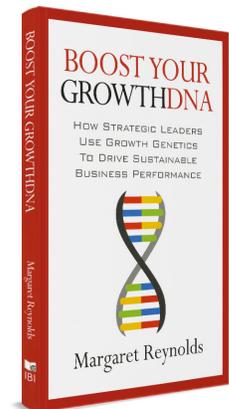


Boost Your GrowthDNA

How Strategic Leaders Use Growth Genetics to Drive Sustainable Performance

by **Margaret Reynolds**



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THE SUMMARY IN BRIEF

Company leaders worldwide seek business growth for many reasons. Whether it is to expand profitability to drive shareholder value, to build stronger market value in preparation for a transaction, or to support and promote their employees, growth is desirable for just about every organization. So, why do only 13 percent of companies sustain a modest single-digit growth rate for ten or more years?

As leaders, it is critical we identify which of our company's historical models, practices, and behaviors are self-limiting and undermining results. Margaret Reynolds, in *Boost Your GrowthDNA*, examines complex business problems and provides systematic solutions. GrowthDNA has four strands that contribute to an organization's successful growth. These "growth genetics" are invisible and typically not tracked or measured. Yet, like DNA, they are predictive of outcomes and can be managed and modified. Proactively managing GrowthDNA yields a healthier business and generates sustainable high performance.

IN THIS SUMMARY, YOU WILL LEARN:

- How to develop the confidence needed to challenge the status quo and set sights on bolder goals.
- What is required to achieve strategic clarity organization-wide.
- Why developing organizational commitment to strategy is leader's #1 job.
- The importance of a growth-minded culture and the role of communication in achieving it.

What Is GrowthDNA?

If leaders want to be champions for growth in their organizations, they must understand it isn't the activities themselves that matter; it is how organizations approach them. A company can do everything "right" and still have very limited success. The sole source of growth, regardless of industry, is the organic conformation of the company—its DNA. Every organization has DNA that influences how they get things done; it is the DNA that separates those which are successful from those which are not.

Human DNA testing has exploded. Today, around one in twenty-five adult Americans have access to their personal genetic data. DNA is a predictor of what is possible. It increases the odds of a potential outcome. What exactly is DNA? The DNA molecule is two long, thin strands twisted around each other like a spiral staircase. An organism's DNA affects how it looks, how it behaves, and its physiology.

Businesses Have DNA

Like humans, organizations also have distinct DNA—a genetic imprint that determines outcomes. Fortunately for growth goals, your business DNA can be altered to drive improved growth results. That DNA consists of how people approach problems, how work is defined, how decisions are made, and how communication takes place. A company's DNA is more than its culture; it's a composite of how the organization thinks and works, expressed through behaviors and processes. GrowthDNA is a framework designed to help leaders identify the unseen variables in their organizations: the DNA that contributes to or detracts from the growth of the company.

Understanding Your Company's DNA

As with human DNA, to manage outcomes, you must first understand your company's unique genetic code. There are four essential DNA strands, or components, of GrowthDNA. Each of these strands is distinct but also interconnected. All four GrowthDNA strands must be boosted to achieve sustainable and significant growth results.

ConfidenceDNA

ConfidenceDNA comes from using market data to challenge the status quo, understanding capabilities, weaknesses, and opportunities. Business leaders need relevant market facts, not anecdotes, and a solid understanding of what customers want, rather than what is easy to provide.

Market Intelligence

The days of answering the phone and picking up sales from loyal customers who want to buy what they bought last year are moving into the rear-view mirror. We need to get in front of where our customers want to go and help them get there with new and creative solutions to their problems that use existing products in new ways, or new products with more integrated service features. Selling solutions can be a valuable win-win with benefits for not just the customer, but the provider, too. Market intelligence that helps you identify gaps in the market which align with organizational strengths gives companies the confidence to think and act boldly, delivering on this first strand of GrowthDNA.

A ConfidenceDNA Case Study

Amazon is a giant in market intelligence. They excel in one-click checkout and tracking customer interests. They applied that knowledge to developing an Amazon GO store in downtown Seattle. The store is a neighborhood grocery designed to provide a cashier-free shopping experience. Just scan your phone when you enter, and using Artificial Intelligence and cameras, the store records what you take off shelves. When you are done shopping, just leave, and it is automatically charged to your account. Sure, Amazon is a giant with years of experience growing through market intelligence; very few companies have their depth of market intelligence DNA. The key is to start. Start now. Start simple. Start collecting relevant data from customers and marrying that with trends. If the organization can't answer the question, "Why do customers buy from us over the alternatives?" based on what is known versus what is assumed, this is a good place to start. Decisions based on market intelligence nurture ConfidenceDNA and without it, many companies settle for incremental growth rather than defining and achieving their potential.

ClarityDNA

ClarityDNA comes from crafting a specific, well-defined strategy that is clear to all responsible for its success. Strategy answers the question of where an organization will play in the marketplace and how it will win.

The Strategy Funnel

Clear strategy is like a funnel, with the broadest strategy decisions at the top. As each strategic decision is made, it takes options off the table for strategic decisions that follow. At the top of the strategy funnel is the overarching strategy.

Once determined, this will not be unique to your company, but how you implement it will be. Strategic positioning then determines how the organization will compete against others in the industry. It defines how the company will differentiate itself from its competitors. The value proposition, when identified, determines where the company needs to consistently excel. Finally, a company decides who is the target customer and what products and services best meet that customer's demands.

A ClarityDNA Case Study

John Knox Village provides independent living and long-term health care services. The organization's vision is to be the leader among senior living communities. The village had to address a rapidly changing target market with different needs. It was important to honor its vision and reinvest in being the leader in senior living. The extensive data analysis conducted on the front end—tracking industry trends, analyzing current property conditions and housing inventory, benchmarking other facilities—led to a courageous commitment to a long-term redevelopment plan that would not only bring the campus up to speed but also position the village to wow residents of the future.

The scope of the plan was significant and had to integrate many moving parts across different business units. To bring clarity, the organization spent countless hours redefining their target market and developing the financial model that would be a win-win for them and their residents. They stopped managing each function of the community and started looking at how to integrate services. They also realized that how services were delivered mattered as much as the facilities themselves so they developed a commitment to a resident-centric hospitality culture. Finally, they developed a long-term redevelopment plan that would phase work over a decade and created an employee group to drive the necessary cultural change.

CommitmentDNA

CommitmentDNA begins at the top and is the number one goal of leadership. In companies with GrowthDNA, leaders understand their role to be that of coach, not just boss. Developing buy-in and encouraging contributions at an individual level is central to success.

A CommitmentDNA Case Study

Kevin Brown, CEO of Omaha Steel, a company with 42 percent growth in 2017, sums it up. "Most of my focus over the last ten months compared to three years ago is on

employee communication. We all try to roll up our sleeves to get the job done. When people see your heart, that you are willing to work alongside them, and know your interests are in the right spot, it is amazing to see what people will do for each other. We are rowing the boat together. For us to continue to move forward, the only thing that will stop us is us. We need to be sure the team stays fully vested in wanting success. The rest of it solves itself."

Culture DNA

The final DNA strand, and perhaps the most critical because it drives sustainability, is culture. It is CultureDNA that enables organizations to sustain growth year after year.

Growth-Minded Culture

GrowthDNA companies have specified important values that spawn growth-mindedness at all levels of the company. Changing culture starts with changing the leadership approach. Leaders and managers across all functional areas must be aligned by common objectives and priorities. Then, everyone in the organization must understand the direction of the company or its vision.

Employees can't help drive value if they don't know what is expected and what they are empowered to do. All too often a strategy doesn't change the work of an organization because it sits on top of day-to-day operations rather than being integrated into it. A growth-minded culture looks for ways to engage and inform employees, empowering decision-making at all levels. Growth-minded leaders have conversations instead of having meetings, focus on people over technology, augment direction with rich, contextual, informal communication, and give control rather than take it.

A CultureDNA Case Study

Gray Manufacturing Company, Inc. has been designing, manufacturing, and selling lifting equipment for the automotive, truck, and service vehicle industries since 1952. This family-owned organization has deployed a fierce commitment to serving the customer with an eye for product innovation, driving a 25-percent increase in revenue in the last four years. Gray wanted to challenge themselves to be the best—in their industry, to their customers, and as an organization. After eight months of data-diving and strategy formation, the leaders know where the potential lies. Because they are better informed with data, and clearer about priorities, they can then ask

questions and contribute ideas, making discussions more meaningful and generating more unified confidence in decisions. From a strategic perspective, the organization shifted to enterprise-wide projects, which elevate each department's contributions and brought alignment among departments. Shared data puts more people on a level playing field. The number of initiatives identified are fewer in number but have much more potential impact. They are asking, "What can we stop doing that is tied to the past but doesn't advance the business so that we can start investing in the things that will drive our future?"

Up until now, Gray has been very self-sufficient with excellent results. But the next level will require people to look at the business in an entirely different light, no longer stretching what is done to accommodate growth, but instead asking what will be necessary to enable the growth potential. The dynamics have changed, enthusiasm is high, and prospects for growth are excellent.

How GrowthDNA Works

Each of the four strands of GrowthDNA is essential. These strands are intertwined and mutually reinforcing. Best performance outcomes occur when all four strands are strong and are functioning interdependently. Therefore, it is important to understand how they work together.

GrowthDNA is Cyclical

The initial engagement point for those wanting to build GrowthDNA is ConfidenceDNA. Without it, other actions around the circle are typically more incremental in nature, with less impact, and are often under-resourced. Strategy drives ClarityDNA and sets the course for the future vision of the organization. CommitmentDNA is the stage where

value will be won or lost. CultureDNA requires leaders to operate in a constant state of consciousness to avoid falling into hereditary habits. To sustain high performance over time requires a growth mindset to permeate the organization.

GrowthDNA is Cumulative

The four intertwined GrowthDNA strands are cumulative, each reinforcing the other. Much as in weaving, where fragile threads intertwine to produce strong cloth, GrowthDNA relies on all four strands to boost performance results.

Boosting GrowthDNA results in an organization confident in its bold long-term goals with clarity of direction, an aligned and committed leadership team, and a growth-minded culture that includes everyone in the organization. And the kicker? Cultivating GrowthDNA is not a big financial commitment like installing a new ERP or building an R & D Center; it is simply a change in how the organization works every day.



Margaret Reynolds, Master Growth Catalyst of Breakthrough Masters Unlimited, a division of Reynolds Consulting, LLC has assisted companies with growth planning for over 20 years. Margaret has an extensive background in helping companies of all sizes, from Fortune 500 to aspiring mid-market clients, find ways to innovatively and profitably grow their businesses. Her unique blend of experiences ensures that the work she does with companies is creative but practical as she integrates the planning process with business realities, resulting in plans that are actionable and profitable.

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