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How to Develop and Implement a
Core Growth Strategy in Less Than Five Months

An Interview with Brandon Smith, Partner, Core Growth Partners

INTERVIEW BY JONATHAN KREEL

Can you give our readers a quick description of your firm, what you specialize in and how you differentiate your services from your competitors? Also can you talk about your unique background? Our firm specializes in helping organizations and individuals grow. We are different than most traditional growth strategy consulting firms in that we integrate senior level coaching into our process to not only facilitate change, but also to ensure that the growth strategy is in line with the values and growth of the leadership team. This "special sauce" sets us apart from any other firm we've encountered and, from our perspective, is the contributing factor to our high success rate with clients.

Our backgrounds support our approach. We possess extensive corporate experience as well as MBAs, but we also have graduate degrees and extended study in fields of human development (from counseling to theology). I personally possess an MS in Counseling from Georgia State University as well as a MBA from Emory University.

Could you explain what "Core Growth Strategy" means? Our experience and research suggests that very few organizations enjoy long-term, sustainable growth as well as adhering to the essence of "who they are" and what got them there. When we think about all the organizations that have strayed, companies like Wal-Mart, Home Depot, Coca-Cola, etc…come to mind. The organizations that strike that balance do it by clearly identifying their strengths and values and executing on these without compromise. That is what we mean by "Core Growth." To strategically grow in alignment with whom you uniquely are and who you aspire to be.


BRANDON SMITH

What causes companies to reevaluate their growth strategies? Naturally, companies will reevaluate their growth strategies when growth stalls. They are looking to reinvigorate their growth engine and get reconnected to their core as well as the current needs of the marketplace.

However, we also have many clients that come to us when growth is good. In fact, many come to us when growth is too good. They are concerned. They don't want to lose what got them there in the first place. They want to ensure that they have the right infrastructures to support their growth as well as to maintain true to their values and strengths. These high growth clients want to make sure they stay true to "playing their game" and not copying large competitors' every move—thus losing their identity.

Is this a small firm issue (i.e. revenue less than $100 million) or do larger firms struggle with this challenge too? It is a universal issue regardless of size. Many of our clients exceed $2B in revenues and have the same conversations with us as our $2M clients. However, the ability to execute a "Core Growth Strategy" is easier for a small to mid-sized firm due to their nimbleness. In addition, privately held firms have a distinct advantage. They can invest in building the necessary infrastructure and move in a much more measured way without the pressure of quarterly earnings looming over their heads.

Additional question—At how much of a disadvantage are public companies? Any specifics? The success of our initiatives is correlated to the commitment level of the senior leadership team. The challenge that tends to exist more frequently with public companies is a lower overall level of commitment to the initiative and greater risk aversion—simply because this initiative does require more personal engagement than traditional consulting engagements. Our process is not the typical "analysis from a distance" approach that most consulting firms take. We engage and involve senior leadership in a fulsome way through interviews and intensive coaching work. This presses them to commit. Many senior leaders in public companies may not be ready for this type of commitment

How do CEO's know if they should revisit their core growth strategies? Several indicators:

1. They don't recognize the company they now run. They feel distant. It is no longer the place to which they felt connected. The firm may have strayed from its unique identity and values in an effort to compete for market share. This could be a bad sign…or a sign of changing times. Regardless, it is worth exploring.

2. They don't know who their customer is anymore. Companies that execute core strategies connect their strategies to their customers with discipline, persistence, and precision. They are curious about their customers day in and day out. If a CEO is no longer clear about who the firm's customers are, it is time to stop and take an assessment of their strategy.

3. They spend more time watching the competition and trying to catch up, rather than executing on their unique strategy. Firms that effectively execute core growth strategies watch the competition with curiosity, not with anxiety. They may adopt some competitors' tactics, but their broader strategy is unique—based on who they are and what they want to deliver to their customers.

Could you walk me through the process? Our process is unique because we simultaneously do core growth work with the leadership team (individually and as a group) as well as with the organization. This process allows us to not only identify the core values and strengths of the organization as well as the possible opportunities in the market, but it also allows us to connect those strategies with the core values and strengths of the firm's leaders. This connection results in an extremely high rate of execution amongst our clients. The strategy is connected so deeply to who they are and what they want for the firm and their lives, that they feel compelled to make it happen.

How long does it take to complete the process? Depending on the firm's size, we can execute a core growth strategy process between 3-6 months. The big determination is customer and employee interviews. We interview a representative sample of customers and employees so, naturally, larger companies take longer to execute.

What if the organization was seriously struggling and the CEO wanted to move more quickly through the process and into implementation; how quickly could it be done? A good question…and also a reasonable one. Depending on the size of the firm and the issues it is facing, we could streamline or defer parts of the process. However, we would be very reluctant to streamline or remove the customer interview component. Without that valuable data, we are flying blind and guessing as to what customers value and need today. So, given that, it would be possible to do "just enough" to begin partial implementation in 2-3 months.

Assuming an organization decides to implement your process, what kind of return can management expect? Does the project break even in five months…one year? The ROI is very much dependent on the business and the wishes/needs of its leadership. In general, the financial metrics related to revenues tend to be at least 6-12 months post completion of our process until there is a noticeable impact. In terms of employee performance, the impact is nearly immediate. This can be seen in not only increased morale, but also increased turnover. You didn't mishear that. I did say increased turnover. Our clients typically experience an immediate increase in turnover from employees that are not committed to the firm's values and the core strategy of the firm. Our process signals to those employees that the firm means business. This "right" turnover is a win-win for the firm. They have capital freed up to invest in committed employees, they have fewer uncommitted employees hindering progress, as well as the risk management benefit from the employee self-selecting out versus termination at a later date. Finally, the leadership team experiences a renewed commitment to the firm and its purpose. Clients have told us that the outcome of renewed commitment is immeasurable. They feel passionate, focused, and committed once again. If we have achieved that, we have done our job.

Can you talk about some of the soft savings versus hard savings? Longer-term ROI can capture some of the soft savings as well. Some of these aspects are:

- High customer loyalty = higher margins and greater flexibility in responding to changes in market conditions
- High employee loyalty = lower costs related to turnover, training, and hiring
- Strategic corporate culture = a compelling corporate culture that employees want to be a part of, which can result in lower than industry average pay
- Ability to play their own game = no pressure to conform to be like competitors

What is the biggest risk to an organization in executing this methodology? There are really two risks. One is that this process is not an intellectual exercise that leadership can watch from the sidelines. It is designed to facilitate action. So, if a leadership team isn't ready to or committed to taking action, this process can be very uncomfortable. Second, there are times it can highlight a misfit among a member or members of the leadership team. Ultimately, this is not a bad thing, but it can be a very difficult challenge to address when it becomes clear that a member of the leadership team isn't the right fit. Organizations have to be ready for that as a possible outcome.

Are your rates tied to the successful implementation of the growth strategy you identify? No. Our rates are based on the project. While we have every conceivable ingredient baked into the process to facilitate implementation and change, it ultimately comes down to the client.

How often are your recommendations ignored and have you tracked the financial results of those companies? If so, could you talk about why they decided not to move forward with your recommendations? Because of the uniqueness of our process, our clients implement almost every recommendation on their own. This is one of the results of our work of which we are most proud. We have had only one client not fully implement our recommendations over the past few years. Amongst many factors, this was primarily due to a modified/shortened process per the client's request. In addition, the CEO accepted a new role at another firm in mid-implementation. The result has been a holding pattern for the firm for over a year.

Is CEO and executive management buy-in crucial to the success? If so, is there anything even more important to ensure success? Senior leadership commitment is crucial to success. The other critical success factor is the willingness of the key members of the organization to facilitate our interaction with customers. This component of our process is vital, and we have found that unless the customer's key contact at the organization asks for their participation, we are unable to get that valuable information.

Have you worked with any start-ups and helped them execute this process when they are carving out their niche market? No. Primarily because our process is best suited to a client that has some history, both internally (related to culture), as well as externally so customers can respond to questions about experiences with that organization. This allows us to accurately assess the organization's strengths and values.

What is the number one reason an organization should NOT attempt to change its Core Growth Strategy? Pressure to turn the ship and see results within the quarter. This is not a "quick fix" process. It is a fundamental strategy that can carry the firm for decades. Thus, it takes time to execute, implement, and reap the rewards of the work. Our clients typically are looking a year or two out (or beyond) for results.

What is the number one reason an organization should attempt to change its Core Growth Strategy? No one cares. Employees don't care about the business, the customers, the products/services, etc. Customers don't care about the business, the people, and the products/services. Leadership doesn't care. Leadership routinely asks, "What am I doing here?" No business can grow under these conditions, nor should it. Thriving growth businesses have commitment from all involved parties. We help create that through our process.

Once a firm has embraced the new core growth strategy, how do firms maximize their chances of permanent adoption? We find that the most successful clients have systems and structures in place to maintain the focus. Examples include:

- Scheduled meetings to revisit the core growth initiatives
- Ownership of components assigned to key leadership based on desire, provide drive and enterprise
- On-going coaching for senior leaders
- Frequent communication with employees
- Willingness to take risks and try some things that may seem "unconventional," but fit with their strategy—and then assess and debrief

Any final thoughts you would like to share with our readers? Whether we are working with a $2B+ organization or one individual, the formula to growth is the same. One must have a clear understanding of their values and strengths, an intentional plan, and the courage and faith to execute on the plan. If the client is committed to that process, there is no telling how far they can go.

Brandon Smith is a founding partner of Core Growth Partners, LLC based in Atlanta, GA.