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By Mark Lipton

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# Walking the talk (really!): Why visions fail

*Leaders may be able to articulate a vision, but very few actually live the vision each day. However, as this author writes, a leader who lives, breathes and weaves the vision into the fabric of an organization inspires everyone to a higher performance every day.*

By Mark Lipton

Mark Lipton is Professor of Management and Chair of the Organizational Change Management Program, Milano Graduate School of Management, New School University. He is the author of *Guiding Growth: How Vision Keeps Companies On Course* (Harvard Business School Press, 2003).

Some executives are not reluctant to say that vision is a "squishy" concept and nearly impossible to quantify. But research and experiences over the past decade make a nearly incontrovertible case that the vision process has a profound impact on organizational performance. As well, that performance is measurable. So what's the problem? Or, why do so many CEOs *believe* in the need for vision, yet *fail* to carry through on the process to develop and implement one. The reason there is cynicism about "the vision thing" is less about the actual failure of a vision, than it is about a leadership failing I call The Believing-Doing Gap: While there's a lot of talk about vision, few at the helm actually follow through on the work required to bring a vision to life.

The vision process - when fully executed - evokes a considerable amount of emotion, and the Believing-Doing (B-D) Gap exists because executives are ill prepared for the emotional engagement that this process actually demands. Many executives become myopic when it comes to vision. A "successful" vision is not simply a question of crafting a few paragraphs of verbiage that sound as though they were excerpted from

a Dilbert comic strip. Nor is success how John Rock, once the general manager of General Motors' Oldsmobile division so eloquently put it, "a bunch of guys taking off their ties and coats, going into a motel room for three days, and putting a bunch of friggen' words on a piece of paper - and then going back to business as usual." A vision is about personal passion. Without substantive ideas and concrete actions, the process becomes a joke, often backfiring on the leader responsible, as others turn into cynics. When the B-D Gap persists, there's rarely a full-range vision that organizational members are able to buy into and use to guide the growth of the firm.

A vision is successful when it "speaks" to a wide audience, tells an engaging story that people want to be a part of, challenges people, and creates a sense of urgency. Success occurs when the vision becomes embedded in the daily decisions and actions taken of those you want to lead. A vision is not merely an extended strategic plan or "mission." When we see a vision that is working, guiding an organization to sustained growth, we know that behind it are leaders who are comfortable leading with their hearts as well as their heads. This article describes what a leader needs to do to sustain a vision - and the growth of an organization.

## Believing is not the problem; It's in the doing

It's worth considering two data points that seem, at first blush, to be contradictory. One study found that 94 percent of CEOs report "a great deal of discomfort working with the vision process." A second study, conducted by The Conference Board, polled 700 global CEOs and found, for the past three years, that the number one marketplace and management issue was "engaging employees in the vision." Perhaps what both studies are saying, from the executive perspective, is that "I believe in the need for vision but I cannot get my 'internal

mechanism' in gear to make it happen. I can't connect my desire to create and implement it with the internal energy necessary to get over all the barriers. I'm frustrated!"

At a dinner during the first week of 2004, the chief marketing officer of a *Fortune* 50 company confided to me how alone he felt at the top:

*"We're hitting our revenue targets, we have obscene share of market in most of the areas in which we operate, but our stock price doesn't reflect how well we're doing. The outside world doesn't understand who we are, why we're unique, how all our pieces fit together, and what we stand for. On the inside, we're operating like 60 different silos. My CEO says our vision is to provide shareholder return...but that's no vision; shareholder return is something that we get rewarded for as a result of executing against a proper vision. I've got to believe he has some vision of who we are. (long pause) But he can't unlock his thoughts and feelings about it to us. And if he can't begin to get us thinking about a real vision, then I'm afraid of what lies ahead."*

### Believe in vision: It works

I didn't believe in "the vision thing." A decade ago I considered the notion of organizational vision to be just another fad. I'm inherently skeptical of any new silver bullet that promises to cure a range of organizational ills and, in the late 1980s, vision made the list. Yet, after a few years as a cynical consultant, I found myself intrigued by the paucity of analytic research that would support this gut-level belief. Broad studies analyzing the impact of visions were nonexistent. I, too, thought vision was too "squishy," but I didn't have the data to prove it.

As a management professor, I decided it was time to make the case that vision didn't really matter. After one year into the first leg of the research project on the impact of vision, I began to see some very surprising data. My hypothesis, I realized, was dead wrong.

I found that a well-articulated vision, when implemented throughout an organization, had a

profoundly positive impact. The data didn't lie and I found myself a convert from skeptic to born-again believer. Once my research was complete, I began

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testing some of the best-practices results with a range of organizations in the private, non-profit and public sectors. Consistently, I found that once senior executives were able to break through the natural barriers of resistance that often bring this process to a screeching halt, they too became believers.

Publicly owned firms that use a vision to guide their growth have significantly higher market-cap growth, top-line and bottom-line growth in comparison to their competitors who aren't driven by the vision process. Firms with a vision were twice as profitable as the S&P 500 as a group, and their stock price grew nearly 3 times the rate of others. An analysis of Average Compounded Total Return found the vision-driven firms earning their investors 17.69 percent more than the S&P 500 overall.

A well-conceived and -implemented vision doesn't yield this kind of bottom-line performance magically. It comes from the people who are challenged by the vision and remain focused on a clear, yet distant, target. These firms had higher productivity per employee, greater levels of employee commitment, increased loyalty to the firm, greater esprit de corps, clearer departmental and/or organizational values, and a greater sense of pride in their organization.

### **Vision provides direction and nourishment for sustained growth**

#### Find the appetite for vision

Over the past decade, I've found that leaders who overcame the B-D Gap became adept at stretching their time horizons; they also "saw" into and pondered their

own thoughts and feelings as the vision evolved. Passion characterized their vision for their organization. They could articulate it to themselves and to others. They were willing to face the reality that, if the vision process at their organization stalled, it was perhaps because they succumbed to a form of inertia. And, most important, they were willing to be true to their own values and refrain from placing blame for inaction on some institutional imperative. They explored the vision not dispassionately from the outside, but with a full-range view of how they thought and felt about that distant future and what would be required of them to implement it.

Ask yourself: "Where does my appetite for vision, with all the risk inherent in its development, come from?"

The "appetite" starts from living. It comes from feeling the bumps and bangs and pain of life that create emotional jolts that stay with us consciously and unconsciously. It comes from living through life-changing events that trigger unique personal insights, and emerging with a new resolve. It comes from finding the passion on a personal level, and harnessing it to hold onto, even before the vision development process gets under way.

Many people have been forced to look inward for meaning in response to an emotionally charged event such as the death or serious illness of a loved one, a divorce, growing up poor or discriminated against, consequences from the September 11 terrorist attack, rejection by a role model - things that are beyond their control.

Some struggle to sort out the meaning of the experience, which may have left them with feelings of profound separateness, perhaps anger, and most likely, disorientation. For these people, what often emerges is the need to examine goals, values and norms of conduct. The question, "Why did this happen to me?" evokes emotional energy, which can either be turned on oneself in a counterproductive way or applied in a creative burst of productive energy.

Two clear examples are Andy Grove and Dave Thomas. Grove is the former CEO and current Chairman of Intel. He escaped Nazi Europe with his parents, learned new languages to survive, came to the United States with virtually nothing, worked his way through college and a doctoral program, and waged a winning fight against prostate cancer. Thomas, founder of

Wendy's, was an adopted orphan and high school dropout who ended up leading a chain of six thousand restaurants. He had the audacity to think that square hamburgers would taste better and the commitment to dedicate his life to helping abandoned children.

### **Leadership is less about sheer talent than about introspection forged from events that caused great discomfort, if not suffering**

Theories and research that have tried to explain the success of organizational leaders express a similar theme. Leadership is less about sheer talent than about introspection forged from events that caused great discomfort, if not suffering. It is more than a coincidence that so many people who have successfully built and run complex organizations have had this leadership-shaping experience. At one time or another they have had to let go of something they thought was important.

Now, they seek to clarify for others the "abyss" - the difference between a highly defined and desirable future, matched by dissatisfaction with the status quo. Perhaps they can do this for others because they have had to do it for themselves. They have the capacity to speak to the depths of another person because they are in touch with their own deeper conflicts. They found support along the way through the intensity of their convictions and their awareness of the impressions they left on others.

In 1987, Elisabet Eklind got married and moved to the United States from Stockholm, Sweden, where she had lived all her life. In March, 1993, her husband died after a long battle with cancer. As she sat in her home after her husband's death, she told me, she realized that she could either "die" then and there as well - simply continue going through the motions of living - or she could rebuild herself. Start again, in other words, and work through the pain. She chose the latter and, as she says, has emerged "a stronger, better person for the effort."

*"A fish doesn't know what water is until it is out of water. And before (those two*

*experiences), I was like a fish. I didn't know what "water" was. I was not aware, in a truly meaningful sense, of how the nuances of my surroundings affected me and how I responded to them.*

*Now I know what water is. I know when I'm out of it. I am much more aware of my needs, and I believe these experiences also helped me to understand the needs of others - and this includes people in my organization.*

Eklind's effort to find a new awareness has shaped her life in ways she never imagined. It has also shaped the way she approaches her work as executive director of HIPPIY USA, a non-profit whose purpose is to enhance the potential for the educational success of low-income children. She realized that to truly realign the values of her organization, she would have to bring the effects of her own very personal journey to bear on the effort.

"You carry significant experiences with you, and they shape the way you look at the world," she said. "And if you let them, they shape the way you approach your work and think about what your organization or company needs. My own personal experiences helped me see HIPPIY with greater clarity than I ever could have before."

Those who create and implement visions that serve as engines for guided corporate growth know who they are and what they want their organizations to be. Their articulated vision comes alive from a conviction that not only meets their personal need for action but is also part of a much larger purpose.

### Vision failure from myopia

When it comes to executing a plan for growth, most CEOs talk the talk. Vision committees crank out visions and post them on their Web sites and on the walls of conference rooms. Usually, however, the process doesn't go far beyond that. And that is where cynicism for the concept of corporate vision takes root. Having a page that articulates a vision is far different from weaving that vision into the daily fabric of organizational life.

When relatively superficial -- what I call myopic -- visions are used as a rallying cry for the troops, the vision process is rarely unleashed with the full force and power it's capable of achieving. Sadly, executive groups take too little advantage of a vision's ability to transform their organizations into one whose actions are driven and directed by that vision.

My experiences with CEOs and executive groups have made me realize that it is difficult for them to stretch their thinking toward the future. They're "grounded," realistic people. They are drawn towards a "mission," which enables them to describe what an organization does now, rather than toward a vision, which forces them to describe why their organization actually engages in these activities.

My Fortune 50 dinner companion commiserated further:

*"Just because we're so obsessed with planning, tinkering with our plans every year, and holding division leaders accountable for achieving their plan, the executive suite has a collective mentality that we're very strategic. Because the culture has us so focused on planning, they think that's visionary! As head of marketing, I need to position the corporate brand with a far longer horizon but I'm clueless how to do that when everyone's thinking about next year or barely five years out."*

Henry Mintzberg, a management professor at McGill University, found that strategic plans invariably fail when there is no over-arching vision driving them. Not only do they fail to motivate others to reach further and become innovative, to pull together far-flung units, but they also fail as analytic planning documents. (*The Rise and Fall of Strategic Planning*, Free Press: 1994).

Visions, therefore, must describe the desired long-term future of the organization—a future that typically is not quite achievable, but also not so fantastic as to seem like a ridiculous pipedream. Visioning requires imagination, a mental capacity for synthesis, a trust in intuition, and a deep *emotional* commitment to that desired future. And this is partially why the vision-development process is such a leadership balancing act -- and another reason why the B-D Gap exists. Visions

need to challenge people, evoke feelings that draw people toward wanting to be a part of something quite special.

When a vision is framed as something that is achievable within a set amount of years, then it falls into the terrain of a strategic plan. That is why the overwhelming majority of organizational visions fail to deliver the impact: they are rational, time-bound and highly impersonal.

### Shrinking the Believing-Doing Gap

I have found that there are three particular areas of emotional dissonance in the vision process. Too much time can be lost, and the quality of the final result will be compromised, if each key participant in the process isn't mindful of these three dynamics from the start:

#### **1. Live in the past, present and future, simultaneously**

Visions work in part because those who develop them are able to constantly juggle the past, present and future. A study of firms with rapid, sustained growth found that their senior-most executives seem to stay focused on the state of the firm's desired future. Yet they are also attentive to the day-to-day activities that continually reinforce the vision and the philosophy that guides their internal context (e.g. organizational processes like the structure, culture and people processes); what I call the Vision Framework. With a robust vision as their beacon, they modify or supplement existing structures and processes rather than completely replace old techniques that worked well in the past. The overriding characteristic here is their ability to continually analyze and reconcile the firms' recent past with its intended future.

#### **2. Acknowledge emotion and disorientation**

Strategic vision depends on the ability to *feel*. It cannot be developed by looking coldly at words and numbers on pieces of paper or computer screens. We have found in our work with the executives who truly desire to create adaptive, growth-oriented organizations that they begin the process first by looking deep within themselves. They need to know who they are and what they want their organizations to be. That way, when

they articulate a vision, it comes from a conviction that meets their personal need for action, but is also part of a larger purpose. A deep, visceral commitment signals to themselves and everyone around them that they are open to changing the way they see and think of themselves and the company. This is far from easy and, for most, it can be scary as hell.

After a divisional leader in one of the world's largest consulting firms completed the final outline of his unit's vision, he remarked to me that,

*"It was like putting together a tough puzzle, only more difficult. You don't see all the pieces, know how many there are, or even where we can go to find them. Then, we found that some of the pieces can change shape as a result of other pieces we were playing around with afterwards. God, I'm glad we went through this, but it was the most nerve-wracking, soul-searching, sobering thing I've ever done professionally."*

Leaders who close the B-D Gap don't simply think about themselves in the context of the future they are defining. They allow themselves to feel enthusiasm, even passion for that future. When this excitement courses through them, it leads in turn to higher levels of commitment and determination. These characteristics make it easier to overcome the often-daunting challenges and roadblocks that prevent the vision from becoming a living reality.

Niall Fitzgerald, co-chairman of Unilever and co-creator of its vision-driven transformation process, spoke openly about the abyss for him. "You feel anticipation, even deep uneasiness, but the excitement of the vision calls on you to take that leap, then build a bridge for others...At Unilever, the bridge we needed to build was all about people: we needed to tap into their passion; we needed them to see their business in entirely new ways; and we needed them to develop very different leadership styles."

Antony Burgmans, Fitzgerald's counterpart as co-chairman, reflected similarly, "As we launched into our growth strategy, I realized that I didn't feel right: something was missing...What I saw was that even though we had an excellent change strategy, and an

inspiring vision, what was really required to bring about change at Unilever was a new culture, a new leadership mindset, and new behaviours."

"A new leadership mindset." In other words, as Burgmans was to discover, what Unilever needed was the passion at the top to fuel the change process throughout the organization. Innovation and the risk taking necessary for closing the abyss, and bringing the vision to life, require the same level of passion for overcoming the Believing-Doing Gap.

Another load of emotional baggage that travels with this process is an executive's comfort level with setting goals and trying to achieve them. Conceptualizing a vision raises goal thinking to a far higher level - one that may easily induce feelings of inadequacy. Visions are like dreams - dreams of the kind of life we want, the things we want to create, or the part of the world we want to change. When the goal-driven executive begins connecting vision to dreams, he or she may relegate it to fantasy. Too often, business is a place reserved only for cold, practical reality and dealing with the problems of the present.

### **3. Accept that the process is, by nature, imprecise, frustrating and sometimes tedious.**

The process of developing a vision runs counter to the way most people in organizations actually operate. Visioning cannot occur without starts, stops and some confusion. A natural reaction when one's mental map is triggered by new external or unexpected inputs is to be confused. It's a sign that the brain is trying to process new information. Unfortunately, those in senior-most positions too often relate confusion to information not mastered, to not being professional, to something one should avoid doing. Acknowledgement that visioning is not a "clean," easy process will help overcome resistance to a full-range vision.

You're making progress when...

An organization's vision should provide both movement and direction for shaping the culture, people processes, structure, and how the executive group's decisions will continually reinforce the vision. It should rally energies, galvanize aspirations and commitment from people in the organization, and

mobilize them into determined action toward a desired future that includes growth.

As you work through the vision development process, pause frequently and ask yourself if what you're creating will do the following:

- Would it motivate you to join this organization and continue to motivate you once you are there?
- Does it provide a beacon for guiding the kinds of adaptation and change required for continual growth?
- Will it challenge you?
- Can it serve as the basis to formulate strategy that can be acted on?
- Will it serve as the framework to keep all strategic decision making in context?

Well-conceptualized visions, those that come from the heart as well as the head, accomplish all of these. Quantitative, impersonal goals cannot create purpose in a process that has none. Organizations do not become great by having a quest for more of anything, since merely wanting more is inherently unsatisfying. Increasing shareholder return, reaching for other financial metrics, or wanting to be number one falls flat as vision material. It's myopic. If there is no point in what you are doing, if a vision does not evoke emotion, then just measuring your progress can't make it anymore worthwhile.

Organizing people around purpose is the most powerful form of leadership. But leaders who create and implement the visions that impact long-run performance can define their organization's *raison d'être*, a far-reaching strategy that sets its distinctive competencies and competitive advantages apart from others, and the values that give it a soul. These are the leaders who look outward, to a distant future, and declare how their firms will change the world. They can do this because they have also looked inward, to understand how personal discomfort can be converted to commitment, clarity and courage to create the bridge from believing to doing. ■