charismatic leader may inspire a following based on little except their “magnetic” force, a force

that is magnified and distributed through the mass media. This charisma may exist independently of their other leadership attributes or may substantially add to them. One thinks of a Steve Jobs at Apple, Warren Buffet of Berkshire Hathaway, or Herb Kelleher of Southwest Airlines, as examples of charismatic leaders who have founded or resurrected businesses.

### **Collaboration: Whose is it, anyway?**

Throughout history there have been individuals who have seen something that others did not see, who were able to articulate that “something” and build followers, and manage those followers through the many changes called for by the vision. Bill Gates and Bill Allen did this with Microsoft, Steve Jobs and Steve Wozniak did it at Apple; in earlier generations there was Thomas Edison, David Sarnoff and Timothy Eaton to name just a few. But there have been many failures as well; prophets who could not change the minds of others, false messiahs, CEO’s who promised the world and failed to deliver, team leaders who could not get the support of their teams and eventually were either deposed or who left under their own steam.

Several acolytes of Jack Welch failed to deliver for their organizations when they sought to “import” elements of the GE culture to their new organizations. Bob Nardelli failed to deliver at Home Depot, and Jim McNerney did not lead 3M to greater performance. Both of the organizations they joined had strong cultures and, while neither of them had sterling performance records in the years immediately before their arrival, they were not organizations that recognized that they were in trouble and in need of a savior. The visions that Nardelli and McNerney tried to impose on their new organizations were rejected by employees and failed to deliver business results that were satisfactory to shareholders.

For any new leader, the challenge is to create a vision that reflects the wants, needs and aspirations of those who will be tasked with achieving it. Such visions are borne from the dissatisfaction that people have with the current situation and their perception that there could be something better. The leader may have an important role in generating this dissatisfaction and in postulating a better way, but he or she will do so with great sensitivity to the way that people view the past and present. The challenge is to envision rather than to have a vision, and this is best done by engaging people in the process of developing that vision and giving them a meaningful opportunity to shape the product of this engagement. Commitment to it will develop only from this empowerment; mere involvement in a process will not result in commitment. The truly compelling vision has content, context and credibility; the process of developing it is collaborative. When people can say “That’s my vision” or at least lay claim to having influenced it, it’s an indication that the task of execution has started well.

This need for collaboration when framing a vision requires what Jack Welch called “aggressive-patience” on the part of a leader. While challenging the status quo, leaders must respect those who have contributed to success in the past and seek their involvement and engagement in developing the way forward. This takes time and some process skills. Leaders must approach the visioning process with an open mind, not an empty mind, one that is receptive to the concerns and inputs of those who will have a stake in the emerging vision and on whom the achievement of that vision depends. If this takes some time, if people find it necessary to develop a new vision in a gradual, iterative way, then this must be viewed as an investment in developing commitment.

## Does your vision resonate and compel action?

These four characteristics of a compelling vision – content, context, credibility and collaboration — are summarized in the figure, below. They suggest a set of screening questions that should be asked when any vision is being conceived, developed and articulated.

### Characteristics of Compelling visions

- Has this vision been developed in a collaborative way with those that will be responsible for its enactment?
- Does the content or substance of the vision appeal to the salient wants and needs of those you seek to inspire?
- Even if all elements of the vision do not appeal to all followers, will all those essential to making it happen see something of value for them in it?
- Is the vision articulated clearly so that followers will clearly see what's in it for them?
- Is the timing for launching the vision right or should it be delayed to the point at which potential followers will receive it better?
- Is the proposition in the vision credible to those who must embrace it?
- Are you personally credible in the role of visionary?

If the answers to all of these are “Yes” then your vision may compel action; less than that, and there is a chance that it will fall short of achieving this goal and may need rethinking or reformulating.

One of Barbra Streisand's popular songs says, “The vision ain't the solution, it's all in the execution.” The emphasis on execution is important, but it must not exclude developing a compelling vision that will stimulate minds, engage passions, and move feet. The cost of launching a vision that fails to inspire is the loss of the visionary's credibility...Get it right the first time!