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The Vision Thing

Without a vision, any effort to professionalise a company will prove futile. Here's part two of management consultant Amit Garg's six-part series on professionalising businesses.

From Part I: Professionalisation has become an imperative for most businesses. Many companies flounder during the process. They wrongly think that simply hiring a few professionals from large companies will do the job. What's actually needed is thorough planning.

THIS VISION THING is over-rated," a very successful businessman recently said to me. "Nobody starts a business with a vision statement. We start with an opportunity and then build around it," he continued. "Vision is just a fancy management term, which has little to do with the reality of a business."

Entrepreneurs may not acknowledge it, but they owe much of their success to an inner desire to achieve "something". That "something" may take many forms, and it may not be a publicly expressed ambition. It's there within them as some overarching target. It may be a material target; or a target linked to market position, brand image, research capability or even social standing. This target is typically ambitious and may even be the reason why the entrepreneur has moved off the beaten path.

Not just that. This target acts as a guiding light during the initial years of struggle that entrepreneurs usually go through. Think of JRD Tata building Tisco or, more recently, Capt Gopinath setting up Air Deccan. They worked against the odds.

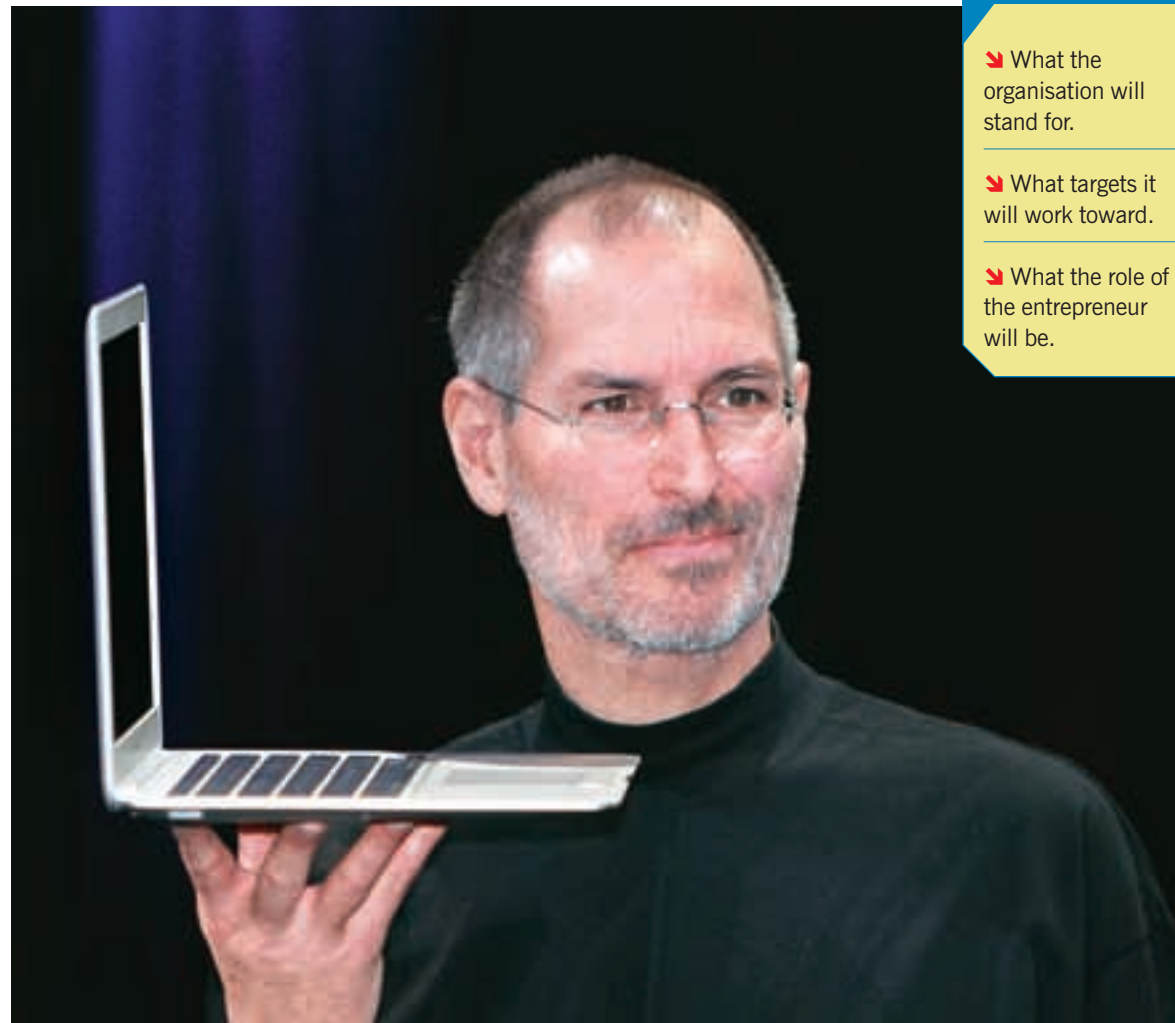
Throwing It Away

A company, after years of hard work and some luck, eventually breaks away from the pack and creates a distinctive position for itself. The owners continue to reinvest during this phase, for they are still short of their goal. Naturally, a company prospers during this period and there is an excited energy around it.

But success can be its worst enemy. The achievement of goals—especially materialistic ones—can make an entrepreneur feel as if he has "arrived". He then takes his eye off the business. Reinvestment slows down as the owner finally enjoys the fruits of his labour. With strong cash flows and seemingly endless customer demand, it's easy to forget one's weaknesses and undermine the competition's strengths. But few businesses are afforded the luxury of standing still. Some entrepreneurs learn this the hard way.

But there are others who understand this dynamic well. They ensure the company is reinvesting and building its capabilities by professionalising the team. Only, it is sometimes unclear what they are hiring for. Is it to "execute" instructions or to "manage" the business or to "lead" it into a dominant position? We find huge ambiguity on this subject. Many entrepreneurs hire managers to provide leadership but end up instructing them—hardly the stuff that makes a professional organisation. Indian business history is replete with stories of business groups that failed to professionalise themselves.

This is the reality: few entrepreneurs truly re-establish their company's vision. Even fewer make a serious commitment towards such a vision. Hence, there is nothing to direct and align the change process. The professionalisation process becomes a series of disjointed initiatives. For instance, we often hear business owners complain about the lack of



Start-ups are able to leverage the excitement over their vision to attract fantastic talent.

HR capability in their organisation. But they are unclear about what they really need.

HR has many functions—recruitment, training, compensation, employee engagement, performance management and leadership development, among other things. Specialists exist for each of these areas. If a person is fuzzy about the kind of organisation he wants to create, it is likely that he is also unclear about the role of HR in that set-up.

As a result, the company may hire a completely wrong person for the role. For example, hiring a recruitment specialist for driving cultural change is clearly a sub-optimal choice. We also see many instances of entrepreneurs hiring "amenable" managers, who essentially act as a mouthpiece for the leadership and rarely push them for tough choices.

A COMPANY'S RE-STATED VISION MUST ADDRESS...

What the organisation will stand for.

What targets it will work toward.

What the role of the entrepreneur will be.

That retards the organisation's growth.

There is a better way, though. I know an entrepreneur who uses a vision test while hiring people. Before selecting a candidate, he always asks himself, "Does this person help us get towards our company's vision?" The answer to that question is quite instructive. No wonder he has built an outstanding team of professionals around himself.

A stated vision is also important for attracting the right employees. We find many established businesses upset about the lack of quality candidates in the market. Yet, many start-ups attract fantastic talent to their fledgling organisations. These start-ups aren't necessarily offering better money. It's the vision and the opportunity to build something that attracts people to the company.

Larger and older companies can also replicate this excitement. Once Tata Motors stated its ambition to build the Nano, it positioned itself as *the* place to be for bright engineers. NGOs and political parties are good at this, as they have to attract capable and self-motivated persons despite low salary levels. But for the vision to work, it must be ambitious, well articulated, extensively communicated and ingrained in the organisation's actions. It should not be restricted to the mind of the owner. It should be a written document that everyone in the organisation can understand and identify with.

Ask Yourself

There's also a personal question that an entrepreneur must address while setting the company's vision. And that is: what will be his role? If he is going to be in charge of daily operations, he may look for people who add complementary capabilities.

The founding team of Infosys had strong delivery skills but recognised the need for a strong sales and marketing capability. It built accordingly. An innovative leader like Steve Jobs would want to create a strong execution team around himself.

Alternatively, if the founder expects to move away from day-to-day operations, he has to hire and groom people capable of making him redundant. Some business groups are very good at this. They recognise that the promoter cannot be meaningfully involved in day-to-day operations and build the teams at the business units accordingly.

To deprive a company of a vision at the time when you are about to change its management culture, at a time when the organisation is vulnerable, can be a recipe for disaster. As the Cheshire Cat famously said to Alice, "If you don't know where you are going, any road will get you there." ■

Next issue: Improving recruitment and assimilation processes for success.

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