

IGNITE GROWTH

The greatest threat to growth is complacency. While the COVID pandemic dealt a windfall of opportunity to some companies, and left others scrambling to survive, all need to have their growth strategy front of mind. Yet, in a market of increasing instability, how do companies build a growth strategy that is at once flexible, disciplined, and driven by the right ideas?

CASE STUDY

Visible impact

When asked to lead a disheartened unit of the Siemens Medical Division, Klaus identified a consumer who had received life changing medical treatment through the devices that his division manufactured. He invited her to tell her life experience, crisis, and recovery to the team and the role of Siemens equipment in it. She ended by listing the names of the people involved in designing and manufacturing that equipment, most of whom were in the room.

The direct connection to impact and purpose laid the foundation for the change from a negative to positive mindset and ignited a desire for growth.

01 CREATE THE RIGHT ENVIRONMENT

Make growth meaningful

When you lead in an area where growth is required, you will often adopt teams with a beaten mindset. They may feel that they are side-lined by the company or have grown stagnant. Your primary objective should be to get the soul back among the organization. Identify the growth opportunity and put meaning back into it. Create a strong prospective for the future. Define the light at the end of the tunnel that people will look forward to and work towards.

Develop sustainable competitive advantage by identifying purpose beyond cost cutting and efficiency. Discover what constitutes a game changer for the customer. Creating an environment where the end consumer can speak to operators and other internal sectors is a powerful way to accelerate a customer-centric transformation.

“Nobody can go through restructuring without having a prospective of the future.”

- Klaus Kleinfeld

Build capacity for growth

Improve your capacity as a leader first. Create a safe space where you can have meaningful conversations about your challenges.

Understand your company’s capabilities and where you have a right to play. Learn from the outside. Set up advisory boards to get unfiltered points of view.

TEAM EXERCISE

1. What is the main problem you wish to solve?
2. Is the same problem solved in other industries?
3. Who are the experts solving the problem outside your industry?

Commit to new inside capabilities where necessary, whether in technology or people. Bring in new skills by seeking those that solve the problem, not necessarily those that align to industry experience. Sharpen internal tools through healthy competition between teams.

Execute growth

To ignite growth, you need structure and discipline while retaining flexibility in your organizational approach. Prioritize execution and ensure that it happens. Define the challenge and desired outcome in a project management structure. Remain agile.

Build the balance of structure and flexibility through the right talent. Select people that show potential but are too junior to be promoted. Place them into project management roles and give them the opportunity to shine. It creates a team that is eager to work and builds talent. If they rise up to the challenge, you can move them into a line role. If it doesn't work, you don't lose that future talent. You can test them, but if they are not the right fit you can reassign and revitalize them somewhere else.

Once the project is defined and the talent assigned, apply strict control and measurement, including carefully designed metrics.

"I believe in line management for stable situations. Unfortunately, the world is less and less stable."

- Klaus Kleinfeld

02 GROWTH STRATEGIES

Be cautious to acquire

From the outside, it is easier to see the acquisition activity than the internal organic growth of firms. The success of acquisitions is overestimated. Set the stage for acquisition by building organically first. Use acquisitions to add to the existing capability.

While the speed of growth through acquisitions is tempting, the risk to long-term market value is high. Centralize accountability by having the team responsible for the post-merger integration design its execution strategy before deciding on the deal.

“My preferred growth path is not external acquisitions. The risk is super high.”

- Klaus Kleinfeld

Identify tailwinds early

If you are able to identify a segment of the market that will outpace the rest of the industry, and execute on it earlier than competitors, you create a big advantage. To do so, connect with the people making decisions on the ground. Use innovation labs to explore trends.

As a leader, keep part of your focus facing outward. Leaders need to constantly look around the corner to understand how changes and opportunities can create value for the customers. Connect diverse elements. The role of the CEO is to connect the internal and external constituencies.

CASE STUDY

Outside perspective

To ignite growth at the Siemens Medical Division, Klaus identified five external experts in medical innovation. He chose only the top people obsessed with their work and put them together as a scientific advisory team. They were given full access to the Siemens laboratories and asked to engage its engineering teams once or twice a year. The advisory board brought diversity of thought to the isolated thinking of the internal teams. It expanded their vision of the applications of their own equipment.

One solution required the adoption of 3D visualization techniques. Again, Siemens reached outside the industry and acquired an expert in 3D imaging software from Disney.

Reinvent value

No strategy is good forever. When facing a fundamental disruption to the industry, it is almost impossible to rely on the existing organization to change. Build a parallel organization and shield it from the dominant company. The new organization will be better equipped to attack new business. Create situations that unearth a need. For example, customer focus groups or internal competitions.

A cultural transformation may be necessary to face an existential disruption. Bring in new people with diversity of experience and transformational spirit. Put them in the right position and give them autonomy. Prioritize mindset – skills can be learnt on the job. Create the right mix of talent that can work as a high-performance team. Good talent that cannot collaborate will detract from transformation.

“Talent beats everything. But it needs to be the right mix of talent too, so you don’t sabotage the team.”

- Klaus Kleinfeld



Leaders Advancing Leaders

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