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There is a chronological no-man's land that executives steer diligently clear of, as if it were a sort of Bermuda triangle. Think about it. When did you last hear a CEO utter the words, "In nine months time..." or "This time next year..." or "By the fall..."

We have worked with corporations throughout the world, and the phrase we simply never hear is this: "the medium term."

The medium term — what is going to happen in six months, nine months, a year, 18 months — is not a unit of analysis commonly used in the world's C-suites.

The reasons for this are simply explained. Boardrooms have three neatly delineated time zones.

The first is the past. For all their shiny, architect-designed headquarters buildings with atrium acreage, companies are often slaves to the past.

A sense of history is a powerful thing, though it can become claustrophobic and museum-like. More significant is that habits and behaviors become ingrained. "That's the way we've always done it" is a phrase we have all encountered. Changing such entrenched behavior is difficult, sometimes impossible.

The second time zone is the short term. The relentless rhythm of quarterly results is the metronome of executive life and decision making. There is no let-up. The entire system of quarterly reporting has been regularly criticized but remains resolutely in place.

There is, of course, nothing wrong with the openness and transparency that lies behind quarterly reporting. It provides organizational discipline. But it encourages a potentially dangerous fixation on the moment, mending and making do rather than tackling big issues that will shape a corporation's future.

The third time zone for C-suite leaders is the long term. While the world of quarterly reports is the preserve of managers, the long term is the fiefdom of leaders. It is pleasingly limitless. Leaders can paint elaborate pictures of the future. They can pontificate on their dreams for the organization. And they do.

There can be very few major organizations that persevere without a vision of their future. Many also have ornate strategic plans that stretch over the long term, as surefooted in their predictions as a communist state's five-year plan.

As managers deal with delivering short-term results to keep the stock price high and leaders evangelize on the long-term future of the organization, the medium term is all but forgotten. This overlooks one fact of life: Moving from the short term to the long term requires that you successfully negotiate the medium term.

Crises have a way of fixing this problem. When Tata took over the ailing Jaguar Land Rover company from Ford, it had a simple message for the company's workers: forget about quarterly results, make great cars. Ford had been hidebound by delivering quarterly results, so Tata cut the company loose and pushed it out into the uncomplicated waters of the medium term.

Or think back to when Lou Gerstner arrived to save IBM. Questioned about IBM's long-standing mission, Gerstner gave the idea short shrift. "The last thing this company needs right now is a mission," he noted.

The private equity industry has a clear understanding of the importance of the medium term. The beauty of the PE industry model is that it does not succumb to the travails of the short term or the dreams of the future. It builds from nothing and then gets out as the construction nears completion. The discipline lies in exiting at the right time.

Consider AB Inbev. Now a global giant in the drinks business, just 25 years ago, its precursor, Brahma, was a second-tier Brazilian brewer undergoing a painful turnaround in the hands of acquirer 3G, a São Paulo–based private equity house. A key feature of the turnaround, led by CEO Marcel Telles, was avoiding a hopelessly long-term view. The previous management had engaged consultants to help define a strategy, but Telles ditched the strategy study and reassigned the consultants to work on performance improvement.

Brahma's leaders were careful to avoid an overly narrow focus on the short term. In a roller coaster emerging market environment, great opportunities as well as dire challenges can emerge suddenly. Building competitive strength over the medium term was critical to position Brahma so that it was prepared for the unexpected. In the currency crisis of the late 1990s, Brahma's principal competitor, Antarctica, was on its knees. Telles was able to acquire it at a bargain price, creating Ambev, which later become Inbev through the Interbrew merger.

The other clear champions of the medium term are family-run businesses. At their best, family businesses combine three elements crucial to corporate success: purpose, organizational discipline, and patience. There is little that is short term in their thinking. Instead, they thoughtfully and passionately embrace the medium and long terms.

An excellent example is Lego, the Danish manufacturer of children's building bricks. It has recorded double-digit growth globally for the last 10 years, is now the biggest toy company in the world, and is counted among the top 10 most globally reputed brands.

Being family owned, Lego has stayed true to the values of its founder over many decades. A "best is good enough" spirit is what guides the company. Lego's avowed purpose is "to help the learning and growth of children by inspiring them with creativity and structured thinking by putting colorful bricks in their hands" — more philosophical than playful.

The company stays on course by doing what is right to build long-term shareholder value and does not compromise its principles and beliefs to meet quarterly numbers. It eschews cutting investment in developing talent or building brands to meet quarterly or annual guidance. Lego's eyes are always on how to continue to be a great play partner for children and their parents five to 10 years from now. But it does this by focusing on the medium term. Consider that 60%–70% of Lego's revenue every year comes from new products.

The short term is the daily managerial grind of fire-fighting and solving problems. The long term is a dream. The medium term is where companies are shaped — where they really achieve results and growth.

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