

Gartner Research

Leading With Ambition

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When a vision or mission is too ambiguous to act on, technology product leaders create an ambition to guide their strategy. An ambition expresses what a company wants to become in the future to its customers, the market and itself, and helps to avoid lurching from one ad hoc decision to the next.

Overview

Key Findings

- The pace of change in high tech creates questions faster than answers that require having a view of the future.
- An ambition is more specific than a vision or mission while being more aspirational and informal than a strategy/revenue plan.
- Generating an ambition brings leaders together to develop a shared point of view on longer-term goals, customers, capabilities and the actions required to realize those goals.
- An ambition is an effective tool for mobilizing a high-tech organization as it provides a North Star for guiding decisions and actions.

Recommendations

High-tech product leaders setting strategies and practices for the greatest revenue growth should take the following actions to set an ambition:

- Identify the need for a new or updated ambition by evaluating business as usual against the need to differentiate the company in the market.
- Lead to define the ambition by bringing together a team with the understanding of customer needs, company products and business models into the ambition working sessions.

- Lead using the ambition by using it as an input to management, product and strategic decisions. Use ambition as a guide and measure progress against it.

Introduction

Every company has an idea of what it is and what it wants to be. In other words, it has an ambition. In business-as-usual times, the ambition is downplayed in favor of annual revenue, operational or other targets. How do you lead to realize goals that go beyond business as usual or respond to significant changes in leadership, competition or corporate acquisition?

An ambition is a statement of what the company aspires to be in the future, what the company means to its customers, the value it creates for them, and the capabilities involved in getting them there.

Ambition declarations create future company use cases, and answer questions about what the company wants to be, the customers it will appeal to and the capabilities needed to create value. An ambition lives in the space between a high-level mission/vision and a more detailed annual strategy.

Leaders establish an ambition when they want to set a new direction, mobilize their leadership and clearly articulate what they want to achieve in the market. Figure 1 provides an example of an ambition declaration from a high-tech company. It has been genericized, but still provides an illustration of the topics and structure of an ambition.

Figure 1: Sample Technology Company Ambition Declaration

Sample Technology Company Ambition Declaration
Illustrative

Our ambition ...	“XYZ will be a must-have provider for organizations growing revenue by bringing intelligence and automation to deliver custom services via a standard service platform. We will deliver a “whole product” experience that helps with all aspects of generating intelligence-based digital revenue ...”			
... concentrates on working in these industries and customers ...	 Information-intensive industries with margins driven by diverse customer needs	 Leadership teams looking to break out of digital commoditization to new competitive advantage		
... creating opportunities worth up to \$## million in 202# ...	 Custom service margins with scale efficiency	 Mutual investment and creation of tailored solutions	 Service excellence with adaptive technologies	
... that will require the following critical digital capabilities ...	 Generative engagement models	 Mutual IP production agreements	 Simplified commerce services	
... delivered primarily through the following actions.	 Customer and intelligence first	 Continuous delivery	 Commercial data and decisions	 Service excellence

Source: Gartner
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Leaders face a dynamic environment that requires leading toward longer-term goals in order to respond to challenges and situations that are well-suited to declare an ambition. These situations include:

- Competition, economic uncertainty and the pace of change act to reduce the validity and impact of company vision, missions and strategies.
- Changes in leadership, mergers, acquisitions or disruptions require organizations to set new long-term goals – a new ambition.
- Companies know how to create Horizon 1 or annual strategies based on goals and resource allocation. Many have high-level missions and visions. Few have an actionable plan for Horizon 2 – the next two to three years and Horizon 3 – the next three to five years. Horizons 2 and 3 are the job of an ambition.

Without a rallying point, it can be all but impossible to get employees to commit to the actions required to move the organization and its product portfolio forward.

Analysis

Ambition Is Different From a Vision, Mission or Strategy

If an ambition describes what you want your company to become, then why do we need it? Future aspirations (vision) and the means to achieve them (mission) are part of most organizations. Vision, mission and strategy are part of a highly structured company annual planning process. The result is a set of amorphous statements that could be used to justify almost any action. The following examples illustrate this point:

- Oracle mission statement: “Our mission is to help people see data in new ways, discover insights, unlock endless possibilities.”
- Microsoft mission statement: “Our mission is to empower every person and organization on the planet to achieve more.”

These are fine missions. While simple, they do not have the clarity, focus and direction required to create change. The organization needs direct statements of what it is, how it will win and what it will do to achieve that winning position; we call that a declaration of your ambition.

Organizations creating change should set an ambition rather than recycling the strategic planning process. Leaders looking to set a direction, to make sense out of the environment and to move the organization forward should consider setting an ambition.

Lead With an Ambition

A company’s ambition is a declaration about its intended future and the means to achieve that future. Unlike strategies, visions or mission statements, strong ambition declarations are simple, direct and specific. They are particularly effective in times of significant change as the organization mobilizes around a clear direction.

An ambition declaration moves an organization forward by defining what forward looks like. This is critical for organizations to start before they can fully understand every aspect of their customers, company or competition. In this way, the ambition sets the company’s context for its future, providing a North Star for follow-on activities such as strategic planning.

Setting an ambition brings direction into the ambiguity. Direction begets action. The ambition is different from revised revenue plans, budgets or strategies. Getting the organization going is its goal, more than getting the future exactly right. That is why an ambition is better suited to a changing environment or situation than a vision, mission or strategy.

Create an Ambition

An ambition expresses the company's or product's overall goals. It defines what the company will become, its growth opportunities and its actions to achieve them. A strong ambition is forward-looking and less detailed or specific than a strategy. The ambition should bring the company's persona to life. See [General Manager Insight: Use Internal Personas to Drive Competitive Actions](#) for more details about personas. Leaders use the ambition to move the organization beyond its current challenges and into the future.

Common questions associated with creating an ambition include:

- **When should we start?** – Creating your ambition starts when leaders recognize the need or value in stating a longer-term direction. If you follow the horizon planning process, you start when you need to set a new direction for Horizons 2 and 3.
- **What is the question we are trying to answer?** – “Who do we want to be in the future?” is the primary question. This includes defining your position in the market, your value to customers and the ways in which you realize those goals.
- **Who creates the ambition?** – Creating an ambition is a job for a focused set of operational and executive leaders. The technology general manager, more than any other executive, is uniquely qualified to lead the ambition definition. The team should include the heads of sales, chief revenue officer, chief marketing officer (CMO) and the head of customer service. The CEO, CFO and the corporate council can participate. These roles should be cautioned to avoid having their positional power compromise the generation of ideas and buy-in.
- **How long should it take to create an ambition?** – Defining an ambition should take between two and three weeks. A general pattern calls for a few days to gather information related to customer sentiment and operational performance, and to develop different options for the way forward. A workshop discussion takes this information as a basis to define the ambition. Once defined, the remainder of the time is used to detail the ambition, socialize it and plan for its deployment.

- **How do we use an ambition declaration?** – Your ambition represents a direction for the future. It acts as a guidepost that describes the reasons why you are working in a particular way. The ambition should be communicated and updated to keep the company focused on the future.

A Model Ambition Declaration

Express your ambition in a manner most effective for your organization. Think about what motivates company behavior, culture and action. What moves people and what will be the most effective means of sharing the ambition can include the following:















- Value-driven companies will use stories expressing the future.
- Sales-driven companies will express their ambitions in terms of customer relationships and revenue.
- Goal-driven organizations will use metrics or goals.
- Engineering-driven organizations benefit from expressing the vision as a series of interconnected elements that show how it will work.

When drafting an ambition, you should consider disruptive factors related to customers, generational or value-stack implications.

A model ambition declaration, shown in Figure 2, breaks the ambition down into its constituent components. The ambition starts with a single statement capturing the what. It then breaks into increasingly detailed levels of how it is expressed in terms of opportunities, capabilities and actions.

Figure 2: A Model Ambition Declaration and Description

A Model Ambition Declaration and Description
Illustrative

<p>Our ambition ...</p>	<p>“XYZ will be a must-have provider for organizations growing revenue by bringing intelligence and automation to deliver custom services via a standard service platform. We will deliver a “whole product” experience that helps with all aspects of generating intelligence-based digital revenue ...”</p>			<p>A statement that describes what you want to be in the eyes of the market, customers, competitors or yourself. This is the reason for — or the outcome associated with — your actions and investments in the future.</p>	
<p>... concentrates on working in these industries and customers ...</p>	 Information-intensive industries with margins driven by diverse customer needs	 Leadership teams looking to break out of digital commoditization to new competitive advantage	<p>Who are the target customers and industries in terms of their attitudes, strategic maturity and willingness to engage in new offerings?</p>		
<p>... creating opportunities worth up to \$## million in 202# ...</p>	 Custom service margins with scale efficiency	 Mutual investment and creation of tailored solutions	 Service excellence with adaptive technologies	<p>What are the major capabilities essential to realizing the ambition? This answers the question, “What do we need in order to (ambition statement)?” These will become the major drivers for new product development.</p>	
<p>... that will require the following critical digital capabilities ...</p>	 Generative engagement models  Data scientists and algorithm catalogues	 Mutual IP production agreements	 Simplified commerce services  Customer engagement technologies	<p>What are the digital capabilities we need to realize the opportunities? These can include technologies, as well as organizational/human capabilities.</p>	
<p>... delivered primarily through the following actions.</p>	 Customer and intelligence first	 Continuous delivery	 Commercial data and decisions	 Service excellence	<p>What are the actions, ways and initiatives we will engage in to build the capabilities that enable the opportunities that realize the ambition?</p>

Source: Gartner
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The model above is an example adapted from an actual high-tech company. It is shown with minor edits to bring a real-life example. Despite a rather wordy ambition declaration, the example provides a good illustration of target customers, opportunities, capabilities and delivery actions.

Employ an Ambition

Once created, the ambition serves as a rallying point and rationale for decisions and actions. It becomes the definition of what is “best” in terms of making the best decision or choosing the best option. Use the ambition declaration for the following purposes:

- As a guide for rationalizing the portfolio and focusing it on current products to generate revenue and the products that may be deferred in order to free up resources for new investments.

- A direction for sales and marketing messages, aligning redefined customer values with your ambition and adjusting the ambition based on market response.
- A definition of the operational areas critical to long-term success that will require attention, investment and transformation.

Communicate the ambition and incorporate it into management and leadership practices. Examples include:

- Using the ambition as Agenda Item 0, which is at the top of every meeting agenda. It is stated at the start of a meeting to remind people of what we are all trying to achieve.
- Applying the ambition as criteria for making decisions and plans by asking how these plans will achieve the ambition and whether there are alternatives that would accelerate our ambition more or faster.
- Employing the ambition as a tool for exploring issues and responding to questions. Consider how an issue or challenge relates to our ambition. How can we use our ambition to guide our approach to resolving the issue or challenge?
- Bringing context to a question and shedding light on the question.
- Recognizing the ambition as a basis for individual and organizational learning — leading and encouraging teams to make progress toward the ambition. Identify areas for acceleration or improvement, which might indicate a need to evolve the ambition.
- Using the ambition as a set of criteria for assessing our progress and results. Are we being true to what we want to be? If not, what are the reasons?

While you should keep the general direction of the ambition constant, be open to adjustments and refinements based on experience and increased understanding of customers and markets. Make changes consistent with the intrinsic goals of the ambition. See [How Product Managers Can Use Storytelling to Inspire Commitment to a New Product Vision](#) for additional support.

Resilience and leadership exist when organizations understand not only what has happened, but also what they will do going forward. The ambition represents the forward-leading part of that equation. It creates resilience by encouraging people to act rather than react in the face of uncertainty and dynamic change. They say that the best way to know the future is to make it. The best way to lead is to lead with ambition.

Evidence

This research is based on more than 30 ambition working sessions conducted with high-tech companies in different settings and situations. These situations include:

- Bringing multiple teams and cultures together following a series of mergers and acquisitions. The ambition is what we all want to be about. The process of creating the ambition honors the unique culture and experiences of the merged organizations.
- Setting goals and direction for focusing on a particular market or industry segment. The ambition describes what the company, its products or value means to customers in the context of that market or segment.
- Introducing the next set of enterprise goals and direction. The ambition describes what the next growth engine and strategy will be, the capabilities required, and the actions needed. This was used as the context for a major investment request.
- Rejuvenating an operational group within a large company. The ambition gives people an opportunity to break out of a same-as-last-year mentality to recognize changes and opportunities for the future.
- Creating a context for strategic change. The ambition provided leaders a way to focus on the future that did not fall back into discussions of resources, priorities and organizational politics. The resulting statement helped leaders see the internal interdependencies in a positive light.

Document Revision History

General Manager Insight: Leading With Ambition Through a Crisis - 5 May 2020

Recommended by the Author

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How Product Managers Can Use Storytelling to Inspire Commitment to a New Product Vision

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