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Entrepreneurship: from Vision to Ambition to Achievement

Today, the views on the management of people and organizations emphasize the capacity of a manager to develop a vision and, consequently, a clear and concise ambition. This ambition forms an important basis for strategic choices. This process of vision development and creation, of translating this vision into ambition and choosing the way to realize it is called *strategy development*. In fact, it is the process of giving systematic direction, usually for the upcoming three to five years, to the determination of the organization's orientation. Developing a strategy is important because it works as a motivational tool for all employees and, simultaneously, determines which skills they need to contribute to the results. In addition, clients and target groups know, through strategy development, where the organization stands and what they can expect.

How do we grasp and achieve our ambition? What tools do we need to do so? What does it mean for our personnel and training policies and marketing and communication approach and how do we organize our corporate processes? This whole – and sometimes complex – thinking and achieving process is part of the strategy.

Without a clear plan, organizations run the risk of ineffectively using energy and skills, often with many consequences, such as:

- Unclear market position of the organization, resulting in clients having an insufficient idea of what they can expect and employees not knowing what is expected of them
- Weak or poor corporate results
- Unhappy customers and employees.

The objective of a strategy is to avoid these undesired situations and to establish a *clear position*, in a *selected market*, for a *specific target group*, and with *selected services and/or products*. An effective strategy is oriented towards the future and the achievement of determined ambitions. It forms the basis of the organization and must mobilize people to motivate them into positive contribution. This way, an efficient mix of vision, ambition, and strategy, acts as a source of inspiration for your employees.

Strategy allows you to achieve many goals, including:

- Continuity of the organization
- Durable profitability
- Effective client relationships
- Happy and challenged employees
- A flexible organization oriented towards continuous modernization, routine changes, and positive challenges.

The most important questions to consider in the strategy development process include:

- What competitive position do we want to occupy, as an organization, on the market we selected?
- Is our current position still defensible and sufficiently durable?
- Are we developing sufficient and durable client relationships?
- Are we distinctive enough, and are our clients aware of this?
- Do we want to grow, and how (through acquisitions or internal growth)?
- Are our services and products still sufficiently distinctive and innovative?

These elements contain the foundations of healthy undertakings and achievements, to organize appropriate work process and mobilize people. People who are oriented towards creativity are often also capable of orienting processes in the right direction instead of letting them randomly follow their course.

The management of the company is ultimately responsible for the selection of the company strategy, spreading it across the organization, and – most importantly – explaining it to all employees. Employees of all levels can, with their direct supervisors, generate ideas and take concrete actions to bring their personal contribution to the selected strategy. Every person does that from his/her own area of influence and environment.

As manager, you need the information regarding vision, ambitions and strategic choices for your organization to be able to effectively contribute to this strategy with the help of your team or department. Entrepreneurial leadership also requires that you develop a conceptual insight in a process for strategy development and that you know how to apply this insight within your area of responsibility. This chapter describes the most important steps of the process from vision to ambition to achievement.

Vision

People in an organization need to understand the world around them. They also search for explanations on how and why things happen; they want to understand what their organization and their own department are doing. Only then can they feel they have a grasp of the situation, making their activities more understandable and meaningful.

The management methods of the twentieth century were mostly characterized by authoritarian decrees and micromanagement, with the objective of maintaining existing systems and/or finding pragmatic solutions. Authoritarian decrees no longer work in our society; they generate resistance and undermining efforts. Micromanagement tried to circumvent this problem by describing in detail what is expected from employees in an organization and ensuring that things are done. As a result, flexibility and readiness to change were nipped in the bud. However, this is exactly what is needed in the future. The fact is that managers must increasingly face uncertainty in a world that is continuously becoming more complicated.

Consequently, we need a form of leadership that gives people direction and guidance in situations of turmoil. This requires from you, as manager, insight into the current strategy of the organization, called *strategic fit*, which includes the strategic starting points and options of today and on a relatively short term, from zero to three years. Next, you must be able to operate, with your management colleagues and with your employees, in a constantly changing future, which is called the organization's *strategic stretch*. This is the longer term approach. Let's examine the beginning of a strategy development process, which is the development of a vision.

Vision refers to an image of the future and includes reasons people should strive to create this future. It requires that one thinks from dream to reality: *how do I see the future, what does my environment look like, how are my clients behaving, how am I behaving, what are the important standards and values, what are the clients' expectations, what role do I play in these expectations, what services and products do I provide, what is my contribution to the clientele and the company, how do I see the world over x years, and what perspectives does this create in terms of possibilities for the people and for the organization?*

As you talk to, and with, your team members about your answers to these dreams and ask them their vision of the future, you create possibilities to change your team members into co-entrepreneurs. They will spontaneously contribute to making the vision continually sharper and to creating a shared ambition, and do everything they can to achieve this. This generates a connection between people on a partial image of the future of the company's or division's environment. A leader with a vision has developed an image of the future for himself and for his department, and he knows how to effectively communicate this vision to his employees.

Nelson Mandela and Martin Luther King are, of course, world-famous visionaries: 'I have a dream'. Both had, and have, a never-fading vision of creating a society where blacks and whites would live together in peace. They see that for themselves as a picture, as a movie. Therefore, they still are great inspirations for many, including world leaders. They positively mobilized many people to follow their vision and convert it into ambition. Look

at their results and impact on the world. A good part of their vision and dream became reality.

PURPOSE OF A VISION

A vision serves three important purposes in a strategic development or change process:

1 *It simplifies the decision-making process, because the direction is clear.*

In changing situations, which a strategy development process always is, people are generally not in agreement as to the direction to take. Either they don't know it, or they wonder whether it would be useful to choose a different direction. A clear vision avoids endless discussions on priority issues, the necessity, or the pace.

2 *It motivates people to take action in the right direction.*

Changes and strategic (re)orientation always bring discomfort. Sometimes the discomfort is minor, but in many organizations, employees are increasingly compelled to give up comfortable positions. They have less means to work with, they must learn new skills and behaviours, and they constantly feel the pressure that they could lose their position or job. In these circumstances, it is not surprising that people do not always react enthusiastically to strategic change in the company. A clear vision helps overcome this natural aversion to do what is necessary and, consequently, is a motivating factor. A clear vision acknowledges the fact that sacrifices are necessary, but makes it clear that these sacrifices deliver more, on a long term, than the short-term benefits or personal satisfaction.

3 *People's actions can be quickly and efficiently coordinated.*

The purpose of a vision is also to bring people on one single line. Without a feeling of united direction, people who depend upon each other can easily drift into continuous conflict. Meetings get bogged down and inquiries must be made to others (bosses, colleagues, et cetera.) about what can, may, or must be done.

CHARACTERISTICS OF A VISION

We previously stated that a vision includes the process of thinking, from dream to reality. This seems to include something important and mystical. However, the opposite is true: A vision can be relatively simple.

Effectively defined visions appear to have at least six important characteristics:

- 1 *Conceivable*: Conveys an image of how the future will appear
- 2 *Attractive*: Addresses long-term interests of employees, clients, shareholders, and stakeholders
- 3 *Feasible*: Realistic and achievable

- 4 *Oriented*: Clear enough to serve as a guideline in the decision-making process
- 5 *Flexible*: Sufficiently general to allow individual initiatives and reactions in light of changing circumstances
- 6 *Conveyable*: Easy to convey; can be explained and understood in five minutes.

These characteristics indicate that a vision has a clear purpose and shows the various areas in need of change. A vision also eliminates possibilities and defines a scope. An effectively determined vision is sufficiently ambitious to motivate people to give up their trusted routines. They take advantage of corporate and economic developments and trends, and make no attempt to exploit anyone. An effectively determined vision takes all stakeholders into account and carefully weighs interests.

DEVELOPING A STRATEGICALLY ACHIEVABLE VISION

Developing a vision includes an apparent paradox. On one hand, it is a relatively concrete process which can be quite simple. On the other hand, it is sometimes a difficult process because the effort requires that you and others allow and give free thinking space without immediately assessing all ideas on direct feasibility. The process of vision development sometimes appears chaotic and time-consuming. In many organizations, people do not have the patience to develop the skills necessary for this process. Consequently, the formulated vision is not understandable by the company's employees and clients and the organization's ambition is unclear. The employees do not precisely know what is expected of them and the market position is unclear to the clients. It is important that the vision clearly shows which competitive position the company chooses, so that clients know where the organization stands and which services and/or products it is able to deliver. For employees, it describes what is expected and how they can contribute to the achievement of the operational objectives.

Some commonly heard complaints include:

So much to do, so little time.

A comment typical of a reactive attitude and a strong action orientation: 'Act first, think later'. Excessive dynamism can easily lead to ineffective actions. Moreover, this is a situation where work is insufficiently controlled and priorities are not well-defined, which results in a 'fire extinguishing' pattern.

We must definitely develop our vision, but we can only do that with clarification on a number of issues.

This indicates a cautious culture, where an organization tries to avoid risk as much as possible, preferring no action over a wrong action. The organization remains strongly dependent on the environment rather than actively influencing this environment. This approach is poorly result-oriented and results in insufficient decisiveness.

There may be a vision, but we don't know it.

Comments of this nature indicate a large gap between leadership and action. Either the management has little sense of reality, or this sense of reality is not reaching the employees. Therefore, nothing is coming from the base.

There are many reasons for which it may be difficult to develop a vision. Kotter (1997) lists the following:

- Many managers have developed poor leadership. In management terms, vision is often a synonym of operational planning for them, such as 'ten percent net profit for this year'.
- Taking too little time and fear of unrest. 'Hurry, hurry, hurry' next to 'pressure, pressure, pressure': as a result, we do not let things develop, and half-processed ideas must be rushed through in one week. To develop a vision and build in rest time without seeing it as lost time, we must be stress-proof. The fear of unrest often results in the fact that we do not solicit and value our co-workers' opinion.
- Developing a vision is also teamwork. In many organization, a major problem is that managers are too focused on protecting the interests of their own department and do not really try to achieve a common goal. There are indeed endless meetings, but they only result in lip service and work with hidden agendas.
- Developing a vision is a 'head and heart' task, based on important values and on healthy thinking. Most of us have learned to use our head, but not many know to use their heart. Actually, the development of a vision also includes soul searching: Determining who you are, what you believe in, and what is important to you.

CORE POINTS OF A STRATEGICALLY ACHIEVABLE VISION

Several models have been promoted regarding vision development. Some are very abstract, some very detailed. Some questions keep coming back. Therefore, we call these *core points*:

- 1 What will my environment be like in the short-term and long-term, in terms of market and target groups?
- 2 What are my views on people and means, and what role will they play in this future?
- 3 What are the conditions of success?
- 4 How do clients behave, and what are the noticeable trends?
- 5 What are the clients' wishes regarding trends and developments?
- 6 What role do I play in my organization/department? Also: What role do I want to play?
- 7 What services and products will I deliver?
- 8 Who do we want to be, and what competitive position does that mean?
- 9 What is our orientation in terms of clients and target groups?

We are convinced that this list is not exhaustive, but it shows the most important elements of reflection.

The first question is a crucial starting point: It paints the picture of the future of the organization. This picture of the future is based on trends and facts which are the foundation of that image. However, intuition also plays a significant role in this process. Questions 2, 3, and 4 are opportunities to refine. Questions 5 to 9 analyze how the organization positions itself, and how it selects clients and services. As we answer the questions – or *core points* – above, we are actually developing a strategically achievable vision.

STRATEGIC ACHIEVABILITY

Visions promising heaven on earth without giving any idea as to how or why the determined objectives are achievable lack credibility and will not motivate people to effective action. Achievability means that the vision is based on a clear understanding of the organization, market environment, and competition trends. The core points are tools to investigate this.

Core points 1 to 4: What is coming our way? – External and internal developments

An analysis of the external and internal developments gives an insight into the opportunities and drawbacks of the environment and of the organization itself. This part requires analysis of developments regarding clients, competitors, other stakeholders, technology, social issues and trends, et cetera. (external), as well as developments in other departments, in co-workers, and others (internal). Tools to implement these developments include brainstorming and meetings.

Below is a list of possible social and economical trends and developments:

- Increasing environmental awareness of organizations along with laws and regulations
- Internationalization: Opportunities abroad, the development of East-European countries since 1990 and the emergence and growth of Asian economies since 2002 (China)
- International competition
- From a sellers' market to a buyers' market, from product-driven to demand-driven enterprises
- Shorter product and service lifecycle
- Quality requirements are higher, and clients are increasingly looking for added value and service levels, and product offer
- Increasing costs of research and development
- Cost awareness remains necessary
- Individualization
- Horizontalization of relationships
- Ageing population
- 24 hour economy
- European integration with European regulations and a continuously growing Europe

- European terms of employment
- Multicultural community

This means that organizations must constantly fight harder for increasingly critical clients with increasingly mature employees. Consequently, the strategic positioning issue – in other words: How are we, as an organization, different? – becomes increasingly important. This affects vision and strategy:

- Focus on quality and client orientation, i.e. excellent service provision processes, internally and externally
- Change as a routine as leading organizational culture
- Frequent introduction of new products and services
- Focus on strategies
- Collaboration and partnerships, mergers and acquisitions
- Research and development
- Investing in knowledge economy
- Purchase management as core competency
- Outsourcing non-core activities
- Production in low-salary countries such as China, India, Eastern Europe
- Optimization of labour added value.

Adjiedj Bakas (2005) gives an interesting outlook on trends. He describes 7 mega-trends which we will briefly explain below. We think they should essentially be considered as the society of the future in a new social, economic, and cultural reality. Therefore, it is our opinion that they should be included in a book on entrepreneurial leadership. Moreover, these trends will have an impact on organizations' strategic choices.

1 From nation status to new tribalisation

Soon, any society will be populated by a group of 'mainstream people' (those who were born and bred there), along with new population groups (those who have immigrated there) such as Chinese, Ghanaian, Indians, Latinos, Muslims, et cetera. These new groups are spread all over the world and therefore present in any society. They are citizens of the world who live part time in one country and part time elsewhere. They do not need a native country.

2 From traditions to technological, spiritual, and environmental evolution

Traditions disappear; many technological inventions will emerge, making the world more accessible and management simpler. Religion is re-emerging and climate changes are already measurable and will have an impact on our environment.

3 *From laissez faire to obsessive safety*

Feelings of unsafety are increasing and the tolerance policy is strongly questioned. Authorities are urged to make their countries safer. This is an important item on the agenda.

4 *From government control to the end of the welfare state*

Regarding the welfare of every citizen, government interference is a thing of the past. Personal responsibility, privatization, and individualization of welfare are the current trend, while the government is retiring from this responsibility.

5 *From corporate democracy to shareholders' democracy*

Increasing power and influence of large employers' organizations, executives and commissaries of large companies on political, cultural, and social issues.

6 *From the Argentina model to the new VOC model*

At their peak of wealth, people often become lazy and worthless. Eighty years ago, Argentina was one of the richest countries in the world. Today, things are different: In this country, entrepreneurship was sabotaged. In The Netherlands, for example, an overly expensive welfare state was built. There, young people learn that they must make their own choices and follow their personal courses. A new mentality of spirit of enterprise has been born (VOC model). Solidarity with older generations is decreasing.

7 *From a Calvinistic culture to Asiatization, Islamization and desexualisation.*

The Calvinistic traditions are disappearing: Just look at the new riches with their extroverted lifestyle. The disappearance of Calvinism gives way to new cultures. The most important groups are Asians and Muslims. Their lifestyles will become more dominant and will determine the landscape.

Regardless of how you look at all these possible trends and developments, it is certain that changes will happen at a faster pace, and this will influence entrepreneurship. If you want to develop a vision of the future in which you are able to closely examine and measure the strategic consequences, you must take this in consideration. Entrepreneurship also means making this future predictable for your organization or department.

A great example of a strategic positioning issue is Formido Building Supplies. Formido is a do-it-yourself retailer with, in 2007, a limited number of stores and several franchisees as independent entrepreneurs. The larger builders' merchants in the do-it-yourself industry have surfaces over 1700 square meters. Smaller businesses, including Formido, have a floor surface of 100 to 1500 square meters. The President, Jan van den Ham, wants a different competitive position for the Formido formula, based on the vision that a client is not so much oriented towards functional purchases, but more towards inspiration. The

whole line is based on functional purchase. This should never be abandoned by a builders' merchant such as Formido, but they should also add complementary value to the line. The new strategic position tends to be the *local hero* position. As Jan van den Ham explains: "We want a builders' store offering the best inspiration for the home and we want to be the client's best local partner when it comes to living with inspiration and decorating the living environment, inside and outside the home". This is a beautiful – and for many Formido entrepreneurs, new – inspirational ambition. This approach should not be underestimated by employees of all levels of the company who work on this ambition daily. Formido benefits from being a part of the Maxedagroep, called 'A passion to serve'. In this context, several projects based on the new strategic ambition will take place starting in 2006 and 2007. One of the most important projects is a new design for the stores, with a decorative heart theme. (Source: Karwei management, 2006, Interview of Jan van den Ham, President of Formido Bouwmarkten).

Core points 5 to 9: Who do we want to be and what do we want? – Ambition and conviction

These core points concern objectives, central values and ideas regarding the role of the organization in society, i.e.: The organization's chosen ambition. To determine this ambition, we must first examine who we are and define our role in the current 'market'. Then, we should examine who we want to be in the future and clarify our role as supplier of services and products in the market we selected. In this process, we should not ignore trends. Expected trends influence our choice of a future position in a future market development.

Important elements of our ambition and conviction are:

- Core activities (what we do, and don't do, well)
- Clients (whom we serve, and don't serve, well)
- Distinctive quality (how we do it, or don't do it, what is our formula)
- Quantity (how much do we want to achieve).

In short, this is the 'CCQQ formula':

Objective = Core activity + Client + Quality + Quantity

With the CCQQ formula, you can determine how you do, and don't want to do, business; what you definitely do not want to change. Therefore, ask yourself questions such as: What are we enthusiastic about, what are our dreams when we look ahead, what generates energy, do we want to be the best or the biggest, do we want to be the most original or the most client-oriented, do we want to be the least expensive or the elite, or do we simply want to be a 'spot under the sun' where we are mostly self-satisfied?

Here is an example of how an ambition can be shaped by a number of concrete goals: