

CHAPTER 8

Visionary strategy

Be the first and execute
with great persistence



INTRODUCTION

Are you in an industry that could be disrupted by a single company? It seems impossible, but under certain conditions it becomes reality. Famous examples are of course Microsoft, Apple, and, in the early years, IKEA. How do you deal as an established company with market conditions that leave room for these kind of disruptions?

Our eighth article highlights the visionary strategy approach and accompanying company culture and leadership style. We will describe the connections between the three key elements that bring success or failure to companies. Businesses with a certain degree of predictability and companies with the power to shape its environment, are attractive for a visionary approach. What does this mean for your strategizing process, your culture and your leadership style if you see yourself in that position, or worse, if you anticipate that your market could be disrupted by those companies?

Be the first and execute with great persistence

When we talk about visionary companies, we often think of start-ups, while large and more established companies are seen as the potential victims. How can they pre-empt those disruptors and survive, or better: how can they stay ahead of the game? Incumbent companies should prepare and familiarize themselves with the way smaller and more agile competitors think and act.

The basic idea behind a visionary approach is to be the first. It is all about the 'great idea', the conception of an opportunity that has not been done before. Secondly, the company must define a fixed goal, how to get there is flexible. Along the way, decisions are taken to help move the company as fast as possible. To achieve the fixed goal successfully, execution must be pursued

with great persistence. There is more needed than only a great vision, relentless execution of the strategy is decisive for success.

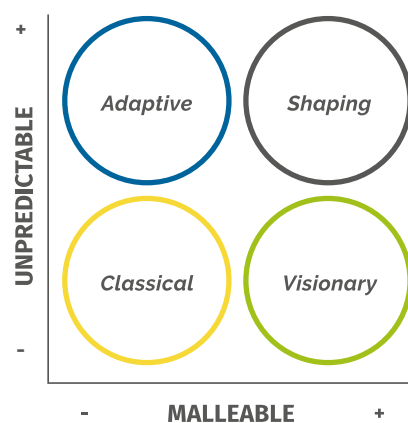


Illustration 1: 4 types of strategy approach

Important signals to identify if you are in a visionary business environment can be derived from developing megatrends, breakthrough technologies and the recognition of unmet needs from dissatisfied customers. The industry should have great potential for growth and current incumbents are following the beaten paths.

Large companies could be the most likely the ones to lose their positions. They have built up a certain

status quo, may suffer from inertia and deep-rooted routines which limit their ability to recognize changes and counter them in time. On the other hand, established organizations also have advantages and could capitalize on a really differentiating visionary opportunity, because they have the size and resources to defend themselves successfully. Alternatively, established companies can also choose to be the disruptors themselves by shaping their business environment.

Nurturing continuous innovation

To be successful while maintaining a visionary strategy, is only possible when a company and its leadership nurtures continuous innovation. This strategy combines seemingly opposite qualities: a strict focus on the goal, without becoming rigid; a flexible organisation combined with top-down direction setting, but with a strict implementation. Mobilizing resources all around the end goal to be achieved. Leadership is asked to act as the visionary leader and must also be able to shift in time to a more classical approach because the required stringent execution. Sectors that have to find the answers to this kind can be found in e.g. retail, mobile and software.

Organization culture accompanying the Visionary strategy

The culture that supports a visionary strategy, is a culture that focuses mainly on the development of a new market or the disruption of an existing one. Such cultures spend a lot of energy on putting the vision into practice and to accelerate sparks of passion and creativity from the staff. The vision works like a Pole Star. The staff is seen as the biggest asset of the organization, in which people are invited to take individual

initiatives that support realization of the vision. The overall moto is 'us against the rest of the world', which connects staff and make them work they as family like tight community.

The culture needs to create a relentless focus on the realization of the vision. To achieve this, the focus is on the main values: teamwork, communication and consensus.

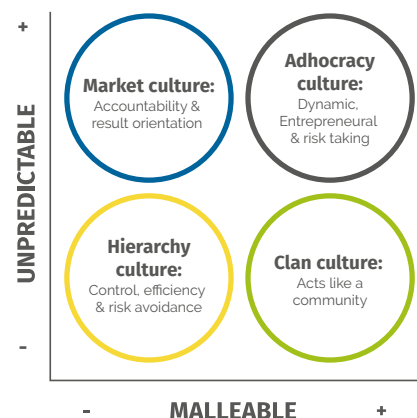


Illustration 2: 4 types of organizational culture

Leadership in case of a Visionary strategy and a Clan culture

The most important part of Leadership connected to a Visionary approach, is the orientation of the leader to people and process. The leader's main task is to manage conflicts in the organization and seek consensus. The influence of a leader comes from getting people involved in decision making and problem solving. Participation and openness are actively pursued. The leader is empathic, cares for the needs of individuals and is aware of others. His or her influence is based on mutual respect and trust.

In illustration 4 we have identified the importance of each of the 4 roles a Visionary leader in an organization has. Each of the roles is scored from 1 (not important) to 5 (very important).

Lead by example: to keep the community together, the leader quite often has almost mythical, in which he will receive respect for his/her vision and earns trust by the staff by giving the behavioural example.

Create a vision: the aimed direction of the company is summarized in the vision of the concerned organisation. Communication about the vision is the primary role for the leader.

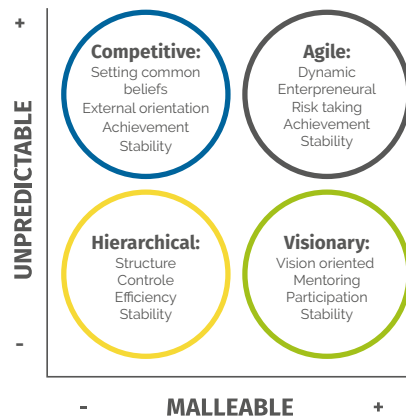


Illustration 3: 4 types of leadership

Execute strategy: the visionary leader is more concerned with the creation of a strong team spirit based on trust, openness and participation and less with the involvement of the execution of the strategy.

Unleash potential: by positioning the vision as a kind of Pole star, individuals and teams are very much invited to take initiative and in that way, use their full potential. Visionary strategy basically creates a system that unleashes the potential by each of the participants.

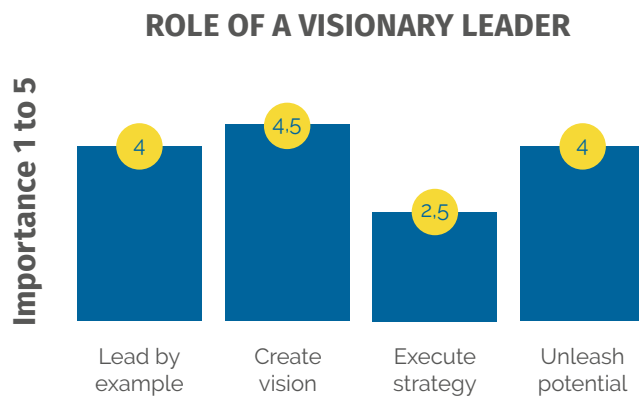


Illustration 4: Role of a Visionary Leader

Moving to another strategical approach

As the vision matures and the organization is losing its exclusive position in a market, they will be forced to move to another approach. The organization could become more externally oriented and develop an adaptive strategy, or become more systematic with a classical approach. Quite often the decision to change is taken (too) late, because of the strong inside orientation.

When the decision has been made to change their strategic approach, the next step is to change the culture and leadership accordingly. This change will entail a change of behaviour of the staff that so far has worked in an environment in which trust, self-initiative and consensus were key values. From our observations, the change will take a lot of time and energy from the leadership and, quite often leads to replacement of many of the current leaders.

Interested in a further conversation?

Successful visionary strategies are applied in certain environments. Do you know which environment you are? If so, are your actions consistent with that approach?

- 'Is your business environment viable to be disrupted by visionary approaches? Are you prepared well enough to read the signs of change?'
- 'Do you need a re-assessment of your current leadership style to give better insights what you need to lead the organisation into the right direction:', and
- 'Is your current leadership team sufficiently equipped to answer up to the new requirements?'
- 'How do you evolve your culture towards a clan culture and a visionary leadership style?'

Strategia Business Consulting and The Amsterdam Leadership Academy have a strong background in supporting companies where these type of questions arise. Interested to share ideas and receive our feedback? We will be happy to join you to have a good discussion about your Strategy & Leadership challenges.

“Putting a vision into practice”

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