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Leading Smarter

Measure Your Progress Toward Your Vision

By Riaz Khadem

Leaders who are serious about driving their organizations to realize its vision need to take the visioning process further. It is not enough to produce a carefully crafted vision statement, even if the result is elegant and the process has been participative. They must go a step further and translate vision into measurable indicators of progress.

Vision Indicators

Every organization has a vision of where it is going and what it wants to have achieved several years out. The formulation of vision, the communication of vision, and continuous reference to vision as the frame of reference for building the future have become the norm in many organizations. Leaders invest considerable time to ensure that the vision is shared, that it is well communicated and understood. Yet despite all the attention given to vision, in reality, it is often ignored. The reason is that vision statements often lack specificity. A typical statement, "we will be the best place to work," is not clear enough to generate a set of integrated lines of action. It means different things to different people.

Let's take a closer look at this statement. What does it really mean? How do you know that all your efforts to further this goal have produced an organization that is the best place to work? Well, you don't, unless you have a way of measuring your progress. How can you measure your progress? Here is an example. Suppose the percentage of undesirable turnover is zero, the index of climate survey is 100, and the compensation for same grade of employees is higher than the industry average. Then, you could say that you have a very desirable place to work. Is it the best place to work? Well, that would depend on the status of your strongest competitor, and additional indicators could be considered.

Let's take another example and look at the statement, "we will be the number one provider in our niche." What does it mean to be the number one provider? Let's say that it means being number one in sales, number one in the percentage of customers, number one in market share, and number one in customer satisfaction. So in this example there are four distinct benchmarks that, together, serve as an indicator of progress toward the vision. Those benchmarks are what we call vision indicators.

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Vision Indicator Tree

Leaders are already familiar with indicators—the standards that we use to measure performance. In fact indicators abound in most organizations. There are financial indicators, operational indicators, quality indicators, and process indicators to name a few.

The relationship, however, between vision indicators and the other indicators in the organization is that the former brings vision into life, and gives meaning to the intent of the organization. Vision indicators are primary indicators that drive the vision and provide the framework for generating all the other secondary indicators. A Vision Indicator Tree is a tree of influence of all indicators impacting the primary vision indicator.

Developing A Vision Indicator Tree

Developing a Vision Indicator Tree should be an integral part of the visioning process. After crafting the organization's vision, executives should identify the key elements within the vision statement and go through a process of asking how will we know we are making progress in this element, what measures should we be looking at? This questioning produces a list of indicators. Executives must then determine which indicators best measure their intent for that element in the vision, and what the goal for that indicator should be.

Here's an example. Let's say your company, XCorp, has the following vision statement: *Our vision is to become one of the top ten communication companies in the world. We will be distinguished from our competitors by the exceptional quality of our customer service, the excellent treatment of our employees, and the outstanding value we provide for our customers and shareholders.*

Breaking that vision statement down, you decide that *exceptional customer service*, *excellent employee treatment*, and *outstanding value for customers and shareholders* each seem to be clear enough. But simply saying you want to be *one of the top ten companies in the world* is a little too broad. You need to define what that means. Upon careful consideration, you decide that it entails several different things: company size, market share, image, global coverage, innovation, and operational effectiveness. Furthermore, each of those has an associated indicator. For company size, the indicator is total sales. For market share, the indicator is the share of your leading product and the share of your strategic products, as well as your position in each of the eight largest markets in the world.

After you've identified each of the indicators, you're ready to build your vision indicator tree. Here's what it might look like:

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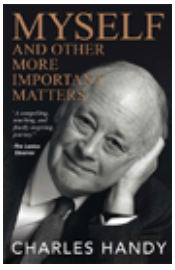

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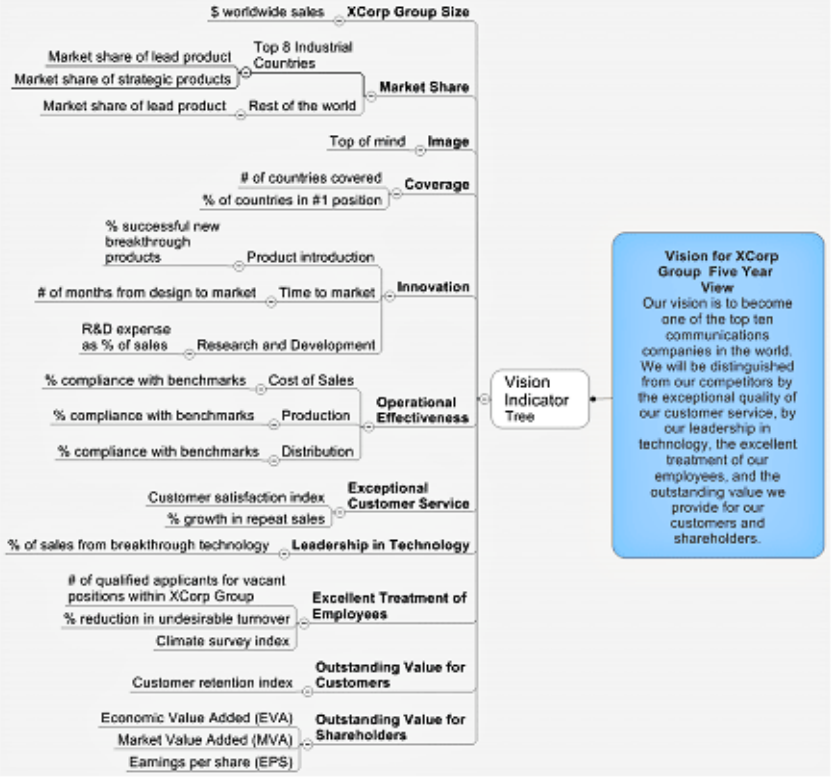

Vision Indicator Tree Helps Achieve Alignment

Is it necessary to define a Vision Indicator Tree? Yes it is, if you are serious about aligning your people's efforts to achieve your vision. Since a Vision Indicator Tree clarifies exactly what is meant by vision, it becomes a necessary complement to the vision statement, serves to better communicate vision throughout the organization and enables each person to chart a line of sight to vision. By constructing this tree the executives are in effect specifying what is important and what is not. Any indicator that belongs to the tree is important and those that don't are not worth pursing. If an indicator does not belong to this tree, then you should think twice before investing time pursuing it.

Our book, *Total Alignment*, shows how the Vision Indicator Tree can serve as an important building block for assigning accountability for every person in the organization and defining a person's job focus. When the entire workforce zeros in on the appropriate indicators of this tree, then a high degree of alignment emerges.

What About Existing KPIs?

Think of all the Key Performance Indicators or KPIs in your company. Their value lies in their contribution to turning vision into reality. If the Vision Indicator Tree is well developed, then, most of your KPIs will be on the tree. What about the rest? Well, perhaps you don't need the rest. You don't need any indicator that is not aligned with your vision. Conversely, there will be indicators on the Vision Indicator Tree that are not among your existing KPIs. You need them, and should initiate a process of measuring them.

Double Role of Vision Indicator Tree

We suggest that executives who are serious about achieving their vision should start with the Vision Indicator Tree as a map and template for aligning the efforts of their people. This tree will serve both as a way of charting their progress and an indispensable tool for establishing alignment.

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ABOUT THE AUTHOR:

Riaz Khadem is the coauthor of *Total Alignment: Integrating Vision, Strategy and Execution for Organizational Success*. He is a specialist in alignment and integration within organizations and has advised companies including Coca-Cola, Avery Dennison, Bellsouth and GE Capital Mortgage.

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