



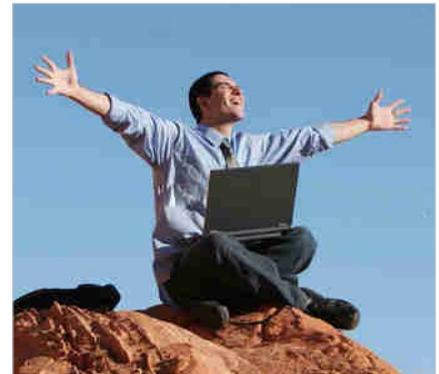
MANDAT GR WTHLETTER®

Growth Focus: Methodology

CEO-Tip *of the Month*

by Guido Quelle

For Growth, Focus on Results, Not Methods



Let's get one thing straight from the start: a good methodology that allows you to approach an issue in a structured way is worth its weight in gold. In our line of work, clients often procure our services because they assume we use an established procedure—or "methodology"—to address their growth-related concerns instead of just shooting from the hip, and that we therefore more quickly produce results than they could on their own. But: in our talks with clients, the focus is never on methodology; we're hardly ever asked what methods we use. Instead, over 90 percent of the time we spend on analyzing a client as precisely as possible goes to discussing what results we're supposed to achieve. They simply assume—correctly—that there is a method to what we do.

And that brings us to the real point, namely that the methodology used isn't that important: it's far more essential to focus on what goals you want to achieve. We very often see, especially in talks between companies and (potential) consultants, that the discussion very quickly turns to methods, i.e., to the HOW level; in fact, this usually happens far too quickly. The same phenomenon can also be seen in everyday business, in discussions between managers and their employees, between department heads and the Senior Management. By the way, discussions of methods are a favorite in Marketing departments and even more so in Human Resources. This can lead to some remarkable mistakes because the spotlight far too quickly turns to the HOW before agreement has been reached on the WHAT, i.e., on the goals.

Example 1: A company discovers that it has leadership problems. Before even starting to discuss what exactly these problems are all about—whether there is a recognizable pattern or just sporadic hiccups, whether there is objectively observable problematic behavior (evidence), what the effects of this alleged lack of leadership are and, above all, what the ideal resolution would look like and what goals it would entail—the Human Resources department, with which the dialogue on this topic has to happen, has already whipped out a veritable arsenal of methods: structured leadership interviews, 360-degree feedback, and leadership trainings. It's not hard to predict that this won't go well.

Example 2: Another company wants to better understand its market. Before discussing what exactly an "understood market" looks like or what the concrete objectives are, the Marketing department has already pulled out all the stops: contacting market research institutes, starting mystery shopping, conducting cash register-tape analyses, measuring shopping frequency, and analyzing the competition. This, too, is the wrong way to go.

As the CEO, don't let yourself be dazzled by the supposed effects of a given methodology. After all, you wouldn't ask a butcher how much they like vegetarian food. Don't let yourself get sidetracked from the essential task of defining your goals, and don't waste your time with anyone who's too quick to promise a cure-all method for solving your problem, bearing in mind the tried but true saying: "If all you have is a hammer, everything looks like a nail." True partners choose the method that most effectively helps them reach their goals, and don't have just one tool, but a whole toolbox.

Strategy & Leadership

by Guido Quelle



Once you have a clear idea of the WHAT, i.e. of the results a growth initiative should produce, the next step is to find a method that can effectively support your initiative. Or more precisely: it is only after you have clear goals that any discussion of methods can begin. But then that discussion also becomes crucial, because good methods have the advantage of making results more comprehensible and transparent, of putting learning curves to good use, and above all of saving time, because they eliminate the need for reinventing the wheel again and again.

Here are five examples of methods that can and should be used effectively as part of your company's growth process, regardless of what your specific growth initiative focuses on. I'll also discuss some of the methods we at Mandat have developed. If you have any questions on the individual methods, just send me a mail: guido.quelle@mandat.de

1. Developing Strategies

Use a consistent method to develop your corporate or market segment strategy. There are plenty of helpful methods out there; just choose one and stick to it. Make sure it is a simple method, ideally one that makes it possible to present an entire market segment strategy on a single page. In this context, we at Mandat have develo-

ped a method and constantly refined it over the years. What we refer to as the Mandat Strategy Framework is described in detail e.g. in one of the volumes of our book series Mandat Campus. It's important that your Strategy Team agrees on a consistent method that can handle any questions that arise during the strategy development process. With all due respect: that's something the BCG growth-share matrix can't deliver.

2. Managing Projects

Once you have a method for managing complex growth projects that has been properly understood and embraced at your company—or at least with regard to the relevant employees involved—, it's an enormous relief. Please note that I am intentionally not using the term "project management," as it often falls too short. And above all I don't mean project management software, because a) just because someone has Microsoft Project® installed on their PC doesn't mean they're automatically a project manager, and b) because mere project "management" isn't enough; it has much more to do with leadership. Over the last 20 years here, too, we at Mandat have created and constantly refined a method that requires no software at all, and which recognizes the fact that growth projects are often characterized by a high degree of uncertainty and ambiguity, and therefore can't be squeezed into a rigid framework. That's something

that—sorry, but it’s all too often true—hardcore project management fans often completely fail to grasp: a good method for managing projects puts the emphasis on “managing.”

3. Visualizing

Especially when it comes to visualization, there are plenty of options to choose from. For visualizing numbers-based content, we tend to favor the “Leaning Brick Model,” which you can easily find with any search engine. The model is an excellent choice for conveying monetary relations. In this context it’s worth mentioning Gene Zelazny’s book “Wie aus Zahlen Bilder werden” (“How Numbers Become Images”), which I still find hard to beat.

But of course we often need to visualize non-monetary connections, too. Classics like two-axis charts, Venn diagrams, etc. can be a great help. Encourage your team to express ideas in illustrations, as doing so has three advantages: First of all, it allows you to ensure they work intensively enough with the content; secondly, this avoids PowerPoint duels with incredibly long texts, and thirdly it immediately and significantly boosts audience comprehension—now that’s what I call a bargain!

4. Communicating

You can choose a suitable communications method during the implementation of your growth initiative. As we see it, this is “actually” part of managing projects, but since communication is a topic prone to being ignored, let me mention it separately here. Keep your individual stakeholders informed using a fixed pattern and provide them with the information most relevant to them; communication isn’t something you want to leave to chance. A daily newspaper comes out every day, and you can count on a monthly magazine to come out month after month. Your communication should also be dependable and use a consistent structure. Ensuring this could potentially involve bulletin boards in the cafeteria or sending information to your client, the works council, the staff, or the project team, each in turn as they need it. By doing so, you can be sure to keep the reins in your hand. A communication matrix, like the one we use with our clients, can work wonders.

5. Process-related Methods

In nearly every growth project, sooner or later the discussion turns to processes, i.e., to business processes, interfaces and responsibilities. Choose a method for documenting and shaping these processes that allows you to literally work with pen and paper. Don’t be dazzled by complex “business process modeling software systems”; the length of the name should give you a clue to how long you need to get these programs up and running, let alone to actually master them. Put your money on simplicity and clarity; focus on promoting a dialogue on the content, not on strictly adhering to a given format. The process-related method we employ in our projects has proven its value time and again, saving our clients millions of euros, not to mention the additional millions they’ve made on the market thanks to their ability to rapidly, intelligently and above all harmoniously organize their process landscapes.

What now?

First decide on what you want to achieve; then choose the most suitable method to get you there. Don’t be fooled by impressive-sounding names: Six Sigma, Quality Management, Stage Gate, Balanced Scorecard, Business Process Reengineering, etc. etc. are often overly complex and awkward to use, which can make users lose sight of the most important aspect: their growth objectives. If growth is what you want, you need a method that makes your life easier, not one that only exists for its own sake.



Profitable Growth—Release Internal Growth Brakes and Bring Your Company to the Next Level

Almost every company wants to grow—at least officially. Shareholders are demanding further growth and no management team would deny that the growth of their company is one of the top issues they are working on every single day. However, there are barriers to growth, and these are not only external barriers. Most often it is not the economy, not the market and not the customer who just “hasn’t got it.” The main barriers can be discovered inside every company, because growth always comes from within. If the organization is not ready to grow, initiatives to increase market share, to enter new markets, and/or to increase profitability are destined to fail. This book systematically addresses the main internal barriers to growth and provides practical guidance not only for discovering these barriers, but to systematically overcoming them.

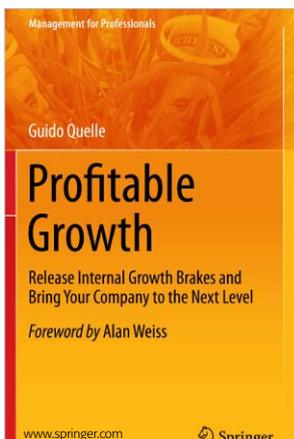
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Author



Professor Dr. Guido Quelle, “The Growth Driver,” is one of the rare people worldwide who focuses on creating profitable and sustainable growth as an entrepreneur, consultant, author and speaker for more than 20 years. His clients are active CEOs, general managers, senior executives, and entrepreneurs who are committed to consistent growth. With his consulting firm, Mandat GmbH of Dortmund, Germany, he successfully conducted more than 350 projects with 120+ renowned private and listed companies. More than 5,000 people were involved just in those projects that he himself managed. Prof. Quelle is always in demand when companies are seeking the support that will enable them to continue on a course of sustained profitable growth.



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“The nuance that distinguishes this book is the orientation that growth is measured, planned, and pursued in an orderly fashion, never growth for growth’s sake. Guido wisely takes the reader through a strategic approach which leads to intelligent tactics, not a frenzied tactical charge that undermines strategy.”

Alan Weiss, PhD, President Summit Consulting Group, Inc., Author Million Dollar Consulting and The Consulting Bible

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