# Is Your Organization Ready for Growth? 2

It does no good to consider theoretical options for growth if your organization isn't yet ready to grow. In order to determine if, and if so, to what extent, your company is ready, we need to first do a bit of location work:

## 2.1 In Which Phase of Growth Are You?

Your company's situation can be summarized in one of the three following phases (Fig. 2.1):

- Your company is growing (more or less quickly)
- Your company is stagnating or growing only minimally
- Your company's growth is negative

You may prefer to take a more differentiated approach, examining your company's individual divisions or business areas and not the company as a whole. And you can feel free to do so; the following observations equally apply to entire companies and departments, product lines, even individual products. Here, however, we will focus our attention on the corporate level, as it is the most complex.

If your company is growing, it is constantly at risk of ignoring or at least neglecting organizational and structural questions for the sake of concentrating on growth. And the faster your company is growing, the greater this risk is. You enter new markets, address new customer groups, new opportunities arise, new networks become vital, new distribution and sales channels are evaluated, new vendor relations are established, and new products and services are brought to market—and as soon as possible!

In these successful phases, companies tend to float on a growth-based wave of euphoria, which often affects employees. Mistakes are forgiven, because they are more than compensated for by the company's success on the market. There are suddenly so many different areas of activity that it seems like something is always going right in at least one of them. Questions of expertise are overlooked, as success

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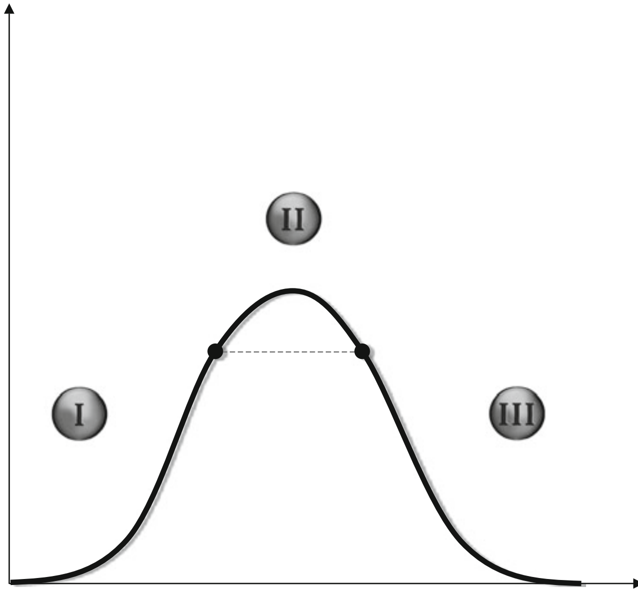


**Fig. 2.1** Growth phases

seems a matter of child's play; if anything, then only the available capacities—and here especially available manpower—can present a bottleneck.

Yet it is precisely this question of staffing that often causes rapidly growing companies to falter and fail. If, at the beginning of the growth euphoria, special incentives—whether in terms of content, responsibility, financial rewards, or some combination thereof—can still drive employees to deliver top performance, sooner or later the point comes at which they reach their limits. Fourteen-hour days are no longer accepted without complaint, there are increasing demands for order and structure, and the question as to whether a more systematic form of growth might not be healthier presents itself.

To the external observer, some growing companies seem to build their futures on a bed of sand. New stories are quickly stacked one on top of the other, though no one gives any thought to the strength of the foundations. Quickly growing companies and growing companies in general would do well to (re)examine their structures and processes from time to time in order to ensure that their growth is sustainable and not just a bubble that will inevitably burst. Once this happens, the resulting damage is measured not just in loss of market share and market significance, but is often exacerbated by an exodus of good employees. Growth, even rapid growth, does not free the corporate leadership of its obligation to provide a suitable degree of structure, a clear division of responsibilities, and adequate leadership.

While changes can be made relatively easily in quickly growing companies, provided their necessity is recognized early enough, those companies whose growth

is stagnating, are faced with a very different challenge. As a rule, companies without a certain growth dynamic are hard pressed to generate the initial momentum needed to break out of their acquired lethargy. They've often already been in a state of non-growth for years and, having since reconciled themselves to this condition, can no longer muster the energy to break out of their torpor, instead working only to preserve and defend what they have. But plateaus hold certain risks: They are finite, and once they're over things go downhill. Whereas rapidly growing companies need to rein in their energies and direct them into the right channels by focusing more on leadership, organization and structure, stagnant companies must add new energies to the system so as to even have anything to direct into any channels.

In concrete terms this means that the latter group of companies generally have to implement radical measures to put an end to their stagnation: Sleeping Beauty has to be shaken awake. Their leaders must clearly communicate that complacency and self-satisfaction with past achievements are hardly sufficient to secure their future. Tried and trusted methods include the acquisition of another company and it subsequent integration, selling off certain business areas, outsourcing specific functions, introducing a consistently customer-oriented approach to the company's processes and organization, focusing on new performance parameters, and starting a new strategic initiative. These are just a handful of options we have used in the past to help our stagnating client companies to shake themselves awake and get back on the right track.

It is essential that these company's leaders understand that it will take considerable amount of time to get them back on the road to growth. It takes time for employees to realize that their superiors are serious about a new orientation, and that it's not just another flash-in-the-pan initiative. In order to get stagnating companies out of their comfortable rut, something out of the ordinary has to happen. Of course here, too, the principles of successful change apply, which dictate e.g. that the benefits of change are communicated to employees, and that a "critical mass" of them, who are prepared to actively support the planned changes in order for the company to reach a new status, can be won over in time. But the first key step is that the company's leaders give them the necessary impulses. Not everyone is prepared to do so, because it takes a great deal of work to snap a stagnating company out of its slumber. But the effort often pays off.

In contrast, those companies that are in a phase of negative growth have it easier. Though it may seem counter-intuitive at first blush, it's fairly easy to explain, as companies that are shrinking, or perhaps even face restructuring, rarely have to be convinced of the need for change. Assuming companies are fairly transparent about their performance figures, their employees will recognize the need for immediate action without having to be told. The company can no longer keep its head above water, but has a reed for fresh air. That reed is still above the water line, but the question is, for how long.

Like its positive counterpart, negative growth also brings with it a degree of momentum that a company's leaders can capitalize on. Needless to say it is imperative that the fear factor is suitably addressed, as turnarounds and financial

restructurings always put jobs at risk, and with them the fates of individuals. Nevertheless there is energy that can be used to set the company on a positive course, or even save it. This is by the way also true for the restructuring of individual business areas.

How a company's leaders respond to the negative growth situation is decisive. If they panic and try to defend what they still have, or if they fail to create new prospects for the period following the restructuring, they squander important opportunities for successful growth. If on the other hand they succeed in creating prospects of a better future while retaining as many employees as possible, i.e., if they manage to approach the restructuring as part of the growth process, they stand a much better chance of succeeding.

An essential component in this regard is reliability, as it is impossible to lead in a restructuring situation without reliability in interpersonal dealings. Arbitrariness is always ill advised, and most of all in such situations.

So, in which of these phases are you? It is only once you have answered this question for yourself, and have classified the individual business areas in your companies, that you can start the necessary initiatives.

Above all, make sure that you don't confuse innovation and reorganization; this is one of the fastest ways to spread confusion throughout your company, and can often result in irreparable chaos. Reorganization and innovation can only very rarely coexist. Whereas the goal of a reorganization or restructuring is to ensure a company's long-term survival, innovation situations entail a certain amount of room for error. Innovation requires a degree of creative freedom, while a restructuring must be strictly managed. The leadership styles that lead to success in phases of restructuring normally differ significantly from those used in phases of innovation: Apart from the need to delegate authority in some cases, the reins are held far more tightly in a restructuring than in a phase of innovation. The only exception to this rule is when an innovation is absolutely necessary to push a restructuring forward. In such cases, however, the innovation is under enormous pressure to succeed.

Some companies confuse these two approaches because they assume they can use the same resources and to the same degree to implement both restructuring and innovation, and are then baffled when this policy works very poorly, if at all.

A company's central divisions can be extremely important if the company has certain divisions with an acute need for restructuring and others in which innovation is sorely needed, and it is in a phase of high growth.

One of our consulting assignments consisted in boosting the growth of two related but independently functioning corporate divisions. One division had to first undergo a turnaround, as the development of its performance figures was intolerably in the red, while the other, the market leader for Europe in its industry, needed to be reoriented to enable it to successfully defend its leadership position and expand in the long term. The two divisions were supported by shared central services, and it proved to be a major challenge to communicate the divisions' different needs in the respective phases of growth to these central services. In order to do so, we needed to help the central services to understand the different

mentalities underlying a phase of restructuring on the one hand and a phase of innovation on the other. The time we invested in our dialogues with the services paid off several-fold, as we arrived at a mutual understanding, ensuring that the two operative divisions were provided all central services needed for their respective situations.

It is essential that leaders confronted with situations in which different business areas are in different phases of growth include the central services in their planning, as this guarantees that they act in accordance with the company's true priorities. What do the different business areas need, and how urgently? Which projects come first, and which can be put on the back burner? Who should be preferred in conflicts over resources? What type of internal organization will best allow them to support the different business areas? These are all questions that need to be discussed together with the central services and the respective business areas. In some cases it can also be helpful to establish clear-cut, business-area-based responsibilities for the central functions, which remain in effect until the desired results have been achieved in the business areas.

## 2.2 Fast Business Processes Aren't Enough; You Need Good Interfaces

Once you have determined which phase your company or business area is currently in, your focus should shift to business processes. As we all know, there is a wealth of different approaches to optimizing business processes. Primarily touting themselves as consulting methods, they have found their way into the corporate world under the titles "business process optimization," "business process modeling," "process restructuring," "business process reengineering," etc. And don't forget kaizen, the management of small changes in processes.

Besides the fact that these approaches are often very similar, raising the question whether it's just the same old product with new packaging—or, as the case may be, a new product in the same old packaging—and despite the fact that in terms of business process modeling and optimization many consulting firms have become a bit too enamored of the methods used instead of focusing on the results for their clients, it should be said that efforts to optimize business processes are of course praiseworthy. Fortunately, many companies have now made to process optimization, and the accompanying drive to more efficiently produce results, part of their own management repertoires. Here, the specific methods used are secondary; what is important is that you opt for some effective, tried and true method and lead your organization so that the method is consistently used. The results are what count.

One result of the growing awareness of the need for efficient processes in divisions and departments is that many of them, taken individually, are actually in very good shape. And when we as an external party examine our clients' individual functional divisions, we often determine that many processes within the different units are already very lean, efficient, at times even excellent. Of course there's still room for improvement, and in some cases a great deal of room.

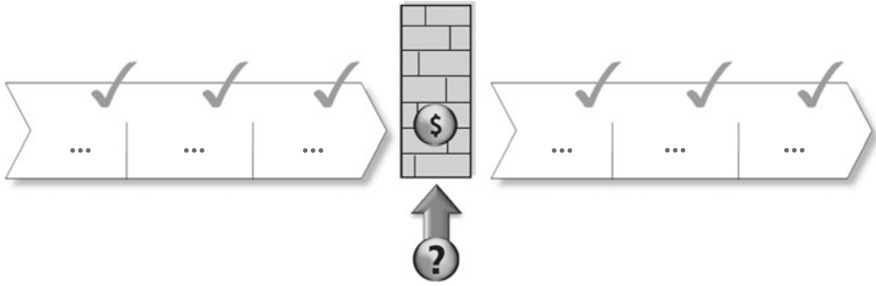


**Fig. 2.2** Process potentials are to be found in the interfaces

In comparison to the situation as it was a few years ago, however, there have been very positive developments in various departments.

Efficiently running departments and divisions are of course a solid basis for corporate growth. In logical terms, they are necessary but not sufficient, as the real attrition does not arise in these units themselves, but in the interfaces between them. As such, the greatest potentials are also hidden in these interfaces (Fig. 2.2).

It should really come as no surprise that we have this regrettable situation, as the heads of the departments and business areas are evaluated on the basis of their unit's performance, but not on the performance of larger process chains that involve several such units or even third parties. It is still very often the case that those who succeed in getting their own unit in solid shape are praised or even rewarded, regardless of how much or how little they considered the greater processes beyond that unit. Some companies, above all very large ones, have recently introduced agreements between their different units, establishing criteria for process performance and expected results. Some companies refer to these as "performance agreements" or "service level agreements," while others call them "interface descriptions" or "interface agreements." Regardless of the nomenclature, they all mean the same thing: Joint answers to the questions of how, when and in which form one member in the process chain passes on results to the next member.

In our experience it is essential that these questions be answered if we want to truly address the issue of growth. Companies that have not sufficiently clarified the interfaces between their different organizational units are still a far cry from having a reasonable basis for growth, because the efficiency generated in the individual units goes to waste at the interfaces. This can be particularly dramatically seen when we turn our attention from the interfaces within one company to those between two or more companies.

Take for example one of our client companies, which practices intensive product development involving very precise scheduling. The company had to face the fact that, time and again, its products were not available in a sufficient amount, not available by the agreed-upon deadline, or not in suitable quality. The products themselves were market-oriented, and reasonable conditions had been agreed upon with the vendors, so that both our client company and its vendors were making a good deal, the resellers were quite satisfied with the products, and the logistics

providers were prepared for both shipping and receiving needs, but nevertheless, something always managed to not go according to plan—to put it mildly.

When we assessed the entire chain involved, we noticed that the different parties involved had not sufficiently discussed the interfaces between the individual processes. True, the Purchases department had discussed conditions with the vendors, and the delivery dates had been set. Yet no one had taken the time to clarify the interfaces between the vendors in the Far East and the logistics providers; as a result, the vendors had the product ready on-schedule, but the logistics providers e.g. had to wait too long on the loading rack to be able to deliver the goods to the warehouse on time.

In another case, the Purchases department decided to raise the quantities ordered, and the domestic warehouse wasn't able to process the higher quantities because other business units had simultaneously upped their amounts, too, a fact that was not internally communicated between the units. And in yet another case the outlets weren't supplied with sufficient stock in time because no one had bothered to discuss the new stocking structures with their logistics partner.

In all of these cases, making a breakthrough was only possible by focusing on the interfaces between different business units and their partners in the value chain. Needless to say, not every problem disappeared overnight, but in most cases the situation improved dramatically. Clear coordination between business units is what had been missing; the individual units themselves—the vendors, the Purchases department, product development, internal logistics, the logistics provider, and the resellers—all ran smoothly.

When assessing the interfaces between business units, or even between companies, it is important that we proceed top-down, shifting from a macro-perspective to a detail-oriented perspective; if we don't start with the big picture, we run the risk of getting lost in detail. Examples of questions to be addressed in this regard include:

- Which processes are relevant to assessing the interfaces?
- Who is responsible for these processes at our company / at the company in question? Is anyone responsible for the overall (entire) process?
- Which interface agreements have already been concluded?
- What are our performance requirements?
- Are these performance requirements clearly communicated?
- What tolerances are acceptable at the interfaces? What happens when these tolerances are exceeded? What "plan B" then goes into effect? What punitive measures are there?
- How often are interfaces placed under review? How are the results documented?
- What incentives for smooth operations at the interfaces are there?

In our experience it is essential that leaders hold both the person responsible for the process delivering results and the one responsible for the process taking over and further processing those results accountable for an interface's performance. Only when both parties have embraced the fact that they are mutually responsible for the interface and the success of the process as a whole, can we reasonably expect them to have an interest in shaping the interface as optimally as possible.

Here, too, we should bear in mind that there will never be 100 % perfection. But that's not the goal; it is far more important that we spark an interest in shaping the interface, and that people also consider aspects of process optimization beyond the limits of their own business unit.

## 2.3 Working Methods are What Count

The way your employees work together can yield valuable insights into how your company views growth, and whether it is ready for change at all. After all, the way employees work together influences the results of their shared labors, and we can find differences in working methods between individual units and between different project groups or work groups. In the following you'll find seven indicators that help us determine whether work groups tend to think in a growth-oriented way, or their mentality is more traditional and conservative:

1. Results versus duties
   It can't be emphasized enough: Focusing on results is one of the key growth-promoting elements in cultures of cooperation. Project and work groups that concentrate on results, on the desired status, on the goal to be met and who focus on the fastest way to get there are faster, more effective, and contribute more to growth than work groups for whom duties, workloads and produced quantities are more relevant. The major difference in these two viewpoints is that a results-oriented approach puts the focus on objectives and the present serves only as a point of departure for reaching that objective, whereas in a duties-based approach the present situation and overcoming all obstacles between it and our goal are given far more weight. If we follow this approach, we will always manage to find a wealth of obstacles in our way. Growth-oriented working methods focus on results.
2. Top-down versus bottom-up
   Project and work groups that use working methods conducive to growth always move from the big picture to the details. They first ask themselves, "What exactly are we talking about?", and then, "How can we approach it?" Here the focus is on doing the right things, even if they can't yet be done as efficiently as we might like. Work groups that tend to preserve the status quo focus instead on better shaping what they already have, and tend to focus too heavily on questions of "how." Whereas conservative working methods tend to be characterized by individual steps, growth-oriented working methods focus on leaps forward. The next time your employees seem bogged down with optimizing what the company already has instead of innovating, remind them what the right order is: First "what," then "how."
3. Asking questions versus insisting on being right
   Growth-oriented working methods thrive on asking questions, even if this means having to reassess your own position. Project and work groups that use growth-oriented working methods appreciate the power of the best argument, regardless

of which hierarchical level that idea comes from. Improving the company as a whole is more important than personal vanity. In work groups that tend to preserve the status quo, you will find very hierarchical thinking that has no qualms about torpedoing good ideas, especially those that come from lower levels in the hierarchy. These employees define themselves more by how often they have been proven right, and less by which profitable solutions they have helped to create. In this behavioral pattern, personal vanity and personal vulnerability are central aspects. And this is no surprise, as in conservative circles those who are not proven right are automatically the losers. As a leader, you can contribute greatly to establishing growth-oriented working methods by communicating the value you place on the best argument, even if that argument does not always come from the upper management.

4. Fewer projects versus more
   Because project and work groups that use growth-oriented working methods have implicitly or explicitly agreed to focus on promoting company-wide progress and to generate exponential learning, these groups concentrate on only a few, truly effective projects, instead of becoming hopelessly overwhelmed with too many, all of them under construction. While those using traditional, more conservative working methods place the emphasis on optimizing their own business unit, this is much less relevant for those pursuing more growth-oriented approaches. Focusing on fewer projects means pursuing intensive dialogues over what the priorities should be regarding the use of the company's resources. These discussions can add up to a lengthy process, but a worthwhile one nonetheless, as investing in fewer projects and necessarily ending or calling off of several others can tremendously improve focus. Since the remaining projects are much more likely to actually be valuable, they now receive much more attention, which in turn boosts their chances of success. Take a look at your company's project landscape: Has it become far too complex over the years? Are there projects there you had no idea about? Are all employees working on the projects clear about the company's priorities? You can do a great deal here to get growth moving in the right direction.
5. Guide versus dictator
   Not surprisingly, the role of leaders is a very important one when determining which working methods promote growth. In settings conducive to growth, leaders serve as guides. They create conditions that allow employees' talents and abilities to be cultivated within certain targeted parameters. The result is a highly intrinsic motivation on the part of the employees, as a result of which leaders can focus less on expensive motivational programs and more on their real job: leading. In more conservative settings leaders tend to establish the rules of the game and to dictate a certain way of doing things. Here we can often see the misguided assumption that leaders should extrinsically motivate others. Working on the assumption that extrinsic motivation is necessary is, to put it mildly, nonsense. Employees are already highly motivated when they start out at a company, and it is up to leaders to preserve that intrinsic motivation, not to constantly work to make them more motivated. This is a topic we'll return to

later on. For now, it suffices to say that those leaders who feel they have to dictate to their employees what to do are not promoting growth.

6. Chance versus drama
   In growth-oriented settings, mistakes are seen as chances to do better in the future. In conservative settings, they are treated as dramas: Those responsible are made examples of, and the hierarchy displays its power to the fullest. Workers in growth-oriented settings recognize and accept the fact that the past cannot be changed. Mistakes aren't played down or ignored, nor are they blown out of proportion; instead they are used as a point of departure to determine whether some pattern of behavior or policy led to the mistake and can be avoided in the future, or if the mistake was simply a glitch. Here the principle of trial and error, which supports rapid learning, applies. In growth-oriented settings, this learning is institutionalized as a process of improvement and recognizable patterns are often discussed. In contrast, in more conservative, traditional settings, the mistakes themselves receive much more attention. Take a look at how mistakes are handled at your company and you'll have a very good indicator of how growth-oriented the working methods are.
7. Speed versus size
   In growth-oriented settings, speed is often discussed, whereas size receives little attention, as the employees have understood that size is not a criterion for quality, success or future growth; at the same time, they know very well that speed can be highly advantageous to spurring growth. Here growth is not understood as doing more of the same thing; instead, a more comprehensive decision has been embraced. Due to their intensive focus on speed, growth-oriented teams tend to be highly flexible, while an approach more characterized by political maneuvering can be recognized in traditional, conservative settings. As a further result of the recognition that speed is more important than size, at the financial level returns are discussed more than market share in growth-oriented settings. After all, by now it should be common knowledge that today market share is only of secondary importance, even in oligopoly-based structures. What do your employees discuss intensively? How they can accelerate innovations, provide their customers faster service, and complete projects ahead of schedule? Or do they spend more time talking about the importance of the company's size? At the individual level, we can simplify the question to how often you observe that your employees discuss the relevance of dollars, staff and square feet of office space—or, for that matter, the size of the office chairs, number of windows, and number of delivery trucks.

While assessing your employees' working methods, it is essential to also talk about your company's meeting culture. Here, too, we should examine the subject at the business unit and top (inter-unit) level. After all, nearly every employee will tell you they never have enough time. So it makes good sense to take a closer look at the number 1 time-killer in companies around the globe: meetings.

The question of the value of *jours fixes* has been discussed at a number of our client companies. There's no universal answer, but it is certainly worthwhile to reconsider the *jours fixes* we already have, as well as all other meetings that

continue to be held "because we always had them." There is too great a risk of people attending a meeting simply because it has become a tradition. The value of meetings must also be measured in terms of their contribution to the company's success. There doesn't have to necessarily be a monetary value, as simply discussing current issues can help to make concrete headway, but every meeting should produce a benefit of some kind; otherwise it is obsolete.

A company's meeting culture is a good indicator of which growth stage it is currently in. While we were carrying out a project review with roughly 20 employees within the scope of an extensive project at a major German company, three people we'd never met before suddenly entered the room. As it turned out, they were the direct supervisors of some of our participants, and wanted to get a glimpse of how the project was coming along. Besides the fact that their behavior was unusual, improper and wholly inappropriate, they put the icing on the cake by explaining that they were in between two meetings and just thought they'd pop in. This was the first time anything like this had happened to my colleague and myself, and we were so taken aback that we allowed our uninvited guests to stay until their next meeting started. Today we would respond differently, and would ask them to leave the room. The remarkable thing about the situation was the phenomenon of "meeting hopping," which we later learned was often done at the company. Once we knew this, it was clear to us that we'd just discovered a significant indicator of a growth-braking approach to the precious resource of time.

If we take a look at the details of meetings, we can fairly quickly recognize a highly reliable reflection of a company's orientation concerning growth:

- Killer phrases: I'd be willing to bet that by now my colleagues and I have heard roughly 95 % of all standard killer phrases; you may know a few dozen yourself. "We've always done it like that." "We never did it that way before." "That didn't work for our competitors." "Why do we already need to do this again?" "We'll have to make a new work group to do that." "That will never work." The list goes on *ad nauseam*. I can still recall the case of a young employee at one of our client companies who took part in a meeting attended by several members of the upper management. After some initial reservations, he rose to make a suggestion. His idea was a very good one, but also a bit uncomfortable. In response one of the seasoned veterans present turned to him, looked him over intensively and slowly asked, "How long did you say you've been working here?" This is a perfect example of how to de-motivate your staff. How many killer phrases are used on average at your company's meetings? How do you combat them? How do you make it clear that thinking outside the box does not necessarily mean rocking the boat?
- Taking on responsibility: "What we really need to do is . . ."—Theoretically, this can be a good point of departure, provided it is subsequently followed up on, concretely and honestly. But all too often the phrase is used to mention a desideratum, which as a rule produces a great deal of nods in agreement, only to then discover that in fact no one is prepared to take over responsibility for pursuing the topic they all feel the company "really needs" to do something about. In fact, saying, "What we really need to do is. . ." is the best way to emphasize that you are

well aware of the need for action, but clearly lack the time and resources to personally get involved. As such, statements starting with "What we really need to do is. . ." normally refer to things that will in fact never be done. What we really need to do is clean out the garage. Phase 1: planning. Duration: ten years.

- Customer focus: How often do discussions at the meetings you know concern your customers—whether internal or external customers? What percentage of the time spent at meetings is wasted talking about self-optimization, or in other words, about busywork? Growth-oriented companies spend considerably more time talking about the services they offer their internal and external customers than about internal optimizations. The degree of orientation on internal and external customers is a one of the most important indicators of how ready for growth your organization really is.

## 2.4 It Can't Work Without Growth Sponsors

Let's assume for the moment you want to orient your company much more on growth than in the past. And let's further assume you don't feel your company is ready to meaningfully discuss growth in its current state. Thirdly, we'll assume that you have limited resources and you can't do it all on your own. If that's the case, you'll need to find internal and external "growth sponsors" who can work together with you to push forward your vision of growth. The fact that a number of growth sponsors who can focus their efforts on a company's development are needed tends to be overlooked. All too often, companies seek to simply administer growth, not realizing that internal and external drivers are vital.

But where can you find growth sponsors? There are various options:

1. Employees as growth sponsors
   Keep your eyes open: Many of your employees are just waiting for the chance to try a new direction, to move things forward instead of just managing them. At the same time, they are often prisoners of their own structures: When departments, divisions or other units are run by leaders who are themselves not prepared to push forward change and bear the consequences, employees often become apathetic and resigned. It's fairly clear that you should first discuss with your managers which employees they feel are most capable of pursuing and promoting growth. Doing so has a double effect: On the one hand, it communicates your strong orientation on growth to your managers; at the same time, it means you will need to intensively focus on your employees to determine who might be best suited to which type of growth initiative. Some managers will find this threatening; others will welcome it as a new opportunity. In either case, something will actually *happen*, and that's the most important prerequisite if you plan to mobilize your organization.

   When talking with your managers and employees, try to keep the following grid in mind. In a simplified form, it represents the difference between the desire to push forward the company's growth and the actual ability to make it happen (Fig. 2.3):

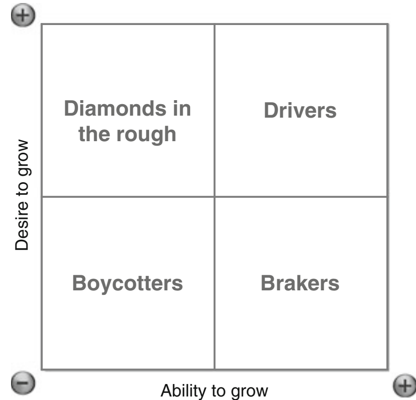


**Fig. 2.3** Desire to grow vs. ability to grow (Thanks to Dr. Alan Weiss for the initial idea for this double-axis chart)

The skills needed for growth can be taught and learned; the desire to change, in contrast, can only stem from sincere conviction. Accordingly, you will find it far easier to train those employees who are essentially in favor of change than to convince those employees who already have the skills needed that doing so is in their best interest. Skills can be imparted by internal or external trainers; conviction can only be achieved when your employees recognize the advantages that working harder to promote growth will have for them personally. You should try to convince them of these advantages, even if it is of course far easier to teach them new skills. When it comes to employees and managers who lack both the desire and the ability to push forward change, the only thing you have to consider is how to consistently get rid of these boycotters; the last thing you need is a premeditated or passive-aggressive torpedoing of your growth plans from within your own company. For many other employees, you can safely assume that they'll join the "growth movement" once it has reached a critical mass among your staff.

2. Customers
   Involve selected customers in your growth planning. This can work extremely well for both B2B and B2C through the creation of customer councils; these have no formal function, but by examining and discussing your company's strategy on a regular basis, help to constantly improve your products and services. Even if these councils at times produce seemingly abstruse requests and demands, it's worthwhile to give them a bit of thought; after all, if these "odd" demands start to add up, it suggests a serious interest of some sort, and you should explore whether that interest could help to point your company in a fruitful new direction.

   Shaping and moderating these councils can be demanding work, and especially at the outset you should bring a great deal of patience with you, because your tasks will be to arrive at way to work together productively, to block out those who just want to hear themselves speak, and to steer discussions into the right channels. The effort often pays off, though, when you succeed in addressing the right topics and in giving the council a clear job to do.

3. Vendors
   In terms of viewing your value creation chain from the top down, it is essential that you break down internal barriers and also include vendors in your strategic planning. That doesn't mean you should share all of your strategic ideas with your vendors; instead, you should integrate them in your growth initiatives, and do so as openly as possible. Keep in mind that your vendors very often see weaknesses in your processes and policies that you might overlook. Give them the chance to share their thoughts on these weak spots with you, and on how you can improve them. Just as with the customer councils, the idea here is not to blindly accept every suggestion, but to promote an ongoing dialogue. You know how important good vendor relations are for the growth of your company. The last thing you need is to have to change vendors just when you want to launch a new growth initiative. Invest the time to talk with your vendors; you might just be surprised what you can learn from their strategic ideas.
4. Consultants
   No, it's not time to advertise our own services. But engaging consultants as growth sponsors is often an effective way to get out of your rut and find promising new paths. Assuming the consultant has no hidden agenda and an ethical basic stance, they will always recommend the course of action that experience shows to be best for their client company, uninfluenced by the corporate (tunnel) vision and without regard for bruised egos. A good consultant—one who isn't already too busy thinking about the next juicy job and who can offer you objective advice, and who is further able to adapt that advice to your company's individual situation so as to better assess the feasibility of its implementation—can be a major growth sponsor. They can serve as a "sparring partner" for the company's Senior Management when it comes to frank discussions of the pros and cons of different initiatives, and as an internal driver they can ensure that project teams focus on what is really important. They have the latitude to speak freely on subjects that would be considered politically incorrect—or even absolutely taboo—within the company, and they bring the experience gained in numerous prior projects. Consultants of this caliber, and with the necessary degree of spine, can be true growth sponsors. Consultants who are nothing more than yes-men, who depend on keeping their clients happy just to ensure they keep getting asked back, those who are automatically *for* everything or *against* everything, and rookies looking to learn the ropes at the company's expense, need not apply.
5. The workers' board
   There are actually only two categories of companies that have a workers' boards; there are those who view the board as a partner, and those who go to war with it at every opportunity. And the same is true for workers' board: Some view the company as *their* company, as something they want to help shape, and view its leaders as their dialogue partners; the others act as if it were their life's mission to fight tooth and nail with the same company that signs their checks every month.

My colleagues and I have had very good experiences with involving workers' boards in growth initiatives, and for a variety of reasons. When companies take an open approach to their workers' board, it shows that they see themselves as partners and are also ready to act accordingly. It also shows that the company's priority is to move forward, not to craft its own secret plans. The sense of transparency generated by involving the workers' board is self-evident. Further, when a company's leaders make the workers' board part of their strategic planning, they can also avoid a great deal of posturing and saber-rattling, which very often only come to pass in the first place because the workers' board feels that its involvement came too late, was poorly handled, or was insufficient. This doesn't mean that you should inflate the board's importance; it simply means that you are respectful in your dealings with it—and that you can in turn reap all of the advantages created when the management and workers' board are all pulling together. As a rule, it's better to discuss the pluses and minuses, as well as the feasibility, of a particular growth initiative in advance and behind closed doors, than to hold these discussions once the initiative has already been launched, which can lead to good proposals being lost in shouting matches.

A workers' board that is taken seriously, is involved in planning, and correctly understands its job, will always act in the best interest of the company's future—within the institutional limits of its responsibilities. Generally speaking, leaders who approach their workers' board with these expectations and a cooperative attitude will more quickly achieve growth than those who take a confrontational approach. You have a workers' board, so you should also get along with it—and at a professional level.

How ready is your organization for the growth you've planned? I'll be happy to send you as a reader of this book a short self-test free of charge. Just send me an email at guido@profitable-growth.com with the subject line "Self-test Chap. 2."

We've now dealt fairly intensively with your company as a whole, and in the process we've found a number of indicators that can help to show you whether or not it is ready for growth. It's now high time that we take a closer look at the company's individual divisions, as each contains its own specific areas where you can release the brakes holding your company back from growing.