

Perspectives for Managers



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A Dream with a Deadline: From Vision to Action

Allow us to engage you in a guessing game. Below is a selection of vision and mission statements. Try to match the statements (A through I) with the list of companies below (1 through 8). Add your company's vision to the last line. The companies are all important multi-nationals, often industry leaders, all part of IMD's Partner and Business Associate's network.

Now think about the following things:

- Do you recognize these visions? (You may be working in one of the companies).
- Do you believe in these visions? (Be honest).
- Do you use them as guidelines? (Don't cheat!).
- Is your company focused and aligned, striving to achieve the stated objective? (When was the last time you looked at the link between the vision and your own business unit?).



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	Statement	Your Answer
A.	Ideas for Life	
B.	The company is a global leader, committed to be number one in all our chosen markets. We strive to be the partner of choice for customers seeking innovative effects to enhance the performance of their products. We endeavor to be the employer of choice for the best people. We are determined to create value for our shareholders.	
C.	An admired global leader making progress possible.	
D.	We want to discover, develop and successfully market innovative products to prevent and cure diseases, to ease suffering and to enhance the quality of life. We also want to provide a shareholder return that reflects outstanding performance and to adequately reward those who invest ideas and work in our company.	
E.	Our mission is to simply delight you... every day.	
F.	Living and working together for the common good.	
G.	The Company's priority is to bring the best and most relevant products to people, wherever they are, whatever their needs, throughout their lives.	
H.	Make every drop count.	
I.	Probably the best beer company in the world.	
J.		

1. Carlsberg, 2. Caterpillar, 3. Canon, 4. Ciba Specialty Chemicals, 5. Nestlé, 6. Panasonic, 7. Sara Lee, 8. The Coca-Cola Company, 9. Novartis, 10. Your company.

The solution is in the footnote on page 4.¹

You probably found the matching exercise difficult. Despite the fact that companies spend a lot of time and resources creating such statements, when taken out of context, many are interchangeable, abstract, or both.

Let us go back a few years and look at how companies defined their future. They often used strategic planning tools and processes as a means of setting direction, sometimes going as far as planning for the coming 50 years! These tools included the famous SWOT analysis (strength, weaknesses, opportunities and threats) from which they derived what business to be in, what their competitive advantage was and so on. Arguably, the environment was relatively stable, and there were less competitors vying for first place.

In today's context of hyper competitiveness and uncertainty, the process of strategic planning as it was, and still is practiced, with its endless rounds of analyses, is no longer useful. The process is too time-consuming and lengthy to develop, too incremental, too far from the field, too analytical and too compliant with what exists. The result is a strategy set in stone which no-one follows and no-one feels committed to. In addition, using the past to predict the future is neither useful nor engaging. It's a little like using a sledge hammer to crack a nut.

While the problem may be recognized, the solution can be elusive. We love to fill forms, sweat on SWOT and excel at using spreadsheets to produce a thick plan of which the first page reads: *Top Secret: Destroy Before Reading (except for the last page with sales and profit targets).*

The statements in the table on page 1, as they stand, are too vague to give a sense of direction. Yet a company still needs a blueprint of where it wants to go and how. So is it possible to set a clear direction and not get into countless details and analysis about a future where little is certain? We believe so.

The central premise of our book "A Dream with a Deadline" (Financial Times Prentice Hall, January 2007) is that companies can create visions that both inspire and guide

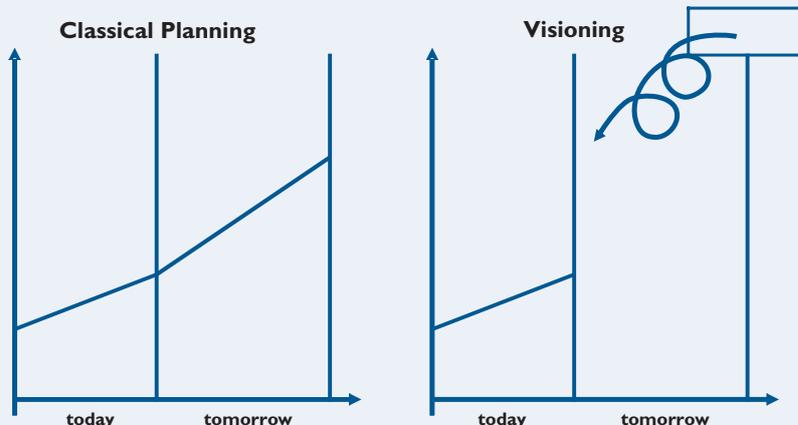
action. We call these visions *dreams with a deadline*. This is one example, which most of you will recognize:

First, I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the earth. No single space project in this period will be more impressive to mankind, or more important for the long-range exploration of space.²

On July 20, 1969, American astronaut Neil Armstrong became the first man to walk on the Moon. The dream was achieved, the deadline met.

- The last thing an organization needs is a muddled and complicated strategy formulation process that creates a bland strategy set in stone. Visions must create blueprints that leave room to seize opportunities and deal with turbulence. This calls for the ability to project the company into a desired future and work backwards to fill in the gap, in a very concrete manner, rather than use an incremental growth pattern based on the past (see below).
- In uncertain times, those who win are those who are focused, aligned, committed, energized and involved. This means developing visions involving many people across the organization. The

Visioning: A Process to Create the Future Rather than Forecasting From The Past and Present



Some companies have succeeded in creating similarly inspiring visions. Microsoft's "A PC on every desk running Microsoft" or Ford's "We will democratize the automobile" are examples of powerful visions. These are visions that inspire with *ambition* while being *achievable* and *measurable*.

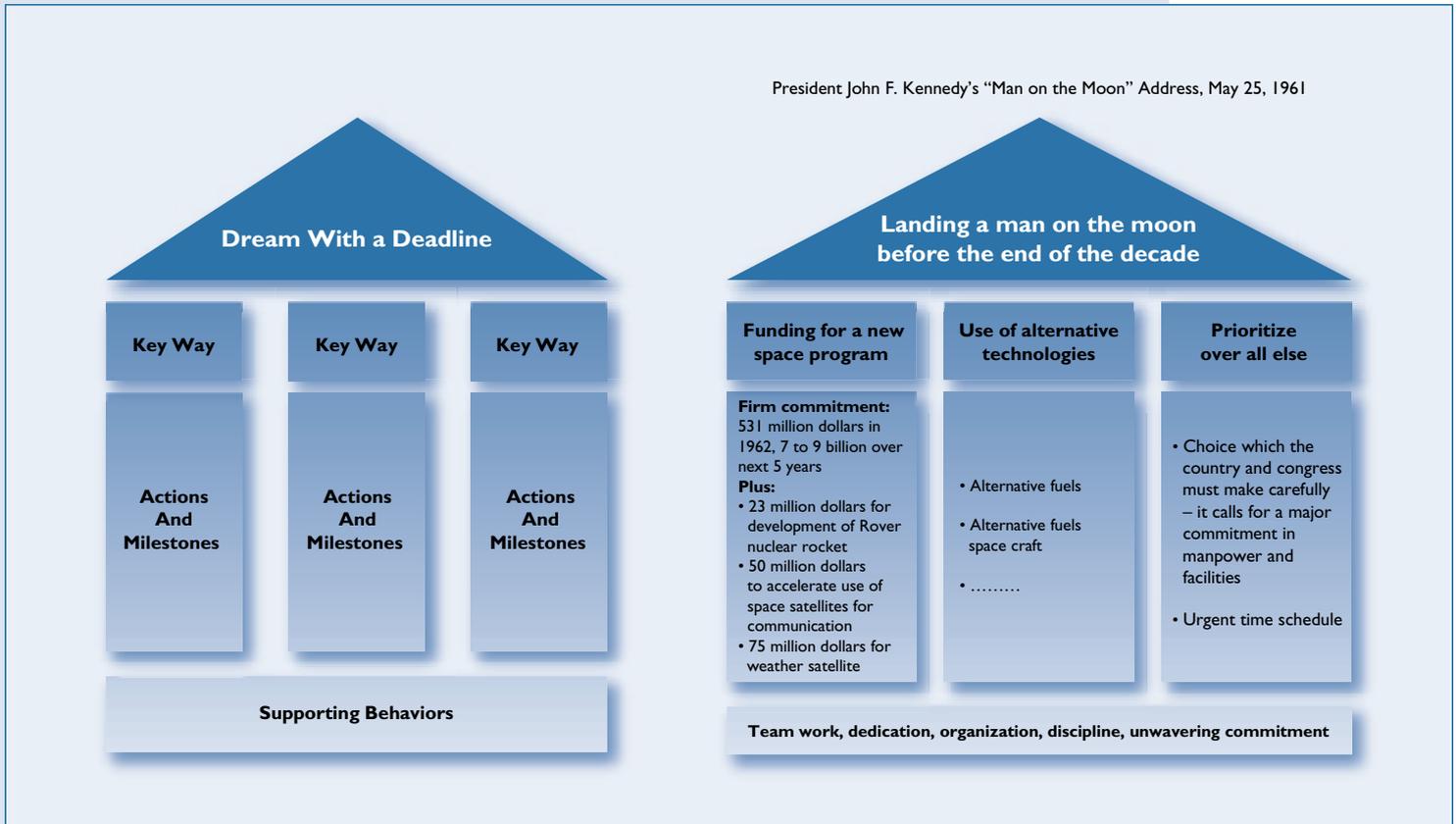
We have learned in developing visions for companies, that:

- A vision must be more than a beautifully crafted statement or an advertising slogan. It must be explicit enough to guide action. Hence the need to include a deadline, allowing progress and success to be measured and rewarded.

vision must be short and inspiring, yet achievable. It should reflect where we are and what we want for tomorrow, in a way that is credible.

We suggest a one-page model as a simple framework for creating corporate visions. Having to create a vision on a single page forces choices and prioritization. It encourages an honest appraisal of what really is achievable and what is desirable. Together, the roof (where you want to go), the pillars (key ways, actions and milestones) and the foundation (the behaviors) tell the story of your dream. Going back to our Kennedy example, his vision – translated into the house model – would look something like the graphic on the following page.

President John F. Kennedy's "Man on the Moon" Address, May 25, 1961



The house model is only the first step in making the dream come true. Next comes the difficult part – the execution of the vision. Points to bear in mind include:

1. Going beyond the dream
2. Involving many
3. Checking discipline in behavior
4. Aligning the organization.

Go beyond the dream

It is the link between the actions and milestones spelled out in the house model and the annual budgeting process that makes the dream concrete. The link is made through the letter of intent. This letter spells out individual objectives and concrete actions in a very specific manner. The objectives are agreed on by the teams themselves, thus avoiding the frustration of having a budget that is turned down because it is not seen as supporting the vision. The parallel to this is making every element of the vision measurable, and defining those metrics before launching into the journey. Over time, the letter of intent tells the story of how the company achieved its dream.

Involve many

The involvement of as many as possible is critical at two levels:

- Obtaining inputs for creating the dream
- Sharing the dream across the organization

When designing the dream, ask as many people as possible for their opinion. We have designed a 12-point survey that can be used with as many people as chosen to provide input as to the direction they wish the company to take, what key ways are critical in getting there, and what the key actions and behaviors should be. It is critical that the vision is shared by all parties in the organization, generating commitment rather than compliance. Encouraging participation makes the vision much easier to implement than a top-down dictate. We would even go so far as to say that it may be better to have a vision that is shared than a vision that is right.

Once the vision has been agreed on, make sure you cascade it as far down and across the organization as possible.

The team involved in cascading the vision should decide who will share with whom, what formats will be used and what processes need to be in place to get feedback.

Check discipline in behavior

Flawless execution calls for relentless discipline, the daily demonstration of focus around something one has decided to do. These are some guidelines to flawless execution:

- Identify, gain commitment for and reinforce those behaviors that support the vision
- Have an explicit and explained link between each decision, each initiative and the vision
- Make sure that there is a clear link between the vision and the annual action plans
- Measure the progress made in getting closer to achieving the dream. The dream is anything but incremental even though it is broken down into achievable milestones along the way. It needs to be reviewed every year, making sure that you are going in the right direction.



- Make sure you constantly repeat, reinforce the message through induction programs, management forums and the like.
- Do not give up too early. If you have almost reached your dream, add one more year.

Above all, try to avoid the BOHICA syndrome.³ Make sure that every major initiative supports and builds on the previous one. Initiative fatigue and initiative overload are the two great plagues of companies today. Do not drop the first initiative because a new one is on its way (for example, a customer service program for employees doesn't mean that you have to stop taking customer satisfaction surveys). Also, use an umbrella approach under which initiatives can be grouped and leveraged.

Align the Organization

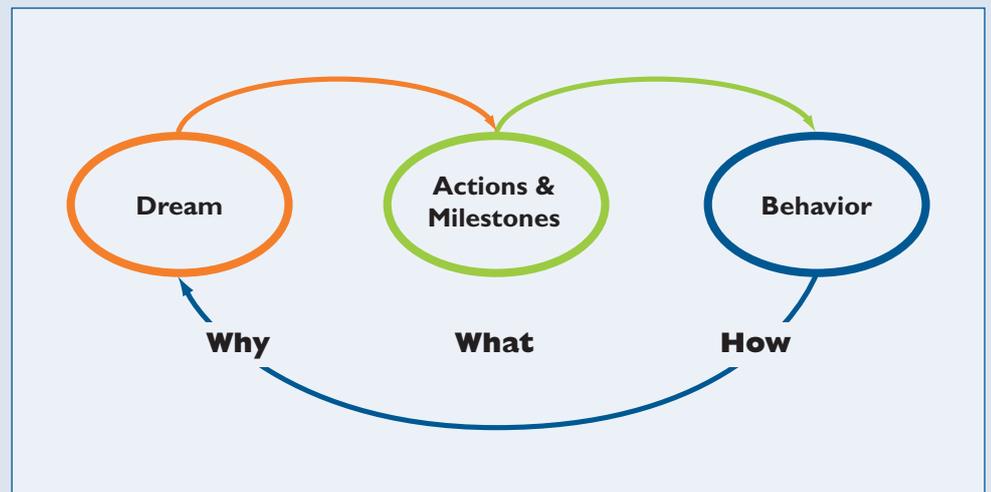
With time, exercising discipline becomes part of the organizations' fabric. A few points are critical in making sure that the dream does not derail.

- Those who do not share the vision should leave or be asked to leave. (At Disneyland Paris, most of the senior team left or was asked to leave when the new vision, the one that saved the park, was put in place)
- Talent and resources must be focused on achieving the dream. (When the Japanese beer company Asahi launched a dry beer in a bid to become market leader, it put all of its manufacturing power behind that one specific product, stopping the production of all other beverages in its plants).

Over time, structures tend to suffer from sclerosis. Even in flat structures, silos appear. Encourage the sharing of ideas and experience, use job rotation, and change the structure as often as is needed.

Are you ready to dream?

The tightness of the process is at the heart both of the formulation and of the execution of the vision. In a way, it answers the why, what and how question, with the why contained in the dream, the what in the key ways and the how in the behaviors and milestones, as illustrated below.



Remember what Jack Welch, Chairman of General Electric said: "Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion."

¹ A6 - B4 - C2 - D9 - E7 - F3 - G5 - H8 - I1

² Message to the Congress, May 25, 1961, John F. Kennedy

³ Bend Over! Here it Comes Again

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