

Tuesday, June 01, 2004

Corporate Entrepreneurship (15) - Jim Collins' thoughts part VI b

The two components of the vision framework



Core Ideology = Core Values + Core Purpose

Core Values are the organization's essential and enduring tenets - a small set of timeless guiding principles that require no external justification; they have intrinsic value and importance for those inside the organization.

Core Purpose is the organization's fundamental reason for being. An effective purpose reflects the importance people attach to the company's work - it taps their idealistic motivations - and gets at the deeper reasons for an organization's existence beyond just making money.

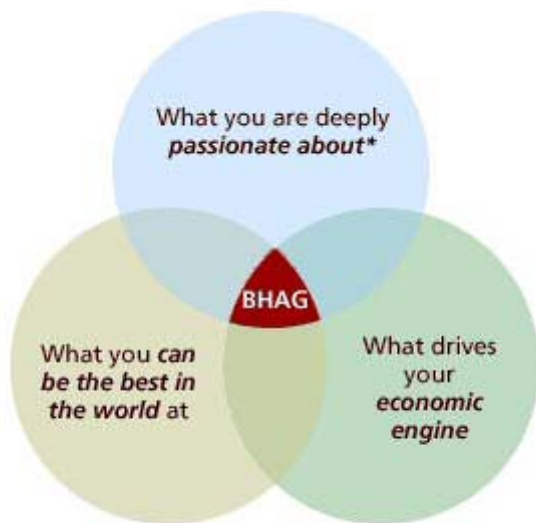
Envisioned Future = BHAG* + Vivid Descriptions

* BHAG (pronounced bee-hag) = Big Hairy Audacious Goal

BHAG is a 10-to-30-year objective - like a big mountain to climb - that serves as a unifying focal point of effort, galvanizing people and creating team spirit. It is crisp, compelling and easy to understand.

Vivid Description (of what it will be like when the organization achieves the BHAG) Vivid Description is a vibrant, engaging, and specific description of what will be like to achieve the BHAG. Think of it as translating the vision from words into pictures, of creating an image that people can carry around in their heads.

Defining a good BHAG



**Includes your core values and purpose.*

Five criteria of a good BHAG

1. Are set with understanding, not bravado.
2. Fit squarely in the three circles of the Hedgehog Concept.
3. Have a long time frame - 10 to 30 years.
4. Are clear, compelling and easy to grasp.
5. Directly reflect your core values and core purpose

What are your Base Camp

Core Values

Enduring tenets - guiding principles - to adhere to no matter what mountain to climb. These never change.

Core Purpose

The underlying "why" you climb mountains at all.

BHAG

The specific mountain you are currently trying to climb.

Strategy

The route you intend to take and the general methods you intend to use to reach the top of the that specific mountain.

Base Camps

Intermediate objectives to the top of the mountain. If you have a ten-to-thirty-year BHAG, these would be three-to-five-year intermediate goals on the way up to the mountain.

Tactics

Specific methods for climbing the sections of rock and ice that confront you right now. These would be analogous to detailed annual plans for getting things done this year on the way to the five-year-goal.