OVERVIEW

Companies often find themselves between the proverbial rock and a hard place when it comes to developing a strategic growth plan and bringing it to fruition. While the desire to design a well-thought out strategic plan may exist, resource and time constraints curtail companies’ efforts to develop the strategic framework needed to guide them in carrying out their plans and ensuring success.

For industrial and manufacturing companies, much attention may be paid to internal initiatives instead of external growth opportunities. Ideas to improve the manufacturing process, reduce warranty costs, or apply new technology for product / service improvements are important, but they can only create growth if they meet a real need in the market place.

Strategy is about resource allocation. Unfortunately, in many organizations “strategy” devolves into responding to the squeakiest wheel or the executive with the most political power. If $100 is available to spend and ten initiatives need resources, merely allocating ten dollars across each initiative is not likely to produce the best outcome. Conversely, neither is putting all resources toward a single pet initiative. Effective strategy development carefully examines all options and places priority on each for information-based decision-making.

The absence of a growth plan that ties to the overarching strategic plan does not equate to failure, but it practically guarantees problems, missteps and duplicate work. A strategic growth plan inevitably involves a market analysis and marketing actions as part of assessing options to grow the business. This analysis does not stand-alone – it must ultimately tie to the company’s technology, supply chain, and other strategies – but it provides a foundation to ensure the growth plans are well founded. Our customized framework for strategic growth planning is called a Growth Playbook.
Engagement Framework

**Frame**
What do we need to know and where are we currently focused?
- Growth team formation
- Review of existing information

**Discover**
What information gaps do we need to fill?
- Internal analysis
- External analysis
- Market segmentation

**Analyze**
What are the best opportunities and how should we prioritize?
- Opportunity assessment
- Segment prioritization

**Design**
What are our strategies and how will we execute them?
- Action planning
- Resource allocation
- Message mapping

**Implement**
How will we implement the plan and know if we are successful?
- Implementation planning
- Performance monitoring
- Measurement of results

**Benefits of a Growth Playbook**
- Provides an organizing framework using market research and other information to share insights and make effective decisions
- Formalizes the strategic growth planning processes
- Synthesizes organizational and market intelligence for effective communication to senior management
- Allows decisions to be monitored, adjusted, and documented
- Provides a means for Growth Teams to present information-based strategy recommendations to senior leadership within 90 days
Frame – Getting Started

Endeavor’s experience has shown that beginning this progression by forming a Growth Team is not only critical to assessing market and internal factors, but also increases the likelihood of successful implementation. Market evaluation is a process – not exclusive to one department. There’s a role for manufacturing, new product development, sales, marketing, management, and administration to play in setting a path for growing an organization’s revenues. A potent Growth Team includes representation from various disciplines, service/product areas, and divisions. The formation of a cross-functional team is a best practice in innovation. Individuals on the team will play a variety of roles, but the main purpose is to work together to make recommendations to senior management regarding the strategic focus of the organization, whether it is corporate-wide or only one particular line of business. And the functions need to have supporting strategies – to develop the new products, build the new capacity, open new sales offices, et al.

A Growth Team Leader is assigned by the Growth Team to call meetings, set agendas, review group goals, assign action items, and report process/information hurdles to leadership. Ideally, an Executive Sponsor (e.g., CMO, COO) acts as a liaison between the team and senior management, providing routine updates on progress and securing additional resources as the team requires. The team members participate in meetings and complete assignments, but most importantly, many of them will be responsible for overseeing implementation.
Discover

Developing a Growth Playbook should always start with an understanding of the current environment and setting the scope of work that is to come. A thorough market and internal analysis results in a strategic plan that is based on data rather than on a hunch. Teams often begin the process with perceptions, such as what they believe customers want, who is their biggest competition or how to best promote growth. But after the analysis, they find that many of their initial perceptions were incorrect or that they were missing key opportunities for growth.

Internal Analysis
Just because an opportunity exists doesn’t mean the company is in a position to capitalize on it. Understanding the ways the organization creates value is a critical component to the process. Examine the value chain – how well do support functions allow customer-facing groups to perform? Are there barriers that make it difficult for customers to do business with you? Can you meet capital requirements for market entry? How effective is your supply chain?

For example, if an opportunity exists to grow the business by enabling customization of your product or service, will the supply chain be capable of supporting – and sustaining - the associated flexibility in the manufacturing process? Would customization add complexity and cost to the manufacturing processes? Can the sales and distribution processes accommodate flexibility?

Growth Teams usually must consider a multitude of inputs that have the potential to affect key decisions and they must keep in mind that there are strategic implications regarding new entrants, substitutes, competition, and customers. Using Endeavor’s Growth Playbook method, Growth Teams are able to document their conclusions and decisions using a common structure that can be particularly helpful when many teams work concurrently.

Furthermore, discussions produced by using this model regularly yield seed ideas for strategic opportunities; these are often ideas that had not been previously explored.
External Analysis
The Growth Playbook utilizes proven methods to capture information about market dynamics regarding customers, competitors and market share. These methods are used in the initial investigation but can be retained to provide on-going monitoring of progress. Understanding market share is an important prerequisite for answering the fundamental question – “who do we take market share from and how?”

To complement these analyses, Endeavor recommends validating assumptions and beliefs with primary research that can highlight trends, decision factors, and market dynamics. Endeavor often conducts Experience Mapping using in-depth interviews with customers, buyers and users of the products and services being offered. This research provides a starting point for understanding the current experience, assessing what is ideal in the minds of customer personnel and setting a baseline for best practices.

When expansion is being considered, there are often macro-environmental issues to consider, including legal, political, social and economic limitations. A key question for Growth Teams to examine is why others haven’t yet pursued this opportunity and whether these macro considerations might be part of the answer. Finally, general market trends that go beyond individual customer information must be considered. These include things like broad adoption of new products or services, decision cycles, overall profitability, and market growth rates. With this data, Growth Teams are able to make reliable strategic decisions regarding the entire segment rather than just individual customers. This begins to move the discussion from sales-oriented to market-oriented and towards considering segments that may be appropriate.
Growth Playbook

Analyze

By examining the dynamics of the internal environment and external market, the Growth Team will be able to consider the multitude of opportunities and decide where to best allocate resources.

Some key questions to ask to generate a healthy debate:

- How intense is the competition?
- Who will you take market share from?
- How much do they know about you? (Rivalry among existing competitors is especially intense when competitors are fairly equivalent in terms of ability to deliver; when industry growth is slow, competitive intensity increases)
- What entities might potentially enter the market?
- What barriers are there to market entry (e.g., infrastructure, technology, and cost)?
- Are there ways that customers satisfy their needs through non-conventional methods?
- Are there resources required that you do not currently have in your internal value chain? (Funds for capital expansion? Talent for new product development? Etc.)
- What buying power do they have?
- How transparent is their buying process?
- What is the length of their buying process?

To further refine strategic recommendations, the evaluation of market segments is necessary, and segmentation’s role in strategic planning cannot be understated. To prioritize the segments, Endeavor
Growth Playbook

recommends creating a set of objective criteria based on segment attractiveness and business strengths. These evaluations are provided by the Growth Teams and are documented for review by senior management. Information gathered in previous steps is used to substantiate the evaluation. Completing the evaluations in this way mitigates emotional connections to a particular effort and is more open to other opinions.

Consider how a segment opportunity might fit within the existing brand strategy. Endeavor’s work in brand management has confirmed that the market’s perception of the brand plays a key role in determining success. How well is the brand managed? What are the key points of difference as compared to the competition? How flexible is your brand strategy to explore new opportunities? If change is required, how receptive/resistant will the organization be?
Growth Playbook

Design

At this point it is time for the Growth Team to develop strategies for each high potential opportunity and segment. First develop clear strategies (what you will do), then develop an action plan for each strategy (how you will do it). These strategies should compare the entire marketing mix (price, promotion, product, delivery) and take internal issues into account (e.g., training, communications, incentives, cost structure, and flexibility).

Typically, these fall into the following hierarchy:

- **Strategy** – the brand strategy and the objectives for extending its use into the market, including a clear set of expectations or outcomes from the resultant strategy and key actions and messages to be used to meet the objectives
- **Programs** – the description of multiple individual initiatives needed to execute the strategy along with a business case for the investments required
- **Implementation Plans** – the specific actions, capabilities, communications, technologies, efficiencies, awareness building and demand generation required to support the strategy

Growth Teams should consider the impact of the strategy on all functions - manufacturing, R&D, product development, IT, marketing, etc. The team should identify changes necessary to ensure successful implementation of the strategies. Don’t overlook training, particularly for new segments, new processes, or new service requirements. Individuals with customer-facing responsibilities should have a clear understanding of the strategy and their role in implementation.

It is helpful to categorize strategies into at least two buckets: those that are top priority to be completed this year, and those that are lower priority but would be helpful if completed this year. Priorities should come from leadership and the organization’s strategic plan. If areas for priority are not identified by leadership, it may be helpful to conduct an audit of each service line to determine prioritization.

To communicate the strategy, Endeavor recommends a thorough stakeholder analysis to clearly identify the messages that need to be delivered to each of the stakeholder groups, including employees, customers, suppliers, and influencers and the sub-divisions within each of these categories. Document the current perceptions and messages, desired outcomes and needed changes to the messages, and the touch points (e.g., conversations, print ads, digital copy, team meetings, etc.) that will be used to deliver and persuade. Key messages must include positioning and differentiating messages and must include some version of the business Frame.

Discover
Analyze
Design
Implement
case so there is a reason to believe the message. This is then used to align messages across a series of touch points.

There are a multitude of tactics available to communicate with targeted audiences. The challenge is identifying the optimal mix of internal and external media and message frequency. Every interaction with prospective and current customers is a touch point. These activities have importance relative to awareness building, attitude reinforcement, and likelihood to act. The richer the medium, the more effective it is at creating action. But as noted above, each segment may require a unique mix.
Implement

By this point in the Growth Playbook, the Growth Team will have defined key opportunities and strategies. The marketing, change management, and communications goals should now align with these objectives – the degree of success is related to the techniques used to motivate or persuade target audiences to action.

Depending on the initiative, internal communications are often as critical if not more critical than communicating to customers and suppliers. Growth strategies usually require effort from employees across many functional areas. For example, efforts to decrease supply chain costs or manufacturing capacity expansion will need to be understood and executed by a large base of stakeholders. To obtain buy-in and change from internal stakeholders, it is necessary to consider the motivators (i.e., a carrot or a stick) and the ability to make the changes (e.g., tools, training, processes). Ultimately, change is typically “voluntary” as most employees will do the work expected because they are internally motivated or to avoid negative repercussions. But when adding work load in the form of change or additional responsibilities, the communications should address “what’s in it for me.” To connect the messaging with “what’s in it for me,” line managers and supervisors serve as primary communicators who link strategic objectives with employees’ job objectives.

To determine if employee communications will be effective, pre-test using the following measures:

• Are employees familiar with the key strategic objectives and growth plan?
• Is there real understanding of the key messages?
• Do employees understand what is expected of them to help meet organizational objectives?
• Are employees committed to the strategic objectives and their individual roles?
• Do they agree that the objectives are important and necessary?
• Have employees changed their performance, or seen changes in co-workers, that relate to the strategic messages?

Senior management is not likely to spend the time reviewing the details of the strategic plan. They have ostensibly entrusted the detail work to the Growth Teams and only require a high-level view and recommendation. Following these steps, leadership is able to buy into the recommended strategies because they are based on market information and other data reviewed through a deliberate, thoughtful process.
Monitoring

Successful strategic planning is an on-going process. Continually monitoring and revisiting the plan is a critical and required step to ensure that the effort in creating the plan was worthwhile. Those who are responsible for executing the strategies need to provide written updates to the team leader on a regular basis. The plan should be reviewed by the entire team about every 30 days. Although adhering to the plan as closely as possible is ideal, it is sometimes necessary to modify the plan as time progresses. A brief update should also be part of the agenda in regular senior management meetings.

Endeavor recommends including images, charts and graphics wherever possible in your Growth Playbook to clearly illustrate the message. The document should be easy to read and understand, then distributed to others internally. This will ensure that it is not just the Growth Team’s work plan, but a deliberate blueprint for taking advantage of growth opportunities and obtaining buy-in from internal stakeholders who will play a critical role in implementing the strategies.
About Endeavor

Endeavor Management, is an international management consulting firm that collaboratively works with their clients to achieve greater value from their transformational business initiatives. Endeavor serves as a catalyst by providing pragmatic methodologies and industry expertise in Transformational Strategies, Operational Excellence, Organizational Effectiveness, and Transformational Leadership.

Our clients include those responsible for:

- Business Strategy
- Marketing and Brand Strategy
- Operations
- Technology Deployment
- Strategic Human Capital
- Corporate Finance

The firm’s 40-year heritage has produced a substantial portfolio of proven methodologies, deep operational insight and broad industry experience. This experience enables our team to quickly understand the dynamics of client companies and markets. Endeavor’s clients span the globe and are typically leaders in their industry.

Gelb, a wholly owned subsidiary, monitors organizational performance and designs winning marketing strategies. Gelb helps organizations focus their marketing initiatives by fully understanding customer needs through proven strategic frameworks to guide marketing strategies, build trusted brands, deliver exceptional experiences and launch new products.

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- www.endeavormgmt.com
- www.gelbconsulting.com
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