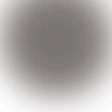


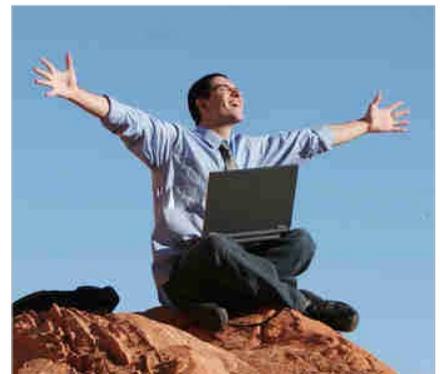


MANDAT  GR  WTH LETTER®

Growth Focus: Vision

CEO-Tip *of the Month*

by Guido Quelle



We can start by writing off the often-cited quote attributed to former German Chancellor Helmut Schmidt that “Anyone who has visions should consult a doctor” as the outmoded views of a respected politician.

It goes without saying that carefully adapting and revising the vision of the company he or she is responsible for are among the most essential duties of the CEO. I include the word “carefully” because a vision should not be confused with a strategy, the former being less susceptible to everyday influences and fluctuations. As we understand it, a vision is the most concrete image possible of a desirable future that produces advantages for the company – nothing more, but certainly nothing less.

In many cases there is no corporate vision whatsoever, as a result of which the CEO has to lay the groundwork and create one, as the corporate vision serves as the basis of his or her strategic efforts.

Here are three tips that can help CEOs to make their corporate vision an effective one:

1 Congruency

First of all, and you should of course consider this before signing your contract, the vision of the company you lead must be congruent with, i.e., compatible with your own vision. Those of you who have in the past been charged with the task of implementing a vision that did not fulfill this criterion know what I’m talking about. Don’t bend. Either the company fits you, or there’s a better one waiting for you elsewhere.

2 Adaptation

If your company already has a vision, i.e., has an image (as concrete as possible) of a desirable and advantageous future, and if that vision is not “cobwebbed,” all you need to do is adapt it. Introducing revolutionary new visions tends to backfire. Ask your employees what they think the corporate vision is. Check the company’s processes to see if the vision is actually put into practice. If not, it needs to be reactivated.

3 Replacement

Your company may not even have a vision. If not, then make one. Maybe there was a vision, but thanks to a lack of attention on the part of the top Management it’s now become outdated, impractical and irrelevant. Then, again, you should make a new one. Don’t be afraid to; it’s easier than many of our fellow consultants would like you to believe. In doing so, combine top-down instructions with bottom-up discussions. Think laterally and let your fellow members of the Management participate just as much as your employees.

The key question you need to be able to answer as the CEO is: What does your company stand for – now and in the future? If your vision doesn’t extend far enough into the future, or perhaps doesn’t even have measurable goals, then it’s not a vision at all; at best, it’s part of your strategy. You should clearly separate the two. Vision is a necessary prerequisite for strategy. And before every employee starts following his or her own vision in day-to-day business, it’s always better if you integrate those visions.

Strategy & Leadership

by Guido Quelle



To make one thing clear from the outset: If you don't think companies need to have a vision, you can stop reading now. In the following we'll work under the assumption that having a vision is an essential aspect of a company's success, its profitable growth and its effectiveness.

If you're worried that the process of creating a corporate vision will mean a massive consulting project that devours your time, let us reassure you: Most "vision development projects" are unnecessarily inflated. Your goal should be to replace this hot air with something of substance. How that works is something we'll look at in just a moment. The fact that creating and implementing a corresponding strategy is no small undertaking is common knowledge.

So as to better understand what a vision is and what it is not, here is our definition:

A vision is an image (as concrete as possible) of a desirable future that creates advantages for your company. Note that it is irrelevant whether or not that vision ever becomes a reality; this is because a vision is not a goal, but rather a point of orientation that can help you plot your course and objectives.

Concrete goals – e.g., "By 2023 we'll be the market leader for multimedia systems" – should not be part of a vision. Goals belong in the strategy. Don't confuse the two; doing so is precisely why some vision development projects become blown out of proportion.

Example

In order to better demonstrate the importance of vision, what cycles a company can go through with regard to its vision (and without it), and how an effective vision can be created with a relatively "doable" amount of work, allow me to refer to my own company, Mandat Managementberatung GmbH. Doing so has the advantage that I can then speak as an entrepreneur and not as a consultant.

Roots

Mandat's roots are in logistics. As a spin-off of the Fraunhofer Institute for Material Flow and Logistics founded in the late 1980s, we had a corresponding corporate profile. Back then our vision was to be able to offer realistic simulations of all corporate processes and to make major companies' (logistics) know-how available to mid-sized enterprises.

Problem

As process experts categorized under "logistics" we were seen as belonging to the "transport-handling-storage" camp, even though that was exactly where we didn't belong. Further, we tended to hit a brick wall when we tried to discuss logistics issues with managers; we were most often handed off to the head of Logistics. As a rule, the Management failed to see the benefits of our work.

Towards a new vision

The process of letting go wasn't easy; all of our contacts were focused on logistics. We expanded our target group to include commercial enterprises and service providers, and transitioned our company into a "power booster for the Management," primarily thanks to our ability to massively accelerate the progression of any project, regardless of the subject. However, we still had no vision. Calling ourselves a "power booster for the Management" was too self-referential. Though we were quite successful (and opportunistic), we had not yet achieved effectiveness.

The market as an initiator of change

More and more clients approached us because they felt that our limiting our services to the commercial and logistics sectors was both too narrow and artificial – and they were right, because the true topics remained the same, transcending the borders of individual sectors. The point wasn't any particular sector, but instead values that were to be created. As such, we did away with our sector-based focus, though we still had no vision of our own.

New focus

At some point we began reflecting on what advantage our clients took away from working with us, and bit by bit we found it: Profitable growth was what had always moved our clients, and what we – in a broad variety of ways – had been able to deliver. This profitable growth was not limited to the purely financial; our clients had always taken a comprehensive approach to the question of growth. And our clients had something else in common: They had more ideas than they had resources to implement them with, and were humble enough not to think they had to do everything on their own. This new focus, which came from bundling the best of the old with the most promising of the new, produced our current mission statement: "We help companies to achieve profitable growth."

The new vision

The resulting Mandat vision is: "Our goal is to make a decisive contribution to ensuring that leading companies that have often succeeded in setting leading global standards in their respective sectors can enjoy long-term success. We aim to be the leading consulting company in terms of creating profitable and sustainable growth. This is not an end in itself, but instead directly benefits our clients. And it is our clients who define whether and when we have achieved that goal."

Implementation and consequences

Even at a mid-sized company like Mandat, implementing this vision was no mean feat, as it meant convincing colleagues, incorporating their input, and fleshing out the vision. Today everything we do is ultimately connected to "profitable growth" and everyone involved knows exactly what they signed up for. Our employees never tire of looking for new ways to help our clients grow; our clients, who in turn enjoy working with us and their own staff to turn ambitious growth projects into realities, get exactly that. The consequences of a vision can be trend-setting.

Don't misunderstand – we're not claiming to have revolutionized the industry; but we do feel that we have successfully found an effective unison of mission statement, vision and strategy for Mandat.

And now, back to you

You've now seen that you don't need to have the perfect approach to pursue a vision. If your company already has a vision – outdated or not – make the effort to determine whether or not that vision is actually lived out. If you have an outmoded vision that is not lived out: Good for you; it will make finding a new one easier. If you have a vision that is not antiquated, but nevertheless never put into practice, make sure that all levels of your Management introduce parameters for assessing whether or not people are working in the right direction.

If you have no vision, or feel your old one needs replacing, start with a value statement: How do your customers profit when they complete a transaction with you, or purchase one of your products or services?

It shouldn't take your Senior Management any longer than 24 hours to create this single statement. The next step is to create an image of the future, which shouldn't take more than a week. Then introduce the statement and image to your staff and collect their feedback. After a total of four weeks you should have a solid mission statement and a vision you feel confident about. Over the last 20 years we have helped the Senior Management of many a company to develop their own vision, often as the basis for a new market segment strategy. In so doing, we have always made speed a priority over perfection, a system that has worked quite well.

So don't be worried about not being perfect!

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