THE VISION THING

Increasingly, companies are using vision statements to explain who they are, where they’re going, and why customers and employees should follow them there.

“If a company does not have a vision, it is dead.”

— John Donovan
President & CEO
Cambridge Technology Group

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“Where there is no vision, the people perish” — Proverbs 29:18

Levi Strauss & Co. has one. McDonald’s Corp. doesn’t but plans to soon. A New Jersey county has at least 50. And every Marriott hotel creates its own. They’re vision statements—also known as “mission statements,” “direction statements,” or by a half-dozen other names.

While a few companies dismiss vision statements as too simplistic or too trendy, plenty more trumpet their values on everything from posters to business cards. Others are working feverishly to put their own corporate hearts on their sleeves.

In a recent survey of 463 companies by Boston-based Bain & Co., vision statements ranked as the most popular of 25 commonly used management tools, with 94 percent of the companies polled reporting their use. And it’s not just the Fortune 500 types. Faced with increased competition and tighter budgets, family businesses, virtual companies, schools, nonprofits, unions, local governments, and even religious orders are trying to codify their organizational cultures and aspirations.

As it picks up speed, the vision-statement trend has also spun off a new industry: consultants who specialize in crafting lofty manifestos, often at lofty prices (try $3,000 a day and up). These consultants, like the organizations they advise, don’t necessarily agree on just what a vision statement is. They have, however, achieved some consensus on what it isn’t. It’s not an ad campaign, a laundry list, or (necessarily) a public pledge, neither purely abstract nor totally specific, capricious nor carved in concrete, a bumper sticker nor an encyclopedia.

So what is a vision statement? Bob Topor, a marketing consultant in Mountain View, Calif., compares it to a nation’s constitution or a politician’s platform. Done well, it’s a glimpse of an organization’s philosophies, values and dreams. Done poorly, it’s a hollow facade.

Above all, an effective vision statement should sum up the organization’s past, present and future—heavy on the future—in as few words as possible. “It says what you do and what you are striving for,” says Jan Cook Reicher, president of the Market Links International Inc. consultancy in Hoboken, N.J., and author of a six-page guide to vision statements. Houston consultant Joseph V. Quigley, author of Vision (McGraw-Hill Inc., 1993), says the final product should answer these questions: “What is the corporation today? What does it aspire to be?”

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BY ANNE STUART

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It’s true that there’s little, if any, hard evidence that companies with vision statements perform better than those without. Still, it’s common knowledge that leaders with long-range vision fare better than those who lurk blindly from one short-term crisis to the next. Statements crystallizing the organization’s goals can help illuminate the road to the future.

“I’ve found that companies that don’t do that kind of thinking don’t know where they’re going,” Cook Reicher says.

Collaboration. Successful statements reflect shared values, shared goals, shared dreams. And if employ- ees participate in creating the vision, they’re more likely to embrace the finished product. But if it’s a management-only project, don’t pretend it’s negotiable. Instead, Gobhai says, “find the highest ground that’s still open for creative problem solving and input.” Senior executives may draft the overall statement, but individual units can determine how it will be implemented.

Moving content. The ideal vision statement inspires pride and moti- vates. “The vision must contain a strong challenge,” Quigley says. “It must appeal to their hearts and minds. Profits are not enough.” But it must also be credible and endur- ing. Gobhai says this statement at an Australian iron-ore producer Ham- mersley Iron Ltd. pretty much says it all: “Be the company that every- one wants to work for. Be the company that everyone wants to do busi- ness with. Be the company that everyone wants to own.”

Breevity. There’s elegance in simplicity, and shorter statements are more easily remembered. “Everyone ought to be able to say what the vision is,” Gobhai says. “You shouldn’t have to shove a three-ring binder at them and say, ‘Figure this out.’” Consultants differ on ideal length but generally recommend a few sen- tences to a few paragraphs—or less. In Vision, Quigley singles out Finland, Ohio-based Cooper Tire & Rub- ber Co. for its succinct credo: “Good merchandise, fair play and a square deal.”

Companies that want more words can compromise by writing a short vision statement and covering other concepts in lists of principles, values, goals or aspirations. But the package should stay concise. Example: General Public Utilities Service Corp. of Reading, Pa., uses a 14-word purpose statement, a 24-word mission state- ment and a list of five values and 26 suggested behaviors—and still fits the whole thing on a wallet-sized card. Levi Strauss outlines its mis- sion, aspirations and preferred lead- ership qualities in about one page. Other organizations summarize their messages in a single, formal state- ment, then add a few sentences of in- formal elaboration or strategy. Or, like Somerset County, N.J., they can develop one organization-wide state- ment and separate ones for each unit.

Impact. Finally, the statement has to mean something. There’s got to be action linked to the words. “The end product is not the written document,” says John P. Kottler, whose clients range from the town of Arlington, Mass., to Xe- rox Corp., says—would-be visionaries must first determine the statement’s audience: internal or external.

Some statements, of course, cov- er both sides. But Gobhai warns, “The danger is that in making it rosy sounding for external consumption, you lose the internal edge.” For in- stance, a strong competitive state- ment might motivate employee sup- port, but it might also tip the company’s hand on its business strategies. On the other hand, a wa- tered-down statement may generate less enthusiasm. That’s why some companies create sepa- rate public and private messages— no problem, as long as they don’t contradict each other.

What makes a vision statement spark? Personality. “The best ones have a clear sense of uniqueness,” Gobhai says. “People—whether internal or the external audience especially—and say, ‘Right. I can see myself in there.’” Really, it’s the organization’s soul. That’s why consultants don’t like to use generic buzzwords or fill-in-the- blank statements. What’s right for General Motors Inc. may not fit Gen- eral Electric’s jet engines.

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Corporate Overview

Cambridge Technology Group is dedicated to partnering with organizations to create business opportunities predicated on technology. Over the past fifteen years, CTGroup has provided more than half of Fortune 500 companies with the technological, business and educational tools to give their organizations a competitive edge. Through executive and technical education, CTGroup continues to shape the future of open systems and its influence on business.

Professor John J. Donovan has founded eight successful companies and is now CEO of Cambridge Technology Group. Educated at Yale, he has held careers in academics, medicine, government and business. Dr. Donovan taught as a tenured professor of electrical engineering at M.I.T. and is presently an adjunct professor at the M.I.T. Sloan School of Management. He has served on the Presidential Advisory Commission on USSR/USA Technology and was awarded the Tuft’s Medical School’s commendation for outstanding contributions to medicine. He has been awarded an honorary Doctorate of Economics from Prague University. He has written seven books including “Systems Programming,” “Operating Systems” and “Business & Technology: A Paradigm Shift.”