

# Module 7: Developing the AI Business Strategy using the "Ignition" Process

## Lesson 5: BHAG

### Big Hairy Audacious Goals

The term **BHAG** (Big Hairy Audacious Goal) comes from Jim Collins' business classic, Good to Great, and has recently been made better known by Verne Harnish's Scaling Up business operating system.

A BHAG is a strategic concept representing an organization's long-term visionary goal - it is what would be possible if ANYTHING was possible.

It is designed to align the entire company's efforts toward an inspiring, exhilarating outcome that stretches the comfort zone.

BHAGs are designed to ignite passion and commitment from the team, which is exactly what's needed to drive long-term success and transformation within an organization.

**Big** refers to the substantial magnitude of the goal. **Hairy** refers to how ambitious, challenging, or even ridiculous it may seem. And **Audacious** represents the boldness required to set such a goal and set your sights on achieving it.

When working with a company to set their BHAG, encourage consideration of the organization's potential.

What could they achieve if they had unlimited resources and no obstacles?

If it feels like there's even just an inkling of possibility?



There's a saying that people *overestimate* what they can achieve in one year and *underestimate* what they can achieve in 10 years. Don't let the leadership team underestimate what you and the team can achieve. Now is when you get to encourage dreaming big.

## What Does a BHAG Look Like?

Here are some characteristics of a BHAG to consider.

You might only meet some of these characteristics, which is fine. But it helps to know what Jim Collins and Verne Harnish have in mind when they use this concept.

**Clarity:** A BHAG should be clear, easy to understand, and easily articulated by everyone in the company.

**Long-Term:** A BHAG is a long-term goal, typically 10 to 25 years.

**Aligning:** A BHAG should get the entire organization on the same page, a North Star that everyone can look to in decision-making and strategy, with everyone working toward a common objective.

**Catalyst:** Your BHAG should ignite a shared passion within your team, motivating everyone to rally with a sense of ownership and commitment toward your goals

**Stretching:** A good BHAG pushes an organization beyond its comfort zone. You can't grow from within your comfort zone.

**Measurable:** Ideally, there should be a way to measure your progress toward your BHAG. We've found that businesses that include a KPI in their BHAG are more likely to reach it, often having to revisit it to create an updated BHAG after meeting what felt practically impossible initially.



## Example Questions to Ask During Your BHAG Session

1. What could you achieve to create tremendous value and progress for your customers/industry/community?
2. What goal would make your organization fundamentally different in 10 years?
3. What big problem(s) in the world could you help solve?
4. If you had limitless resources, what could you accomplish?
5. What would your customers say if asked how you could 10x your impact?
6. What are your organization's key strengths and assets? How could these be leveraged for significant impact?
7. Who are your main competitors? What could you do to leapfrog them?
8. If you could change the world with one outrageous goal, what would it be?
9. What would the goal statement say if you had to describe it on a bumper sticker?
10. What current assumptions about the company would the goal challenge or disprove?

As always, we encourage you to leverage AI to assist with formulating your own questions.

## BHAG Examples

- IBM had a specific BHAG to "build a computer that can beat a human at chess."
- Coca-Cola's BHAG is to "put a Coke within arm's reach of every person on the planet."
- Nike's BHAG is simply to "crush Adidas."
- McDonald's applied a number to their BHAG with "serve 100 billion burgers."
- ChiefAIOfficer.com's BHAG is "A CAIO In Every Company"

You might think these big corporations are playing in a different league than you.

But consider Microsoft, who got its start back in the '70s, and soon after created the BHAG to "put a computer on every desk in every home." No one but them would have thought that was possible back in the '70s.



Google's BHAG back in the '90s was to "organize the world's information and make it universally accessible and useful." Do you remember what the internet was like in the '90s? If you're not old enough to remember, it barely even existed. Google did such a great job meeting their BHAG that Google is now a verb in the dictionary and in the vocabulary of every single person you know.

And it's worth noting that both Microsoft and Google heavily leaned on AI to meet their BHAGs.

Now, with the leadership team engaged in the Ignition Process, share these examples, and incite them to start dreaming big.