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# Contents

# Getting started

## Audience

This course is aimed at business owners, self-employed contractors and freelancers who wish to apply the Red3Sixty Growth Accelerator program to their business.

The Growth Accelerator program is aimed at larger businesses who typically have successful products and markets. They will typically employ a number of staff with functional specialisation and role differentiation, some of which might be in pure supervisory or managerial roles as opposed to merely technical or execution type roles.

The program should be conducted with the senior business leadership team, or with a project team who has access to all the information and people in the organisation, and the authority or mandate to implement changes.

## Course materials and prerequisites

The course consists of this manual and a series of training videos that demonstrate some of the practical steps required to use the tools.

In order to benefit from the course you will need:

- access to the Red3Sixty portal and a working knowledge on how to navigate it (refer to the Business Builder for Business Owners manual for more specific instructions)
- some experience with leading or facilitating group project work if you are taking your team through this with you (recommended)
- an expert understanding of how your business works

It is highly recommended that

- you read the book Play to Win, by Lafley and Martin, as the module builds on this basic framework
- you familiarise yourself with the Business Builder content

- ☑ you review the Business Builder handbook for Owners for tips on how to manage the consulting process

TIP: We highly recommend that you work with an accountability partner on this program, as this will significantly improve the probability of getting high quality outcomes. This partner could be a consultant or coach (recommended), your business partner, a fellow business owner or a mentor that you trust.
The role of the accountability partner is to provide objective feedback to your ideas and observations, as well as making sure that you stick to the goals and milestones you set for yourself.

Working through this with friends, family members and employees would be less effective, as they might not have the business experience to guide you, and might not be comfortable with giving you difficult feedback when it is needed.

## Learning objectives

At the end of this course you will be familiar with:

- ☑ the Play to Win strategy development framework
- ☑ appropriate interventions to apply at each of the 5 steps in the framework
- ☑ how to apply the content in the Growth Accelerator Program to your business

TIP: There is an infinite amount of advice, books, podcasts, training courses and so forth on the internet that will tell you how to execute certain processes, or improve your skills and understanding of running a business.

Be careful of falling into the trap of spending all of your available time watching videos and reading articles / books / blog posts, and make sure that you have a very action-focused approach to applying the program to your business.

This is even more true with the more complex tools that come into play with larger transformation or scaling up initiatives.

# The Growth Accelerator Survey

## Establishing the baseline

We assume that you have completed a Business Builder survey, and have received your result report. If not, go and do this first.

There is no right or wrong answers in the survey, and it is not an exam that gives you a pass/fail mark. The intention of the baseline survey is to help you identify the areas where your business are weak, and help you prioritise the order in which you will tackle improvement initiatives and projects.

**TIP** There are no right or wrong answers in the survey, and it is not an exam that gives you a pass/fail mark. The intention of the baseline survey is to help you identify the areas where your business are weak, and help you prioritise the order in which you will tackle improvement initiatives and projects.

## Evaluating the survey scores

### Online questionnaire and/or Growth Accelerator Grids spreadsheet

One of the tools we provide on the portal is an Excel workbook version of the online questionnaire. The workbook has a few advantages over the online survey:

- ☑ in the Detailed Questions worksheet there are detailed descriptions of the types of proof points (activities, processes, insights) that you should be looking for by question under each of the ratings (i.e. what would a 2 look like vs a 5 for this question). This makes it easier to get a more realistic assessment (see below)
- ☑ The Detailed Questions worksheet also allows the ability to not only score current position, but to put a future target against that specific question. This should be achieved by implementing the activities or processes that will move the score to the next level. The target scores will get completed later, when you are deciding the priority areas to work on for the next 3 to 6 months.
- ☑ The Chart worksheet shows a simple graphical representation of current vs future maturity against the five core modules
- ☑ The Structure worksheet is a repetition of the information in the Growth Accelerator PDF brochure, and is useful for reference during planning or the sales process.

☑ The Action Plan worksheet has some suggested actions / tools for each of the questions and levels of maturity, to assist you in identifying specific activities and tools to apply to the business in order to increase that specific component.

The disadvantage is that the online questionnaire prints a nice PDF report which could be part of your documentation for the project if you are doing it with your team. If you need those documents, you could transfer the scores to the spreadsheet later.

## Analytical rigour

Business owner's subjective assessment of their business could vary will vary significantly from one business to the next.

In the Business Builder module we are not too concerned about the absolute value of the scores you give yourself, as the relative strengths and weaknesses are more important to focus your attention on core priorities.

Because the Growth Accelerator program is more intensive and focused, we would recommend that you are more rigorous in providing concrete evidence for high scores in any of the questions (e.g. you cannot give yourself a 4 or 5 until you have proof that you are in fact operating at that level of maturity. Validating the scores should be part of the initial diagnostics done in month 1 & 2 of the program (see below)

Whichever approach you choose will result in a highest scoring area, a lowest scoring area and a spread in between. It is highly likely that you will have fairly similar scores across the various components, as companies typically have to get most of these components to a certain level of maturity and competence to grow to whichever level they are.

You apply the results as follows:

1. Identify the core challenge that the business is facing and the main area of weakness in the planning framework (e.g. not clear on competitive advantage - How to Win)
2. Check if this is the burning platform — a business that is struggling to generate sufficient cash to pay their bills should probably be driving sales and delivery and cash management rather than upgrading systems and processes
3. Because of the iterative and interdependent nature of the Play to Win framework, it is usually not constructive to do the modules out of sequence. However, if the survey identifies one critical weakness that is completely out of line with the rest of the focus areas, it might be

more constructive to structure the improvement project around a specific theme to improve just that one area (e.g. staff performance and culture)

## Using the survey as periodic look-back and redirect

After you have been working on the program for a period of time, you can use the survey to check if you have been delivering on the intentions you set yourself at the start of the program.

These are some considerations in choosing when to do the survey, and how to manage the responses:

- ☑ you will typically not see much progress in hard, measurable performance in the first 6 to 9 months. After six months you should have some short-term wins and some changes in tools, behaviours and other deliverables from working on your business
- ☑ after 12 months there should be real improvement in key measurements or KPIs which you will have established, and these should start driving the business performance
- ☑ with a deeper understanding of what appropriate and excellent performance looks like, you might assess yourself lower than you did when you did not have the knowledge and skills that you have been building

Taking all of this into account, we recommend that you have the original baseline assessment available, and compare the new results with the old ones. You could even use the baseline results as a prompt in the review by asking how much you think you have improved the score since the baseline was done.

If you ranked yourself excessively high in the initial baseline, you could also turn the question around and ask them if you would now rank yourself lower than you did at the time when you started the engagement with them.

Either way it is useful to show the improvement. Capturing the baseline and new scores in a spreadsheet is a powerful demonstration of the actual improvement.

The purpose of this exercise includes:

- ☑ allowing the client to reflect on how much progress you have made and celebrating the wins
- ☑ getting an extension of the contract if you are doing this at the end of the first agreed engagement period

TIP The incremental benefit of doing more than 1 or 2 of these check-points is dependent on yourself and the client. However, as the scores are subjective too many repeats could result in a ticking-the-box" exercise which is not constructive.

After 12-18 months you should have migrated to more meaningful objective KPIs during the consultation, and you should have real hard data to support conversations about the next round of performance improvement initiatives.

## Managing your learning program

Most self-driven learning programs fail because of other priorities taking up available time, not getting help when you get stuck, or lack of accountability. As per above, we recommend that you find an accountability partner, consultant, coach or similar to help you with this.

Should you still decide to continue on your own, we recommend that you put some structures and habits in place to assist you in this journey. The tools and nature of these will be dependent on your own preferred ways of managing and prioritising work and deadlines.

Here are some tools that might be helpful to track progress:

- the goal setting tools in the learning portal
- a physical vision board and/or annual calendar that you put up on your office wall
- a paper based task management system such as post-it notes, bullet journals, diary
- electronic systems ranging from simple task managers to complex project collaboration software platforms

**The most important commitment you should make is to set aside time to work ON your business, as opposed to IN your business.**

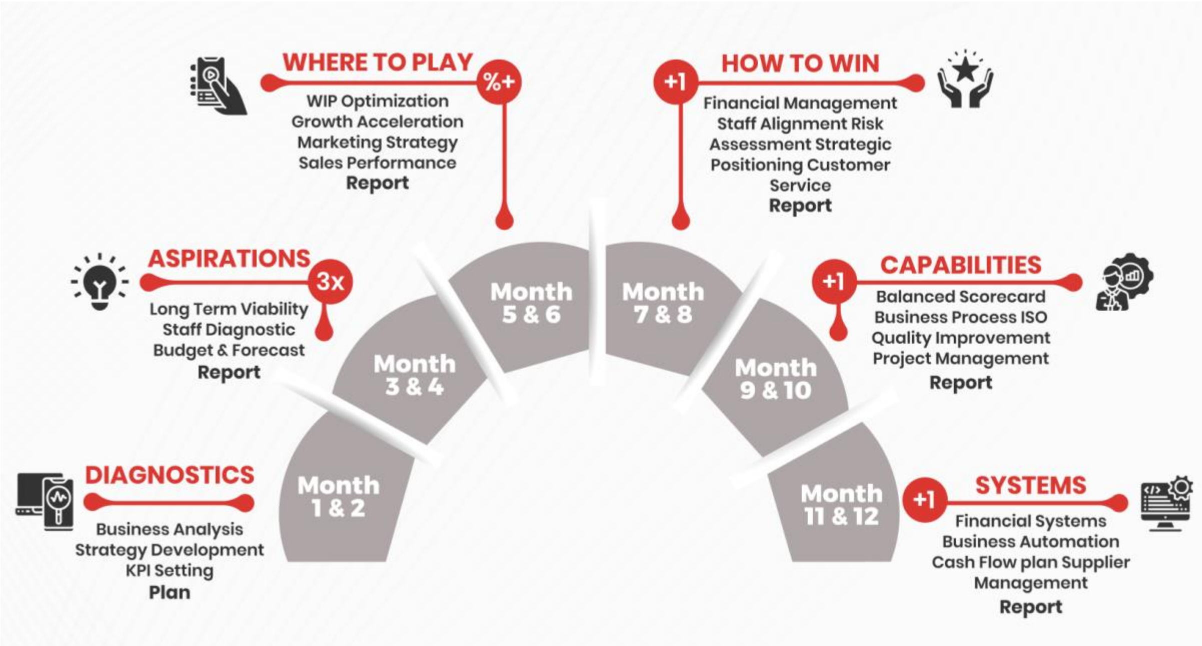
- we recommend scheduling a specific time each week where you are able to set aside a few hours to do uninterrupted work
- use the well-known techniques to ensure that this time is without interruptions (block them out in your calendar, switch off your phone and all reminders on your computer, ask your team / family / other people to not disturb you). Very busy owners might find that

setting aside one or two hours on a weekend is more effective, as long as you can avoid the temptation to also do operational work in that time.

☑ do this work when you are feeling energised and creative — for most people this will be in the morning, but night-owls might do better after dinner

**TIP** This is the most important work that you will do on your business, so make sure that it gets the attention and commitment that it deserves.

# The Growth Accelerator program




## Program outline and structure

The program will typically follow a sequence very similar to the one below. Whereas the Business Builder program has some leeway in which modules to do first, the iterative and interdependent nature of the Play to Win framework only works if you start at the high level / big picture (Aspirations) and work your way down into the more detailed questions as each module builds on and refines the answers from the previous

Note that the framework itself suggests that you should revisit the previous steps if new information comes to light that would invalidate previous assumptions or push them in a new direction (pivoting).

# Aspirations

### What are our winning aspirations?

Aspirations define the purpose of the business, and where you want the business to go. A lot of current thinking in business strategy takes into account the impact the owner wants to make on the world, and considerations such as environmental, social and governance (ESG) and corporate social investment (CSI) are becoming more important to attract customers as well as recruit and retain talent from the younger generations. These are in effect shareholder requirements that go beyond traditional dividends and financial returns on investment.

The tools in this module focus more on the fact that any business should generate a return on capital invested and cash in order to support or enable any of the other shareholder CSI or ESG aspirations.

TIP It is important to have the framework in mind when starting the process of defining and translating your vision into strategy and ultimately execution to be able to achieve that vision.

This module aims to answer these questions: What are your aspirations for the business? What are your partners/shareholder aspirations? What are your employees & operating communities' aspirations? How will this link and translate into shareholder value?

Once you have defined your vision, you need to be able to translate this to financial targets and an execution plan. You might be interested in researching current thinking about linear strategic planning as opposed to exploring adjacent possibilities that are moving the business incrementally towards the purpose of the business if you are not a fan of traditional 5-year strategic plans with milestones etc (see more below)

## Key module concepts

1. **Organisational alignment model:** how will the vision be cascaded through the business ensuring that each business unit and person knows exactly what is expected and how success will be measured.

2. **Shareholder value model:** this model ensure the three main levers driving value are considered i.e. how will you grow? How will you manage efficiencies? How will you manage capital?
3. **Culture model:** what is the current culture? For you to achieve your aspirations what is the desired culture? Ultimately you need people to execute the strategy and if this is to happen you need to understand the culture and how to motivate people
4. **2-5 year financial plan:** what are the financial targets to ensure sustainability? You need to plan and forecast financial performance that will be cascaded down to sales, marketing and operations.

## Action steps

Follow these steps on the first pass through the aspirations module.

1. Define aspirations using shareholder value model.
2. Determine what the ideal culture would be to achieve the vision.
3. Conduct culture survey.
4. Determine change in culture needed and process to transform to desired culture
5. Draw up 2 to 5 year financial plan

## Culture vs strategy

It is often said that "culture will eat strategy for breakfast". Research confirms that companies with strong cultures are more able to be resilient and to adapt to rapidly changing market circumstances.

Culture at its simplest is simply the values of the company, and how those translate to habits. Habits again are behaviours that we repeat. In order to create a culture the leaders therefore have to identify which values are important, and which behaviours you will encourage and reward in both yourself and your employees, and which behaviours will be punished or disallowed.

**TIP:** The early exercises in the strategy workbook in the How to Win module will assist you to define purpose and values. Many companies already have vision and value statements which are generic and boring most of the time. We strongly recommend that you translate these into meaningful and simple descriptions of behaviours. Examples:

☑ Honesty becomes We tell the truth to employees, shareholders, suppliers and customers.

☑ Respect becomes We listen to the opinions of others and value those who are different

The article about the linkage between culture and strategy, combined with the culture survey and presentation will assist you in understanding what your current culture looks like and how to start encouraging different behaviours to move the culture towards a desired future that supports the aspirations.

## Growth strategy

Stated aspirations in the form of a strategy or plan ensure clear communication and alignment of employees. Clarity and purpose create a culture in the business aligned with execution and delivery on business aspiration. The strategy presentation is a handy reference sheet to various strategic thinking frameworks and tools. We recommend that you familiarise yourself with the various models.

## Shareholder value

The shareholder value presentation is an overview of one of the more sophisticated ways to define financial and growth aspirations in measurable terms. The financial modelling tool provided on the portal can be used to project and predict some of the important financial ratios.

TIP: Traditional strategic planning often come up with long-term linear plans that define a future point as an end point, and then plan how to get from the current position to that future point. The technique has fallen into disrepute as those plans often end up “gathering dust on the shelf” when reality does not turn out to be aligned with the plan assumptions.

Modern strategic thinking advice is to choose a broad general direction, and then focus execution planning on finding and testing adjacent possibilities that lead in that broad direction. The Play to Win framework can accommodate this thinking by shortening the time horizons of the choices and tradeoffs from 3 years to 3-6 months and applying a more explorative approach to the research and data inputs into the various blocks.

Tools such as the five year financial forecast should then become less prescriptive and rigid, but remain a critical part of the assessment of possible outcomes of multiple different scenarios. An example would be the evaluation of different capital investment scenarios under the Capabilities module when making trade-off decisions around manufacturing components or products in-house vs sourcing them from other manufacturers.

# Where to play

**With which products and in which geographies will the company compete?**

Planning and meeting market demand is key to effectively determining what market you are going to serve and how your order fulfilment process will deliver on this demand. Are you in the right market at present? Are there adjacent markets that you can serve? If you are planning a change in strategy how will this affect work-in-progress (WIP) resources or inventory?

Work-in-progress (WIP) represents the resources you have in place (including inventory) to deliver on customer orders. Inventory needs to be managed to ensure you can meet current and forecasted order fulfilment demands. Declining sales and ageing inventory could signal a change in market demand for products and if not managed could tie up working capital and ultimately lead to financial losses. Therefore market and sales demand forecast should be linked to resource management, and changes in market and market-linked product strategies must take into consideration WIP and resource allocation.

## Key module concepts

1. **Market segmentation:** Market segmentation is a marketing strategy in which select groups of consumers are identified so that certain products or product lines can be presented to them in a way that appeals to their interests.
2. **Marketing assessment:** A market assessment is a comprehensive analysis of your competitors, consumers and other industry stakeholders. This is a critical part of your company strategy — a market assessment enables them to understand the need and demand for its business offerings in the market.
3. **Work-In-progress trend analysis:** WIP trend analysis involves comparing financial statement data over a series of reporting periods, with the intention to see the trend or pattern of financial information on operations of a business from period to period.

## Optional elements linked to where-to-play

1. **Lead generation:** the process of getting people interested in your business and gradually moving them through a pipeline to become paying customers. The ability to generate sufficient leads needs adequate understanding of target market segments from the where-to-play module.
2. **Demand generation:** Demand generation creates awareness and interest in a company's products and services. You can also use its techniques to penetrate new audiences.

3. **Website maturity:** The vast majority of consumers will research product information before they make a purchase online or in the store. This buying behaviour trend emphasises the importance of a website for today's businesses. If you want your company to be successful in the modern marketplace, you must have a professional website design. Your website is the backbone of the business that supports all of your digital marketing efforts.

## Action steps

Follow these steps and implement a process to do so on a regular basis (at least annually)

1. Review market segmentation
2. Conduct marketing assessment
3. Conduct Work-in-progress trend analysis

## Work-in-progress trend analysis

The main objective is to note the increases or decreases, if any, in WIP. The comparison may spark greater interest if there are obvious discrepancies or differences, prompting management and investors to look deeper into the operations to understand the causes.

An increase in the ending WIP inventory from period to period may indicate

- ☑ that there is an increase in the demand for the company's products if sales levels also show an upward trend;
- ☑ that the company is manufacturing more or faster than it can actually sell if sales levels are decreasing or remain relatively stable/constant;
- ☑ that the production process may be experiencing a slowdown and cannot complete products fast enough to meet deadlines, resulting to excess WIP inventory, if Sales levels show a downward trend (i.e lost sales because of inadequate stock availability)

A decrease in the ending WIP inventory from period to period may indicate

- ☑ that the company is not manufacturing enough products;
- ☑ that the production process is not fast enough to manufacture products to meet the current demand;

- that there is a weakening in the demand for the company's products,

Any of these signals should prompt management to revisit its production processes and marketing programs.

## Other important tools

The following tools from the portal are important to apply in this module

- Business Model Canvas and Customer Value Proposition Canvas for understanding your customer markets / segments and routes to market
- Market segmentation and Demand Generation analysis to compare various market segments and your efficiency in allocating resources and generating high quality opportunities
- Lead generation and website maturity assessments measure the effectiveness of the tools and processes in generating leads from the chosen markets
- Growth planning allows profitability forecasting for the portfolio of products and services your company offers (these should line up with revenue aspirations!)

*The Ansoff matrix is also a useful tool in this module to structure the conversation towards OKRs or projects that will leverage the existing company strengths and reputation into market penetration as well as finding new customers and markets*

# How to win

### What is our clear value proposition and our path to competitive advantage?

Your Top Line Revenue Growth is a direct result of your strategic decisions. If your revenue is not growing year to year and/or if it's not keeping pace with your industry, your strategic decision-making and execution needs improvement.

In order to shift your business from just playing (or playing not to lose) to playing to win you will have to adapt a more aggressive approach, which includes:

- ensuring that financial performance is aggressively reported and measured. The business needs to deliver on budget and as per forecast
- measuring and improve staff performance in line with the business strategy

- ☑ establishing and monitoring a risk profile to ensure preemptive risk management
- ☑ executing the strategy and
- ☑ 100% alignment of customer service and delivery processes.

Your business must act consistent with your how-to-win choice. Cost leadership and differentiation have different imperatives that should lead to different sets of activities within a company.

- ☑ Structuring a company to compete as a cost leader requires an obsessive focus on pushing costs out of the system, such that standardisation and systemisation become core drivers of value. Anything that requires a distinctive approach is likely to add cost and should be eliminated.
- ☑ In a differentiation strategy, costs still matter, but are not the focus of the company; customers are. The most important question is how to delight customers in a distinctive way that produces greater willingness to pay.

## Key module concepts

1. **Cost or differentiation leadership choices**. Both cost leadership and differentiation require the pursuit of distinctiveness. You will not become a cost leader by producing your product or service exactly as your competitors do, and you will not become a differentiator by trying to produce a product or service identical to your competitors'. To succeed in the long run, you must make thoughtful, creative decisions about how to win. In doing so, you enable your organisation to sustainably provide a better value equation for consumers than competitors do and create competitive advantage.
2. **Financial ratio analysis**: how do these choices affect financial performance? Do you need to make changes? Do you need to aggressively manage costs? If pursuing differentiation are the additional costs linked to that strategy sustainable?
3. **Win loss analysis:** understanding why customers are or are not being will ensure that you adapt your strategy to align and increase your win rate.

## Optional elements linked to how-to-win

1. **Risk analysis:** what are the current identity risks and plans to mitigate or accept these risks

2. **Bid / No Bid assessment:** ensures that the sales process is aligned with strategic choices
3. **Customer survey:** what are the current customer satisfaction levels? How can customer feedback be incorporated to increase your win ratio?
4. **Employee satisfaction:** are employee satisfaction levels high? Is this resulting in high levels of engagement?

## Action steps

Follow these steps and review the analysis and results on a regular basis (at least annually)

1. Review cost or differentiation leadership choices
2. Conduct financial ratio analysis
3. Conduct win/loss analysis
4. Conduct customer and employee satisfaction surveys

## Financial performance: a different way to think about Budgets

Many business owners resist the idea of setting and tracking Budgets and view Budgets as boring or restricting or unnecessary. You should address these historical and inaccurate perceptions early in the planning process.

A suggestion could be to forget about Budgets and start talking about Targets and Resources. To the untrained eye these look exactly like Budgets as they use the same format as the income statement: monthly and annual revenues, cost of sales, gross margin, overheads, net profit, etc.

The three key differences between Budgets and Targets and Resources are this:

- Targets show how much you plan to grow your revenues. You could even split these into the Ansoff categories of revenue growth from market penetration, revenue from new products, new customers, new geographies, etc. These are effectively your sales team's targets (retention, growth, new business)
- Resources reflect the monetary value of the resources required to deliver those targets. Material costs, staff, equipment, facilities, energy, communications, marketing and all the other Cost-of-Sales and Overhead line items reflect the allocation of money towards resources that are planned to be utilised or consumed in creating the Value Proposition and delivering it to the customer.

- While budgets appear to be cast in stone, Targets and Resources are flexible and under your control. If your are not achieving your targets, you need to review the impact and allocation of resources or change your targets to what can be realistically achieved with the available resources. If your are exceeding your targets, your have additional cash which can be applied to more resources required to deliver value to the customer, or invest the extra resources into even more growth.

The Business Model Canvas illustrates this concept very effectively with the way that the Costs and Revenue boxes are linked to the left and right hand sides of the canvas respectively.

You will not achieve significant changes in meeting your targets (revenue growth) without changes in the allocation of resources (overhead and other costs). Part of your job as a manager is to understand this and learn how to estimate and manage your Targets and Resources more accurately and realistically.

TIP: The portal contains a comprehensive ratio analysis tool that will assist you in developing more traditional financial performance ratios that would be a requirement to predict or measure the efficiency of various choices, report to shareholders, as well as inputs into growth financing. If you are not comfortable with financial management concepts and you do not have the skills in-house, this could be an area to bring a specialist consultant or partner into the work.

## Managing staff performance

Simplistically put high performance teams require 3 components:

- the right skills: this responsibility lies 100% with the business as it relates to understanding the activities that staff need to perform, recruiting effectively, and developing and retaining skilled employees
- the right tools and processes: this also lies 100% with the business as the leadership team defines what outcomes are required, and equip employees with tools and processes to achieve those outcomes. Measurement and control of the processes fall under this area
- the right attitude: this responsibility is shared between the business and the employee. It is up to the business to create a culture (accepted behaviours and habits) where the employee feels valued and included, and where they are recognised for their contribution. It is up to the employee to bring their passion and commitment and energy to the work.

TIP: There are a number of tools and modules in the Business Builder module that will assist with skills assessment and could guide job descriptions and recruitment as well as a highly developed field of thought around performance management employee motivation. Staff performance is also highly correlated with operational efficiency frameworks such as role mapping and process definition — see Capabilities below.

## Risk management

A more aggressive approach to competing in the market means that the business will accept higher risks in return for higher potential returns. These risks could be related to investment, research and development on new market or product entry, responses to competitors, structural risks in your operating environment, changing customer requirements and so forth.

You should develop habits, processes and tools to drive the systematic assessment of these risks and plans to manage or reduce the impact of them on the business.

The portal has some templates for:

- ☑ risk assessment and management plan
- ☑ win/loss analysis on deals
- ☑ go/no-go decisions on submitting bids

TIP: From a strategic risk management viewpoint the idea of exploring adjacent possibilities is very attractive compared to the traditional (dare we say ego-driven) approach of taking big bold steps that place the entire company in jeopardy. As opposed to “betting the farm” to make incremental changes that could result in a catastrophic failure, one should consider a small experiment that tests a radical change which, if it fails, is not catastrophic. If it succeeds however, it is much more likely that such a radical change will be sticky and will scale rapidly.

Example: Instead of changing the remuneration policy for the entire company a little bit, test a radical new policy in one department or team and roll it out if it works.

## Client servicing

There is a significant body of work around measuring and managing client service, including Net Promotor Score (NPS), LTV:CAC, Customer Expectation Management Methodology (CEMM). To assist in determining what the appropriate metrics and frameworks are you need to understand *inter alia*

- the nature of your revenue streams (recurring revenue vs once-off)
- lead generation strategies (digital marketing, referral, returns)
- value vs cost pricing strategies of the competitors
- customer procurement processes and buyer profiles
- the critical components of the value proposition and the link to activities performed in the delivery of those critical components
- critical touch-points on the customer journey

In short, you need to develop a deep understanding of what your customers expect.

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# Capabilities

### What activities and competencies support the where-to-play and how-to-win choices

Capabilities describe the resources and processes required to support the how-to-win and where-to-play modules. In order to effectively deliver on these, it is imperative that the business' capabilities are optimised and aligned through

- effective task management and mature project management
- business process optimisation to ensure the ability to consistently deliver services and products
- ensuring that the delivery meets the required standards of quality
- measurement of overall business delivery and scheduling with dashboards and/or balanced scorecards (BSC)

## Key module concepts

1. **Project and task (workflow) management:** The body of knowledge linked to turning ideas into projects that have plans, timelines, resources and measurable outcomes. It also describes management processes to ensure that projects remain on track and continue to deliver the expected outcomes. Waterfall, Agile, Prince and other project management methodologies

would be suitable, depending on the nature of your business. Large companies need a process for assigning tasks to employees and tracking completion. These types of processes lead themselves to automation (see systems).

2. **Process standardisation and optimisation:** The tools and techniques for mapping activities and roles and responsibilities for your operations, and standardising processes to eliminate waste, speed up cycle times and ensure consistent outputs. Without these tools your business will reach a natural barrier to growth due to the inefficient distribution of information, inconsistent delivery against the offer / promise to the customer, and extreme difficulty in recruiting and training staff for replacement or expansion.
3. **Quality management:** The systematic approach to ensure that products and service meet the minimum requirements and expectations of your market and customers.
4. **Measurement and control:** Without measurement of activities and processes you will be unable to ensure that company performance meets requirements, to identify and resolve issues, and drive continuous improvement.

## Action steps

1. Conduct the project management maturity assessment
2. Review current status of standard operating procedures — SOP — by compiling a list of training materials, policies, process flowcharts, roles and responsibility matrices, job descriptions and other documents that describe and control the flow of activities.
3. Review current KPI dashboards, balanced scorecards or other tools you uses to create visibility and control of activities to senior management levels
4. Review quality management systems

## Project and task management

The Project Management Maturity Assessment tool is a good starting point for evaluating your current capabilities. Depending on the nature of your business, the establishment of standard operating procedures, implementation of Lean or Six Sigma frameworks would be important projects to enable the scaling of the business.

**TIP:** It is typical for businesses who are moving from Stage II - Survival to Stage III - Success to have a large portfolio of products and services, some of which are highly customised to specific customers or markets or are legacy offerings that formed part of the growth to the current stage.

Often some of these have low margins or, even worse, no clear view on the gross margin contribution.

Before you can effectively streamline and standardise operating procedures to prepare for scaling up you need to conduct a portfolio rationalisation exercise.

The portfolio rationalisation exercise has three steps:

1. Determine which offerings can be standardised or combined with similar ones by removing features that customers do not value or absolutely require — i.e. they will pay the same price for a similar, simpler or lower quality product.
2. Rank the products and services by total profitability at a gross margin level and calculate the basked of offerings that contribute 80% of the total gross margin — this is typically 20 - 30% of the total portfolio of the company
3. Eliminate all the products and services in the tail unless they have strategic importance or significant future growth potential (e.g. retaining a key customer or maintaining a competitive position in a niche market, or is part of your product development pipeline)

## Quality management

The requirements for formal quality management processes and accreditation is highly dependent on the where-to-play and how-to-win decisions. For some markets it is an entry barrier (e.g. pharmaceutical manufacturing) and for some it is a competitive advantage (e.g. accounting services). Note that a competitive advantage should translate into more sales and higher margins — beware of the trap of delivering the highest possible quality in a commodity market where the customer is not willing to pay for the additional quality.

Quality management as a discipline is very important no matter what form it takes, as ensuring consistent delivery of the customer promise is not only critical for future growth, but impacts the bottom line through reducing waste and rework costs as can be measured by the cost of non-conformance.

In its simplest form quality management means being able to define what the required level of quality is, and how to measure it.

The ISO readiness survey and ISO presentations in the modules give some more information on this particular accreditation should your customer decide that the investment in ISO is a strategic imperative for either of these reasons.

## Bringing it together: KPIs and dashboards

The combination of structured project and task management through standard operating procedures and quality measurement will result in consistent and predictable delivery of value and service to your customers.

The next step in bringing this together is to establish a set of measurements to allow the leadership team to step away from daily operations at the micro level whilst still having visibility and control of operational performance.

TIP: Modern technology allows the measurement of thousands of data points. The art of measuring for control is to determine which of those performance indicators (PI) are the most critical for that specific activity, and devolving accountability and authority to respond to the lowest possible level (those closest to the action). In multi-tier operations these performance indicators can be consolidated into higher level key performance indicators. When combined with root-cause analysis this frees up management time to focus on critical deviations.

When it comes to KPIs, Less is More

## Example application of capability tools: OTIF (on-time-in-full) failure

Items that are measured and have processes or policies defining activities and required performance levels are shown in *italic blue*

On-time-in-full (OTIF) is a common supply chain KPI that is the outcome of performance against a number of lower level performance indicators (PI).

In order to pass OTIF, the order has to be delivered within the promised window (*On Time*), and all of the line items in the order have to be present (*In Full*). *On Time (PI)* is typically defined as a *customer promise order lead time (PI)*, e.g. your order will be delivered 5 working days after we receive payment (*Customer promise policy*)

If an order fails *OTIF (KPI)* the *root cause analysis (process)* will determine the reason why, and *apply corrective action (process)* if it is something within the control of the organisation. One path through such a decision tree for an order that failed *In Full (PI)* could look like this.

1. Logistics provider (outsourced supplier) could not *deliver the product (process)* because there was no stock in the warehouse
2. *Warehouse stocked out (PI)* because Production did not *manufacture the product (process) in time (PI).*

3. Production did not manufacture in time because the supplier could not maintain the required *raw materials level (PI)*
4. Supplier did not have enough raw materials because we did not tell them how much we would need as part of our *supplier management (process)* when we did our medium and short term *production planning (process)*
5. We did not tell the supplier about the requirements because we did not have an *accurate sales forecast (PI)*
6. We did not have an accurate sales forecast because the Sales Team does not value the importance of the *sales forecast (process)* and find it easier to just blame the supply chain for failure *(culture problem)*

Resolution: discuss *sales forecast accuracy (PI)* with Sales Team Manager and incorporate it in *performance management (process)* until behaviour changes.

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# Systems

**What systems, structures and measures are required to support the choices?**

Strategists must define the systems, structures and measures required to support the framework choices. This framework can be applied at all levels of the company, including the organisation level or strategic group.

Business systems must be implemented to automate the delivery and tracking of all core processes of your business. Specific focus must be given to financial systems as this will result in more free cash flow. Creditor payments needs to be improved and automated. Automation and optimisation efforts need to be focused on the end-to-end order-to-cash process as this is the most critical process in the business.

## Key module concepts

1. **Cash flow management:** Billing, invoicing and debtor management should be automated as far as possible to increase free cash flow through an accounting department with Key Performance Indicators (KPIs) and regular reporting capabilities.
2. **Use of technology:** System and process performance can be continually improved through incremental or innovative application of technology to automate activities, which will increase the speed and accuracy of the execution of those activities and allow better tracking and control.

## Action steps

1. Review current finance operations and accounting system for effectiveness of managing the cash-flow and delivering useful, accurate and timely management information.
2. Review the level of automation of all processes identified in the Capabilities module. Evaluate each process for ease of automation and calculate the cost-benefit tradeoff for each of these.
3. Review current use of technology and automation in your competitors, and take a forward view on any emergent technologies that could simply or disrupt the current modus operandi.

## Technology implementation considerations

In the current business environment there exists a plethora of software and hardware solutions for any imaginable business process.

The challenge of implementing systems and automation are myriad, and there are some important considerations when working in this space

- ☑ which processes are repetitive and predictable and lend themselves to some level of automation
- ☑ which processes require data inputs from previous steps, or pass data to next steps
- ☑ where would an increase in speed and accuracy be worth the investment in systems or automation
- ☑ where does automation reduce operating costs, increase consistency or quality, or reduce cycle times
- ☑ what is the trade-off between complexity of passing information between different systems vs integrating everything in one system

Typical early candidates for system implementation and partial automation include financial transaction management (accounting system), sales and marketing automation (CRM systems), customer service management (ticketing systems), demand forecast and planning processes. The sharing of databases between divisions (e.g. customer address and contact details) are also a potential early stage system. Production performance and quality metrics are also early candidates for measurement, but are often done in spreadsheets.

More mature businesses might decide on more integrated systems such as collaborative workflow or project management tools, Enterprise resource planning (ERP) systems, Internet of Things (IoT) devices that feed into various dashboards etc.

**TIP:** It should be obvious that having clearly defined processes, activities and measurements as well as a view of the current baseline performance is a necessary precondition to implementing systems and automation. Avoid the temptation to automate broken and inefficient processes as it will only lead to amplification of errors and poor performance, wasted money, and employee resistance to future IT projects.

# Managing the growth project

## Strategy workshop

Some consultants find it useful to split strategy development into the two activities of

- ☑ *Strategic thinking*: what is our vision, purpose, and values; where do we want to go with the business in the medium and long term; what are our priorities and challenges that we need to overcome; where and how do we generate growth, etc.
- ☑ *Execution planning*: what projects, tasks, and initiatives do we need to execute in the next 3 to 12 months to move us closer to our goals; how will we measure success on these initiatives; who will be accountable for delivering them; what conversations will we have every month to ensure that we remain on track.

The strategy workbook in the How to Win module can be used as a framework for a full-blown workshop to take your leadership team through the process of generating the inputs to the various choices above.

This strategic funnel can also be used together with an explanation of the Play to Win framework to help you and your leadership team understand the scope of work as well as the process and timelines required to move through all of the steps.

## Project management

Due to the complexity of the work that you will be doing we highly recommend the use of formal project management tools and techniques. These should include

- a structured and accessible space for saving and sharing project documents, work in progress, analytical results etc.
- a shared and accessible project plan that covers the duration of the engagement and the core deliverables as well as the major tasks that contribute to reaching those deliverables (see above for the default 12 months plan). It is probably not necessary to plan the Growth Accelerator program at a daily or hourly task and resource allocation level.
- clear allocation of tasks and deadlines to the most appropriate staff members
- regular (weekly or bi-weekly) tracking of progress vs plan and corrective action to catch up on overdue items
- a senior management steering committee that meets monthly or quarterly

If you have skills, tools and capacity in-house to assign a project manager to the project it would be ideal, provided that the leadership team has given sufficient power and status to that project manager to drive performance forward.

In the absence of that you might consider doing the project management as part of your team work. We highly recommend using a collaborative project management platform (Asana, monday.com, Clickup) to manage the project timelines and execution. Ensure that all the relevant staff have access to this tool and that you are reviewing progress formally and informally with them regularly.

Any large projects that come out of the Growth Accelerator work (e.g. the implementation of a new ERP system, developing a new product, entering a new geography, merger and acquisition activity) require separate projects that are planned and controlled at the appropriate level of complexity to ensure adherence to timelines, budget and fit-for-purpose deliverables.