

Visions of Sustainability

What You Can Do to Make Your Organization's Sustainability Vision Unique

by Richard MacLean

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Several years ago at an environmental conference for a major corporation, I presented a slide of vision statements for five corporations, including their own. Only around 20% of the participants could correctly identify their own company's environmental vision, about equal to what one would expect from random guessing. More recently at a meeting with top business executives, not a single one could match their competitors' names with the respective sustainability vision statements. What is going on here?

Defining the Vision Statement

In the hierarchy of statements that define what a company is all about, vision ranks just below mission (why it exists) and values (how the organization will behave). Strategy, key performance indicators, and implementation plans follow vision. In other words, a well-defined vision statement is very important, and it's no wonder.

A vision statement is a compelling image that helps individuals understand the future direction and achievement of the organization's purpose. It answers the questions "Where are we going?" and "What will it look like when we get there?" A strategic vision depends on an organization's ability to see and feel the desired state. It stimulates action and serves as a rallying point for the

troops and a yardstick for measuring progress. It sets a broad outline for a strategy, leaving the specific details to be worked out. Thus, while many things may change in an emerging, uncertain world, if the vision is sufficiently robust, it will continue to guide the organization.

A powerful vision statement contains three strategic elements:¹

1. Focuses on operations
2. Includes measurable objectives and metrics
3. Forms or changes the basis for competition in the industry

Two of the simplest and perhaps best-known business examples are GE's "We will be #1 or #2 in each of our businesses" and Federal Express's "We will deliver the package by 10:30 the next morning." These are rarities in clarity, precision, and scope. Most corporate vision statements sound sweeping, along the lines of "We will be the world's best (*you fill in the blank*)."

Such visions may be inspiring, but they are of little use to drive real progress in the absence of further definition.

The Sustainability Vision Challenge

While business visions may take on the aspects of inspiring bumper stickers, they are generally backed by supporting statements that amplify what this future state will look like. Typically, the supporting statements specify parameters such as budgets, sales, research and development scope, new product lines, and acquisition and divestment strategies.

Then again, sustainability visions can be backed by not much more than good intentions. There are a raft of reasons why this may be the case: executives may not have a clear understanding of the sustainability dynamics



in play and be blind to what might lie ahead; or the organization(s) responsible for developing the vision may work in near isolation and not be willing to bring forth a truly visionary vision, as it were. Indeed, management may only feel comfortable with a vision that seems to fit right in with the pack; hardly a strategy for gaining competitive advantage.

Another factor is that the language of sustainability has yet to be satisfactorily defined. Visions tend to be a string of politically correct words, each one of which is subject to interpretation and poorly defined measurement. Sustainability is in the eyes of the beholder and there are no universally accepted definitions for terms such as leadership, social responsibility, commitment, cleaner production, prevention, efficiency, reliability, and protection.

“Making people’s lives better today and for generations to come” sounds great, but how much better, by what measurements, and just how many generations in the future? A plant manager cannot justify a budget or hire new employees based on such vagueness.

The aforementioned reasons are obvious to seasoned professionals. What is not as obvious is a dysfunctional business process that may underlie all this fuzzy visioning. Business research has shown that it is extremely difficult for executive leadership teams to take off their functional hats and view the company holistically.² The net result is that sustainability visions tend to be broad and sweeping.

Terms commonly found in vision statements, such as excellence, continuous improvement, and responsible stewardship, are subject to personal interpretation. Unless there are quantifiable targets and definitive supporting statements to back these terms, the vision may feel good, but it provides no meaningful direction. The top functional leadership can live with a grandiose but unsupported fuzzy vision statement, since its lack of preciseness will not threaten their functional area. In the absence of a board or CEO intervention or the eruption of a major external threat, the status quo prevails.

Sighting 20/20 Vision

When top leadership teams cannot decide and opt for vague language, it is necessary to explore the core business objectives. The first steps in building a sustainability vision are to understand the company’s current business goals, its vision for the future, and how your organization helps support and achieve these business objectives, both in the short and long term.

It seems obvious, but this single issue—synchronizing the sustainability and business objectives—is where many

organizational processes wander into unproductive directions. Unless you clearly understand the organization’s business goals and articulate the principles of sustainability in adding value, your function will probably fall short in achieving its potential contribution to the company’s success.

Because these vision statements are so widely touted outside companies as evidence of their organization’s social responsibility, it may be difficult to completely avoid the politically correct rhetoric that infuses most of these statements. But this attentiveness to external image is not necessarily an issue if there are robust supporting statements that clearly define the vision. Supporting statements are the very specific goals and objectives that serve as the business principles for striving toward the vision.

Procter & Gamble has done an excellent job in this regard by fleshing out its product vision statement, “Delight the consumer with sustainable innovations that improve the environmental profile of our products,” with very tangible business goals and objectives. But before we get to these dimensions, note that the company’s lofty vision is actually much more concrete than it may seem at first read.

For example, it is possible to track customer satisfaction through surveys and innovation can be measured by the number of new products. The environmental profile also can be measured and tracked. While the absolutes may be relative in the preceding measurements, the trends can be quite definitive. This product vision is backed by a US\$20 billion sales goal of “sustainable innovation products.” These are defined as “products with a significantly reduced (>10%) environmental footprint versus previous or alternative products.”³

The consumer products sector is a fertile ground for sustainability innovation and some readers of this column may claim that their business does not lend itself to such a definitive visioning process. But almost all businesses depend on one or more key factors, such as energy use, raw material consumption, recycling and reuse, customer satisfaction, and brand recognition. All of these areas have enormous potential.

The challenge is to formulate a sustainability strategy that will identify these opportunities that support the organization’s overall business goals. It may even be possible to stake out a niche area with potential for sector leadership. This is how you can develop a truly unique vision statement. How you do this step by step is beyond the scope of this month’s column, but I will be covering various aspects of this process in upcoming columns. **em**

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References

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3. P&G 2008 Sustainability Report, p. 5; www.pg.com/innovatingsustainability/index.shtml.

