

PROFITABLE GROWTH IS EVERYONE'S BUSINESS

10 Tools You Can Use Monday Morning

RAM CHARAN

RAM CHARAN is a business advisor who has worked with a number of Fortune 500 CEOs. Dr. Charan (a graduate of Harvard Business School) has also served on the faculty of Harvard and Northwestern University. He is the author of *What the CEO Wants You to Know*, *Boards at Work* and the co-author of *Execution*, *Every Business Is a Growth Business*, *The Leadership Pipeline* and *Strategic Management*.

SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at www.summaries.com.

MAIN IDEA

While breakthrough technologies and new business models get all the good press, many times the combined effect of a number of smaller growth initiatives can be far greater. In other words, a business can grow revenues substantially not by doing something dramatically different but by stringing together a series of small day-to-day wins and adaptations to changes in the marketplace. The key to making these small changes happen is to engage everyone in the organization in the quest rather than just the senior management. Or put another way, everyone should be engaged in the growth agenda of the business.

To make this happen, there are ten tools which can and should be used:

The
Ten Tools
of
Profitable
Revenue
Growth

- 1 Make revenue growth a part of everyone's daily routine
- 2 Try and hit many doubles and singles, not just home runs
- 3 Understand the differences between good growth and bad growth
- 4 Dispel the myths that may be holding you back
- 5 Increase productivity with the resources you have
- 6 Develop and implement a growth budget
- 7 Build your upstream marketing capabilities and activities
- 8 Become better at cross-selling and solutions selling
- 9 Embed a growth engine within your corporate culture
- 10 Convert innovative new ideas into revenue growth

Tool #1 – Make revenue growth a part of everyone's daily routine Page 2

If only the senior managers of the organization attempt to generate growth, many opportunities will be overlooked. Instead, employees at every level should be actively attempting to grow revenues in their own individual areas. The search for growth needs to be woven into every conversation, every meeting and every presentation if the organization is to excel.

Tool #2 – Try and hit many doubles and singles, not just home runs Pages 2 - 3

Breakthroughs are unpredictable. Therefore, you're much better off trying to make marginal improvements in your activities and social processes day-in and day-out. Over time, a long run of steady incremental increases can result in impressive and profitable revenue growth.

Tool #3 – Understand the differences between good growth and bad growth Page 3

Good growth is organic or internally generated – it is sustainable, profitable and efficient from a resource perspective. Bad growth is the anticipated result of one-off transactions like acquisitions. It usually fails to deliver any long-lasting growth.

Tool #4 – Dispel the myths that may be holding you back Page 4

When people accept myths like: "We're in a no-growth industry" or "Customers buy only on price", they stop trying to find ways to grow. Leaders need to create urgency around the need to increase revenues and grow the business.

Tool #5 – Increase productivity with the resources you have. Page 4

When asked to "Do more with less", most people focus on the less resources aspect. A better approach is to look at how to achieve more with the resources already available. This will require that you analyze everything that's done creatively.

Tool #6 – Develop and implement a growth budget Page 5

You have to set up a growth budget – resources which are earmarked for growth initiatives. Unless you have that, people will just talk about generating growth to keep the boss happy, but nothing of substance will be done.

Tool #7 – Build your upstream marketing capabilities Pages 5 - 6

Upstream marketing means to identify which customer segments to focus on and what will be needed to win the customer at various price points. Very few companies ever engage in upstream marketing which is a great way to grow.

Tool #8 – Become better at cross-selling and solutions selling Page 6

Instead of saying: "What else can we sell our customers?", you should work backwards. Create a unique value proposition (mix of products and services) and then present that to the right decision maker. This is a great foundation for more growth.

Tool #9 – Embed a growth engine within your corporate culture Page 7

When organizations make growth the main priority, it becomes the topic of all formal and informal conversations. People then start accepting personal responsibility to generate growth, rather than leaving it to someone else. This is helpful.

Tool #10 – Convert innovative new ideas into revenue growth Page 8

Growth and innovation is not the realm of lone geniuses working in isolation. Instead, it will require collaboration, communication and teamwork as ideas are selected and then shaped. Innovation should be a social rather than technical process.

Summaries.Com

The Ultimate Business Library



We condense **300+ page** business books into **8-page** summaries.

By reading summaries, you'll get the **key ideas** in **30 mins**, so you can spend more time turning your ideas into **dollars**.

Knowledge is Power — Invest in Your Future

For just **\$2 per week**, you will...

- Learn from the mistakes and success of the smartest people in business;
- Get fresh ideas, strategies & motivation that could be worth millions to you;
- Follow emerging trends, so you can catch the wave before your competitors do;
- Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

BUSINESS PLANS

MANAGEMENT

PRESENTATIONS

SALES

LEADERSHIP

MOTIVATION

STRATEGY

AND MORE

