

*Thinking Bigger. For every business, that means something different. It could be adding employees, adding locations or growing revenue. We continue with Part 3 of our Escape Velocity series.*

( **Smart Strategies** by Margaret Reynolds )

# Accelerated Growth Requires Determining Your Options

**Ask the right questions and look for solutions that others might be missing.**

**A**chieving escape velocity (or accelerated growth) for your business requires a plan that puts you on a growth trajectory. That plan represents a set of choices about your options. The question is, "How do you even determine which options are on the table for consideration?"

So far in this series, we have talked about the importance of conducting a comprehensive diagnostic evaluation of your market and your company and the key steps involved in doing so. (See the last newsletter issue for more on diagnostic evaluation.) This information is crucial to the identification of growth options to consider. The quality of opportunities that surface are tied directly to the quality of information you gather in the diagnostics phase.

So let's go back to the original question, "How do you know what options to consider?"

## Information Points the Way

Review the learning from the diagnostic phase. It will tell you critical information about your market, how it is changing and what is going to be hot and what is not!

You should now know what segments of the market are growing, where there is open space not occupied by others, which competitors are doing well and why, what your strengths are and what new technology is coming that will change your business and industry.

Use that data to make a long list of possible growth opportunities—none are too crazy and none are too small—yet! Examine all areas of potential growth such as new customers, new products, new channels, new marketing or new processes. Involve people you may not normally ask about strategic questions—customers, vendors, salespeople or neighbors.

Customers can often give you product feedback, sales people can give you insight on current customer needs but also potential markets you might be able to enter, and your neighbors—well, they just think about it differently than you do and might just see the obvious!

## Find Inspiration Where Market Needs Meet Company Capabilities

Pay special attention to identifying options in the space where market needs are a good fit with company capabilities. It is this space that is rich in new opportunities that are especially good for you.

Make a list of the top market needs and the top company capabilities. Look at the two lists together and ask what are the most helpful trends and the most hurtful trends for your company. Rank them in terms of their importance and likelihood. How can you prevent the most hurtful trends and how can you take advantage of the most helpful ones?

- A manufacturer of food packaging components identified a trend toward niche markets. Given that they were small and nimble with a good debt position they saw this as an opportunity as they felt they could diversify into some of these smaller and emerging markets more quickly and profitably than others.
- Southwest Airlines looked at energy costs and were one of the few airlines who bought oil reserves allowing them to avoid raising prices at the same pace as their competitors. That may have looked like a tactic, or a decision on the fly, but it is consistent with their strong capability of aligning their operational planning

with their selected strategic focus on low fares.

## The Story of the Square Watermelon

Not long ago I came across the story of the square watermelon. It begins in Japan where space is at a premium.

As you know, watermelons require space, lot of space, whether on grocery store shelves or refrigerator shelves in the home. What can be done? Very little you may say. Watermelons are just big, and round and hard to manage.

Typical solutions would suggest raising prices to accommodate extra space and the need to generate a return on that space OR adjusting the supply chain so that the number of melons on display are reduced but restocked quickly, right?

But the Japanese farmers asked a different question "If supermarkets need a space-efficient watermelon, how can we provide one?"

Once they asked the right question it didn't take long for them to generate a solution. As it turns out, you can change the shape of a watermelon to be much more efficient.

If you want to grow a square watermelon all you need to do is put the seeds in a square container. A square watermelon takes less space, is easier to stack and therefore less costly to transport and display.

The morale of the story is "ask the right question and don't assume that something can't be solved."



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