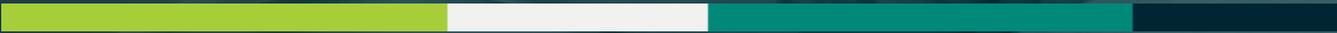


DRIVING YOUR BUSINESS FORWARD

Implementing a Best-In-Class Engine of Growth



By Mark S. Corona & Dennis Bailen



Driving Your Business Forward

If you really think about it, today's cars, trucks, and SUVs are less like what we know to be automobiles – and more like an infusion of an IT department and a luxury lounge. Advanced driver safety features; customizable, color-changing interiors; and smart IoT systems are making us more delighted and dependent on our vehicles than ever before.

However, while many of us desire the latest technology and aesthetics, *there's no way we can operate our machines without a powerful and well-maintained engine*. We just can't get to our destination without it. The same principle, while seemingly simple, applies to your company's growth strategy. Ironically, filling the machine up with the right gas, and keeping it from breaking down, is more difficult than it sounds.

A recent [Gartner survey of 460 CEOs and C-level business executives](#) reveals that leaders are looking for deeper structural sources for growth, including changing the “deeper engine” of the business. They recognize that incremental growth strategies are no longer working – and more disciplined methods are necessary for exploiting digital opportunities while developing their organization in more meaningful ways.

Indeed, creating a sustainable growth engine for your enterprise is the only way to see results – and it's more than just a quarterly growth plan or an intriguing digital marketing strategy with all the bells and whistles. To succeed in your marketplace over the long term, your organization must shift its thinking, and implement the appropriate combination of processes, people, and platforms to see real results.

Creating a growth engine is not only about the software, hardware, and daily operations you use to get the job done – but the consistent application of best practices that empower you and your staff to implement effective and powerful generators of growth in your business.

To help you sift through the myriad options that lay before you, we created this eBook. Within our five-part guide, we'll be tackling the processes, people,

organizational capabilities, and platforms that will help you build a sustainable growth machine, and drive your business forward.

First, we'll focus on building a market-facing, stage-gate approach, which includes supporting regular management reviews of growth initiatives and integrating growth management with EoS/Traction or other management processes.

We will also teach you how to develop a healthy organizational growth culture, which includes defining a “growth champion” role and prioritizing resources needed to support longer-term growth initiatives.

If you're struggling with the right platforms to serve your clients and bolster daily operations, we'll also show you how to build a robust set of enabling tools which fit into the business, which includes adopting and standardizing scorecards, financial models, business cases and business plans. We'll also explain how to complete periodic reviews of voice-of-customer (VOC), competitive monitoring, and market analyses.

Finally, we'll dive into how to create the right Roadmap, Results, Metrics, and Benefits, which includes focusing on the effective adoption of best practices, offering a logical sequence to implementation, and discussing and building organizational and program maturity.

By mastering these key areas, you can make your clients or customers dependent on – and delighted about – your products or services both now and in the future. Let's dive into the first part of the process.

Part I: How Your Executive Team Can Sustain Your Business Growth through Best Practices

If you don't believe that consistent, profitable business growth is a need of virtually every small- and mid-sized business (and especially for yours), you may not realize the value of this eBook.

The real challenges aren't understanding the value of growth to your business – they are about determining where your best growth opportunities are, prioritizing across multiple potential growth opportunities, integrating both shorter- and longer-term growth opportunities into your management processes, and organizing for success and building an ability to tap into new revenue streams consistently and over multiple years.

When someone says, “the devil is in the details,” they might be describing a series of growth challenges. Business growth goals—and when we say “growth,” we are ALWAYS referring to PROFITABLE growth—are familiar to every company doing annual operating or strategic planning.

Neither of us have ever been part of a corporate environment where a growth goal was stated “Let's shrink our business 10% next year.” What differentiates one business from another is how effectively small- and mid-sized businesses implement and support growth initiatives consistently over time.

There has been a fun buzzword going around for the last five years: “future proofing.” Can you “future-proof” future growth? Maybe and maybe not. [Here's a good argument for and against the thought.](#)

The concept may be attractive, but is it really possible? Our belief, based on helping hundreds of companies with growth planning, is that while there are no guarantees, there are many best practices to build on to give your business the best possible chances for success. Isn't that what stakeholders and boards ask for? “Give us a plan that we can believe in!” they often say. Your job as a CEO, or VP Marketing, or COO, or CFO is to do exactly that.

GETTING STARTED: HOW'S YOUR GROWTH ENGINE TODAY?

Let's get started by completing a quick self-assessment of where you are on your growth journey today. Take a minute to honestly answer these ten questions. Score each question “0-3,” and give yourself three (3) points if you can confidently answer “Yes” to each question...

- You have a defined plan to build new revenue and profit streams over a 3-5 year period
- You have a defined process to monitor changing market conditions and modify growth strategies
- You and your team regularly spend time checking the progress of your growth initiatives
- You have someone or a team responsibility and accountability to drive growth beyond this year's plan
- You have identified a working list, or portfolio, of growth opportunities
- Your growth opportunities have been prioritized using a consistent scorecard
- You have defined specific financial benefits and projected returns for each growth opportunity
- You understand the investments and resources required to build out new profitable revenue streams
- You have the right resources and culture to implement your growth strategies
- You feel confident in your approach to growth and your ability to achieve your growth goals
- 30 TOTAL POINTS

While there no absolute thresholds for what is a “good or bad” score, let's put it this way: if you have fewer than 15 points total, your growth model

may not have a level of maturity that will allow you to confidently address your shareholder or board questions on the health of your plan.

You can find a more in-depth survey in the appendix.

WHAT'S THE DIFFERENCE BETWEEN A GROWTH PLAN AND AN "ENGINE OF GROWTH"?

Here's a bit of fun trivia. You probably recall the proverb about giving someone a fish versus teaching them to fish. The oldest English-language use of the proverb has been found in Anne Isabella Thackeray Ritchie's (1837–1919) novel, *Mrs. Dymond* (1885):

"[...] if you give a man a fish he is hungry again in an hour. If you teach him to catch a fish, you do him a good turn."

We are going to apply this proverb to growth. Engines of growth are built on replicable processes, people and platforms (examples are tools, templates, opportunity profiles consistent financial models).

When you successfully embrace an engine of growth in your business, you are much more likely to outperform your competitors. Good growth plans are fine, being able to do this consistently year after year through a fine-tuned engine is even better.

The body of research on this is pretty convincing. Take a look at this study from Booz Allen and the Association of National Advertisers (ANA) which argues for the Marketing function assuming the role of growth champion.

With a more intense focus on growth, the assignment of a champion, the adoption of consistent processes and management practices, the more your business is likely to outperform your competitors and sustain a pattern of growth.

Two conclusions of [this study](#) are compelling:

"Growth Champions use a range of standardized tools and techniques to survey, segment, analyze, and understand the markets their company is serving, the opportunities before them, and to measure the relative success of their work across markets."

"Organizations with Growth Champions are 20% more likely to deliver superior revenue and profitable growth."

There is the strong correlation between having an engine of growth, and sustainable outstanding performance.

Some of you (probably all of you who aren't part of IBM) may be thinking: "That's great for IBM but I'm part of a small- or mid-sized business." You don't have to be IBM to benefit from this approach.

Several years ago, research commissioned by Chief Outsiders with the University of Texas, McCombs School of Business identified a performance correlation between operational excellence and market-oriented business with engines of growth. This research was done with a large sample of small- and mid-sized businesses.

Operationally focused companies are primarily concerned with improvements inside the four walls of their businesses. Market-focused companies are more future oriented and much more growth oriented.

But what happens when you take an operationally focused business and add a growth engine to it? The results are clear and compelling.

"There is a portion of these well-run, operationally focused companies that have adopted market focused behaviors (i.e. engines of growth) and are outperforming their industry peers."

Now that you're an expert on the basics, we'll move on to how to leverage this information to create healthy business management processes.

Part II: How Healthy Business Management Processes Sustain Business Growth

Since we've now defined the difference between a growth plan and a growth engine, you know that while a growth plan is a singular strategic event, a growth engine is a system of integrated and replicable growth focused processes that support and enable sustained growth performance over a number of years.

Don't get us wrong, growth plans do have value. They get the executive team together focused on growing the company—at least during the planning session. A frequent problem however is that everyone leaves the planning session and more often than not, goes back to implementing the close-in, tactical plans for their respective functional areas. Does this sound familiar? The real challenge with building sustainable growth isn't the plan, it is integrating the growth planning discipline into the daily management "biorhythms" of your business.

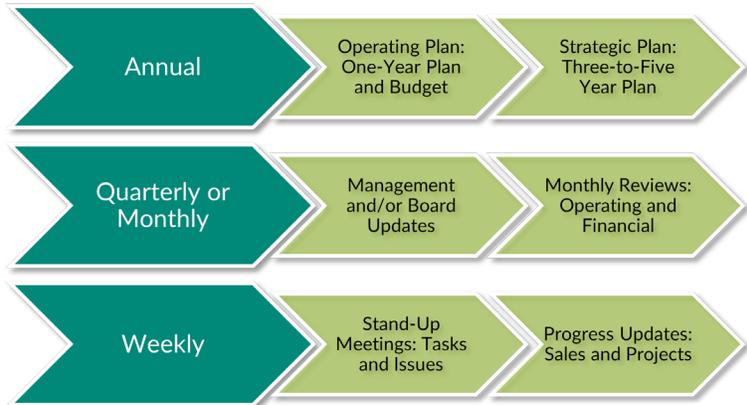
[In a BCG Henderson Institute article and study posted February 12, 2018, How Vital Companies Think, Act, and Thrive](#), the authors state, "The ability to continuously develop growth options as the main driver of vitality for a company." They go on to say...[strategy and execution cannot be separated from one another](#), and to be vital, companies need to build the right capabilities—especially in relation to technology and people. And to that we add replicable process that assess market opportunities and company capabilities in ongoing fashion.

The real challenges aren't understanding the value of growth to your business--they are about determining where your best growth opportunities are, prioritizing across multiple potential growth opportunities, *integrating both shorter- and longer-term growth opportunities into your management processes*, and organizing for success and building an ability to tap into new revenue streams consistently and over multiple years.

THE VALUE OF INTEGRATING SHORT- AND LONG-TERM GROWTH PLANNING INTO YOUR MANAGEMENT PROCESSES

Every business has management processes that they utilize. Some are highly informal, and some are very formal. On the informal end of the spectrum are businesses that meet as management teams on an ad hoc basis. When the need is evident, the executive team meets. Otherwise, there are few regularly scheduled meetings. On the complete other end of the spectrum are those businesses with a well-developed meeting cadence. These businesses have "biorhythms" which meet the business needs for coordination and collaboration. Often, these businesses are serious adopters of well-defined management disciplines like EOS/Traction.

COMMON MANAGEMENT PROCESSES, OR BUSINESS "BIORHYTHMS"



Just because a management team has a well-established meeting biorhythm, though, does not mean that they are better at identifying and prioritizing growth-related opportunities on a regular periodic basis. The issue is this: short-term business needs and issues always seem to preempt longer-term planning discussions. Demands seem to dictate that working in the business is more compelling than working on the business.

Think about all the times when your growth plan was developed, and your intentions were right, but you just couldn't or didn't have the quality (and quantity) time your team needed to continue to validate your growth opportunities, to track progress on those opportunities, and to refine priorities related to those longer-term revenue and profit streams.

The one axiom which summarizes this so well is this: "The time to grow is when you can, not when you have to."

Regular attention to your growth agenda, and your portfolio of opportunities, is a best practice.

WHAT GROWTH PROCESSES SHOULD I PLAN FOR?

There are a series of processes each business opportunity should follow as you develop it. We call this a Stage-Gate process, since each opportunity will proceed through the same series of stages and will continue to the next stage as the executive team continues to support continued development of each opportunity.

STAGE-GATES FOR MANAGING GROWTH PROCESSES

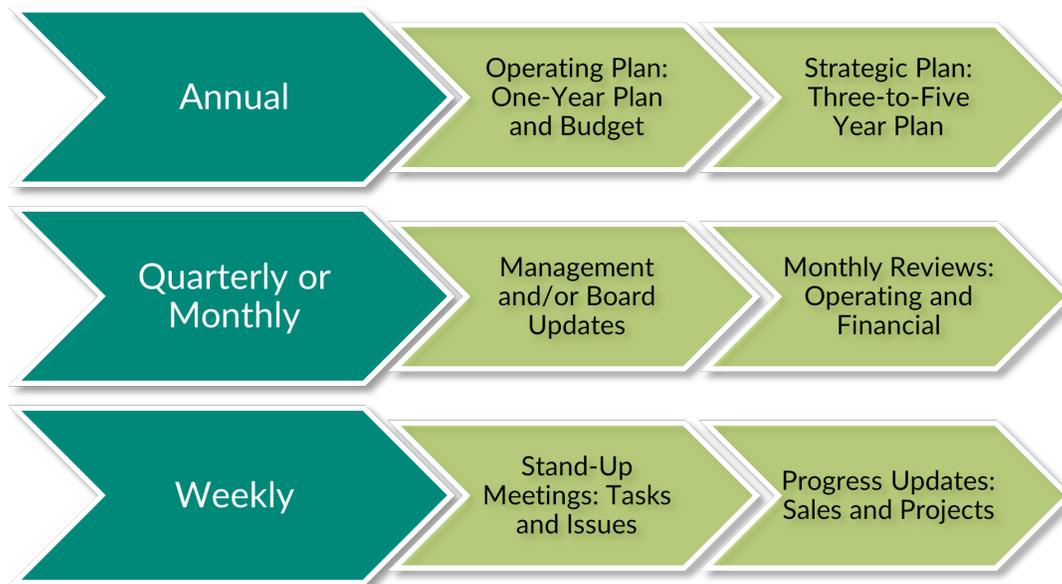


Each horizon growth opportunity identified should move through these four stages unless it is no longer determined to be viable. Stages match increased knowledge with higher confidence in the financial projections and increased investment in each opportunity. Stages represent suggested management reviews and approvals.

The Stage-Gate approach is powerful because it accomplishes many tasks simultaneously—as knowledge and confidence builds through each stage, risks are identified and mitigated, and investments

can be increased as the opportunity becomes more defined and solid. The executive team can halt or accelerate opportunities based on learning at each stage.

STAGE-GATES FOR MANAGING GROWTH PROCESSES



Upon mastering the growth processes to plan for and learning how to integrate your growth agendas into the management action plan, you are now able to optimize your organizational capabilities and hire the right people.

Part III: How People and Organizational Capabilities Sustain Business Growth

Now we are moving to another dimension of sustainable growth: people, organizational culture, and internal resource support. There is a three-part formula for success. Let's explore each in turn.

THE KEY ROLE: "GROWTH CHAMPION"

It's not likely you would recognize this role by this title. Some organizations have senior marketing executives who perform this role, others have innovation officers, and still others have someone in the organization with the accountability for longer-term revenue and profit streams.

The reality, though, is that often no one in the business has this role or these accountabilities.

Without a business leader performing this role, there is no focus for longer-term growth. We're emphatically not talking about revenue responsibilities for this month, this quarter, or this year. We are talking about growth described by the horizon growth model, which maps future revenue streams using a series of three future horizons (H1 = 1-2 years, H2 = 2-3 years, H3 = 3-5 years).

The argument for not having the same executive having both short-and longer-term revenue is simple. Short-term priorities always preempt longer-term opportunities. It is almost impossible to lead the effort to meet this month's sales quota and also spend time building the capabilities needed to generate "next generation" revenue and profit streams.

It's the "working in the business" versus "working on the business dichotomy." The Growth Champion role is complementary to the Sales executive role. It is more often positioned organizationally under Marketing than under Sales.

"Growth Champions" are unique. Here's a view of how an "ideal" growth champion might look.

INTEGRATING GROWTH AND BUSINESS MANAGEMENT PROCESSES

Intellectual	Interpersonal	Motivational
Handles Ambiguity	Adaptable	Ambitious
Conceptual & Creative	Assertive	Wants a Challenge
Analytical	Collaborative	Continuous Learner
Information Seeker	Independent	Customer-Oriented
Strategic Thinker	Persuasive	Entrepreneurial
Problem Solver	Risk-Taker	Resourceful
Quick Study	Inspiring	Results-Oriented

You'll note the apparent contradictions in this role. How can someone be both strategic, conceptual and analytical? How can they be collaborative and independent? How about the combination of risk-taking with results-oriented?

We will readily admit that someone with this makeup will be a challenge to identify and recruit. But that doesn't mean that you cannot find them, or that you cannot take an internal candidate and mentor and coach that person into this role. You'll need to explore beyond the traditional resume details to understand these competencies and attributes.

To get started, you can find an example of a complete position description in the Appendix.

ORGANIZATIONAL CULTURE

We've worked with clients where there is no culture of growth or change. Even if these businesses can find their Growth Champion, the odds are against that person being successful.

It might seem like covering very foundational ground, but if your organization has people who do not think the business has to grow—and in fact, think that growth can be harmful because of the new risks that are perceived to come along—then you have work to do.

I recently designed a Growth Champion model for a very successful engineering business. Beyond the immediate concern about how and where they might find Growth Champion candidates, their more pressing concern was securing organizational support for the role.

And, they weren't limiting that need to the executive team.

I learned this the hard way when I took a Growth Champion role in a business that was looking to diversify its revenue streams. I had a strong, passionate executive sponsor. I had access to funding to build a team of business development experts. I had the freedom and flexibility to build, test, and launch a portfolio of opportunities.

What I discovered, though, was that not everyone thought this emphasis on growth was needed. Even on the executive team, some thought the business was doing just fine and growth would just make their jobs harder. Others thought that growth was in their position description, even though they weren't spending any time doing it. It took a concerted effort to educate the business on why and how businesses need to grow.

Don't underestimate the need or the time and effort it may take to lay the foundation for growth. It's critical to your success.

INTERNAL RESOURCE SUPPORT

Many of our clients are far-sighted enough to see that every Growth Champion will ultimately have to depend on internal resources for knowledge, expertise, insights, access to customers, technology, and other business services and support.

That's time when executives need to not only voice their support—they need to step up with the critical resources needed to define, build, and launch new growth opportunities.

Those critical resources need to understand not

only why they should spend some of their time working on what may appear to be speculative projects, but hopefully actively engage because they believe in the need and the opportunity.

It's a fair question for a new Growth Champion candidate to ask what support they will receive. A Growth Champion doesn't fly alone. Supporting services will be necessary as soon as an opportunity is prioritized and worthy of a business case or business plan. That document itself requires a collaborative team to build.

Once a decision to proceed is awarded, then even more resources are required. Time and project conflicts will emerge. The executive team must play an active role in not only prioritizing between potential growth opportunities, but also between ongoing business needs and growth program needs.

A good way to think about the people and organizational needs to build your growth engine is to think of them as core building blocks. These three needs: Growth Champion, Organizational Culture, and Internal Support Resources are both complementary and dependent.

Upon bolstering your organizational culture and internal resource support, you are able to drive the appropriate platform capabilities to sustain business growth.

Part IV: How Platform Capabilities Sustain Business Growth

If you recall your college Marketing 101 class, Marketing was described as “Four P’s.” Time and Marketing have moved on, and these modern day “P’s of Planning, Processes, People, and Platforms all make up a set of best practices for achieving sustainable business growth in today’s competitive environment.

THE ROLE OF “PLATFORMS” IN SUSTAINING GROWTH

There are many uses of the word “platform” today. Our use refers to a set of playbooks, or toolsets, that we believe are companions to engine of

growth processes. You could think of them as interactive parts of a growth engine that enable you to consistently and effectively implement and manage growth processes over time and integrate a growth orientation and mindset into your organizational culture.

We have found that in most cases, businesses do not have a standard platform, or playbook, and that makes effective and consistent evaluation and management of growth initiatives unnecessarily challenging.

A robust platform will contain these tools:

PLATFORMS: PLAYBOOKS AND AN INTEGRATED TOOLSET

TOOL	FORMAT & CONTENT	PURPOSE
Opportunity Profile	1-Page Description	Concept & Idea Intake
Customized Scorecard	Customized Scorecard Analyzing Markets, Customers, Assets, Risks	Consistent Evaluation of Opportunities Over Time
Time-to-Market and Risk Analysis	Specific Analysis of Scorecard Categories	Understand Key Dimensions, Place on Horizon Growth Roadmap
10 Line P&L Model	High-Level First Projection of Each Opportunity	Capture Key Revenue & Cost Assumptions to be Validated
Business Case	Understand Market Factors, Potential Competitors, “Ideal” Buyers, Define the Offering	Initial Analysis Used for Go/No Go Decisions
Business Plan	Detailed Functional Plans & Financials Built on the Findings of a Business Case	Deep Definition of Go-to-Market Plan, Including a Launch Plan
Quarterly & Annual Portfolio Reviews	Updates on Each Active Opportunity	Proactive Management of New Opportunities & Resources Required to Implement

CONNECTING THE PLAYBOOK WITH BEST PRACTICE GROWTH PROCESSES

We’ve already discussed how a healthy approach to sustainable growth comes from connecting best practice growth processes with a best practice

playbook comprised of effective tools. Let’s take a more explicit look at how processes and the playbook map together.

STAGE-GATES FOR MANAGING GROWTH PROCESSES



To introduce the relationship between sustainable growth processes and the associated toolset from the playbook, we have called out four of the tools as examples. Let's look at how they support the consistent implementation of growth processes.

STAGE 2/DEFINITION AND KEY TOOL: ONE-PAGE OPPORTUNITY DESCRIPTIONS

This tool is needed to capture ideas and concepts for new revenue and profit opportunities from anyone who might volunteer one from within your

organization. Even better, they can be used to document ideas that prospects and customers might offer.

The goal here is simple: get the idea down on paper and be able to track it over time. This isn't meant to replace a business case or business plan. It doesn't have to be more than a one-page description with some (very) early opportunity sizing. All of these one-pagers are evaluated in the Stage 2 process where we evaluate them using a scorecard which we have adapted to the unique needs and characteristics of each business.

ONE-PAGE OPPORTUNITY DESCRIPTION	
2018	
Introduction	
This template is a "Stage 2" description of potential new opportunities. We'll use it to help everyone understand each opportunity and to be able to consistently profile them. Please fill it out as completely as possible.	
WHO DRAFTED THIS PROFILE?	
DESCRIPTION (What is the opportunity?)	
TARGET MARKET (What is the target market?)	
TARGET SEGMENT (Sub-Markets or Segments within Markets?)	
TARGET CUSTOMERS (Who would we like to do business with, what are their profiles?)	
OFFERING: PRODUCTS AND/OR SERVICES (What will we sell them?)	
INITIAL SIZING/THREE-YEAR REVENUE RANGE (How much revenue could we generate in 3 years?)	

STAGE 2/DEFINITION AND KEY TOOL: OPPORTUNITY SCORING MODEL

It's an unnecessary challenge when businesses cannot effectively and consistently compare opportunities with each other and over time. A scorecard promotes the consistent evaluation of opportunities, and supports prioritization and a deep understanding of what timeframe opportunities belong in.

Scorecards usually have six categories and may have 25-30 individual criteria that each opportunity is evaluated against. Typical categories include:

Market Opportunity

Strategic Importance

“Ideal” Customer Profile

Current Capabilities Leverage

Development Cost and Time-to-Market

Business and Technology Risk

Scorecards promote insight across multiple opportunities and are critical to mapping opportunity/time-to-market (which we use to establish revenue stream timelines, and opportunity/risk (which we use to understand whether the match looks acceptable).

Here's an excerpt of a scorecard set up to score four opportunities:

Opportunity Scoring Model					Opportunity Descriptions			
2018					A	B	C	D
Category	Factor	Description	Position	Score				
Market Opportunity (Up to 10 points for each Score) \$ Revenue Range: 2019-2022 Opportunity Sponsor/Leader								
Range								
	Total Potential Buyer Volume (PAM = Potential Addressable Market for Target Segments)	Total 2 year potential revenues (PAM) available in the market	\$ ---- \$ ---- 10 \$20 - \$50 - \$75+ (MM)		10	10	10	10
	New Customers	Cumulative revenue opportunity over 2 year period from new customer acquisitions	\$ ---- \$ ---- 10 \$5 - 10 - \$25+ (MM)		9	9	10	7
	New Revenues from Existing Customers	Cumulative revenue opportunity over 2 year period with existing customer base	\$ ---- \$ ---- 10 \$5 - 10 - \$25+ (MM)		7	8	10	7
	Market Growth Rate/Trends	Is the market declining, flat, or growing?	\$ ---- \$ ---- 10 Declining - Flat - Growing		10	10	10	9
	Potential Loss of Existing Business	What is the risk to the core business if we pass on this opportunity?	\$ ---- \$ ---- 10 High Risk - Medium Risk - Low Risk		10	9	8	5
30 Total Points Available					37	41	46	38
Strategic Importance (Up to 10 points for each Score)								
	Accelerate Profitable Revenue Growth	What is our ability to achieve profitable revenue growth?	\$ ---- \$ ---- 10 Low - Medium - High		10	10	8	10
	Aggressively Drive Toward Operational Excellence	Impact on operations or infrastructure (reduce costs, increase scale, other)?	\$ ---- \$ ---- 10 Neg. Impact - Mod. Impact - Positive Impact		8	9	9	9
	Differentiate Solutions to Maximize Value to our Target Markets	What is the impact of the opportunity on our brand and value proposition?	\$ ---- \$ ---- 10 Low - Moderate - Highly Positive		8	10	10	10
	Cultivate Effective Partnerships to Enhance our Value and Growth	Does this opportunity reinforce our go-to-market & distribution strategy?	\$ ---- \$ ---- 10 Low - Moderate - Highly Positive		10	10	7	8
40 Total Points Available					33	38	32	34
Ideal Customer Profile (Up to 10 points for each Score)								
	Established Customer Profile (e.g. financial stability, market position, etc.)	How do target customers fit our model for a "best" customer?	\$ ---- \$ ---- 10 Low - Medium - High		8	10	10	8
	Customers with Culture/Fit (e.g. connect with value prop)	Do target customers share our values & are they open to the value we create (vs. price buyers)?	\$ ---- \$ ---- 10 Low - Medium - High		10	10	9	9
	Long-term Relationship Potential	Can we build relationships with high customer lifetime value (CLV)?	\$ ---- \$ ---- 10 Low - Moderate - Highly Positive		10	10	10	9

STAGE 3/PROFILING AND KEY TOOL: TEN (10)-LINE P&LS

The incremental stage-gate approach we recommend is constructed on building out opportunities as more information becomes available through research and validation.

Opportunities which achieve high scores on the scorecard, and which have favorable profiles (i.e. large opportunity size and short time-to-market) are usually then evaluated using a brief P&L model.

The key to use of this model is to track revenue

and cost assumptions rather than focus solely on the financial numbers which are generated. Those assumptions must be continually validated and this model re-run when additional information is made available. Changes in key assumptions like average order per customer, order frequency, and cost of goods sold can have a material impact on these early financial projections, and it's better to understand those early rather than after you have invested significantly in new opportunities.

Here's a model for a ten-line P&L. Key assumptions should be tracked and linked:

OPPORTUNITY DESCRIPTION					
MARKET					
SUB-MARKET OR SEGMENT					
OFFERING DEFINITION (be as explicit as possible)					
	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUES	2018	2019	2020	2021	2022
Revenue					
Net Sales					
COGS					
GROSS MARGIN	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS					
Marketing					
SG&A					
Operations					
TOTAL COSTS	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME	\$ -	\$ -	\$ -	\$ -	\$ -
CapEx (at corporate thresholds)					
EBITDA CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	\$ -
METRICS (these are unique for each business)					
ROIC (Return on Invested Capital)					
DCF (Discounted Cash Flow)					
PAYBACK					

STAGE 4/VALIDATION AND KEY TOOL: BUSINESS CASE INCLUDING MARKET & OFFERING ANALYSIS

A business case is really the first-half of a more comprehensive business plan. There are several excellent reasons to do this in two steps: unless the opportunity and market are better defined, there is too much risk and too much cost and time required to build out a complete business plan.

Doing this exercise in two-steps allows the executive team to decide whether the early learning from the business case supports continued opportunity development and investment. Why spend the time and involve a broad set of functional experts in building out a robust business plan when there are key open issues left to understand?

A business case usually has a table of contents like this example. Once it is drafted and reviewed, the executive team can decide whether to add the remaining functional plans, go-to-market plan, and detailed financial plan.

An effective way to think about Platform best practices used to support the implementation of your growth engine is to think of them as a comprehensive toolset or playbook. These tools work in concert with your growth engine processes to help

Executive Overview

- Situation
- Complications
- Recommendations

Insights

- Current Situation Analysis
- Markets
- Customers
- Competitors
- Summary

Strategic Growth Options: Path to Success

- Opportunities
- Value Proposition

Recommendations and Priorities

Next Steps

Appendix: Working Papers

you consistently manage the identification, scoring, prioritization, financial modeling, business plan development, and ongoing proactive management of new opportunities.

Part V: Following a Roadmap to Growth: The Virtuous Cycle

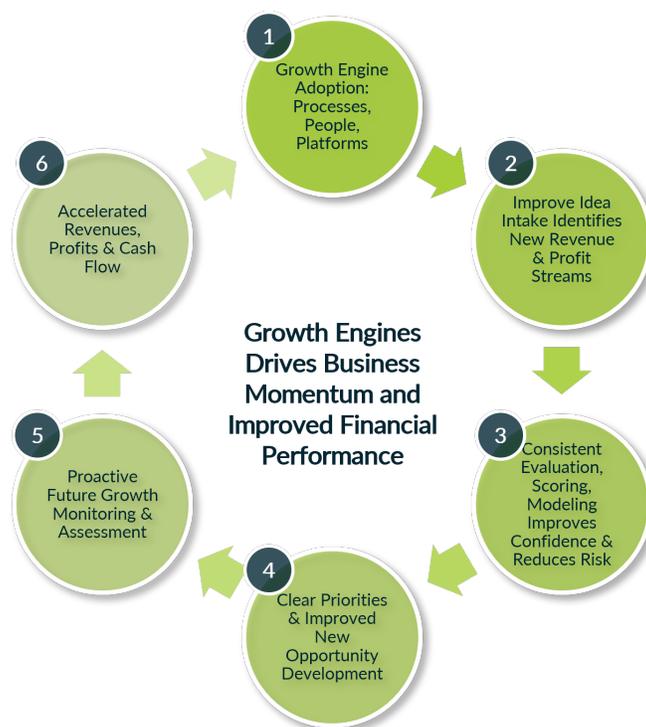
Now, we're putting everything you've learned together. You may have seen examples of "virtuous cycles" before, but if not, we are using that model to preset our growth engine roadmap. Virtuous cycles are best described as a series of business actions which each contribute to increased performance. As businesses move around the cycle, they become more efficient, momentum increases, and financial results compound.

The more competent the business becomes as it adopts growth engine best practices related to processes, people, and platforms, the more efficiently and quickly it moves around the cycle—adding new revenue and profit streams which result in additional investment funding for new growth concepts.

Sounds like a good model, right? It's certainly better than what some call "vicious cycles," where poor performance leads to a loss of business, which in turn leads to less capital to invest, which usually leads to decreasing revenues and operating profits. Businesses in a vicious cycle are under intense pressure to perform, must accept risks which they would normally avoid, and don't have the time to build sustainable revenue streams as they are out of runway.

Businesses in vicious cycles are in survival mode and cut costs, including those allocated to grow the business (i.e. marketing, HR). Any thinking about future revenues and profits is superseded by conversations around how to stay in business.

THE “VIRTUOUS” CYCLE OF A SUSTAINABLE GROWTH ENGINE



SUSTAINABLE GROWTH METRICS

How will you know you are on the right path to sustainable growth? You can't wait until revenue from new opportunities starts to flow in—that might take a while since according to our horizon growth model it could be anywhere from a year for Horizon 1 opportunities to contribute to 3-5 years for

Horizon 2 and Horizon 3 opportunities to generate new material revenue streams.

We believe that, in the absence of actual new revenues as they are developing, measuring progress in implementing a growth engine carries some natural metrics. A balanced scorecard of relevant metrics could look something like this.

BALANCED SCORECARD	POSSIBLE METRICS
Intake	<ul style="list-style-type: none"> Number of new ideas generated quarterly & annually Number reviewed, accepted and tabled Number of ideas generated internally and from customers
Scoring & Modeling	<ul style="list-style-type: none"> Number of new opportunities scored Number of new ideas financially modeled Number of business cases & business plans authored "Fast fail" measures: ideas terminated as a result of learning
Priorities & New Opportunity Development	<ul style="list-style-type: none"> Effective resourcing & support of growth opportunities Continued development of opportunities according to the horizon growth model and plan dates
Opportunity Monitoring & Assessment	<ul style="list-style-type: none"> Learning captured and actions initiated Quarterly & annual portfolio updates Re-forecasting revenues & profits from pilot projects Risk mitigation from pilot projects & market launches
New Revenue & Profit Streams Realized	<ul style="list-style-type: none"> Percentage of revenues from new opportunities Incremental profits from new opportunities

This follows an old sales axiom that, if you can't show sales yet, you better be able to demonstrate activity. Metrics help keep executive teams honest and accountable. We like them, and we think these will help you keep moving forward.

Financial Benefits

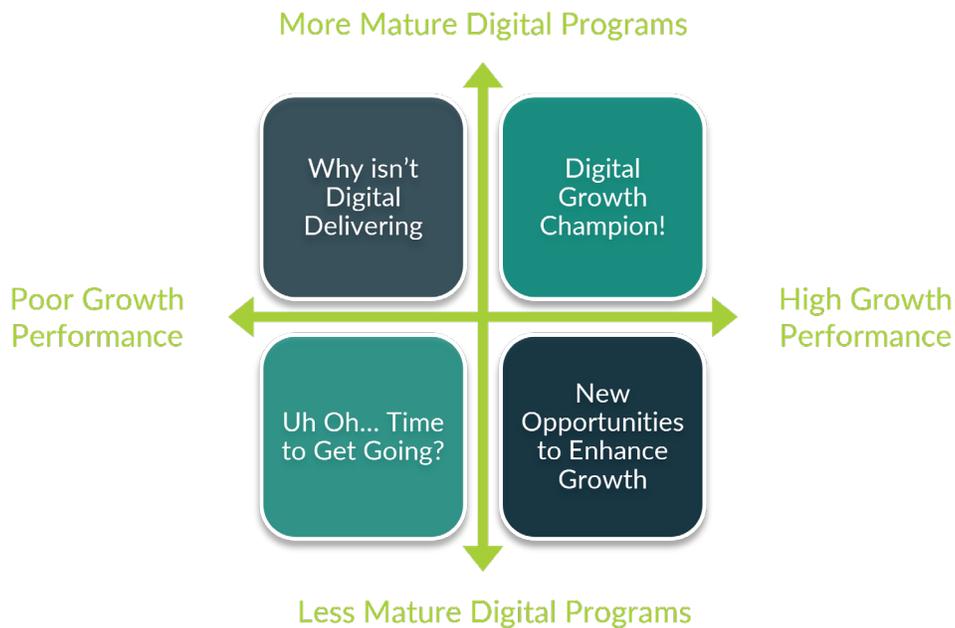
Growth challenges can take many forms, and we have engaged with clients with these growth needs:

- a challenge to double in size in a specific period, perhaps 5 years

- a challenge to improve year-over-year growth, perhaps from 3-5% to 15-20%
- a challenge to get a "stalled out" business growing again
- a challenge to restore growth to a business with declining revenues.

Growth engines benefit businesses with these needs. The relationship between a sustainable growth engine and performance can best be summed up on this chart.

LINKING A SUSTAINABLE GROWTH ENGINE WITH ACTUAL PERFORMANCE



The decision to create a sustainable growth engine is yours, and when you are willing, we can help you implement a growth engine in your business using the process, people, and platform best practices we have described in this series of articles.

It's time to be the growth champion of your market!

An Opportunity to Engage

Do you have ideas to share? Do you have needs you would like to discuss? Send me an email and I'll be happy to chat with you.

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APPENDIX

Extended Survey Questions for Engines of Growth Article

Welcome to this enhanced “Engine of Growth” Survey. The questions below have been developed from a set of best practices used to build sustainable revenue and profit programs. We derived these from working with hundreds of companies across 60 industries.

Score each question from 1-5, where 1 = Strongly Disagree and 5 = Strongly Agree

PLANNING

- 1. We are comfortable with our current revenue and profit growth and our ability to meet future growth projections
- 2. Over the past 3 years, we have consistently met our revenue goals.
- 3. Our annual planning process includes revenue and profit goals for 3-5 years in the future.
- 4. Our planning process includes market facing input activities to help us keep abreast of changing marketplace dynamics.
- 5. Our annual plan includes specific strategies and tactics to improve our organic (core/base) business growth and leverage newly identified opportunities.
- 6. In our annual plan, we prioritize growth opportunities and align specific strategies and tactics to build our confidence in achieving revenue and profit streams 3-5 years out.

PROCESSES

- 7. Our planning process incorporates strong inputs on market developments, market growth and market trends for each of the markets we serve.
- 8. Our planning process includes customer and competitor insights.
- 9. Our planning process starts with a survey of new revenue and profit opportunities which includes a review of new markets, new products/services, new channels and new business models.
- 10. Our business processes include specific activities related to developing new revenue and profit streams.
- 11. Our business processes include regular periodic reviews of our progress on developing new revenue and profit streams which may be 3-5 years out.

PEOPLE

- _____ 12. We have someone in our organization we would label a “growth champion,” or “growth advocate.”
- _____ 13. Our management team is committed to both short- and long-term growth and has assigned clear accountabilities for both.
- _____ 14. We have the skills, organizational infrastructure and outside resources available to monitor market, customer, and competitor dynamics on a proactive, repeatable basis and implement needed action plans as appropriate.
- _____ 15. Our employees and staff understand and support our corporate desire for consistent, sustainable growth.

PLATFORMS

- _____ 16. We have a set of tools, such as a documented place to keep track of new ideas or business concepts, which we use to describe and profile new opportunities.
- _____ 17. We have a scorecard which we use to consistently score, compare, and prioritize individual opportunities.
- _____ 18. We have a financial model with a set of corporate metrics which we use for preliminary assessment of financial results for each opportunity.
- _____ 19. We use a business case and business plan template to consistently evaluate opportunities.
- _____ 20. We integrate data on our growth opportunities into our annual strategic and operating plans.

PERFORMANCE MANAGEMENT

- _____ 21. We understand the investments and resources required to build out new profitable revenue streams, or we know how to calculate them.
- _____ 22. We allocate funds for development of future revenue and profit streams which we have prioritized.
- _____ 23. We have internal metrics for assessment of growth-related investments, such as thresholds for ROI, cash flow, and/or payback.
- _____ 24. We have added revenues and profits from growth initiatives in the past 2-3 years.
- _____ 25. We are committed to developing and monitoring plans and activities for new revenue and profit streams.

- _____ TOTAL POINTS (125 max)

Become a Growth Champion

Job Role: Marketing Leader: “Growth Champion” Role

Department: Executive

Reports to: President and CEO

POSITION SUMMARY

The “Growth Champion” is responsible for helping create sustainable growth and value by proactively managing the growth management process to identify, define, assess, and support opportunities which will drive 2-5 year revenues and profits. The position is responsible for helping define a program which utilizes a standard set of processes, tools, and templates. The position will track a pipeline of opportunities and manage a stage-gate approach to growth management using industry best practices. The position will help ensure that opportunities build on company strengths, distinctive competencies and its value proposition and leverages them into new products and services, new markets, new relationships, and new business opportunities.

The position is responsible for the planning and implementation of an annual corporate Marketing and Product strategy and aligned plans designed to achieve revenue and profit goals. The position has the responsibility for capturing, analyzing, and presenting customer, market, and competitive insights on behalf of the lines of business. The position must effectively identify target prospects and target buyers and design go-to-market programs which communicate Company ABC’s value proposition to high-value prospects and customers. The position is responsible for cost-effective customer acquisition and for maximizing the lifetime value of customers through effective retention and customer development programs.

The position must define and manage programs which deliver both the quantity and quality of leads required to meet growth and performance goals. This includes collaborating with Sales/Service leadership in defining and prioritizing traditional as well as innovative digital marketing programs which represent and reinforce Company ABC’s unique market position.

KEY RESPONSIBILITIES

STRATEGIC

- Implements and manages a defined growth management process encompassing strategic positioning, marketing innovation, market opportunity analysis, and product and service definition stages.
- Manages and customizes an enterprise set of growth management tools, templates, frameworks, and best practices to support a healthy growth management process.
- Ensures that a balanced growth management portfolio of opportunities are evaluated, scored, prioritized, and defined--focusing on new products and services and/or new markets and segments which will generate new revenues in Horizon 2 (2-3 years) and Horizon 3 (3-5 years).
- Provides leadership in customer-driven opportunity identification, validation, and refinement using best practices approaches and tools.
- Conducts deep analyses of buyer segments, needs, values to ensure that opportunities have the highest probability of market adoption and appropriate risk profiles.

- Conducts field investigations, economic or public opinion surveys, demographic studies, or other appropriate research to gather required information related to new opportunities.
- Manages insight-related processes including primary research, satisfaction and loyalty surveys, competitive analyses. Secures secondary research supporting market analyses.

TACTICAL

- Manages Marketing-related processes from planning through implementation of effective campaigns and evaluation of performance across traditional and digital media.
- Manages Product-related processes including product development, launch, and lifecycle management. Sponsors the continued evolution and market acceptance of Company ABC's value-added products and services.
- Meet or exceed mutually agreed upon revenue goals and objectives – including customer acquisition, revenue and profitability targets. This includes metrics relevant to the sales pipeline, sales operational performance, customer retention, and customer satisfaction and loyalty (Net Promoter Score--NPS).
- Develop pipeline strategies to create demand for all of Company ABC's products.
- Partner internally with Sales/Service leadership to construct mutually supported strategies and plans and to insure a seamless and integrated market presence.
- Identify “best fit” prospects with whom Company ABC's value proposition will strongly resonate and implement initiatives which target, screen, and deliver the highest conversion rates.
- Understand and report on marketplace activity including trends, competitive products, pricing strategies, and product/services feedback.
- Provide direct leadership to Marketing and Product leadership positions and third party Marketing-related service providers such as media support, primary research, content developers, and others.
- Sets high-level goals and accountabilities for all Marketing and Product personnel.

SCOPE OF POSITION

- Requires 15-20% travel.
- Must be computer literate and highly competent in CRM and Microsoft Office products.
- Horizon planning, product management, and digital marketing expertise.
- Flexibility and willingness to quickly adjust to business / market needs.
- Efficient organizational skills.
- Dynamic communication and presentation skills.
- Proven track record for increasing sales revenue year-over-year and with high confidence.
- Experience executing strategies and tactics for new products and services introduction.
- Serve as a positive, contributing member of a dynamic, high performing team.

- Represent company in ways which are consistent with core values of honesty, integrity, respect and exceptional work ethic.

QUALIFICATIONS AND REPRESENTATIVE EXPERIENCE

- Bachelor's degree (B. A.) from four-year college or university in Business Administration with a focus in Marketing
- Five to eight years related experience in senior level Business Development, Corporate Strategy, Marketing, or Product Management roles
- Minimum of five years managing a Marketing or Product organization with experience in traditional and digital programs.
- Hands-on experience significantly growing a business or a line of business highly desirable
- Steeped in a customer-centric culture, combined with effortless experience and operational excellence.
- Proven success managing and growing revenues at an accelerated pace (faster than market growth). Experienced growing revenues in expanding markets and in relatively flat markets (example 15-20% annually).
- Proven success recruiting and managing Marketing and Product staff and building high performing teams.
- Experience building innovative, effective, and integrated go-to-market programs.
- Experience developing and managing lead generation programs and Marketing support applications.
- Experience in bringing new capabilities and new services to market.

IDEAL CANDIDATE PROFILES:

- Successful Marketing/Product executive from a high value custom product manufacturer.
- Expertise with designing effective digital marketing programs and in transforming a business to an online model.
- MBA with a focus on Marketing or eCommerce.

DESIRED BEHAVIORAL COMPETENCIES

Intellectual

- Handles Ambiguity – Interprets unclear situations; deals confidently with paradox; copes with change.
- Analytical – Skilled in using analysis to draw conclusions from data; systematic and rational.
- Strategic Thinker – Thinks in future-oriented terms; anticipates and considers external forces.
- Conceptual – Able to conceive mentally, formulate ideas; use imagination.
- Information Seeker – Intellectual curiosity; inquisitive nature.
- Intuitive – Clearly understands and has insight not supported by obvious facts and data.

Interpersonal

- Collaborative – Encourages a participative process; has a “win-win” orientation.
- Persuasive – Can persuade or influence; convincing; impacts others.
- Risk-taker – Actively takes chances; will take a calculated risk to gain a reward.

Motivation

- Continuous Learner – Unusual desire to learn continuously, develop oneself and keep current.
- Customer-oriented – Attentive and responsive to customer concerns.
- Entrepreneurial/Intrapreneurial – Can organize and direct a business undertaking; willing to assume risk for the sake of profit or achievement.
- Initiative – Proactive; makes things happen; takes the first step.
- Persistent – Refuses to give up especially when faced with opposition or difficulty; continues firmly or steadily.
- Resourceful – Clever in finding and using alternative solutions or resources; able to do more with less.
- Wants a Challenge – Attracted to situations where results are not guaranteed and where obstacles must be overcome