



Defining your Vision

Alongside your Purpose, your Vision drives the organisational direction and performance measurement of your business.

Module 6
Introduction



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Defining your Vision

Vision Introduction



What is a Vision?

A vision, quite simply, is a picture of what success looks like at a particular time in the future.

Articulated as a Vision Statement, it's function is to influence and guide business performance, in terms of your strategic planning, your mid to long-term goals and your actions, year upon year.

Alongside your Purpose, these two statements are the over arching strategic drive for organisational direction and performance measure for your business. Both statements should be good enough to make both you and your team excited about why your business exists and where you are heading.

The difference between Purpose and Vision

	 PURPOSE	 VISION
Definition	A statement of aspiration that articulates why you do what you do, why your business exists and what higher cause your serve.	A statement of aspiration that articulates what your business would like to achieve or accomplish in the mid-term or long-term future.
Function	It inspires you to give your best. It can be used to build morale and gain support and understanding inside and outside of your business. It can be easily used as a benchmark for decision-making.	It is intended to serve as a clear guide for charting current and future courses of action.
Answer	It answers the question, "Why are we here?"	It answers the question, "Where do we want to be?"
Longevity	Your Purpose should remain intact, even if the market changes dramatically, because it speaks to what you represent, not just what you do.	Your Vision statement may change, but it should still tie back to your Purpose, Pillars and Promise.
Summary	A Purpose statement talks about your passion, drive and is timeless. It answers the question, "Why are we here?"	A Vision statement talks about your future. It answers the question, "Where do we want to be?"

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The benefits of a well articulated Vision



Know where you're going

As the saying goes – if you don't know where you are going, you'll end up somewhere else!

Like driving your car, with a clear destination in mind you plot your course (next 3, 5 or 10 years) and make your choices to get "there".



Make better decisions

We live in a world of constant distractions. More and more potential business opportunities come our way as we become more successful.

Knowing your vision gives you a clear reason to say 'no' to things that don't align closely with it.



Attract and motivate staff

Your business success is directly proportionate to the quality of the employees you attract.

With a compelling, well articulated vision your business is attractive to like minded people who want to make the same difference as you with their lives.



Spur on your growth

Stretch goals compel us to well, stretch ourselves, so an inspiring Vision is the call to action for individual and organisational growth.

Pursuing something you're not quite certain of achieving is the best type of challenge for fostering all types of growth



A legacy not dependent totally on you

Create a vision that would outlive you and you're truly building a legacy for future success.

But even before this, you'll find it much easier to delegate because your employees support and believe what you're trying to accomplish. trying to build and want to help you accomplish that.



More resilience in the tough times

Life is filled with ups and downs and the economy is no different.

During the tough times, it's your Vision (and Purpose) that pushes everyone in your business to pursue a higher level of commitment, encourage and support creativity and show a tenacious team spirit.

Key points for creating an effective Vision

Understanding your goals and being able to state them clearly is the first step toward **making them happen**.

1. Project five to 10 years in the future. Avoid being too generic or narrow in focus.
2. Dream big, and focus on success. Paint a graphic mental picture of the business you want.
3. Infuse your Vision Statement with passion and emotion so that you feel excited and fully committed to it.
4. Use clear, concise language and present tense. A Vision Statement is brief but succinct, so words need to be carefully chosen.
5. Use your Vision Statement as a leadership tool. Have a plan to communicate it to employees to align behaviours and promote change in the desired direction.
6. Be prepared to commit time and resources to your Vision.

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The 4 common categories for Vision Statements

Some businesses may wait until they go through one or more cycles of strategic planning before developing a detailed Vision, whilst others may develop one at the beginning of their strategic branding process. There is no one-size fits all formula, what works for one business may not work for another.

1. Target Orientated

These state numerical or qualitative targets.

If you're thinking about setting a revenue target, first ask yourself if it would really excite your team.

If you set a qualitative target, like NASA's famous Vision "To put a man on the moon before 1970," you need to have some kind of measurement in place to help you evaluate the achievement of your goal.

2. Competitive

Think of this as the Vision that brings your team together to beat a large competitor, or common enemy, in your industry. This David vs. Goliath mentality can be very motivating – everyone loves an underdog, right?

This type of Vision might be especially applicable if you are in an industry or a niche with a clear leader whose customers you are after.

3. Role Model

Great for up-and-coming organisations that aspire to be like the great companies in their specific niche.

Instead of thinking of companies that you are in direct competition with (like in the Competitive Vision), think about companies that are known to be great in the same ways that you want your company to be great.

4. Internal Transformation

This category is best for more established companies and can also be used for a division within a very large company seeking to change the way it functions within that organisation.

It can also be used when a brand needs to redefine itself.

Vision Statement examples



**A just world
without poverty.**

We envisage a world in which people can influence decisions that affect their lives, enjoy their rights, and assume their responsibilities – a world in which everyone is valued and treated equally.

HONDA

**We will destroy Yamaha
(1970's)**

Walmart

**Become a \$125 billion
company by year 2000
(1990's)**

IKEA

**To create a better
everyday life for
the many people.**

We make this possible by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

GIRO

**Become the Nike of
the cycling industry**



**Become the Nike of
the cycling industry**

AVON

**To be the company that best understands
and satisfies the product, service and
self-fulfillment needs of women – globally.**

MERCK
Be well

**Transform this company from a chemical
manufacturer into one of the preeminent
drug-making companies in the world.**



Real brand examples of how Vision and Purpose work strategically together in practice

Starbucks Coffee

Established in 1971 in Seattle, Washington, Starbucks Coffee continues to follow its Purpose and Vision Statements to influence organisational performance and strategic direction. Their success and global industry leadership in the coffeehouse industry is a direct manifestation of these statements.

The Purpose indicates what the company wants to do at the core of its business, and shows customers the benefit they can get. On the other hand, Starbucks Coffee's Vision Statement shows what the company wants to achieve in the future. In this regard, the business guides the activities of employees, and shows customers what the business is capable of doing.



Starbucks Vision Statement

To establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow.

This vision statement has the following components relevant to Starbucks:

1. Premier purveyor 2. Finest coffee in the world 3. Uncompromising principles 4. Growth

Let's break it down

1. Being a **premier purveyor** means Starbucks Coffee wants to achieve leadership in providing the best quality products, especially it's coffee. They have already achieved this component of its Vision Statement because they are now the largest coffee and coffeehouse company in the world.
 2. It's not yet clear if Starbucks effectively addresses the **finest coffee in the world** component. Analysts and critics point out that coffee from McDonald's or Dunkin Donuts may be better than Starbucks coffee in some aspects. While Starbucks has one of the finest coffees in the world, the company must continue evolving to improve its products, to keep ahead of the competition.
 3. Nonetheless, Starbucks Coffee addresses the **uncompromising principles** component of its vision statement. These principles include ethical conduct and a warm culture. Starbucks maintains these principles, especially after Howard Schultz resumed his role as CEO in 2008.
 4. Starbucks satisfies the **growth** component, as manifested in the continuing global expansion of the business through new cafés. They have more than 22,500 locations around the world.
- They should perhaps change their Vision Statement to reflect the growing array of products now offered, such as Starbucks merchandise sold at grocery stores.



Starbucks Purpose Statement

To inspire and nurture the human spirit — one person, one cup and one neighbourhood at a time.

This reflects what Starbucks does to keep its business running with the following key components relevant to their business:

- 1. Inspire and nurture the human spirit***
- 2. One person, one cup and one neighbour at a time***



Let's break it down

- Starbucks Coffee ***inspires and nurtures the human spirit*** starting with its employees. The company maintains a small company culture, where rapport and warmth are important. This component of Starbucks Coffee's Purpose also relates to customers' experience. The company extends this warm and small company culture to its customers. The design of Starbucks cafés feel warm and cosy and first names are used for employees and customers alike. These approaches inspire and nurture meaningful and warm relationships.
- Starbucks Coffee's Purpose also indicates a personal and gradual approach. The ***one person, one cup and one neighbour at a time*** component shows that the firm ensures meaningful impact on every employee and customer. This part of the statement also means that Starbucks Coffee plans to continually and gradually grow the business, one place or neighbourhood at a time.

Starbucks Coffee addresses its purpose well because it manages to keep its warm and small company culture and ambiance. They now have a loyal following, which represents the firm's effectiveness in the *'inspire and nurture the human spirit'* aspect.

However, this Purpose Statement is quite simplistic and doesn't present approaches that Starbucks Coffee uses in its business. It could provide more information about approaches, strategies or plans on how the company *inspires and nurtures the human spirit*.

Although successful, Starbucks has had changing fortunes at times and is a company that has divided people's opinions over time.

In recent years, it has attracted a more diverse customer base, changing from an affordable luxury 'third place' option to a 'first place', as reflected in its decision to expand its ever broadening menu. This strategy worked and resulted in higher operating margins, revenue and earnings growth. But, the risk is that it could undermine the 'coolness' of the brand and alienate its core customer base.

Perception is everything. Would Starbucks want to go from affordable luxury to being pitted against and compared by consumers in the same light as McDonalds for example?



Tesla

Tesla Motors was founded in 2003 by a group of engineers in Silicon Valley who wanted to prove that electric cars could be better than petrol-powered cars. Key technologies were developed that allowed electric cars to be more powerful with zero emissions.

Tesla's strategy has been to emulate typical technological-product life cycles and entered the market with an expensive, high-end product targeted at affluent buyers. As the company, its products and consumer acceptance matured, it is moving into larger, more competitive markets at lower price points.



Tesla's Vision Statement

To create the most compelling car company of the 21st century by driving the world's transition to electric vehicles.

This vision emphasises the company's focus on renewable energy. The following components are significant in Tesla's vision statement:

1. Most compelling 2. Car company 3. 21st Century 4. The world's transition to electric vehicles

Let's break it down

1. Tesla aims to be the **most compelling** in the industry where leadership and excellence in business are key. They approach this aim by integrating advanced technology in its electric cars and related products. They want their electric products not just to work but to wow the high end consumer. Their market was not solely environmentalists or tech enthusiasts, but those who wanted a cool high end product.
2. The **car company** component, on the other hand focuses effort on designing and manufacturing cars. This may have seemed a monumental effort but the automotive ecosystem had quietly made itself inviting to startups with most of the manufacturing being outsourced. With a segmented network of suppliers Tesla was able to design and buy the parts it needed.
3. The company's leadership in electric vehicle design and production satisfies the **21st century** component. It implies the firm's use of advanced technology to address current concerns, such as environmental conservation. They also recognise the opportunities in increasing automation in business, popularity of online mobile systems and the high rate of technological change. The latter could also be a threat in terms of potential rapid obsolescence of technologies used in its products.

However the technological advances in the remote or macro-environment could alleviate this threat.

4. The fourth component **the world's transition to electric vehicles** points to the company's global goals. Tesla continues to expand its operations, with plans for new factories in developing regions in Asia. So their Vision Statement clearly shows their aim to be the dominant player in the global electric vehicle market.

As part of a new and growing industry, Tesla has specific factors that affect whether it can achieve its Vision, such as:

Political – opportunities for government incentives or expanding free trade agreements, or threat of political instability in major markets.

Economic – opportunities in decreasing battery and renewable energy costs to make products more affordable.

Technological – opportunities/threats in the high rate of technological change.

Ecological/Environmental – opportunities around climate change, expanding environmental programs and rising waste disposal programs.

Legal – opportunities to expand international patent protection and energy consumption regulation.

Opportunities/threat in dealership or direct sales regulations.



Tesla's Purpose Statement

To accelerate the world's transition to sustainable energy.

Tesla slightly changed the last part of their Purpose from "sustainable transport" to "sustainable energy" in 2016, to address the significant shift in their business to address market opportunities in renewable energy. The Purpose has the following components:

1. Accelerate 2. The World's transition 3. Sustainable energy



Let's break it down

1. The **acceleration** component establishes Tesla's role in pushing the automotive industry toward advanced technologies for sustainable business and products that rely on renewable energy.
2. **The world's transition** indicates Tesla's expectation of successful dominance in the global market for electric automobiles and related products. This component directly relates with the vision statement's emphasis on the global market.
3. The change from "sustainable transport" to **sustainable energy** shows that Tesla's Purpose evolves to match the current strategic objectives of the business. For example, the company used to focus on producing electric automobiles only. However, the growing demand for renewable energy is now reflected on Tesla's improved business scope, to cover products like batteries and other potentially profitable renewable energy solutions in the future.

The Purpose is not normally changed but as Tesla has shifted its focus, a slight change (not a total revamp) was required. It explains clearly what they are wanting to achieve, but it could possibly include information about the general direction of Tesla's organisational development.

Tesla's vision statement effectively describes business aims. However, while the Purpose has already changed to consider "sustainable energy," the vision statement still focuses on "electric vehicles." An adjustment of words to reflect their increasing interest in products other than electric vehicles.

The brand is strong despite limited marketing. They pour money into refining products, building things that matter to people alongside telling a story that resonates.

One of the founders Elon Musk does many interviews, they have pop up shops (some now permanent), product launches and an avid Tesla community forum of passionate fans discussing how to market Tesla better.

Here's just one example of great PR when Tesla decided to give away patents for free.



Think, Act & Grow like a Brand