

WITH PRO TIPS, TOOLKITS & SUCCESS STORIES

SCALE YOUR STARTUP  
TO A GROWTH MACHINE



# FORMULA-G

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# Chapter 1

## VISION, MISSION, AND DESTINATION

### Let's Get Started

Have you ever tried to do something and left it halfway because you lost track? We often get advised to find a direction to our actions, and once we've found it, like a bulldog we must keep at it. That's what a Vision and Mission does for you and your organisation – it's meant to keep you on track and your actions focused.

Unfortunately, they might be engraved on wooden planks with filigree along the edges or printed in bold letters in your annual reports, but quite often your employees don't even know what those vision and mission statements are. Let's forget the employees for a while and come to you – the owner, the person in charge.

How aware are you about the importance of a vision and mission for your organisation? Have you taken it seriously

or are those some fancy words you whipped up because every management book says you should have them? Have you thought about the difference between the two terms?

You may think that these vision and mission statements are just empty words whose shadows fail to fall upon you. To the contrary, these statements not only stabilise your objectives, but also stabilise the very purpose and reason of your organisation. If you get waylaid at any point on the road to building your business, the vision and mission statements will be your north star, guiding you on how to move forward, how to grow, and how to stay dedicated.

Imagine this: a young entrepreneur with fresh ideas has started an organisation. The entrepreneur is passionate, active, and quick to jump to actions based on ideas. But somehow, the organisation isn't growing. There are too many decisions with unclear objectives. The employees don't know what all their work is adding up to. And everybody is confused about the purpose of this organisation.

To save our young entrepreneur from this chaos, let us gift him with ideas (and awareness) about the vision and mission statements. And while we're at it, let's learn some of these things ourselves.

Let's look at things in detail, and you can think for yourself what you'd like your vision and mission statements to look like. Once you've figured that out, we can perhaps help the confused young entrepreneur we've kept on standby...

## **Mission**

A mission reflects the values and beliefs of an organisation and should be a source of inspiration for employees. It should be something that, much like a chant, helps employees to feel connected towards a common goal. Mission plays a critical role in the growth and direction of the company. We may often wonder if our actions are important only in isolation or whether they are oriented towards the organisation's larger objectives. Here's where the organisation's mission statement comes in, as it helps its employees to decide whether the decisions they take or the tasks they perform are aligned with the company's values and business goals...

But how many of us actually bother to find out what the mission of our organisation is? And even if they appear before our eyes at different places, the walls at our offices or perhaps on screens that we use to communicate, do we try and realise these in our lives and actions? According to an Achievers' survey conducted in 2015, a whopping 61% of employees are not aware of their company's mission statement. This isn't something that you could brush aside as several studies suggest the mission of a company can impact its profitability. In fact, a *BusinessWeek* study showed that companies with mission statements had 16.1% average return on shareholder equity, compared to 9.7% for organisations without mission statements.

So how are you going to come up with a well-crafted mission statement? Now keep a pencil handy, soon you will be writing your mission statement. We will guide you.

- Mission statements should include the company's philosophy and lay the foundations for the organisation's working principles. Mission statements are also especially important to reflect on a strong public image it would like to uphold. It should include its ideas about growth and profitability, its target market, and so on.

It does seem challenging to have so many things in mind while writing a mission statement. But this just proves how important this is. Don't worry if you can't find fancy words with a deep philosophical understatement. The trick is, keep it simple, be honest. Ask yourself what the organisation is really about, and draft the mission statement in as simple terms as you can.

- While drafting the mission statement you should have a clear idea about how you are different from your competitors. Often, an organisation's specialty lies in its uniqueness. Your mission statement should be able to convey why you think your organisation is unlike any other on the market.
- It should act as a guide on what is acceptable behaviour. This is going to be an important part of your organisation. You should lay out clearly what ethical grounds you expect your employees to adhere to. Displaying a solid sense of justice, empathy, and fairness is attractive not only to your employees, but also to onlookers who may evaluate your organisation's work ethics.



- It should be clear, concise, and consistent and should explain what the company stands for. Don't try to get to it through far off tangents. Instead, get to the point straight off. This is also the best way if you want to keep it simple.
- It should be actionable. If your mission statement looks too elaborate, people will just think that you're bluffing! So make sure, whatever your mission statement is, you know of ways to achieve it.

Now let's take a look at Walt Disney's mission statement as an example of all the advice given above:

The mission of The Walt Disney Company is to be one of the world's leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services, and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world.

You get the drift.

Now ask yourselves, why is this mission statement well crafted? If you have the answers, you're good to get going about your own mission statement.

Oh yes, don't forget to have fun with it!

Go on... Write your Mission Statement here...

## Vision

Author Jim Collins, in his book *Built to Last*, says, “vision is one of the least understood—and most overused—terms in the language.”

If mission is your guide, the vision is the goal that you wish to achieve at some point in the future. It should have a clear finish line – something you can revisit to make sure you are aligned to it. Remember the story of the rabbit and the tortoise? Why did the tortoise get to the finish line on time? We may like to quote the famous moral of this story – “Slow and Steady wins the race.” But, perhaps while he was walking slowly and steadily, he also had a clear vision – to get to the finish line – while the rabbit just walked about blindly and ended up falling asleep halfway.

Consider this goal – be a billion-dollar company by the end of the decade. It provides you with a direction for the long term, a focal point to which all actions could be converged. That is the vision. In short, if the mission statement focuses on the cause, the vision focuses on the effects you desire to have.

To have a clear vision statement, try and ask yourself some of these questions.

- Where do you find your company in the next 10 or 20 or 30 years?
- What are your financial goals?
- What kind of technological innovations do you want to make?
- What's your plan about expansion?
- What's the organisation size you envision by the end of this decade?

These are some of the questions that could act as your guide in understanding as well as drafting your vision with clarity.

Why is the vision statement so important to your business? Just picture your own office – you have several departments and people working in each have different workloads, different sets of activities that they perform, and different mindsets. But they are also part of a larger whole – the organisation. So how are you going to bring all of their work together? The best way to do this is by having a clear goal which reminds each of your employees what common objective they are striving for. Group effort can only be effective when each member knows what their part is in the whole, and what they are all collectively willing and working to achieve. The organisation's vision statement is going to be that achievable end.

Think about Tesla's vision statement – “to create the most compelling car company of the 21<sup>st</sup> century by driving the world's transition to electric vehicles.”

The goal is crystal-clear. It does not read like something unachievable precisely because of its clarity and confidence.

So if you want to be the next billion-dollar company, don't forget your vision statement.

Ready to give it a try?

My Company's **Vision** is...

## **SWOT Analysis for Vision and Mission**

So you have your vision and mission in place now. Now how on earth are you going to effectively execute them? Remember, you've also got to help the wretched young entrepreneur who's struggling with all the chaos around the organisation!

One of the most powerful tools to realise your vision and mission statements in real life is by doing a SWOT analysis. SWOT is an acronym for Strengths, Weaknesses,

Opportunities, and Threats. It helps you to analyse your internal strengths and weaknesses in the context of external opportunities and threats and devise strategies accordingly. Once you know what you've got, and what areas you've got to build strength on, you'll get about figuring out what your opportunities are and what could be a threat considering your present position. Thus, a SWOT analysis becomes the perfect exercise to realise the company's vision and mission.

As you start with analysing your internal strengths, you would get a picture about how your positioning is different from that of your competitor. This will give you an idea about your competitive advantages, which will also be reflected in your mission. Proceeding to your weaknesses, the analysis will reveal what the gaps, shortcomings, or problems are that are hindering the company from achieving the goals mentioned in its vision. With these analyses clear, you'll be able to understand areas where you need to work in order to realise your vision and mission.

In the next step, analysing your opportunities and threats will help you devise strategies that can capitalise the former to boost economic performance and circumvent, offset, or tackle the latter to avoid sub-par performance. Also, knowing your strengths and weaknesses will help you understand possibilities for you and places where your organisation needs to work on. Your employees' actions will be clearly oriented, and you won't ever lose track.

As important as crafting a vision and mission and doing a SWOT analysis is their follow up. It helps to keep people engaged, refresh their memories, realign their work, and revisit strategies. Failure to do this can result in lethargy and forgetfulness, hindering the forward-moving process of your business. It would be a great idea to do a SWOT analysis from time to time and particularly before a major action like a new project, a new partnership, or changing company policies. The analysis helps you to revisit and realign your goals, ensure all the stakeholders are on the same page, and be agile with the changing environments.

Still holding that pencil? Let's do a SWOT for your business idea.



*[Fig 1: SWOT Analysis for Your Business Idea]*

## **Conclusion**

So now you're armed with an idea as to what a vision and mission statement should be. What's more, you also know how to keep these intact with the help of the SWOT analysis. With a mission statement guiding your actions and a vision statement keeping you from going off-track, your organisation will be clearly aligned and, as a result, have more productivity.

Now, like the learned philosopher, you can extend your arms towards our confused entrepreneur whom we've left stranded in chaos. Let's get back to this person and share our knowledge so that at the end of the day, a guiding mission statement, a clear vision statement, and of course a regular SWOT analysis saves our entrepreneur's organisation from falling apart.

## **Summary**

Ask yourselves, what are the major ideas you want to emphasise to help our friend in need? Let's try and recall a few of these.

## **Key Takeaways**

- Without a clear vision and mission statement, an organisation cannot perform effectively because its actions are going to be without a solid aim.

- It's easy to come up with these statements. All you've got to do is reflect on your own organisation and what you wish it to stand for.
- Once you've drafted these statements, you also have a tool to bring these words to effect.
- There should be a mechanism to reflect and enforce the vision. You've got to master the SWOT analysis technique, and most importantly, have it done regularly instead of just once. Without it, everything will soon turn obsolete and you'll find yourself back amidst chaos.

Let's also remember why it is absolutely essential to have vision and mission statements. Only a small percentage of employees in an organisation adhere to the mission and vision of the company, even with the required education and technical qualifications. Some might be victims of their circumstances, some might be opportunists, and others might only look after themselves in the workplace. So, the employees and the managers who align with the vision and mission would possibly be less than 20% of the workforce. The aim of the top management should be to lift this percentage by bringing in more of the workforce to the bracket of people aligned to the Mission and Vision.

As an organisation, where do you want to go and what do you stand for? The answers to these questions determine the vision and mission of your company. These aren't some statements that you ought to display in your annual reports every year, but values that determine your goals, drive the



course of your business, and focus the efforts of all employees towards one destination. These goals and values have to be inculcated into the culture of the organisation and should be reflected in the actions and decisions of the top brass so that the rest are inspired to follow suit.

One of the best ways to realise this is to do SWOT (Strength, Weakness, Opportunities, and Threats) analysis. It helps you to make best use of your strengths and opportunities, realise and overcome your weaknesses, and offset your threats. This is the best tool to analyse internal as well as external factors that affect the performance of a company and plan strategies accordingly to reach the vision and mission of the company. It is also important to do SWOT analysis from time to time to revise the strategies, to revisit the goals, and to ensure the agility of the organisation.



*If your SWOT analysis looks the same even after five years, it means that your business isn't agile.*

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Now go ahead and draft a fantastic mission statement and follow it up with a great vision! Remember the examples of The Walt Disney Company or Tesla, whose vision and mission statements are not only inspiring, but have led to them being amongst the most profitable businesses in the world.

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