Growth strategies aim to achieve considerable business growth in the areas of revenue, market share, penetration, etc. This can be achieved either through concentration where the company is still focusing on its core business and builds it out or through diversification where a company decides to diversify based on the number of approaches that are described in detail below.

1A. Concentration

If a company aspires to growth while remaining in the same space it is currently operating, this is a concentration growth strategy. Here it is important to distinguish between a few options:

• Vertical Integration (participating in more value-added activities)

• Horizontal Integration (same activities, different geography or different

Vertical Integration

Vertical Integration (i.e. executing on more value chain steps than in the past e.g. by being involved in distribution activities, supplier activities, etc.)

An example of a vertical integration would be a travel agent who gets licensed in order to not only sell travel packages but also receive commission from travel insurance sales (a product that is often sold in tandem with travel packages)

Horizontal Integration

Horizontal integration assumes expansion into other geographies and/or the offering other products/services into the same market where the company already operates. An example of horizontal integration would be the expansion of Tim Hortons into the United States or expansion into lunch meals within its existing Canadian market.

1B. Diversification

Diversification is a very wide-spread type of strategy that may include the aspiration of the company to grow based on changes in product/service offering, introducing new products services, or even moving into entirely new spaces.

Basis diversification

Basis diversification means that a company preserves its current offering, but is able to differentiate its product/service from other competitors by unique capabilities/features/ characteristics. In this case, a product/service value-added in the eyes of a customer/client is higher. As a rule, it justifies a higher price.

Cost leadership

Cost leadership is a special type of concentration strategy where a company is able to offer the same product/service at a more attractive price (e.g. via superior, more cost-efficient Operations).

For example, this strategy can be seen with Mazda offering its more affordable vehicles that are competitive with other players in a higher price bracket in terms of quality and functionality, but at a lower price point.

Adjacent growth

Adjacent growth is an exciting strategy space for any organization. This strategy is often reliant on an organization feels that it has reached its limits in its core business. In this case, a company explores opportunities to grow in a space related to its core business – it can be an additional product/service, adjacent industries, additional set of customers, etc. For adjacent strategies, it is important to identify the most promising adjacent niches and “attack” them instead of boiling the ocean of potential opportunities. If an online platform has been comparing banking products and then decided to move into the comparison of insurance products, that would be an adjacent growth strategy.

Conglomerate growth

Conglomerate growth is the opposite of basis diversification. It means that an organization looks to expand into businesses which are not (or are but very loosely) linked to its core. There are fewer synergies across such businesses but nevertheless, this strategy has shown to be feasible for many companies. In some cases, it is a strong brand that allows a company to propel the conglomerate business e.g. in the case of Virgin Group.

Stability strategies do not have growth and new business development in their focus but rather are geared towards getting “more” out of the existing business (i.e. profitability-driven-strategy) or “stay-as-it-is” (i.e. Status-quo strategy) because the current situation already works well for the organization.

2A. Status-quo

Status-quo strategies often focus on maintaining the existing performance of a business and can include such elements as acquisition of potential companies that pose a threat to the existing business, work with regulators to develop business entry barriers, etc. The reasons to choose a status-quo strategy can be varied e.g. already being very successful, not having opportunities for growth, regulatory regulations, etc.

2B. Profitability-driven

A profitability-driven strategy is often linked to a desire to boost company evaluation (e.g. prior to selling the business, before an initial public offering) and has enterprise value in the focus of the strategy. The variety of levers used for this strategy type spans across portfolio optimization, cost-cutting, adjustment of pricing, etc.

This set of strategies is almost the opposite of status-quo or growth strategies. It is a defensive strategy where the main objective is to change the negative trajectory and improve the company’s position either through aggressive changes or “cutting off” the parts that pull it down.

3A. Turnaround

A turnaround strategy is based on a dramatic change from the previous course of action (e.g. due to a bad decision, company mismanagement, loss of market share, shrinking industry, etc.) It includes such measures as crisis management, financial restructuring of the company, revamping the company’s product and servicing, aggressive cost-saving initiatives e.g. via robotic process automation, employee retention, etc. In most cases, implementing a turnaround strategy is a heavy exercise for the entire organization that touches every single part of a company.

3B. Divestiture

Divestiture strategy involves ‘getting rid’ of parts of a business for a number of reasons such as a decision to focus on the core businesses (e.g. when a business line does not fit into the overall business landscape), the poor performance of certain business lines, attractive sale opportunities, etc. Divestiture strategies typically lead to lower complexity of the rest of the business and releasing a part of resources that can be reinvested into the business lines a company decides to keep.

Re-invention strategies often include taking the existing industries/businesses which have not changed for decades and re-inventing them, often with the support of new technologies. Here one can distinguish between evolutionary strategies and revolutionary strategies.

4A. Evolutionary

Evolutionary strategies typically do not change the business model but strongly evolve the way service is delivered; they can significantly change a company's product/service because they unlock a new dimension of value for customers. An example of such a business would be Netflix where the movies are delivered not as physical rentals (i.e. Blockbuster) but through a digital subscription.

4B. Revolutionary

Revolutionary strategies often change the entire business model unlocking value for existing and new stakeholders. That often leads to significant shifts in market dynamics. Some technologies such as blockchain, and artificial intelligence are seen as enablers that will fuel many reinventions. Uber can serve as an example of such a business where it fully re-invented the way people provide and use rental car services impacting both drivers (i.e. new drivers, existing taxi drivers) and passengers.