

Copyright © 2004 Richard Shrapnel PhD

Published by:

Compete Global Pty Ltd ACN 072 471 268

P.O. Box 4401, Knox City Centre, Victoria. Australia.

Telephone: (61) 0419 306 697

Facsimile: (61) 03 9801 0118

www.competeglobal.com

DVD cover and booklet designed by Lara Cameron.

All rights reserved. This publication is copyright and may not be resold or reproduced in any manner (except excerpts thereof for bona fide study purposes in accordance with the Copyright Act) without the prior consent of the Publisher.

Limit of Liability/Disclaimer of Warranty: Whilst the publisher and author and their respective employees and agents have used their best efforts in preparing this booklet and the accompanying video and audio, they make no representations or warranties with respect to the accuracy or completeness of the contents of the booklet, video and audio and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written promotional material. The advice and strategies contained herein may not be suitable for your individual situation. As such you should seek individual professional advice where appropriate. Neither the publisher, author nor their employees or agents shall be liable for any loss or profit or other commercial damages including but not limited to special, incidental, consequential, or other damages.

ISBN 0-9751268-2-2: Booklet, DVD Video and CD Audio set

Content

How to use this booklet	4
A Framework For Thought	4
Real Sustainable Growth	5
Competitive Posture	7
What Is Growth?	11
Lifecycles	14
Paradigms	17
Continual Renewal	21
What Are You Building?	23
Growth & Size	26
Building Foundations	30
About The Author	38



In this statement you can recognise the elements of answers to each of the three questions and how by drawing them together into a statement of competitive posture, we have provided a solid foundation/platform upon which we can guide and grow our business.

For additional guidance in drawing the competitive posture for your enterprise, I would recommend you read our booklet titled 'Strategic Business Planning'.

By considering the answers to the three prior questions, see if you can draw your competitive posture.

Questions:

What is your competitive posture?

What is Growth?

The answer to the question, 'what is growth?' should be an easy one. Growth is the essence of business, it is something every business seeks to achieve and therefore you would think that everyone in business would be able to 'roll-off' the same answer. However, the reality is that growth is something that everyone seems to assume they know and understand but it is not something they neither reflect on nor study.

The general answer given to the question is that growth 'is all about increasing sales and getting bigger'. However, this answer hides more of the truth than what it reveals.

What if sales were to increase by 20% and as a result profits were to decline by 5% due to an increase in requisite fixed costs. Would you then say, 'Oh well, growth is really all about increasing profit so the focus should be on growing profit not growing sales'?

But what if the enterprise needs to invest in the short-term in building its capabilities and this will result in profit declining over the next two years. Would the answer then be, 'Oh well that's fine as you are investing to build your profit in the longer term'?

And of course with 'closely-held' businesses, it is not unusual for business leaders to make a personal choice to limit growth as they place lifestyle ahead of increasing profit. Is the answer then, 'Oh yes well that is also a fair growth option'?

So from this short narrative, it is clear that growth may range from increasing sales to profit to capabilities to lifestyle and may in fact call for restricting size. All of these alternatives are valid growth options and therefore, we must be careful not to make overriding assumptions as to what growth is and what it may mean to any individual business. It is a question to be considered individually based upon the goals that may exist.

What does growth mean to your business? The answer lies in two questions:

Why do you want to grow?

What goal do you want to achieve?

Your starting point in achieving real sustainable growth is to clearly understand what growth means to you as a business leader and your enterprise. This answer lies in the two questions above, so I recommend that you reflect on the answers and write them down.

Questions:

Why do you want to grow?

What goal do you want to achieve?

Lifecycles

The way business leaders and their enterprises think about lifecycles generally permeate their entire approach to growth. A general belief is that all things go through a cycle of inception, birth, early development requiring investment, later growth where rewards are reaped and then maturity where growth tapers off followed by decline and death, both of which are inevitable.

This concept of lifecycle in business applies to ideas, products and services, businesses and entire industries and as such is almost the first consideration that influences business leaders when they turn to consider growth, even if they are not consciously aware of it. As an example, considerations concerning the future of a product are often based upon where a product is thought to be in its lifecycle.

However, lifecycles really only apply where an enterprise and its leaders fail to see the opportunities that exist. Lifecycles only come into play when the team moving the business or product forward stop *evolving*, stop *adding-value* and stop *reinventing*.

A pause in growth and decline will occur when the team cease to think and act and accept what they consider to be a natural fate...the inevitable decline that they believe must occur in all lifecycles. Their belief in lifecycles seals their fate.

Have you ever heard the excuse, 'oh our business is in a mature industry and therefore there is not a great deal of opportunity to grow our business', and an excuse it is.

There is no such thing as a mature industry, only industries populated by tired companies.

Profitable industries are populated by innovative companies!

Consider the following research of the annual profits that your business earns:

20% is attributable to the industry you belong, and 80% is enterprise specific.

That is, 80% of the profit that is earned is dependant upon the capability and efforts of each individual enterprise.

An enterprise can be successful in a declining industry and conversely, an enterprise can fail in a boom industry.

Growth and success is dependant on individual effort and capability and has little to do with lifecycles or industry membership. It is the role of business leaders to muster effort and develop capability.



- ✓ Evolve
- ✓ Add-value
- ✓ Reinvent