

THE VISIONARY MANAGEMENT – A NEW SYSTEM FOR BUSINESS DEVELOPMENT IN MODERN ORGANIZATIONS

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Abstract:

After the big wave of enterprise projects, it will be the time for visionary management to inspire the world of the 21st century's organizations. It will not fascinate all companies, because some of them will consider this just a simple cover, with commercial purposes, of the enterprise's project. Others will emphasize the uselessness of a supposed vision: a far too arrogant concept for such a difficult to perceive future and a far too bombastic speech for often empiric and far from perfect strategic practices. However, we believe that the visionary management has nothing to do with what is called a “fashion”, provided that we thoroughly understand its purpose and usefulness. It represents a surprisingly powerful innovation as against to the traditional planning methods.

Key words: *visionary, management, strategy*

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“Vision is the most beneficial manifestation of creative imagination and the basic motivation of human action. It is the ability to see beyond the existing reality, to create, to invent what does not yet exist, to become what we have not yet become. We all have a vision about ourselves and our future. And this vision gives birth to certain consequences. More than any other factor, vision influences the way we do business and how we spend our time.”

Vision contains the company's ideas and goals expressed at the highest level. It serves as an inspiration source for solving the present problems, because it is in concordance with the company's objectives.

“If you want to build a boat, do not start by picking up the wood, sawing the boards and dividing the work, but stir up in people the desire for the infinite ocean” (Antoine de Saint Exupery).

At the hotel company Marriot Corp., we find the following description of vision: “We want to make our customers' stay in one of our hotels an unforgettable and beautiful event. We want to offer our customers unexpected facilities and an irreproachable services which will leave an unforgettable memory.”

The rival company, Hilton Corp., has a totally different vision: “We do not have customers, we have guests. It is our duty to make all possible efforts so that our guests can enjoy here the same comfort, care and attention that they enjoy at home”.

The difference between the two visions is reflected in the price of the offered services: one night at Marriot's is approximately 50% more expensive than at Hilton's.

The vision towards future is the one that stimulates change and makes it possible for the inherent problems to be overcome. The more the managers will try to create hypothesis for the future, by inventing hypothetical scenarios and imagining new possibilities, the easier the company will leave behind the known past. Vision represents a live image of the future shared by the entire company. Anita Roddick, president and founder of the Body Shop Company, said that: “Vision is what you see and others don't. Some might say that this is the definition of insanity. But it also expresses the spirit of

initiative. To accomplish what you have set as a goal, you must believe in that thing until you make your dream come true.”

Michael Doyle, international consultant and president of Michael Doyle Associates, has assimilated a very solid ability of being an expert in practicing visioning, whom he defines as it follows: “Visioning is a profound voyage into a company’s heart and soul. It reveals a working community’s dream and it shows it under the shape of an ideal future wanted by everybody and detailed so that everyone could see immediately how they can actually contribute daily to its accomplishment.”

The visionary management is a sailing way through the economic and financial chaos, using reasoning, intuition, but also taking into consideration the irrational, in order to obtain a maximum productivity.

Most people can be compared to an iceberg. Approximately 70-90% of their creative potential will never be developed. What happens to this potential? It gets lost. “How much profit would have generated the usage of people’s entire potential?” “How many opportunities has the company missed because it had not used people’s potential?” An answer to these questions could be given only when the visionary management is implemented. This is because the visionary management is based on people’s potential, on the communication between all the company’s employees. And since the company of the future is a company of knowledge, within which human capital is the essential resource, the visionary management could be regarded as a launching point for the company towards reaching the main objective: value maximization.

No one can tell people what to think of. One thing is certain, though. When the president of a company is trying to create a vision for the company he manages, he must think of how the future should be, and not to start by worrying over the present or future problems.

Nowadays, there are two types of managers: the visionary and the leaders. The winners are willing to see beyond their rivals, to formulate a vision of the future, to take the chances for accomplishing that vision. The others are doomed to imitate. The visionary are aware of the fact that it is not easy to get that something, but it all starts with having an ideal.

Jim Taylor, professor at Stanford University and managing consultant, offers a set of **principles** of the visionary management. First of all, the time horizon of a vision must go far beyond the largest time horizon the firm could imagine for a conventional planning. For example, if the business is about the taste of a product, the vision would have to perceive the taste, and implicitly the product, 30 years from now.

The visionary know where they are going but they do not know how they will reach the destination. In order to be a good manager, you must know who you are. This does not refer to the information in your resume, but to the actual beliefs. If you believe in nothing, be prepared to imitate the ones who know who they are and what they want.

Secondly, the visionary management must be acquainted to what is now happening and which are the differences as compared to what it should be and what it would want to happen. Thirdly, the ones involved in the visionary management must face the world, meet clients, defy the rivals, take attitude and not just passively assist to what is going on outside.

Finally, the most important thing for a visionary manager is to know where he is leading towards. A study shows that 50% of the first 1000 companies disappear every ten years. If this is what the management wants, then it will definitely happen like this. But if the management wants to make the company a brand worldwide, a company which does something for the employees and the clients, the vision over the accomplishments must be reflected on a large period of time horizon. All studies made on the companies with a continuous past (the ones that lasted for more than 100 years)

show that very few of them still make the products they started their activity with: but none of them actually knows this thing!

Through the visionary management, the leadership will manage to define and describe:

- The company's future strategic fields of activity;
- The company's development trend;
- The business's portfolio: how to get money;
- The groups of products and services;
- The clients;
- The quality requests;
- The available and possible target resources;
- The company's culture, values and leadership.

Therefore, "The manager's objective is to create a vision", Robert L. Swiggett said, managing director of Kollmorgen Corporation. Until few years ago, the term vision did not exist in the managers' vocabulary. But today, having a vision of the future and telling this vision to others represents the essential components of a competitive management. Mark Leslie said that: "without a vision, there is no business." A vision is the image of a possibly reachable future for the company. As a conclusion, managers must always search for the ways the company will lead towards.

The visionary management is very different from other managing practices; however, it coincides and co-exists with it. The opportunity management tries to get the best results by using the available resources and abilities here and now, and more especially the ones available at a particular moment. After all, the majority of the companies search for opportunity results. A good opportunity management can be considered the one which can be applied also for a longer period of time, under the terms of a future not characterized by significant changes of the external environment. The company will be able to cope with the anticipated changes through the introduction of the strategic management, whose purpose is to redistribute the potential resources and abilities, and also win a new opportunity situation, with which the opportunity management can be introduced again. Redefining the targets often means combining actions, abandoning certain plans, major investments, new organizational changes, information, radical changes of the organizational principles.

All questions of the visionary management come from the appearance of totally different shapes of abilities and resources. In the visionary management, some of the resources obtained through opportunity actions and strategic acquisitions are used for unproductive purposes, namely to create certain visionary abilities and facilities which could help the company overpass a time of extreme changes, a moment which extends over a longer period of time. Therefore, with the visionary management, the company will have alternatives to propel it into a future without too many unknowns.

The visionary management will be introduced in order to obtain better results as compared to the past and present ones. It supposes the development of abilities and resources so that the present could be considered a negative experience.

You do not always get performance with the visionary management. This is because there can come up a series of errors and failures in the visionary management, the most frequent ones being:

- The vision is too general and/or too abstract;
- The vision is too detailed: in this case we are dealing non-hierarchically strategic and operational elements;
- The vision turns into financial objectives; on the other hand, the choice of the judicial strategy is conditioned first of all from the financial point of view;

- The vision and the actions are disconnecting, a fault which leads to the disarticulation of the state of mind: some become utopian visionaries and others complain about the lack of strategic lines;
- The vision is not adequate to the environmental conditions;
- The vision does not really exist.

A company's future plans can be various. According to their importance, the necessity to be accomplished, the risks and consequences involved, we can distinguish: "golden projects", "projects that should be avoided", "difficult projects", "easy projects". It is very important to identify them in the visionary management context in order to make a successful planning process. It is usually difficult for managers to identify future projects ("golden projects") interesting enough, without important risks and without significant economic and financial resources.

However, it is recommendable that, for the visionary leadership, the company should try to avoid projects which involve future high investments, but which not imply only the accomplishment of certain objectives of an inferior level ("projects that should be avoided"). Moreover, there are also the so-called "easy projects", characterized by inferior level objectives and low research assignment. These types of projects do not usually involve financial risks, which are typical to the "difficult projects" that aim superior level objectives.

It can be noticed that each of these projects supposes taking certain higher or lower financial risks. We believe that no matter the managing vision over the future, it should be taken into consideration how will the financial resources contribute to its achievement. Getting the necessary financial resources, assigning them rationally, the internal control and financial auditing represent, together with other abilities of the 21st century's company, the premise of an innovating management, which would actually generate a real competitive advantage.

Each profession finds a way to communicate with the final user. However, there is a permanent dilemma for the ones involved in the visionary management and strategic planning. It seems that the final product for achieving a vision, the strategy, did not communicate with the final user. The esthetic aspect of a strategic plan is certainly impressive: various coloured graphics, attractive covers, good spelling, and a professionally elaborated plan. However, it does not have the anticipated effect over those who should fulfill it. The aspect that worries us is related to communication: a vision, a strategic plan is not important only for the superior level management, but for the entire company's personnel. The superior level management creates the strategy but its introduction starts from the lower level.

Which are the causes for a vision or a strategic plan's failure? According to various opinions, there are four basic barriers:

- *The vision*: none of the employees understands its strategies;
- *The people*: the majority of the employees has aspirations which are not related to the company's strategies;
- *The resources*: the time, the energy and the financial resources are not assigned for the realization of the foremost objectives. For example, the budgets do not foresee the necessary resources to implement the strategy, which indicates a waste of funds and an inefficient management;
- *The management*: managers assign too less time to the strategy's elaboration and implementation, and too much time to taking decisions regarding the short-term tactics.

A study has shown that only 5% of the total number of employees understand the strategy of the company they work for, 25% of the managers offer goals for the

strategy's efficient introduction, 60% of the companies do not colligate the budgets and the strategy, and 80% of the managing teams spend less than an hour monthly discussing the strategic problems.

Therefore, the necessity of finding a way to share the strategy inside the company started to show. This method seems to be the so-called "Balanced Scorecard" instrument. When the vision and the strategy are expressed through measurements and targets, the employees can understand what has to happen, and this determines a better introduction of the strategy.

This instrument correlates the strategic initiatives (the causes) and the company's manner of action (the effect). For example, if the company wants to obtain important financial results, it would have to offer its clients special services. To offer its clients special services, the company must be prepared in this field (as for example the public relations management). If you want a very good training, the company must have, first of all, the intellectual capital.

This "Balanced Scorecard" will look beyond the traditional measurements and financial analysis, adding three new perspectives, which make this situation more than a list:

- It shows how the financial results are affected by the consumers' satisfaction;
- It establishes how the consumers' satisfaction is determined by the accomplishment plans;
- It establishes the level in which the accomplishment plans are based on the entity's learning ability.

The main reason for the popularity of this instrument is related to the fact that it simplifies the measuring criteria, taking into consideration four or five perspectives. Certainly, managers can appeal to more complex situations, especially from the financial point of view, in order to have a more detailed image over the vision and the strategy, over the needed objectives and the measurement criteria.

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