
Growth. Reinvented

How Leading Companies Create a Concerted
Front For Business Growth



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Introduction to Growth.Reinvented	3
Growth Visions and Culture	3
Creating a Concerted Front For Growth	4
1. Corporate Development.....	6
2. Growth Through Industry Consolidation	8
3. Growth Through Strategic Partnerships	10
4. Go to Market Sales Growth.....	12
5. Revenue Growth.....	13
6. Growth Operations	14
7. Human-Growth Capability	16
8. Commercial Development	17
9. Corporate Venturing & Innovation	18
10. Growth Marketing.....	21
Dedicated Growth Groups.....	22
Hiring For Growth.....	24
Developing a 100 Day Growth Dialogue.....	25
About This Position Paper.....	26
Be Fierce with EXOscalr Newsletter:	26
Contact Us:	26

Introduction to Growth.Reinvented

As evidenced by numerous surveys, growth is the major enduring focus for business leaders. However, growth is tackled ad hoc across many organizations. Leading companies drive rapid, sustained growth through a concerted front strategy.

Growth Visions and Culture

What do you have in mind when you think of ‘growth’? Do you picture a company that is pedantically continuing to do what it has done for decades, because there is a right way, a wrong way and then there is “their way”?

To the contrary, **growth is a function of harnessing the dynamics of a fast changing business arena with a range of activities, platforms and technologies that once proven, are rapidly crystallised into repeatable processes.**

Companies hitting exponential levels of growth use the following phrases to paint their picture:-

- “business is skyrocketing”
- “aggressively growing”
- “ambitious expansion and transformation initiatives” under way
- “changing, reinventing or revolutionising the way x is done”.

The two common themes of this growth vision are (1) a rapid growth velocity that is (2) directed at various levels of disrupting the status quo.

Backing up this vision is a growth culture that supports working with fierce purpose. This culture facilitates, enables and fosters an enduring growth capability. This capability includes motivational elements, momentum building elements and a psychology of growth that:

1. supports a scientific approach (rapid iteration, failing fast, validating hypotheses); and
2. nurtures the entrepreneurial and intrapreneurial individuals and teams who are at the innovation coalface, picks in hand, searching for ways to create growth.

Creating a Concerted Front For Growth

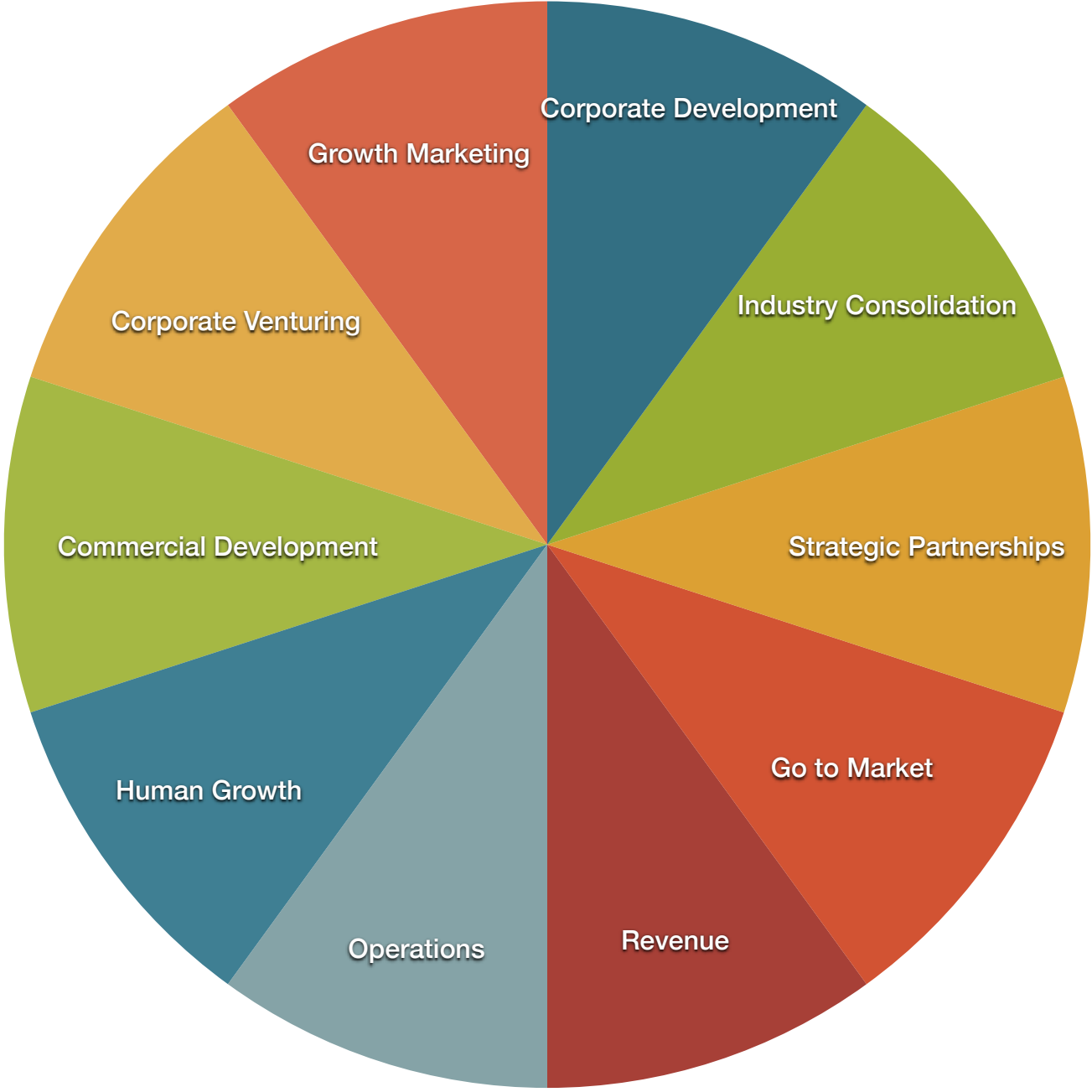
More and more companies have a leadership mandate to achieve growth, a vision of what growth needs to be and an understanding of a growth culture. They embark on various growth initiatives, but these are mostly carried out in silos.

Leading organizations not only undertake numerous growth activities, but they also conduct them using a concerted front strategy.

They start by formulating a view across all their growth activities. They then translate that view into a **business-wide operating system**. As their concerted activities mature this operating system shifts to being driven by a **dedicated growth group** that works across the business.

This *Growth Report* starts by highlighting key aspects of the 10 facets for driving business growth, then considers what a dedicated growth group should consist of and how to hire the right people for it. It concludes with suggestions on how to create a **100 day growth dialogue**.

10 Facets For Driving Concerted Business Growth



1. Corporate Development

The corporate development team is responsible for the execution of merger and acquisition deals and joint ventures.

Members of the team:

- identify opportunities,
- complement and evaluate information provided by sellers on growth opportunities,
- conduct financial analysis,
- collaborate on financial projections, and
- assist on purchase agreement negotiations.

They are involved in cross functional planning, due diligence and post acquisition integration.

They work with the business groups and divisions or subsidiaries of a company to identify and map **strategic opportunities for inorganic growth**. This includes gathering and evaluating local market information, competitive positioning, market sizing and business trends.

They assess acquisition candidates for **strategic fit** and **financial attractiveness** through discussions with their business groups and the management of target companies, as well as through financial analyses. They direct financial modelling and business valuations to determine the impact on their company. They create a strong merger and acquisition **pipeline** by developing and maintaining relationships with entrepreneurs, venture capitalists, investment banks, financial institutions and consulting firms. They coordinate with the legal department on the preparation of all acquisition -related documents (nondisclosure agreements, letters of intent and purchase agreements).

In addition to providing end-to-end deal management they have overall responsibility for leading the deal transaction process, including coordinating internal and external resources and ensuring the proper level of strategic, operational and organisational alignment.

They provide project management leadership for due diligence with cross functional teams, including proper documentation of diligence findings. They assist with the negotiation of purchase agreements and participate integrating the business post acquisition.

People on this team are **strategic thinkers** and usually come from a corporate finance or legal background. They have the ability to apply strategic and financial analysis to investment ideas, identify business development opportunities and have execution and project management skills. They have the **business acumen** to negotiate transactions as well as structure and facilitate complex transactions and projects.

2. Growth Through Industry Consolidation

Growth through industry consolidation must be directionally correct, with acquisitions supporting the goal of maintaining or achieving leadership status in a sector.

There is **no margin for error**, which is why this has been separated out as much more highly specialised and focused area for growth than the potentially broader corporate development acquisition activity discussed above.

Expertise in this area is centered around highly strategic planning and participating in the acquisition of businesses and their integration into the acquiring company's infrastructure (for example, its supply chain and logistics) and culture.

Industry consolidation and disruption also includes the need to be able to transform culture and implement best practices and operational efficiency programs that permeate seamlessly across the company and its acquired businesses.

Consolidation is about increasing market share within an industry sector. It is ultimately an exercise in scale and occurs once an industry sector has matured enough for there to be a number competitors. A few of these successfully embark on acquiring both direct competitors and companies up or downstream of them who can assist them to accelerate their market share.

The team involved in a consolidation play is usually handpicked and fit for purpose. They will need to be both experts in acquisitions, but also have a deep understanding of the **cadence at flow** within an industry. **Timing is imperative.**

If undertaken too early the seeds of a consolidation play will fall on fallow ground. Competitors will not be ready to entertain acquisition overtures. If started too late, the soil will have been overworked already and most of the

ripe fruit will have long been plucked. Other industry players will have already consolidated the best companies.

3. Growth Through Strategic Partnerships

Growth through forming and maintaining strategic alliances and partnerships revolves around building frameworks and tuning partnerships, using a metrics-driven approach.

Also often couched within corporate development, the formation of strategic alliances and partnerships is another avenue for driving high-impact or incremental growth.

People involved in this area are focused on, in collaboration with product and other cross functional teams:

- identifying potential partners,
- creatively structuring deals,
- negotiating complex partnerships, and
- mobilising with strategic partners who can accelerate growth.

They drive corporate strategy, build partnerships and alliances programs, develop executive relationships and foster new business development. They set the strategy, investments and actions that drive growth. Activities include recruiting new partners, acting as an advocate for their company with the partner, creating mind share for the company's solutions and products, enabling partners to sell and deliver independently and creating a pipeline of new business opportunities.

This team develops and maintains broad and deep external partner relations and builds and implements strategic alignment between the company and external alliances. The team is also knowledgeable in a partner's propositions, its markets, business challenges and custom opportunities.

The team provides updates to the partners on latest developments within the company, as well as feedback to partners and develops and executes attainable plans that fit with a partner's market needs.

Within this team, a **strategy and growth leader** partners with regional business leaders to prioritise critical customer needs and works with the sales team to determine and deliver differentiated value for customers. By identifying and driving a number of key commercial initiatives, through to execution, they deliver incremental growth for their region through the medium term. They may help sales drive increased volume and prospect conversion through the application of companywide capabilities and systems.

They may also focus on new program and capability creation and delivery by working with sales leaders, industry experts and others to identify customer needs and create capabilities across customer segments and industries (sustainability development workshops, growth stage workshops, and customer specific business analytics).

Other activities carried out by a strategy and growth leader include:

- identifying and prioritising key accounts by working with the sales teams within each business to identify and manage key customers and prospects and align customer specific differentiation strategies,
- focusing on needs assessment and value proposition delivery, creating customer value by identifying customers and prospects business challenges, and then helping address these challenges by applying companywide resources, learnings, processes, functions and expertise at individual customer level and in industry segments,
- defining, building and implementing a local commercial strategy for a business group (commercial models, pricing strategy), and
- identifying global products that can be deployed locally as well as local products and offerings that may be unique opportunities within global markets.

They coordinate with all stakeholders (a business group and external partners) to drive execution of key initiatives. They construct and coordinate relevant execution teams that have the required technical and commercial skills to drive the activation of an opportunity. They will prepare business investment cases to support requests for a required capability build and present partnership options. They will identify the key growth funding initiatives that are required as part of the near – midterm growth requirements of the businesses. They will articulate the critical organisational capabilities (people, processes and tools) required for the businesses to win in the relevant markets. They will also maintain a knowledge base and network with key market stakeholders and influences (policymaking, education, research) that ensures the company's position is always contemporary.

4. Go to Market Sales Growth

The Go to Market team provides strategy, planning and execution for strategic go to market projects that are designed to drive and enable sales growth and performance.

The team is involved with analysing go to market data, extracting insights and providing recommendations that support strategic go to market initiatives. The team develops go to market project deliverables and provides project management support such projects.

Growth teams in this area may also focus on post-sales relationships and achieving determined objectives by driving engagement.

They will be involved in proactive problem-solving to identify and resolve account issues, lead cross functional execution, use data to determine priorities for specific initiatives and pursue up-sell opportunities for new business.

Critical to staying ahead of competitors in this arena is having the capability to help business leaders understand how they can **leverage technology** to drive sales and enable operational efficiencies.

Key go to market activities include:

- driving technology delivery across all systems that directly or indirectly touch customers, clients or consumers,
- aligning technology strategy with marketing, outward facing digital initiatives and omni-channel capabilities,
- co-ordinating execution across multiple teams, business units and phases proposing and evaluating new projects, strategies and tactics that support the business requirements and priorities, and
- driving business initiatives that achieve revenue and market share goals.

Measures of success include revenue, total profit dollars, market share, partner and customer satisfaction for the sales of the company's products or services.

5. Revenue Growth

This aspect of growth is focused on enhancing and optimising the revenue generating engine of the business. The aim is to identify and deliver features of value and drive optimisations to improve core business metrics.

People on this team focus on developing strategies and executing product or service-related plans to drive revenue and scale the business through the following activities:

- They analyse and test revenue optimisations and pricing models to measurably improve outcomes,
- They define and communicate product and service roadmaps that are aligned with the company's objectives and are supported by business cases, market research, customer data and competitive analysis,
- They lead cross functional teams through the lifecycle of a product using iterative development methodologies, and
- They make data supported recommendations and provide delivery status and key issue updates to stakeholders.

Within this group, **product growth leaders** focus on the company's product lines to drive growth. They focus on the identification and definition of white spaces, business opportunities and gaps from conception to delivery.

They also fully understand customer requirements, connect the dots, and work closely with the marketing, client services, sales and engineering teams on detailed plans.

6. Growth Operations

A growth operations team is responsible for analysing business performance, uncovering growth drivers and leading strategic planning to drive business growth.

Within large companies this team can amount to a global growth group that houses enabling functions focused on helping the company's businesses to be more effective in what they do and improving the likelihood of winning in their markets.

This group is critical to delivering growth across all regions. They collaborate across businesses and with industry partners and institutions to convert deep market and customer understanding and insights into tangible growth. They do this by specifically focusing on both material and nascent opportunities that require an understanding of the local and global markets. In particular, they work closely with internal commercial, product and finance teams as well as with customers and third-party suppliers to identify opportunities and create solutions.

The team is expert on business growth trends and underlying drivers. The principal goal of their analyses are to deliver actionable insights and help prioritise projects that lead to growth and revenue. They analyse business performance across various drivers through dashboards and data that they create and gather. They leverage insights to drive future direction for the business. They gather internal and external benchmarks for driver-based KPIs, for example retention. They assess the impact of planned projects on business growth. They also lead the process for setting performance goals against key metrics during both the quarterly and annual planning processes.

In more mature teams they make use of an **analytics platform** and related processes. They design and implement and support the analytics infrastructure that provides secure access to large datasets and ensures best practices (data quality, integrity, documentation).

They understand the big-picture business objectives and deliver and develop appropriate quantitative models (for cost, behavioural cohort and statistical

models) to deliver key insights. They determine the tracking necessary to enable the requisite analytics by working closely with the product and engineering teams. They also own the critical processes that are central to the delivery of accurate metrics (data models, data pipelines, reporting dashboards).

Not only is this team found in large advanced organisations, but it is also a **core function within high-growth startups**. They **live and breath converting raw data into meaningful business information**, and being strategic thinkers and executors.

People on this team use their analytical skills to design, implement and track processes and structures central to their company's growth. They not only think critically about how to solve problems, but also execute on ideas based on the results of their analysis.

Managers of these groups essentially **focus on the top line growth number and that number is their mission**. Their overall aim is to doggedly seek growth from all possible sources at all times. They own all growth and topline-related reporting and tracking.

The team includes data scientists and analysts who have a deep quantitative background. Ultimately they believe data builds better products and services and plays a key role in engineering decisions. These data scientists work as part of a product insights team within the company's product teams to help shape and still strategic decisions. They collaborate with engineering leadership to create, implement, and evaluate success metrics. They also work ahead of the curve to determine future products using their intuition and execution to answer growth-related questions for the business.

A **growth analyst** defines growth as asking the right questions, designing creative ways to test hypotheses, and ideate product iterations that drive user acquisition and conversion.

7. Human-Growth Capability

A human-growth capability group straddles on one side the organisational development and human resources part of the business and on the other the incubation and innovation part of corporate venturing.

This group ensures that a company is not just focused on producing innovative growth-oriented products, but also on developing amazing people. This group is driven to empower people. It is committed to helping people perform at the best and achieve their potential. The aim is to ensure that growth is in their peoples' DNA so that they never rest and constantly explore new ways to achieve growth.

The group follows a three-tiered approach to increasing capability:

1. identifying people with the right entrepreneurial traits,
2. upskilling them with essential growth and business building skills, and
3. empowering them to become intrapreneurs, mandated to lead and grow new and disruptive business groups or standalone ventures.

8. Commercial Development

The commercial development team is responsible for developing new and transformative commercial offerings that map to the existing and future customer base.

This team may be embedded within a separate revenue group.

They are focused on imagining, researching and developing new commercial offerings, including constructing solid business cases, developing research and test plans, and breaking new ground in monetisation strategies. They plan and execute research projects that validate potential new revenue streams, including the collection and analysis of user research and financial modelling. Together with the design team they explore user flows and product experiences. They work cross functionally to create alignment across engineering, marketing, product, finance and design, leaning on their communication skills to bring exciting new opportunities to life.

The team is skilled at developing and analysing business models and cases and have a very good understanding of product/market fit. They can visualise, pitch and 'sell' products both from the end-user perspective as well as from a business strategy point of view. They are strategically minded and can derive insights based on analytics, research and financial data. In addition, they are highly creative with an endless well of entrepreneurial ideas that all have the potential to disrupt major, global markets. They see themselves as **artists thriving in figuring out exactly the right product for the right person, and explaining to them exactly why they will benefit from it.**

9. Corporate Venturing & Innovation

Corporate venturing consists of a number of initiatives designed to achieve growth by infusing innovation into the corporate mix.

The first method is through a **corporate venture capital** operation which involves the deployment of a dedicated internal fund, or funds allocated against balance sheet, which deployed when an investment committee makes decisions to take minimum equity positions in external startup companies that strategically align with the company.

A corporate venture capital unit manages the fund, builds deal flow, progresses the pipeline of deals, does due diligence and acquires the equity stake. This unit then manages the portfolio and ultimately ensures that the company gains strategic benefit and, potentially, financial return on investment from the deal.

The second corporate venturing method is through an **incubator** that works with outside entrepreneurs to build startup ventures in exchange for a small equity stake and rights to invest through the corporate venture capital unit. The benefits of such an initiative include access to the entrepreneurial ecosystem and deeper understanding of industry trends.

Some organisations have a separate **innovation group**, focused on driving the organisation's innovation agenda across its key axes of growth, such as geographical expansion or growth into adjacent markets.

More advanced organisations see such a group as a **combination of science and art**. The science part is about immersing customers in the world of design thinking and experimentation, tapping into lean and agile methodologies to form a programmatic approach to creating an innovation pipeline and growth. The art is what follows - emergent intrapreneurs and entrepreneurs who have the creativity, the focus and the resilience to harness energy and achieve growth.

Innovation can be partnered with, and even report directly to the Chief Digital Officer. In such cases the mandate is to cultivate and drive transformational and commercially disruptive digital initiatives that build scale or evolve as standalone businesses.

The innovation group focuses on three phases of innovation – discovery, incubation, commercialisation.

1. **Discovery** - the discovery phase is about collecting and prioritising transformational innovative ideas, filtering them for endorsement and moving them into incubation, either internally or via external accelerators.

2. **Incubation** - the incubation phase involves working with specialised teams located within an innovation lab to rapidly test assumptions through rapid prototyping. It also involves launching crowdsourcing programs and hackathons for internal staff and the broader market. For ideas entering the innovation pipeline, the innovation group also manages the various go/no go inflection points as an idea progresses towards becoming an integrated part of the business or a standalone venture.

3. **Commercialisation** - the commercialisation phase involves working with the technology team to build best-in-class execution capabilities, partnering with accelerators, incubators and others as needed to develop and launch major transformational initiatives, delivering a model for disruptive innovation and providing motivational leadership, coaching, direction and management to a matrixed team of partners, both internal and external, all focused on progressing the commercialisation of innovation.

Bridging the incubation and commercialisation phases, some company's create an **accelerator lab**. This lab primarily acts as an accelerator for business problems using a fundamentally different approach in order to get stuff done and deliver capability, typically defined as a prototype that can follow a build, test and learn loop.

Within the lab a team of business resources are collocated, supported with tools, methods and entrepreneurial facilitation to deliver the initiative, typically over a number of weeks.

An experienced **Entrepreneur in Residence** manages the acceleration process. They work with senior stakeholders and business areas to help incubate new ideas and solve real business problems. They utilise a lean startup mindset, human-centered design concepts, agile techniques and lean governance. They have a mandate to challenge and disrupt the status quo to deliver client tested solutions in less than 45 days.

Companies that have a mature corporate venturing and innovation capability will have innovation groups and centres located around the world, managed centrally. At such centres disruptive talent comes together to **explore, discover and develop groundbreaking solutions to solve their customers toughest challenges**. These centres are designed as **fast-paced, high-energy hotspots, where the spirit of entrepreneurship can thrive**.

Each centre has a strategy for ecosystem engagement in its region (in partnership with the local and corporate team), enables and delivers local ecosystem programs and scouts for partnership opportunities that map to the company's strategy.

10. Growth Marketing

Growth can mean acquisition of clients or customers via on and offline acquisition marketing programs. This includes paid, inbound and owned media strategies centred around a brand or portfolio of brands.

The growth marketing team is responsible for acquisition-focused marketing programs, on and offline advertising initiatives, search engine optimisation via both on-page and off-page programs, conversion rate optimisation of existing web sites, and using new and emerging digital channels.

A growth marketing designer is responsible for driving conversions of new and returning customers. They work with a cross functional team of engineers, designers, copywriters, data scientists and other growth experts to envision, plan, test, scale and optimise initiatives design to reach potential customers.

Dedicated Growth Groups

A dedicated growth group can have responsibility for driving key growth initiatives across an organization, as part of a systematic business-wide operating system.

This group works to enable and accelerate determined growth initiatives by serving as a source of expertise, providing leadership and guidance on these initiatives and by sharing and leveraging best practices across the organization.

The aim is to assist divisions or subsidiaries outperform in their markets, thereby driving growth. People working within these growth groups are top performers in their areas of expertise and have deep insight and execution capabilities. In short, they **get stuff done**. Key focus areas for these groups include digital marketing, sales productivity and sales funnel management.

Growth groups are often found in highly acquisitive companies. The most successful high velocity acquirers have a rigorous system for identifying and bidding on potential acquisitions. They also have a well formulated **business-wide operating system** that can be applied to every acquisition consistently.

This operating system includes a set of tools for continuous productivity improvement, go to market activities as well as other operational aspects. The key principles of such a system are simplicity, focus and repeatability.

In highly acquisitive companies, within the first hundred days post acquisition a shared strategic plan is developed for the business that closely follows the operating system and includes answers to the following three questions:

1. What game are we playing?
2. What is the context?
3. How can we win against key competitors?

It is essential that new acquisitions rapidly deploy business-wide policy and utilise the operating system as soon as possible. This drives efficiencies and

also allows the organization to measure and monitor the new acquisition's performance against key performance indicator targets.

The dedicated growth group is tasked with driving targeted policy deployment and KPI results by leveraging growth tools, mentoring skills and change management processes. The group also takes a leadership role in the development of growth process roadmaps around sales, marketing and ideation. They provide formal and informal training and coaching and regularly participate and contribute to policy deployment and daily management reviews. They also benchmark and incorporate the best practices into their growth systems and assist in the deployment of priority improvements.

The aim of a growth group is to **foster growth through simplification**. The group empowers people to work together more efficiently and utilise key business insights more effectively to grow and stay ahead of the competition by supporting more profitable operations, continuous adaptation and sustainable growth.

A dedicated and highly motivated growth group provides local teams with the tools, processes and product improvements needed to accelerate growth.

They also:

- track and analyse customer acquisition performance,
- build and interpret actionable models and reports,
- define and measure KPIs according to business needs,
- develop models and reports using data visualisation software,
- use advanced models and algorithms to drive smarter business decisions (economic modelling, user segmentation),
- provide ad hoc analysis with actionable insights,
- analyse and investigate large data sets to provide actionable insights,
- manage data processes, projects and deadlines,
- collaborate with many teams across the company to implement the processes and tools required to make relevant data accessible,
- estimate the bandwidth and scalability of projects, and
- identify and address bottlenecks and quick wins.

Hiring For Growth

By analysing job adverts for positions at leading companies within the ten growth facets the following traits emerge as being essential for people hired onto growth teams:

- Experience in high growth startups
- Ability to work both collaboratively and independently
- Not afraid to take risks
- Willing to roll up their sleeves and lead from the trenches
- Accurately assess key business metrics and situations from a senior leader point of view
- Comfortable with stretch, continuous improvement, performance and results
- Persistent, proactive, diligent, self-starter with attention to detail
- High energy
- Relentless in their pursuit of growth
- Creative thinker
- Assertive, with strong negotiation skills
- Strong results and goal orientation
- Challenge the status quo
- Transformational leadership skills
- Work well cross functionally
- Infectious passion
- Care about impact and applying data-driven insights to drive business decisions
- Believe in automation – any process that can be made faster you want to make faster.
- Can step back to see the bigger picture.

Developing a 100 Day Growth Dialogue

Over the next 100 days have a conversation with your executive team to:-

- Formulate an all encompassing growth strategy that includes the ten facets,
- Use this strategy to determine an execution plan and identify the gaps in your growth capability,
- Hire the right people to round out your growth team, and
- Set in place a plan, data progress system for measuring and monitoring growth activities as part of a concerted strategy.

You should also begin to crystallise a business-wide, operating system for growth, bearing in mind that this is an ongoing exercise.

About This Position Paper

This *Growth Report* was published by EXOscalr Pty Limited.

It was written by EXOscalr CEO, **Rand Leeb-du Toit**, a special adviser on growth to both large corporates and emerging entrepreneurial businesses, globally.

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