

Summary

Vision & Goal Setting

Having a well-defined vision is critical for any venture to be successful. As an entrepreneur, you should know what goes into creating this vision for your venture. You should also know that as you go along, your vision may need to change as the market, the business and your team evolves. Besides creating a vision, it is also important to set achievable goals for your venture.

Importance of a Vision Statement

Vision Statements are important as they provide focus and emotional currency. The vision statement should help you identify the Goal for your venture, the Strategy to achieve it with the Competency you bring to the table. Having a common vision is important because it can provide common goals, motivate individuals and ensure easy communication of your strategy. It helps guide management to make strategic decisions, define and communicate priorities and coordinate actions of different people in a fast and efficient way.

Components of a Vision Statement

The two **components** of a good vision statement are:

1. **Core Ideology** – irrespective of the industry, it is the enduring character of an organization and the bedrock on which it stands and moves forward. It defines the fundamental principle for the organisation's actions, strategy and functions.
2. **Envisioned Future** – it is the future dreams, hopes and aspirations that one wants to achieve with the organisation.

Evolution of a Vision Statement

Vision statements evolve over a period of time as the market, business & team evolves. There could be multiple reasons like replacement of core offerings of the company, different mind-set of the acquirer of a firm, change of leadership etc.

Goal Setting (BHAG)

Beyond setting your vision, as an entrepreneur, you should work towards setting ambitious goals which we define as BHAG or Big Hairy Audacious Goals. BHAGs are of 4 types:

1. **Target BHAG** – Set a target that you want to achieve. It can either be qualitative or quantitative in nature. For instance, Walmart had a BHAG to become a \$125 billion company by the year 2000.
2. **Role Model BHAG** - Follow a role model. It is apt for new organizations. For example, Stanford University had a BHAG to become a Harvard of the West.
3. **Common enemy BHAG** - Try to overcome an enemy. For example, Nike had a BHAG to Crush Adidas.
4. **Internal-transformation BHAG** - Set goals based on internal transformation. This works pretty well for large organizations. For example, General Electric had a BHAG to become the number one or number two in every market they serve and revolutionize themselves as a company combined with the leanness and agility of a small company.

You should be able to:

- Articulate the vision statement of your venture clearly.
- Set ambitious goals for your venture.