



Too many dealers allow the wrong attitude to get in the way of business growth says business consultant **Professor Dr. Guido Quelle**

In our practice as consultants we meet only a few entrepreneurs and senior managers who don't want their companies to grow. The economy, the weather, the difficult customer who simply doesn't want to buy, or the competition which has recently had a good run are not reasons for your own company not to grow. Usually, the quest for guilty external parties betrays doubt and a certain lack of imagination.

A variety of procedures and tools are needed for sustainable, profitable growth. Let's take a look at five elements which are not usually found in textbooks but which are encountered time and again when advising successful clients.

1. First sow, then reap

We can learn a lot from agriculture: you have to sow a crop before you can harvest it; a cow needs grass before it can produce milk; the soil must be well-

prepared before anything is planted. Farmers take all of that for granted yet too many businesses expect growth to develop in our companies without having invested in them. No customer walks into a store to make the owner happy so ask, 'Why should customers come to us? What do we have of value to contribute? What have we invested in the processes for providing our services? What have we invested in our team? What have we invested in our customer-relations that lets us dare to expect growth?'

Before reaping success we must invest in a targeted way; anything else leads us astray. What's more, the most successful companies invest continuously – especially when business is going particularly well.

2. A positive attitude towards growth

Whoever doubts the positive effect of sound and sustainable growth will not lead her company towards it. Not until a positive attitude towards growth >

exists in a company can there be any prospect of success. Remember that growth is an intrinsic principle of life: those who don't grow will die. To demand that we stop growing is just as unnecessary and unrealistic as to demand that we stop breathing. Ask any successful entrepreneur what he or she would think of the idea of not growing and quickly take a picture of his or her astounded, quizzical, uncomprehending face because it will be something worth seeing.

3. Don't relegate growth to the last line of the profit and loss account

Growth is too often reduced to purely monetary parameters, especially on the last line of the profit-and-loss account. If we follow the investment theory outlined above we quickly come to the conviction that growth demands a comprehensive view of the company. The findings which reveal themselves in the profit-and-loss account are the result of having done the right thing earlier on. That means, in order to reach an economically attractive result from your labours, you must have done the right things earlier on. Part of this is raising the quality of the services you offer; this relates to the quality of your products and services just as it relates to the quality of your employees, suppliers and customers.

To do things right, companies need to have precisely targeted priorities. If you have 25 priorities then you really have no priorities. When everything is equally important, nothing is important. Part of growing is to set priorities and follow them through despite adversities.

4. Create innovations in business – but how?

When it comes to growth merchants are trapped if they think that, because they deal only in products they do not produce themselves, they can innovate only with difficulty. In commerce there is a strong yearning for innovation and this is true for retailers as well as for wholesalers. Admittedly, we're not talking here about product innovation but about process innovation. What's wrong with abandoning retailing's stereotypical, shiftless, "Can I help you?" to offering actual advice oriented not only toward the superficially-expressed needs of customers but also toward discovering and answering their actual needs? What's wrong with improving the checkout experience and drastically reducing the wait at the cash register or streamlining the online checkout? Of course there's nothing wrong with it – it just needs doing.

What about wholesaling? Taking over logistics services for customers, organising merchandising seminars (which, obviously, should be paid for) integrating the customer's value-added supply chain

– all of these are process innovations that wholesalers can kick-start if they think intensively about the needs of their customers.

5. Bring your team along with you

Even if an entrepreneur has stellar ideas for growing a business, even if senior management would like to promote growth and to increase their own growth-intelligence, it's all for nothing if the team doesn't make the journey. This is not a matter of direct democracy in which everyone gets to determine what's to be done; it's much more a matter of concerted action based on input from senior management which is aligned with business priorities. To win over the team, to appeal to their own interests, to find common ground through employee meetings, strategy sessions or a worthwhile growth-oriented written test are essential tasks of senior management which are easily forgotten in the euphoria of growth.

Over the years we have participated in more than 350 growth projects with 120 client companies and still haven't found the magic formula for growth. What we have found are principles that help companies emphatically promote profitable growth. The five points mentioned above are clearly part of this.

Consider one more: growth is not a photograph; growth is a film. A major, one-time effort to achieve growth will be just as short-lived as repeated, new but unrelated growth initiatives. If you really want to promote growth you must reorganise senior management so that growth becomes an ongoing process. And this process must be launched at some point. What is your growth vision? What is your growth strategy towards that vision? What are your growth targets along the way? What core activities are you going to launch in order to turn strategy into results? Why not begin today? ^{DS}

About the author:

Professor Dr. Guido Quelle has focused on creating profitable and sustainable growth as an entrepreneur, consultant, author and speaker for more than 20 years and owns consulting firm, Mandat Consulting Group. He is the author, co-author and editor of more than 350 professional articles and his latest book, 'Profitable Growth – Release Internal Growth Brakes and Bring Your Company to the Next Level', is available now.

A free self-assessment to test the growth potential of sales departments is available for readers of Dealer Support. To receive yours send an email with "Profitable Growth: Self-test Sales" in the subject line to guido.quelle@mandat-group.com.



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