



Multi-Level Visioning

The core values embodied in our credo might be a competitive advantage, but that is not why we have them. We have them because they define for us what we stand for, and we would hold them even if they became a competitive disadvantage in certain situations.

—Ralph S. Larsen
CEO, Johnson & Johnson

What do you think it is that makes a company truly successful? Is it leaders, technology, products, strategy? It can be argued that any company's business success is a function of all of those factors (and others) working in concert. But in our opinion, the single most important foundation stone of business success today is leadership—especially *visionary* leadership. Unfortunately, many companies are hobbled by a lack of visionary leadership and effective process tools they can use to enhance that critical leadership competency. As a training, OD, or HRD professional, you are uniquely positioned to help your organization's leaders develop visioning skills and find the organizational focus they need to succeed.

What are some good examples of visionary companies? Look at those that repeatedly make *Fortune's* list of "America's Most Admired Companies" and you'll see. General Electric consistently wins accolades for its continued value as a long-term invest-

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You can develop the leaders in your organization
to be truly visionary.

*One person's vision is
another person's mission.*

What is the
difference between
vision and *mission*?

In many ways,
the differences
are subjective and
situational,
and many people
use the words
interchangeably.
We prefer *vision*
to describe where an
organization is going
and what it is
trying to achieve.

—the Authors

ment, for its quality initiatives such as Six Sigma and e-business, and, of course, for the leadership prowess of CEO Jack Welch. Coca-Cola and Microsoft win praise for their consistent financial performance and ability to hire and keep top people. Dell Computer routinely wins kudos for its obsessive focus on selling PCs directly to customers, eliminating middlepersons and thereby creating legions of loyal, tightly aligned customers who enjoy an exceptional level of service. Wal-Mart consistently garners enthusiastic reviews for its blockbuster growth (having posted 1999 revenues of \$137 billion) and its commitment to measuring how quickly it gets products into its 3,000 stores, not in days or hours but minutes.

What do each of those companies have in common? In a word, each is *obsessive* about what it does and never stops emphasizing that. At Dell, for example, an emphasis on the direct model of selling and servicing customers has become the company's mantra, says vice chairman Kevin Rollins. That business focus has enabled founder Michael Dell to grow his company from a startup he began in his college dorm room into an \$18 billion-a-year business in just 15 years. Dell sells more computers to medium and large companies than IBM, Hewlett-Packard, and Compaq.

Wal-Mart's similarly relentless focus on customers means the company goes out of its way to keep inventories low, to continuously streamline supply and distribution processes, and to pass the savings onto customers.

Just how do companies such as Dell and Wal-Mart (and Nordstrom, Nike, Disney, Southwest Airlines, or 3M) develop a clear idea of what they're in business to do? It's one thing for us to describe "best in class" companies that have "the vision thing" down in their particular market or industry. It's quite another to develop a clear vision of what happens next for a company (maybe yours) suffering from poor organizational vision or struggling to reinvent itself in a changing marketplace—then to translate that into values, best practices, and work processes to achieve goals.

Given the unprecedented changes taking place—shifts in the business environment precipitated by new tech-

nologies, emerging and maturing markets, and other factors that can rapidly alter competitive position—it's not surprising that a company might lose its way or misperceive the next big business trend or marketing development.

For example, Sears misjudged the retail business back in the 1960s at a time when it was America's pre-eminent retailer, known for hearty product lines such as Kenmore refrigerators and Craftsman tools. But Sears failed to note that women were entering the workplace in droves. Consequently, it fell victim to boutiques and a growing number of chain stores that offered women consumers in particular a wider variety of products. Only in the past few years have ad campaigns emphasized "the softer side of Sears" and made other attempts to draw women shoppers back.

A Vision With Legs

- ❑ Does the vision motivate and excite the organization's people?
- ❑ Does it frame the organization's future and define where it's going?
- ❑ Does it embody a big, hairy, audacious goal?
- ❑ Is it original?
- ❑ Is it something people can wrap their arms around?
- ❑ Does it contain a strong word picture, such as "a shining city on a hill" as Ronald Reagan described?

IBM is another company that at one point lost its way. In the 1980s, it failed to see the market moving toward PCs and away from mainframe computers. Only with the arrival of Lou Gerstner as CEO did IBM begin to get its business house back in order.

General Motors also faltered in its vision. When GM appointed Roger Smith as CEO in the early 1980s, it was widely praised. Smith was called a "bold and visionary leader." But later when GM fell behind Ford Motor Company in earnings for the first time in 60 years, *Business Week* ran this cover story: "General Motors: What Went Wrong? Eight Years and Billions of Dollars Haven't Made Its Strategy Succeed."

Bedrock faith, uncommon passion

What sets truly visionary companies apart? How do they keep their focus even through times of transition and marketplace turbulence? Visionary companies have a number of things in common, note James Collins and Jerry Porras in their bestselling book, *Built to Last: Successful Habits of Visionary Companies*.

Visionary companies possess a bedrock faith and uncommon passion for what they're in business to do, and those traits are embedded deep in their corporate psyches. They also navigate the treacherous and turbulent business world with uncommon deftness—adapting their strategies, operating goals, and culture as necessary while remaining true to an enduring set of values.

Visionary companies also possess a core ideology (from which their values spring) that is unchanging and that transcends immediate customer demands and market conditions. Remember the words of Johnson & Johnson CEO Ralph Larsen at the beginning of this article?

The unifying ideology of visionary companies guides and inspires people, according to Collins and Porras. Coupled with an intense, "cult-like" culture, a unifying ideology creates enormous solidarity and esprit de corps. Last, visionary companies subscribe to what Collins and Porras call "big, hairy, audacious goals"—BHAGs that galvanize people to come together, team, create, and stretch themselves and their companies to achieve greatness over the long haul. Visionary companies commit to goals that may take 10 to 30 years to accomplish, as when NASA decided in the early 1960s to put a man on the moon before 1970.

"BHAGs grab people," says Audrey Weil, senior vice president of America Online. "They act as catalysts for team spirit and individual motivation and often help people move to the next level of productivity in their organizations."

So, what can your company do to develop bigger goals, a clearer vision? And while we're talking about it, how do you bring people together in support of that vision and move them in new business directions?

Discovering core ideology

A company doesn't so much create its core ideology as arrive at it through an or-

ganic process of self-reflection and action planning. Consequently, it's critical that every company develop strategic visioning and process tools to help it reassess and, if necessary, reframe its organizational vision periodically. As part of that iterative process, the leaders and all employees need to ask why they are in business, what the core philosophy is, and what forms the basis of their company's organizational ideology. That ideology affects company goals; how people relate to customers and co-workers; what directions, markets, and products the company embraces; and how it wishes to be seen by people outside of its walls.

As an OD or training professional, you have probably been in situations in which you were charged with helping your organization develop a new vision or mission statement, yet the process, for some reason, didn't work. It may have been that not enough time was allowed for people to contribute their ideas or to feel they had ownership of the statement ultimately developed by the visioning team. Or perhaps people didn't feel free to truly participate, to offer their thoughts. Or maybe they thought the exercise was just window-dressing for corporate goals that had already been established by others. If your organization is to embark truly on a corporate visioning process in a way that taps people's energy and yields breakthrough commitment to new goals, you have to do it right.

Allow sufficient time. And make sure people at all levels have a chance to participate in the visioning process. Although visioning workshops typically involve only the top echelon of an organization at the very beginning, you should involve employees at all levels in some aspect of the process if you expect to gain their trust, involvement, and commitment. Thus, it's critical to cascade visioning workshops down several levels so you can lay the groundwork for a new set of business goals on a broad base of input.

That's very hard work indeed, even harder than it first appears. You can't, for example, conduct the same kind of visioning work at each level of the organization or articulate and reformulate corporate strategy every time you convene a meeting. Instead, as you move down through successively lower levels,

you also move from articulating what the vision is to developing plans and taking steps to ensure it's realized.

At the highest levels of an organization (levels 1 and 2), your work as a facilitator must focus on helping the senior leadership team articulate what the company's vision is, describing the company's strategic intent. We call that "writing the jingle." At the executive level, you need to help top leaders define the strategic principles by which the company will compete in the marketplace and pursue its vision.

As you move further down in the organization and work with mid-level managers or process owners, visioning work takes on a different focus. For example, as you engage with project teams responsible for implementing the vision (level 3), you must help the team members develop detailed implementation blueprints. At level 4, you will work with managers and teams charged with putting in place the organizational machinery—the practices, processes, technology, and so forth to ensure that the new vision becomes operational.

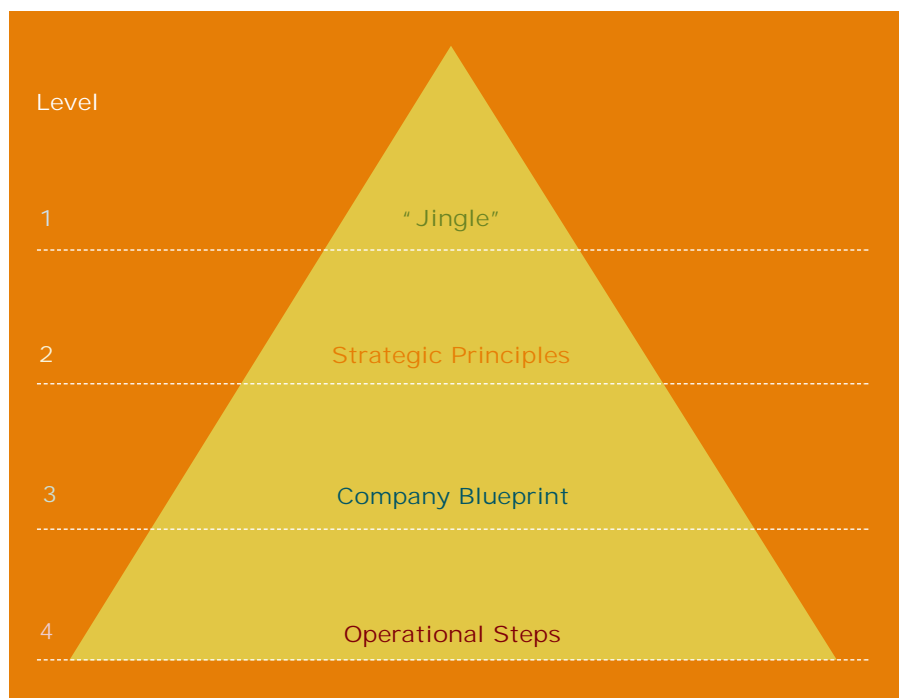
Emphasize criticality. Make sure everyone realizes that the visioning process isn't an academic exercise but is critical to pointing an organization in new directions and affirming core values that are key to uniting people and creating organizational resolve. If the

goal of the visioning process is for employees to identify values, the facilitator must play an active leadership role in making that happen. Begin by challenging your organization to ask (and answer) questions such as these:

- Why are we in business?
- What are the values that really matter to us?
- In what ways do we want those values to drive our daily actions and behaviors with customers?
- What are the overwhelming priorities we face at this point in the life of our company?

Keep discussions on target. At the same time, expect to see conflicting views and ideas come to the fore as the team storms toward consensus. As any seasoned facilitator knows, helping people reach consensus about any significant business goal requires that they first go through storming and forming to reach norming (agreement) and performing (setting expectations). Try to short-circuit that process and you'll fail to build group cohesion and commitment to the new vision that's so crucial to your organization's success.

Make it relevant. Recognize that any vision statement the organization develops must be *relevant* to the needs of the business, *authentic* in what it holds as an ideal, and *clear and simple* in its call



to action. In our experience, if a vision statement has those three attributes, it'll become a dynamic document that people are willing to talk about once they leave the workshop. Such a vision statement helps sculpt people's behavior and influence the development of a new organizational culture.

Become a lightning rod

Facilitating discussions about vision and values isn't easy. You need to spur debate at times, while moving people to closure and consensus at other times. You can become a lightning rod, so it's important to develop thick skin. But you can also be a catalyst for change.

Getting started. As facilitator, you must be viewed inside your organization as credible and effective. In a sense, you'll be on stage as the emcee. But the real indicators of your success will be the degree to which you

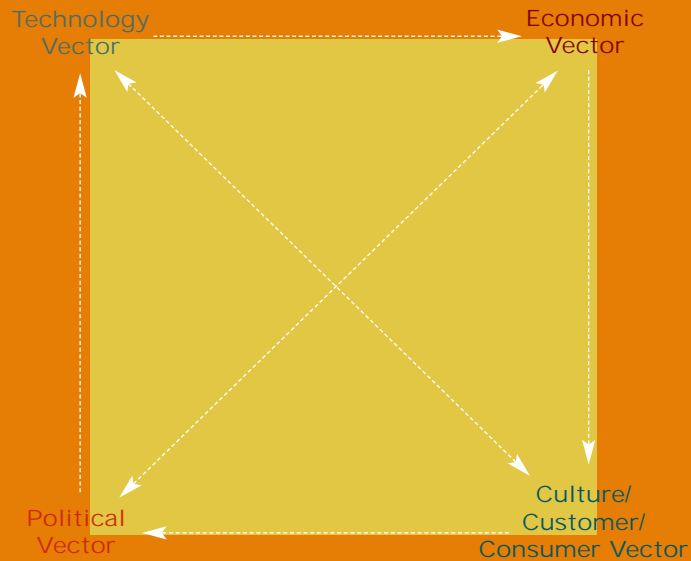
- ❑ engage people in discussions
- ❑ get people to exchange views freely
- ❑ mediate conflicts as they arise
- ❑ reframe issues for discussion when necessary
- ❑ help team members come (in time) to consensus or closure about how to operationalize the vision or mission they've agreed to.

Those are, in brief, the ideas to keep in mind as you begin a visioning process in your organization. They hold true regardless of the leadership level at which you're working. But to be successful, you also need tools for visioning workshops.

Tools for turbo-charge

Process tools such as group facilitation are essential in helping you and your organization implement new strategies and move in new directions. Even more important is applying effective strategic visioning tools that can help you and your organization engage in breakthrough thinking, scenario planning, product engineering, and leadership competency building. Using such tools is critical in the current business world of globalization, rapid growth, and new technologies. Those trends continuously affect everything from organization design to the leadership competencies that a company needs to stay competitive.

The Business Climate Modeling Approach



One innovative, useful new tool we've used with clients for strategic visioning is a process we call Business Climate Modeling, developed in response to the increasing number of "phase shifts" (rapid, discontinuous changes) taking place. Business Climate Modeling is a strategic visioning approach that companies can use to discern trends in the external business environment, with potentially significant and long-lasting implications for business longevity. Using a technique called "multi-vector, multi-variable assessment," the model analyzes the business environment from the perspective of these key areas:

- ❑ technology
- ❑ economic
- ❑ political
- ❑ culture/customer/consumer.

Each is made up of different variables (drivers) that influence how that vector affects a given industry, a company, or the economy as a whole. The aggregate of the individual variables creates the overall impact of a given vector on a company or an industry at any given point in time.

The four vectors can be viewed as positioned on a matrix and in direct and indirect relationships with each other. An analysis of the vectors for

emerging trends can help a company answer numerous strategic visioning questions it may be grappling with.

For example, let's say your company is concerned about these issues:

- ❑ how overseas political instability could potentially affect its profitability in emerging markets
- ❑ a competitor's new technology leapfrogging its own and changing the balance of power
- ❑ how to develop the long-term leadership bench strength it will need to compete in e-business.

By thinking of and answering pivotal questions, Business Climate Modeling can help a company's leaders develop an informed and shared point of view about many key business issues. This process begins with leaders asking themselves questions in each of the vectors and linking the questions to create appropriate cross-references.

The questions that follow represent the kind that might be asked of an organization's leaders as they go about the visioning process using the Business Climate Model. (Real questions, including vector cross-connects, are developed only after having an intense discussion with a client

and determining specific needs.)

Sample Business Climate Model questions (technology vector):

- ❑ How are technological advances in the economy as a whole, and in our company's industry specifically, putting pressure on business performance?
- ❑ What specific technologies, individually and in combination, are driving the redesign of business processes and customer relationships in the company?
- ❑ Historically, how quickly has our industry or company integrated new technologies into its work processes or organizational design? Is it an early or late adopter?
- ❑ In what ways are our customers putting pressure on the company to adapt technologically?
- ❑ What core technologies are driving change in our industry and to what extent is our company staying abreast of such advances?
- ❑ In what areas (such as R&D, distribution, sales and marketing) is technology particularly critical to our company's bottom-line business performance?
- ❑ What technological breakthroughs on the horizon are likely to radically transform our industry once the technology is applied to our company's business operations and work processes?

Sample questions (economic vector):

- ❑ What macro trends in the economic environment are putting pressure on our company's business performance at this time?
- ❑ What micro trends (industry-specific) are putting pressure on our company's business performance at this time?
- ❑ To what extent is our company a global company?
- ❑ In what ways is our company vulnerable to fluctuations in exchange rates, capital-flow changes, and other factors that affect capital availability and the cost of capital?
- ❑ To what extent is our company financially leveraged in emerging markets? Where is it leveraged? (See also the political vector.) To what extent is there financial volatility in the countries or economies where it's leveraged?
- ❑ How good is the infrastructure in the emerging markets where our company does business?

Sample questions (political vector):

- ❑ What political developments (global

Visioning Workshop Checklist

Once there is clarity and agreement among leaders on where they want to take the organization, the challenge is to enlist the help of all employees. You can help leaders learn to follow these steps:

1. Establish positive tension in the organization by contrasting the vision of where you want to take the company with where it is now. To bring people along, you must be candid and clear about where the organization needs to go and where it is. When measurements can be used to make this tension obvious, use them.

2. Leverage lessons from the past. Tap into employees' pride over past accomplishments wherever and whenever possible. For example, if the company has a strong reputation for showing excellence in the midst of adversity, leaders should make that appeal again as the company embarks on a new business direction. It will help harness employee energy around the new vision and help ensure that it's effectively implemented.

3. Use vivid ideas, symbols, and stories to help articulate the new vision. The most effective leaders are good at manipulating and using symbols to get their points across. John Kennedy evoked people's passion and energy when he talked about going to the moon. Martin Luther King Jr. was a master at galvanizing the energy and support of others for civil rights. In articulating a new vision, use ideas and words effectively.

4. Create opportunities for feedback. Build in opportunities to get candid feedback from people at all levels. Is your message clear? Do people understand what they're supposed to do? Or is there a disconnect between what's emanating from the executive suite and what people on the ground floor are thinking, feeling, and saying? Putting the appropriate feedback mechanisms in place is key to securing people's support for changes and staying on track for the long haul.

5. Know when to move fast and when to go slow. New leaders are often under pressure to embark on new business directions or strategies quickly, and there are times when it's best to take swift action (such as making staff changes or terminating programs) in order to create momentum for new efforts. At other times, it's best to move more slowly—for example, when trying to build trust with employees or get people working differently.

As a leadership developer, you can help your organization's leaders gauge the timing and pace of change efforts. Don't be afraid to be candid in your feedback and opinions. You are the coach.

or local) are of most concern to our firm at this time?

- ❑ How might those events potentially affect the climate for doing business in the countries or areas where our company operates?
- ❑ In what "problem" countries does the company currently operate? Specify.
- ❑ To what extent is there political instability in those countries? Specify.
- ❑ What is the climate of relations between the United States and the various foreign host countries in which the company operates? Specify.
- ❑ Are latent political forces at work in the countries where the company oper-

ates that could cause business interruptions, a breakdown of laws, seizure of company assets, or other conditions that could discourage investment? Specify.

Sample questions (culture/customer/consumer vector):

- ❑ Describe the nature of the company's customer base in country X.
- ❑ To what extent is the company's bottom line business performance in country X driven by changing demographics, changing consumer habits, or increased or decreased consumer and customer affluence?
- ❑ What is the current proportion of business-to-business and business-to-

consumer commerce that the company engages in country X?

□ What is the likely proportion of business-to-business and business-to-consumer commerce in country X in two years? Five years? Ten years?

□ To what extent is rapid wealth redistribution taking place in country X? Specify.

□ Is the company struggling to adapt to changing customer and consumer demands in country X?

□ To what extent are changes in country X's culture (laws, customs, public policies, political leadership, and so forth) affecting consumer buying behaviors and preferences?

Business Climate Modeling can take the form of either a macro economic scan (the entire business climate) or be tailored to forecast developments in a specific industry or vector. The scope of your organization's efforts using the Business Climate Model will be dictated by the needs articulated by your CEO and his or her executive team in initial visioning discussions.

As companies reassess their marketplace position, competitive strategy, technological strength, and competitive leadership skills, they need tools to help them clarify goals, identify challenges and opportunities, and ultimately articulate a new organizational vision and direction. The information developed as a result of using such tools not only coalesces leadership thinking around business priorities, but it also creates a new foundation of empirical data and shared opinions from which appropriate decision making can occur. In that sense, techniques such as the Business Climate Model are useful as visioning tools and as devices for building strong, top-team unity, which are crucial to business success in the rapidly changing business environment. □

This article is excerpted from the authors' forthcoming book, Growing Leaders (ASTD, 2001). You can contact Steve Yearout at steve.yearout@us.pwcglobal.com, Gerry Miles at gerry.miles@uk.cgeyc.com and Richard H. Koonce at rhkoonce@aol.com.