

Successes & Strategies

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A Vision Statement :

Why All Businesses Should Have One

As you can see from my title, my main focus at Rodman & Rodman is assisting our clients strategically in increasing their profitability and business value. That has to involve a discussion of the company's vision. In almost all of the cases, I find that the business *does not have a vision*. As a result it becomes the first step we need to take. How can you talk about specific strategies if you haven't decided what goals they are intended to meet?

What exactly is a vision statement?

One thing it isn't is a *mission statement*. That is an entirely different animal. A mission statement is a document that tells the outside world what is important to you, largely in respect to the customer. In many ways it is a public relations statement. It is important, don't get me wrong, but it doesn't drive decision making. A vision statement should. A vision statement is not an external document though it specifically involves and discusses the external forces of the business. A vision statement should not only be known to your team, it should be *lived* by them.

Here is my definition:

A vision statement is a written document that expresses in all material respects, the ideal position of the business in approximately 3 – 5 years.

What is included in a vision statement?

My personal belief is that a well written vision statement need not exceed one page typewritten. In one page, a business should be able to give enough clarity as to what the future will look like that it can be ascertained easily that any given strategy either gets you there or it doesn't. It shines a bright light on the future and thus helps in providing a much clearer path and a much more efficient plan to get there. Specifically, here are some of the questions your vision statement might answer (using a three year scenario):

- What will your sales be in 3 years?
- What is the breakdown of those sales by major segment type (customer, product e.g.)? What new products or services will be in place in 3 years?

- What will the management structure look like?
- How will your customers view you in 3 years?
- What will the culture of your business be?
- For small ownership groups or sole proprietors, what will be your major functions in the business on a daily basis and as a manager decision-maker?
- How will you be marketing to your target market in 3 years?
- What technology do you suspect you will have in place in 3 years?
- Why will customers be buying from you and not your competition in 3 years?
- What will be your physical plant look like (new offices, equipment, etc)?
- How will you be recruiting and retaining your workforce?

The list isn't all inclusive nor should it have to answer all of these questions. You get the idea though.

Why a vision statement?

As stated at the beginning of the newsletter, a business runs best when it has a destination. If you know what the ideal looks like, you can much more easily come up with the plans (strategies) to get there. For example, if the vision statement says you will be the top company in terms of customer service in your industry, you had better have plans to get there. Specific plans. What are you going to do and who is going to do it. A very important part will be how you measure progress toward that vision. That way you can make the necessary changes when the plan isn't working well enough to get you where you decided the business needed to be.

If I can help....

Let me know. I find that providing an outside influence helps. I can mediate the process with your key team members, who should all have a voice in developing your vision. Your team will be critically important in implementing the necessary strategies; therefore they should be critical in the process of deciding what the vision is. Summing up, your vision statement is part of the first step toward business success. Please don't bypass it.