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The Role of Strategic Vision Process in Business Development in Nigeria

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THE ROLE OF STRATEGIC VISION PROCESS IN BUSINESS DEVELOPMENT IN NIGERIA

Strictly as per the compliance and regulations of:



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I. INTRODUCTION

No business in the real world operates according to the clear-cut, on-off, black or white principle of the binary system. In recent years, it has been increasingly obvious that there is need to make a fundamental change in the way businesses are run. Low productivity, loss of customers, declining profits, recessionary pressures combined, have put a lot of strain on every business operation. Few executives would dispute that something of substance needs to be done in order to revive their declining enterprises. Today, more than ever, they are prepared to listen to new ideas. Business executives are no exception. The more severe the pressure and the more urgently a broader view is needed, the dangerously their mental vision seems to narrow down. This especially likely to be true of a business executive who is obsessed with the idea of winning and sees everything in terms of success or failure. Such an executive may be almost unable to perceive that there is any room for intelligent choice among various course of action. Yet if that executive would try changing the objective from success at all costs to avoiding the worst, he would be sure to find a great many possible choices opening up because some managers failed today as they lost sight of the range of alternatives that were still open and rushed with ever narrowing mental vision to their own destruction.

Strategic thinking in business must break out of the limited scope of vision that entraps failed organizations. It must be backed by the daily use of imagination and constant training in logical thought processes. Top management and its corporate planners cannot sensibly base their day-to-day work on blind optimism and apply strategic thinking only when confronted by unexpected obstacles.

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Managers should develop the habit of thinking strategically, and they must approach it with real enthusiasm as a stimulating mental exercise. Managers who think strategically are able to envision their organizations in the context of world trends and events and to spot interdependencies, they focus on how organizations should act and react to emerging opportunities and obstacles. It may sound elementary to ask the question of why make changes to the structure of an enterprise. The answer may be that we can see the future.

The aim of this paper is to critically examine strategic process in the light of present realities with a view to improve corporate performance. The objectives of this paper are as follows:

i.To gain insights into the concept of strategic vision. ii. To ascertain the characteristics and five criteria for judging the organization's investigation of its vision. iii. To examine the reasons for developing a strategic vision for the future. iv. To describe strategic vision process and its values. To explain the approaches to communicating strategic vision and its associated factors for effective communication of strategic vision.

This paper is significant in that knowledge about vision will give organization a sense of purpose and a set of values that, together, unite workers in a common destiny. More so, managing an organization without first establishing a vision can be counterproductive. This paper about strategic vision will also provide focus and direction to the enterprise.

The following questions were raised to guide this paper: what is meant by vision, strategic vision? What are the characteristics and values of strategic vision? What are the steps in strategic vision for the future? What are the five criteria for judging the organization's investigation of its vision?

In writing this paper, descriptive method was utilized .

II. NATURE OF VISION, STRATEGY AND STRATEGIC VISION

A vision is a difficult thing to describe and no wonder most executives find it difficult to formulate a clear vision for their organizations. Many enterprises therefore, creating a mission statement which, though a step in the right direction, fails to provide a truly compelling vision (Osoka 1997). A vision is simply a shared mental framework that gives form to the future of

an organization. It must be challenging and create a sense purpose of a more tangible perception of a promise to brighter future.

Leaders are expected to create a vision for the firm. A vision is more than a goal. It's the larger explanation of why the organization exists and where it's trying to head. A vision is simply a picture of what the company would like to become. A vision is a mental picture of a now and better world that the manager wishes to create. A vision is a mental image, in that it is something that the manager carries around in the head to bring about the desired changes in the society. Vision specifies a destination and not a route.

The vision of the organization refers to the broad category of long term intentions that the organization wishes to pursue. It is broad, all inclusive, and futuristic.

Vision is a general statement of intended direction that evokes emotional feelings in venture member. Vision is clear perception especially of future developments.

According to Cruppa, Crollakota and Srinivasan (2007) strategic direction involves developing a long term vision of the firm's strategic intent. The long term vision comprises of two parts- a heritage statement, and a vision statement. A heritage statement provides the ideological foundation to the firm's uniqueness, while a vision statement seeks to stretch this uniqueness and delight the stakeholders by committing to an entirely new value-adding scenario.

As the word 'vision' suggests, it is an image of how the organization sees itself. It is in most cases a dream, the aspirations the organization holds for its future, a mental image of the future state. It might therefore be difficult for the organization to actually achieve its vision even in the long term, but it provides the direction for the organization to actually achieve its vision even in the long -term, but it provides the direction and energy to work towards it.

When people talk about shared vision in organizations, it is expected that members of the organization share a common mental image of the future, which integrates their efforts towards the future state. The vision statement clearly and crisply illuminates the direction in which the organization is headed. It should be highly motivating, inspiring and challenging. Good vision statement act like slogans that drive people towards a dream.

Good vision statements specify the category of intentions that are:

- Broad, all inclusive, forward looking.
- Aspirations for the future – ends rather than the means.
- Mental image of the future state.
- A dream that is shared across the entire organization.
- An ideal vision statement should be:

- Inspiring, motivating and challenging.
- A slogan – it could be encapsulated in an actionable slogan.
- Easily communicated and shared among the whole organization and its stakeholders.

Strategy can be described as an organization's sense of purpose. Ansoff and Drucker clearly refer to this aspect of strategy: mapping out the future directions that need to be against the resources possessed by the organization. Purpose alone, however, is not strategy. Plans or actions need to be developed to put the purpose into practice.

Chandler states that strategy is the determination of the basic long term goals and objectives in an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. General electric defined strategy as a statement of how resources are going to be used to take advantage of which opportunities to maximize and threats to minimize in order to produce desired result.

According to Wheelaersand Hunger (2008), strategic vision is description of what the company is capable of becoming. It often communicated in the company's mission and vision statements. A mission statement describes what the organization would like to become. People in an organization want to have a sense of mission, but only top management is in the position to specify and communicate this strategic vision to the general workforce. Successful CEOs are noted for having a clear strategic vision, a strong passion for their company and An ability to communicate with others. They are often perceived to be dynamic and charismatic leaders which is essentially important for the high firm performance and investor confidence in uncertain environment (Waldman, Ramirez, House and Puranam, 2004). They have many of the characteristics of transformational leaders, that is, leaders who provide and improvement in an organization by providing a vision for that change (Bass 1990). This transformational leaders are able to command respect and to influence strategy formation and implementation because they tend to have three key characteristics.

- The CEO articulates a strategic vision for the corporation as it envisions the company not as it is currently is but as it can become
- The CEO presents a role for others to identify with and to follow by setting an example in terms of behavior, dress and actions. The CEO's attitudes and values concerning the corporation's purpose and activities are clear cut and are constantly communicated in words and deeds.
- The CEO communicates high performance standards and also shows confidence in the followers' abilities to meet these standards. No

leader ever improve performance by setting easily attainable goals that provided no challenge. Communicating high expectation to others can often lead to high performance.

III. DEVELOPING A STRATEGIC VISION FOR THE FUTURE

When developing the strategic options of an organization, it is important to develop a vision of the future within which it will operate – that is, an awareness of why, where and how the organization and its competitors will be competing in the future. There are five reasons for this:

1. Most organizations will compete for business and resources. They will have ambitions that go well beyond the immediate future and it is important for options to reflect this vision. Even not-for-profit organizations or those in the public sector usually need to compete for charitable or government funds and often wish to increase the range of services that they offer; such organizations will also benefit from a picture of where they expect to be in the future.
2. The organization's mission and objectives may be stimulated in a positive way for the strategic options that are available from a new vision.
3. There may be major strategic opportunities from exploring new areas that go beyond the existing market boundaries and organization resources (Hamel and Prahalad 1994).
4. Simple market and resource projections for the next few years will miss the opportunities opened up by a whole new range of possibilities, such as new

information technologies, biogenetics, environmental issues. New materials and lifestyle changes. Virtually every organization will feel the impact of these significant developments. Extrapolating the current picture is unlikely to be sufficient (Hamel and Prahalad 1994).

5. Vision provides challenge for both senior and junior managers without the rigidities of an agreed mission and objectives.

Vision is therefore the backdrop for the development of the purpose and strategy of the organization. It is not the same as mission and objectives, vision is the future picture; mission and objectives describe the role and tasks that the organization chooses to adopt, based on the current situation. However, it may be that the vision will lead to the mission and objectives; for example the UBA vision led to the acquisition of Trade Bank.

However, vision will not always lead to mission, for example a small company competing against a new hypermarket sees its vision as being increased competition from a newly opened hypermarket. It might then change its mission and objectives to that of moving from that geographical area, rather than being driven out by the larger store in two years time. Hamel and Prahalad have suggested five criteria for judging the relevance and appropriateness of a vision statement. These are shown in Table 1 they are important because it would be all too easy to develop some wild and worthy that bore no relationship to the organization, its resources and the likely market and competitive developments.

Table 1 : Five criteria for judging the organization's investigation of its vision.

Criterion	Indicative areas to be investigated
Foresight	What imagination and real vision is shown? Over what time frame?
Breadth	How broad is the vision of the changes likely to take place in the industry? And of the forces that will lead to the changes?
Uniqueness	Is there an element of uniqueness about the future? Will it cause our competitors to be surprised?
Consensus	Is there some consensus within the organization about the future? If not, there may be a problem if too many different visions are pursued at once.
Actionability	Have the implications for current activity been considered? Is basic agreement on the immediate steps required? Have the necessary core competencies and future market opportunities been identified?

Source : Hamel, A. and Prahalad, C.K. (1994) competing for the future. Harvard Business School Press, Boston, Mass p.122.

The important action parts that arise out of the vision investigation are connected with two issues:

- Core competencies: do we have the technology and skills to meet the vision?

- Market opportunities: what will this mean for market development? How can we take the opportunities as they arise?

It is also necessary to consider how the vision of the organization is to be developed. It is likely that this will be guided by the Chief Executive Officer. To quote Bennis and Nanus (1985) in their well known text on leadership:

"To choose a direction, a leader must first have developed a mental image of a possible and desirable future state of the organization ... The critical point is that a vision articulates a view of a realistic, credible, attractive future for the organization, a condition that is better in some important ways than what now exists".

IV. STRATEGIC VISION PROCESS

Vision does not simply descend from above. The creation of vision comes from a considerable amount of exploring; analyzing, and rooting around in the territory of the problem. First-hand data, from spending time with the people involved, is almost always needed, along with the more quantitative, impersonal data acquired by analysis.

Strategic vision process can be divided into six steps namely:

1. Identifying the opportunity; or problem formulation.
2. Creating the solution.
3. Planning the business.
4. Selecting the management team.
5. Implementation.
6. Evaluation and Monitoring.

The first three steps in the strategic vision process are largely mental, involving realization, creativity and reasoning. This is a period of intense concentration which is frustration to spouses and subordinates. The second three steps are more action-oriented; seeking partners and employees, producing, communicating, persuading and negotiating.

V. VALUES OF STRATEGIC VISION

A vision is beneficial to the organization in the following areas:

1. It provides a consistent and constant sense of direction to the organization by being the 'light at the end of the tunnel'.
2. It inspires the management to move towards a defined course. In doing so, it must seek to render conventional wisdom regarding possibilities and limitations. It must also cast off failures, frustrations and even cynicism that may have characterized previous managerial building efforts.
3. It helps the organization to define, set and clarify his or her goals.
4. It provides the management with a sense of warmth and encouragement when the going gets tough.
5. It gives the organization a moral content and helps define social responsibilities.
6. It guides the generation and development of strategies for the organization.
7. It plays a crucial role in supporting the Chief Executive's leadership and communication strategy in order to influence and persuade others to perform and

to elicit action on the part of the receiver of the message communicated.

8. It can be used to attract people to the venture and motivate them to support it; and
9. It can be used to communicate what the Chief Executive wishes to achieve to other people;
10. It should be a driving force to always pull management forward;
11. It should shape and change the Chief Executive's understanding of the personal motivations and motivation of others;
12. The strategic vision must create a new consensus and unite people behind common organizational aspirations or widely shared endeavours. Successful Chief Executive must rally followers or subordinates behind generally agreed ways of doing things and direction; and
13. A strategic vision should guide the voyage of a business. The strategic vision will serve as the compass to guide the Top management and the stakeholders in devising plans and strategies as well as actions required to get a desired future position.

VI. APPROACHES TO COMMUNICATING STRATEGIC VISION

Some important approaches to communicating vision are as follows:

a) Chief Executive's Dream

Here, the Chief Executive presents the vision as a coherent whole in order to create a unified picture. The Chief Executive's dream approach is an explicit explanation about their vision by describing the better world just as they see it with the notion that other people should find it attractive, shares his opinion and be drawn towards it.

b) Relating Specific Goals

The Chief Executive here breaks down their vision into series of specific goals by relating the economic outcomes, values to be gained, relationships to be created. Talking about the specific goals by the Chief Executive depends on his/her intention, situation, message (vision), time and the hearers' disposition.

c) Talking strategy

Here the Chief Executive relates about means. Strategy denotes a general program of action and development of emphasis and resources to attain comprehensive objectives. Strategy relates to the approach that the business venture will take to achieve goals and tasks that must be undertaken in order to create new world. The new world to be created by the Chief Executive will bring about the much needed and desired change in the society with a view to attract others to the journey as well as the destination.

d) Story-telling

In this approach Chief Executives think of their vision as a 'stage' on which the vision is on course as

the stakeholders played their parts as actors on stage. Chief Executives aim to motivate people by carrying them along to their roles in the future event within the story as he/she communicates their vision in a dynamic form of story-telling.

e) Benefits

The Chief Executive breaks down, package and communicates the vision to the target audience so as to be able to focus on the benefits that they will gain. The Chief Executive tailors the strategic vision in such a way that the commitment of his/her listeners is ensured. This approach should not be misused by the Top Management so as not to turn recipient to 'mercenary', self centered set of people purely motivated by personal gain or allowed the people to nurse the feelings that their commitment or loyalty is being bought.

f) Stating why things can be better

Here the top management state what things are done wrongly rather than what will be better in the New World. The aim is to push or arouse people curiosity in things they are dissatisfied with rather than pulling them forward by motivating or attracting them to new possibilities that will make life better. Too much emphasis on this approach will be detrimental to people as it demotivates and only encourages negative reasoning with no solution in sight. It should be noted therefore, that, the above discussed approaches are not mutually exclusive but they can be combined together to make up a meaningful overall communication strategy for the entrepreneur's vision.

g) Factors Accountable For Effective Communication of Strategic Vision

The particular strategy adopted by top management to communicate his/her vision depends on a number of factors. They are:

- The nature and detail of the vision being shared;
- The leadership style of the top management (authoritarian, democratic, participative, consultative, laissez faire (free rein) etc.
- The number and the personalities of the stakeholders.
- Desired commitment.
- The stakeholders' particular needs and motivations (economic, social, self-development).
- Type of communication (formal or informal, one to one, one to many, etc) and.
- Medium of communication transmission (face-to-face, verbal, written etc).
- The ability of the top management to build his or her leadership and power depends on articulate vision situation and effective communication to different stakeholders.

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