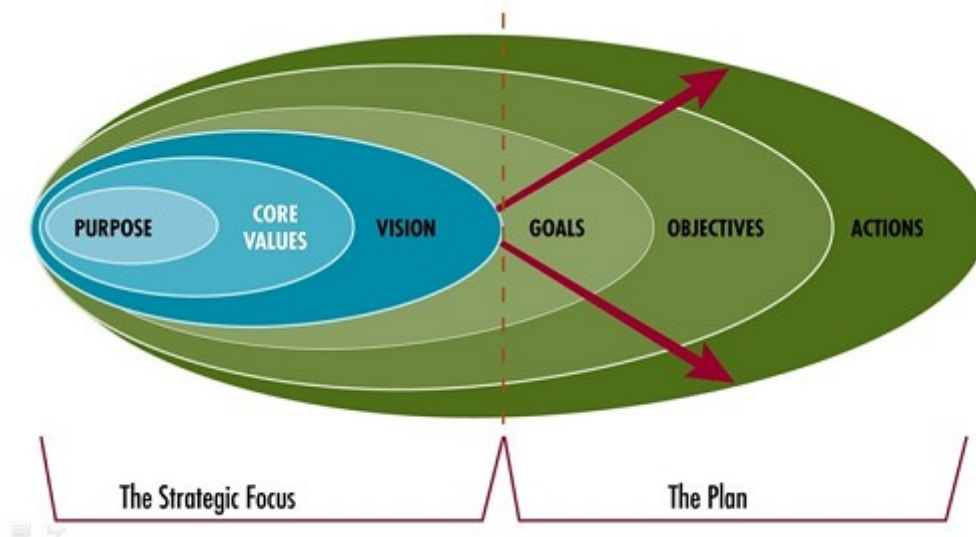


The Third Ring: Vision

by Eric Douglas, CEO of Leading Resources

A clear vision sharpens the focus. It says, “Here’s our direction, here’s where we’re going, here’s how we’re going to change the world.” Vision is the third ring in the Six Rings Model (see below).

The Six Rings Model



The Second Ring: Core Values

Great leaders build trust by defining vision. People want to know that there’s a plan and a direction. Vision has two components. The *external vision* defines the outcomes that the company wants to achieve. Sony’s vision in the 1950s was that “fifty years from now, our brand name will be as well known as any on earth.” General Electric’s vision in the 1980s was “to become number one or number two in every market we serve.”

The second component is an *internal vision* of change. GE said it would “revolutionize the company to have the speed and agility of small enterprise.” Sony said it would “create innovative products that become pervasive around the world.” Vision needs to be linked to a clear understanding of the strengths and assets of the organization along with the opportunities in the marketplace. Often it means a dramatic shift in focus and direction. Occasionally it requires a full-scale revamping of the company’s business model. Typically, it takes months to develop a fully-understood and fully-realized vision.

Here are the crucial steps:

Step 1: Pick a Time Horizon

The first step is to decide on a time horizon. For some organizations, vision spans a ten-to-fifteen year period. But in others a shorter horizon – three years – is just fine. At teradyne, a fast-moving maker of software that monitors web performance, the time horizon was one year. Why? Because the software industry was moving so quickly its CEO didn't see any value in planning beyond a 12-month time horizon.

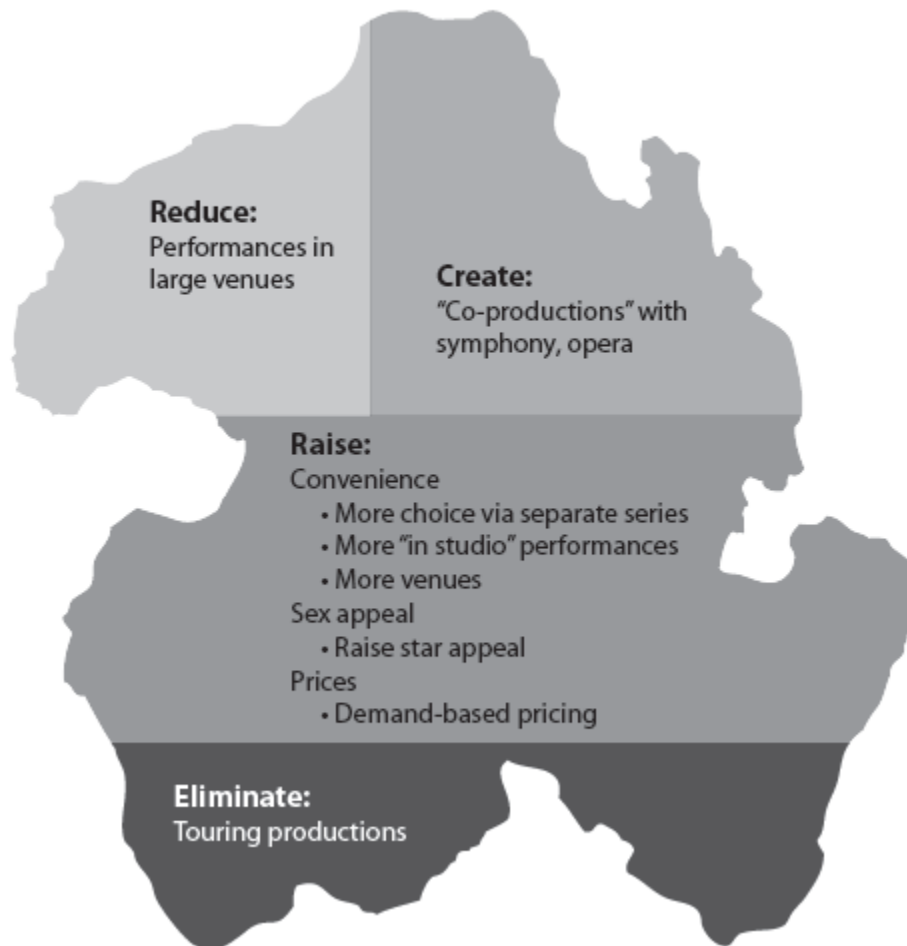
Step 2: Map the Strategy

Once you decide on a time horizon, the planning team needs to meet and have initial discussions about vision. Ask people to think about these questions in advance. (For this example, I'm assuming a typical time horizon of three years.)

1. What are our strengths as an organization? What do we do exceedingly well?
2. What are our weaknesses? Where do we consistently fall down?
3. What are our opportunities? What's new that we could be capitalizing on?
4. What are the challenges? What alternatives to our products and services do our customers have? How are those alternatives changing?
5. Who are our primary customers? Who are the people for whom we are trying to create the most value?
6. What trends are affecting our customers? How might their perceptions of the value of our products and services change over the next three years?
7. Are we focusing on the right customers? What would happen if we shifted our customer focus? What could we do more of (or less of) to create increased value for our customers?
8. What is our current business model? How do we create value for customers? how does that translate into profitability?
9. What might be some essential innovations in our way of doing business that would create added value for our customers? How could we re-define our way of doing business?
10. Based on the above, what should be our external vision? What outcomes are we trying to achieve in three years? What are the rationales for that vision?
11. Based on the above, what is our internal vision – how do we envision our organization changing over the next three years to support the external vision?
12. What do we see as the major priorities for change and investment to realize this vision?

Once everyone has discussed these questions, you can create a map, laying out the components of your emerging vision. Plotting them on paper enables people to visualize the emerging vision (see the example below).

Strategy Map for a Ballet Company



Contact Leading Resources, Inc.

info@leadingresources.com

(916) 325-1190

The Six Rings [Strategic Planning Model](#)

[Leadership Tools](#) for Accelerating Change