

DOUBLE-DIGIT GROWTH

How Great Companies Achieve It
– No Matter What

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MAIN IDEA

For any business, growth is like oxygen – it’s essential. Growing companies thrive and attract all the best talent and resources whereas shrinking companies tend to wither and die. Smart managers understand that, and make certain their enterprises chalk up steady double-digit growth year after year irrespective of the state of the economy, the competitive pressures of the marketplace, the demands of customer and suppliers or any other considerations.

A study of 130 organizations that achieved double-digit growth year after year identified six key principles they adhered to:

1. They hedged their bets and spread the risk by pursuing multiple growth strategies, not just one or two.
2. They took small bites – and tried to achieve small gains in multiple areas rather than large gains in just one area.
3. They tried both organic and acquired growth strategies, and balanced these two approaches intelligently.
4. They were obsessive about offering customers a superior value proposition.
5. They created the management capacity to be able to manage growth projects without ignoring their existing business.
6. They put in place a corporate culture and internal processes which encouraged the achievement of growth.

So how, specifically, can a business achieve steady double-digit growth? The key factor isn’t so much what industry you operate in as it is mastering and then balancing five key growth disciplines:



In short, to achieve and sustain double-digit growth is a choice every business can make. Any company which applies the five disciplines systematically and consistently can and will achieve sustainable growth. The choice is yours.

“Double-digit growth is not a dream but a plausible scenario. If the challenge of double-digit growth appears a bit daunting, undaunt yourself and take heart. The beauty of the five growth disciplines is that any company is capable of carrying them out, consistent with its own particular ambitions and circumstances.”

– Michael Treacy

Discipline #1 – Keep the growth you already have. Page 2

One of the easiest and most direct ways to grow is to slow the rate at which you lose existing customers. Improve your client retention rate so you have a good base to build on. If your business provides good value-for-money, it will usually be easier to retain an existing customer than it is to attract a completely new customer.

Discipline #2 – Take business away from your competitors Page 3

Gaining market share from a competitor is usually the hardest way to grow. Not only will your competitor fight to retain their customers but you have to show overwhelming reasons why customers should make the effort to switch to you. Make certain you know what you’re doing when you make serious attempts to raid your competitor’s customer base and increase your own market share.

Discipline #3 – Position yourself where growth will happen Page 4

Establishing a presence in the fastest-growing segments of your market and ensuring you get a decent slice of the pie is usually the easiest way to grow. The major problems here are being able to spot emerging opportunities quickly enough and then securing sufficient market share as these markets become better defined. It’s all about getting positioned early enough to take advantage.

Discipline #4 – Invade your adjacent markets Page 5

To do this well, you need an ability to accurately appraise what your core operating capabilities are and how they could be applied advantageously in an ancillary market. Once you know those factors, it then comes down to a simple build vs. acquire decision – do you build your own operational capabilities in that new segment or acquire them from someone else?

Discipline #5 – Consistently invest in new lines of business Page 6

This growth discipline is built on smart investment decisions rather than sound management skills. Most often, business management teams don’t have significant skills in this area and therefore further training and experience will be required before pursuing this growth discipline.

Balance – Have a balanced portfolio which contains growth initiatives in all five disciplines. Pages 7 - 8

In just the same way as a venture capitalist has a portfolio of investments – some of which will bomb while others become superstars – business managers need a portfolio of growth initiatives under way at any one time. That way if one or two of these areas fail to perform, the other growth initiatives can still deliver. This is the essence of risk management and the key to consistent double-digit growth.

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