

Module 2. Definition of the Vision

Unit 2.1 The Golden Circles Methodology

2.1.1 Why Is It Important to Define the Vision?

Creating a company could be said, in a way, to be a construction of meaning. Entrepreneurs emerge to change something about their environment or the world, because they believe they could improve something, or they are uncomfortable with the current reality and want to change it in order to improve it, optimize it, and shape it better. Some of the questions that may arise are the following: How do you build that meaning? Or what does it mean to create meaning?

The meaning that we build is expressed through the vision, the dream that a company pursues, the statement of what it hopes to achieve in the medium or long term. This is why it serves as a compass, a direction, a motor and a motivation to guide the strategies and energies to achieve it, and therein lies its great importance and need to work in detail in this dynamic process that requires reviewing and adjusting it, if necessary, over time.

Most companies first explain what they do, how they do it, and finally the main cause or motivation for doing it. Simon Sinek (2009) proposes giving this explanation the other way round: having a strong sense of purpose at the beginning and a way to achieve it, and, finally, simply telling what the company does.

On the other hand, Venkat Venkatraman, author of the book *The Digital Matrix* (2017), argues that the *raison d'être* of companies is to redefine themselves in order to solve a problem. This is why the definition of the vision must be reviewed and modified particularly based on the highly changing context and considering the trends and resources available to the organization.

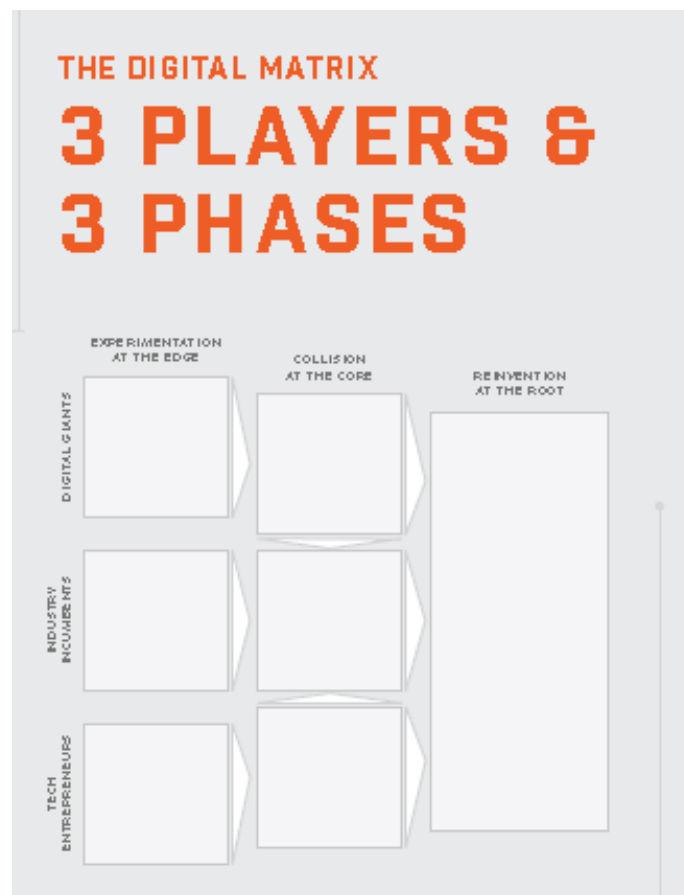
The book *The Digital Matrix* shows the three types of players that define the new business world by implementing digital changes, since businesses are being influenced and affected by different technologies at the moment or will be in the near future. Let's look at a brief summary.

Venkatraman highlights that digital companies show patterns of scale and scope at speed that is widely different from the industrial age. This speed has nothing to do production units but with how quickly companies can take advantage of or capitalize on the opportunities.

The author offers a tool he calls the "digital matrix" in order to understand and reflect on the forces that are likely to influence the future and/or determine the relative position of a company.



Figure 1: Digital matrix



Source: Venkatraman, 2017, p. 4 (paper).

The matrix is structured by the three types of players who cooperate and compete in the new scenario and by the three phases of the transformation.

The players consist of:

- 1) The traditional competitors of the industrial sector,
- 2) Tech entrepreneurs, and
- 3) Digital giants.

Furthermore, according to Venkatraman, the transformation of a digital company happens through three phases:

- 1) Experimentation to determine the direction of the business model, where digital experiments are far from current realities.
- 2) Collision at the core, in which digital rules challenge traditional industry practices; and
- 3) Reinvention at the root, which occurs when traditional competitors, technology entrepreneurs and digital giants work together to solve consumer problems.

These three activities: experimentation, collision and reinvention; along with the interaction with the other two actors (technological giants and industrial competitors) must be the driving forces for updating the raison d'être of entrepreneurs.

2.1.2 The Golden Circles and the Vision

Going back to Simon Sinek's golden circles, this methodology helps to understand somehow why companies do what they do.

- **What:** 100% of companies know what they do.
- **How:** some companies know how they do it and, many times, they have to explain how something is different or better—a unique business proposition or their value proposition.
- **Why:** few people and companies can clearly explain why they do what they do. What is their cause, belief or purpose? What are their values? Normally, when they act or communicate, they do so from the outside in, from *what* to *why*, and many times they don't even mention the latter.

Let's consider an example:

If Apple were like everyone else:

We make great computers. They're beautifully designed, simple to use and user friendly. Want to buy one?

How Apple actually communicates:

Everything we do, we believe in challenging the status quo. We believe in thinking differently. The way we challenge the status quo is by making our products beautifully designed, simple to use and user friendly. We just happen to make great computers. Want to buy one? (Hartman, n.d., pp. 5-6).

Apple doesn't simply reverse the order of information, their message starts with WHY, a purpose, cause or belief that has nothing to do with WHAT they do. WHAT they do—the products they make, from computers to small electronics—no longer serves as the reason to buy, they serve as the tangible proof of their cause. People don't buy what we do; they buy why we do it.

Organizations use the tangible features and benefits to build a rational argument for why their company, product or idea is better than another. Companies try to sell us WHAT they do, but we buy WHY they do it. When communicating from the inside out, the WHY is offered as the reason to buy and the WHAT serves as the tangible proof of that belief. (Hartman, n.d., pp. 5-6).

It's not *what* Apple does that distinguishes them. It is *why* they do it. Their products give life to their cause and everything they do works to demonstrate their *why*.

Apple's competitors lost their cause: they turned from companies with a cause into companies that sold products. When that happens, price, quality, service and features become the primary currency to motivate a purchase decision

A company doesn't need to have the best products: they just need to be good or very good and inspire clients to buy their products so they don't feel manipulated and they are able to verbalize the reasons why they think what they bought is better.



Instead of asking “**what** should we do to compete?” the questions should be the following: “**WHY** we do what we do, **WHAT FOR**, and **WHAT** can we do to bring our cause to life considering all the technologies and market opportunities available today?” (Hartman, n.d., p. 6).

2.1.3 The Key of Each Circle: Clarity, Discipline and Consistency

Hartman (n. d.) briefly describes the three circles that make up this methodology:

- Why.
- How.
- What.

Figure 2: The golden circles



Source: Dunjó, 2017, <https://goo.gl/5S6mU7>

The English translation of this image is below.

¿POR QUÉ?	WHY?
¿CÓMO?	HOW?
¿QUÉ?	WHAT?
Racional, convencional, intelectual	Rational, conventional, intellectual
Inspiración, instintos, emociones	Inspiration, instincts, emotions

Basically, this methodology explains why some organizations and some leaders are able to inspire people while others are not.

1- If it's not clear WHY, you can't tell HOW...

It is a false assumption that differentiation happens in **how** and **what** a company does. Simply offering a high-quality product with more features, better service or a better price does not create difference nor does it guarantee success.

In this circle, some basic questions to be asked would be the following:

- Why does your company exist?
- Why do you get out of bed every morning?
- Why are we doing this instead of anything else?
- What motivates you to create this company?

2- Discipline of How

The author recommends identifying **how** these values or principles that guide our everyday lives are.

- First, you must ask yourself what are the values and beliefs that sustain the project and you as an entrepreneur.
- Then, you have to turn those values and principles into verbs so that they are truly effective.

Examples:

- Integrity-> Doing always the right thing.
- Innovation-> Looking at the problem from a different perspective.

Articulating our values as verbs gives us a clear idea of how to act in any situation.

3- Consistency of What

- It is clear that a WHY is just a belief.
- HOWs are the actions you take to realize that belief.
- And WHATs are the results of those actions—everything you say and do.

The only way people will know what you believe is by things you say and do, and if you are not consistent in the things you say and do, no one will know what you believe.

What authenticity means is that your golden circle is in balance. It means that you actually believe everything you say and everything you do. Only when that happens can the things you say and do be viewed as authentic. Being authentic is not a requirement for success, but it is if you want that success to be a lasting success. (Hartman, n.d., p. 7).

“Loyalty, real emotional value, exists in the brain of the buyer, not the seller” (Hartman, n.d., p. 8).



When why, how and what are in balance, authenticity is achieved and the buyer feels protected and motivated. Without why, the buyer is easily motivated by aspiration or fear and can buy any other choice that matches up with no other difference than price or quality.

2.1.4 Extra Benefits

Another benefit and importance of developing the golden circles lies in motivation and sense of belonging of the different stakeholders (investors, collaborators, suppliers, etc.). This adds value to guarantee success, since the company's employees strive and work hard to find innovative solutions for the company, and they do so for themselves and their own satisfaction as they feel part of the company's **why** and share its values and principles.

Companies with a strong sense of WHY are able to inspire their employees. Those employees are more productive and innovative, and the feeling they bring to work attracts other people eager to work there as well.

When people inside the company know WHY they come to work, it is vastly more likely that people outside the company understand WHY the company is special. (Hartman, n.d., p. 10).

The vision is the public statement of the founder's intent, WHY the company exists. It is literally the vision of a future that does not yet exist. The mission statement is a description of the route, the guiding principles— HOW the company intends to create that future. (Hartman, n.d., p. 13).



Unit 2.2 How Can We Clarify the Venture's Vision by Describing the Golden Circles?

The proposed process consists of three steps:

2.2.1 Step 1: Start with Why

Now let's see in a practical way how you can develop the golden circles of your venture.

1. First, create a table with three columns:

- Why.
- How.
- What.

Use post-its for this activity.

Table 1: Record table format

WHY	HOW	WHAT

Source: Own elaboration, 2020.

- Start by brainstorming, without prejudice: write down anything that comes up in your mind and place it in the column you consider appropriate (don't worry too much if it's the right one, as you will be to correct it later).
- Think about your company's values, principles and beliefs to complete the **whys**. At first, there will be many, but then you'll end up with only one. This will happen later. Don't worry about it now.
- You will also be able to observe that, as ideas come up, proposals will spring from the **how** and the **what**. Don't worry either: write them down and put them in the columns you consider.



2. Once you've exhausted all the ideas, it's time to sort out the **whys** and ask yourself if they really are **whys** or if they are **how**.

For example: "We believe in quick and agile responses to our clients."

- Is this a means to an end or is it an ultimate end?
- Does it sound more like a way of doing things, i.e. a **how**, or is it a purpose?
- Is it our purpose to be quick and agile or is it our mechanism and way of doing things?

You can take that example and apply it to all your **whys** so as to validate that they really are whys and that they do not pertain to another category.

3. Once you have done this clean-up, it's time to prioritize.

List the **whys** from highest to lowest or in order of priority (high, medium or low), by mutual agreement with your team.

- Once you have done this, select the two or three most important ones.

We suggest the following distribution when it comes to the distribution of tasks arising from the golden circles and the necessary roles in a team:

Table 2: Distribution of Tasks and Roles

Roles	Description of Role
Entrepreneurs, the ones with VISION - 10% (Why)	They know the point A and have important and rambling ideas to switch to the point B—that only they understand so clearly. They have the passion needed to keep themselves and their teams self-motivated.
Managers, capable of PLANNING the vision - 20% (How)	They generate the necessary action plans to move from A to B and they have general knowledge of legal, accounting and financial aspects. They have developed the competence of Design Thinking or DT.
Operations, capable of DOING - 70% (What)	They execute the actions that Managers plan. In the case of software, they are Full Stack developers. They have the skills to fully develop MVP.

Source: Own elaboration retrieved from Thiel, P. (2014). Zero to One: Notes on Startups, or How to Build the Future.

2.2.2 Step 2: Switch to How

Next, we'll work on the **how**. In the exercise of the previous step, several **how** probably came up that, disguised as **why**, were arranged correctly.

Now it's time to go back to brainstorming and ask yourself what are the values and principles that govern your project and team when it comes to working: How do you like doing things? What characterizes you? How do you want to do things in your company?



We advise you to use simple verbs and adverbs, and to prioritize the most important ones—the ones that have more weight and the ones that are above the others.

2.2.3 Step 3: Define What

Finally, the simplest part and the question to which everyone should have a very simple answer: what does your venture do?

At this stage, the aim is to be as concrete as possible, defining what your product or service does for your customers. Just get straight to the point.

Table 3: Other examples

	Apple	Southwest Airlines
WHY	Everything we do, we believe in challenging the status quo. We believe in thinking differently.	We're the champion for the common man
HOW	They're beautifully designed, simple to use and user friendly.	Cheap, fun and simple.
WHAT	We make great computers and phones.	Airline Low cost (the most profitable in the USA).

Source: Own elaboration, 2020.

Let's consider these defined elements in FCB:

Figure 3: The Why of FCB

PORQUE TENEMOS MUCHAS COSAS QUE NOS HACEN DIFERENTES

- > Creemos que **jugar con un estilo propio** es tan importante como conseguir la victoria.
- > Somos propiedad de **más de 144.000** socios que aprueban todas las grandes decisiones.
- > Invertimos en **5 deportes profesionales** y promovemos el deporte **femenino**.
- > Somos una escuela de vida y deporte que **forma personas**.
- > Trabajamos decididamente a favor del **cambio social**.
- > Incorporamos, generamos y transferimos **conocimiento e innovación**.
- > Somos de todo el mundo sin renunciar a nuestras **raíces catalanas**.

Source: Own elaboration FCB.

The English translation of this image is below.

PORQUE TENEMOS MUCHAS COSAS QUE NOS HACEN DIFERENTES	BECAUSE WE HAVE MANY THINGS THAT MAKE US DIFFERENT
>Creemos que jugar con un estilo propio es tan importante como conseguir la victoria.	>We believe that playing with our own style is as important as winning.
>Somos propiedad de más de 144.000 socios que aprueban todas las grandes decisiones.	>We are owned by more than 144,000 members who approve all major decisions.
>Invertimos en 5 deportes profesionales y promovemos el deporte femenino .	>We invest in 5 professional sports and promote women's sports .
>Somos una escuela de vida y deporte que forma personas .	>We are a school of life and sport that shape people .
>Trabajamos decididamente a favor del cambio social .	>We work decisively in favour of social change .
>Incorporamos, generamos y transferimos conocimiento e innovación .	>We incorporate, generate and transfer knowledge and innovation .
>Somos de todo el mundo sin renunciar a nuestras raíces catalanas .	>We come from all over the world without leaving behind our Catalan roots .

Figure 4: The Why of FCB



Source: Own elaboration FCB.

The English translation of this image is below.

PORQUE TENEMOS UNA MANERA PROPIA DE ENTENDER EL DEPORTE	BECAUSE WE HAVE OUR OWN WAYS OF UNDERSTANDING SPORTS
>Como todos los grandes, queremos aspirar a todo y competir al máximo nivel .	>As all the great ones, we strive for everything and compete at the maximum level .

>Pero no vemos nada de esto incompatible con el amor por el deporte, el respeto al espíritu deportivo y el trabajo colectivo.	>But none of that is incompatible with the love for sports, respect to sportsmanship and teamwork.
>Al contrario, entendemos que solo así podemos ser de verdad los mejores, hoy y mañana.	>On the contrary, we understand that only in this way will we be the best, today and tomorrow.
>De la misma manera, no vemos el deporte como un negocio, sino como una pasión.	>Likewise, we do not see sports as a business, but as a passion.
>Creemos que practicar deporte es mucho más que competir.	>We believe that playing sports is much more than just competing.
> El deporte nos permite formar personas, y puede llegar a cambiar la sociedad. Nos motiva, nos une a uestros compañeros y a todo aquel que nos mira. Nos enseña a compartir objetivos y trabajar juntos para lograrlos.	> Sports allow us to shape people, and sometimes it can change society. Sports motivate and unite us with our teammates and everyone who is watching. It teaches us to share goals and to work together to achieve them.
>Es un fenómeno transversal que crea puentes de entente entre personas, culturas, edades e intereses. Es parte de nuestra cultura y un estilo de vida.	>It is a transversal phenomenon that builds bridges to connect people, cultures, ages and interests. It is part of our culture and lifestyle.

Figure 5: The Why of FCB



Source: Own elaboration FCB.

The English translation of this image is below.

VALORES	VALUES
PORQUE CREEMOS EN UNOS VALORES	BECAUSE WE BELIEVE IN SOME VALUES
RESPECTO	RESPECT
Creemos en fomentar relaciones	We believe in encouraging cordial and

personales, cordiales y correctas, por encima de lo que marcan los reglamentos y las normas.	correct personal relationship, above and beyond rules and regulations.
ESFUERZO Creemos que la dedicación, el rigor, la constancia, la capacidad de sacrificio y la perseverancia dan fruto, mientras que la suerte o el triunfo rápido a menudo son fugaces o momentáneos.	EFFORT We believe that dedication, rigour, consistency, capacity for sacrifice and perseverance pay off, while luck and or quick success are often fleeting or momentary.
AMBICIÓN Creemos que la ambición es el impulso necesario para mejorar constantemente. La voluntad de conseguir el máximo rendimiento y de hacer las cosas no solo bien, sino tan bien como sea posible, buscando superarse cada día.	AMBITION We believe ambition is the boost needed to constantly improve, the willingness to achieve the highest level of performance and to make things as well as possible, seeking to excel every day.
TRABAJO EN EQUIPO Creemos que el individuo siempre forma parte de un grupo y que, como tal, su aportación mejora al conjunto.	TEAMWORK We believe that an individual is always part of a group and that, as such, his contribution improves the whole.
HUMILDAD Creemos en el valor de saber tener en claro todo lo anterior, mantenerlo y defenderlo incluso en situaciones de clara superioridad o de éxito.	HUMILITY We believe in the value of being clear about all the above, maintaining it and defending it even in situations of clear superiority or success.

Figure 6: The How of FCB

Y LO PODEMOS HACER REALIDAD GRACIAS A QUE CONTAMOS CON

- Un estilo de juego propio**
Una forma **de actuar identificable** en el campo, que también guía nuestra manera de actuar fuera de él.
- Una estructura de propiedad exigente**
Somos un **club propiedad de sus socios**, lo que nos obliga a dar siempre lo mejor de nosotros a nivel deportivo y de gestión, y que nos empuja constantemente a buscar la excelencia en todo lo que hacemos.
- Unos jugadores referentes en sus deportes**
Jugadores de élite que actúan como embajadores en el mundo del club y su deporte gracias a su talento y su actitud.
- La Masia**
Tenemos la capacidad de gestionar el **ciclo integral del deportista**.
- La ciudad de Barcelona y Catalunya**
Nos impregnamos de la **creatividad, modernidad, del vanguardismo** de la ciudad y de **nuestra cultura**.
- Alcance universal**
Estamos presentes en todo el mundo a través de nuestras escuelas, oficinas y más de 2.000 peñas. Por eso pensamos y actuamos teniendo en cuenta el impacto global de lo que hacemos.
- Un Hub de Conocimiento e Innovación**
Somos un **hub de conocimiento deportivo** a través de profesionales propios y alianzas con los mejores creadores del saber a nivel mundial.
- Espai BARÇA**
Más que un estadio, **es la plasmación física de cómo entendemos el club**: Vanguardista, integrado en la ciudad y pensado desde el PUNTO DE VISTA de las personas.
- Fundació**
Es el mejor ejemplo del **compromiso del club para fomentar el cambio social** a través de diferentes actividades, sociales, deportivas y culturales.

Source: Own elaboration FCB.

The English translation of this image is below.

Y LO PODEMOS HACER REALIDAD GRACIAS A QUE CONTAMOS CON	AND WE CAN MAKE IT HAPPEN BECAUSE WE HAVE
Un estilo de juego propio Una forma de actuar identificable en el campo, que también guía nuestra manera de actuar fuera de él.	A Unique Playing Style An identifiable way of acting in the field, which also guides our way of acting outside it.
Una estructura de propiedad exigente Somos un club propiedad de sus socios , lo que nos obliga a dar siempre lo mejor de nosotros a nivel deportivo y de gestión, y que nos empuja constantemente a buscar la excelencia en todo lo que hacemos.	A Structure of Demanding Property We are a club owned by its members , which makes us to always give our best at a sporting and management level, and constantly pushes us to the seek excellence in everything we do.
Unos jugadores referentes es sus deportes Jugadores de élite que actúan como embajadores en el mundo del club y su deporte gracias a su talento y actitud.	Role-Model Players in Their Sports Elite players that act as ambassadors in the world of the club and their sport thanks to their talent and attitude.
La Masia Tenemos la capacidad de gestionar el ciclo integral del deportista .	La Masia We have the capacity to manage the integral cycle of the athlete .
La ciudad de Barcelona y Catalonia Nos impregnamos de la creatividad, modernidad, del vanguardismo de la ciudad y de nuestra cultura .	The City of Barcelona and Catalonia We immerse ourselves in the creativity, modernity , in the city's Avant-garde and in our culture.
Alcance universal Estamos presentes en todo el mundo a través de nuestras escuelas, oficinas y más de 2000 peñas. Por eso pensamos y actuamos teniendo en cuenta el impacto global de lo que hacemos.	Global Reach We are present everywhere in the world through our schools, offices and more than 2,000 <i>peñas</i> (Barça's fan clubs). That is why we think and act considering our global impact.
Un Hub de conocimiento e innovación Somos un Hub de conocimiento deportivo a través de profesionales propios y alianzas con los mejores creadores del saber a nivel mundial.	A Hub of Knowledge and Innovation We are a Hub of sports knowledge through our own professionals and alliances with the best knowledge creators worldwide.
Espai BARÇA Más que un estadio es la plasmación física de como entendemos el club : vanguardista, integrado en la ciudad y pensado desde el PUNTO DE VISTA de las personas.	Espai BARÇA More than a stadium is the physical representation of our understanding of the club : Avant-Garde, integrated into the city and thought from the people's POINT OF VIEW.
Fundació Es el mejor ejemplo del compromiso del club para fomentar el cambio social a	Fundació It is the best example of the club's commitment to encourage social change

través de diferentes actividades sociales, deportivas y culturales.

through different social, sports and cultural activities.

Figure 7: The What of FCB



Source: Own elaboration FCB.

The English translation of this image is below.

QUEREMOS TRANSFORMAR EL MUNDO A TRAVÉS DE LA EXCELENCIA EN EL DEPORTE.	WE WANT TO TRANSFORM THE WORLD THROUGH EXCELLENCE IN SPORTS.
PROPÓSITO DE MARCA	BRAND PURPOSE

Figure 8: The What of FCB



Source: Own elaboration FCB.

The English translation of this image is below.

<p>QUEREMOS TRANSFORMAR EL MUNDO A TRAVÉS DE LA EXCELENCIA EN EL DEPORTE.</p>	<p>WE WANT TO TRANSFORM THE WORLD THROUGH EXCELLENCE IN SPORTS.</p>
<p>> Queremos que nuestra forma de hacer y las decisiones que tomamos, transformen la realidad del club, de los deportes en que participamos y de todo el mundo que se relaciona con nosotros. De esta manera, gracias a la gran repercusión de todo lo que hacemos transformaremos realidades fuera del club e inspiraremos el cambio en los demás.</p>	<p>> We want that our ways of doing things and the decisions we take transform the reality of the club, the sports we participate in and everyone who relates to us. In this way and thanks to the great impact of everything we do, we will transform realities outside the club and we will inspire change in others.</p>
<p>> Queremos siempre llegar tan lejos como sea posible, sin renunciar nunca a nuestros principios y a los del deporte en el que compitamos.</p>	<p>> We always want to go as far as possible without ever giving up neither our principles nor the ones of the sports we compete in.</p>
<p>PROPÓSITO DE MARCA</p>	<p>BRAND PURPOSE</p>

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