

High Performance Growth Strategies: *Out of the Red and into the Blue*

Recent research conducted by IMD Business School concluded that amongst the top Fortune 500 corporations, **only 20% delivered home market growth for more than 5 years in a row.**

HC+P's research has shown that strategic management tools addressing sustainable organic growth are rarely used. Is there a solution? HC+P apply a broad based Strategic Management program – one that recognises the need for ongoing transformation of organisations – and the strategies that support them (Dynamic Strategy). Whilst most organisations use strategy tools that are located in the Red Zones illustrated below, it is usually only those organisations that are able to enter the Blue Zone that are able to deliver spectacular financial results (e.g. Wall Mart, Toyota, Microsoft)

Pathways to Growth

Restructure: (Back to Basics)

- ➔ Process driven – reduce costs (Dell, Banks). or sell more (Colour Screened Mobile Phones, Desk Top PC's)
- ➔ Emphasis on bottom line growth

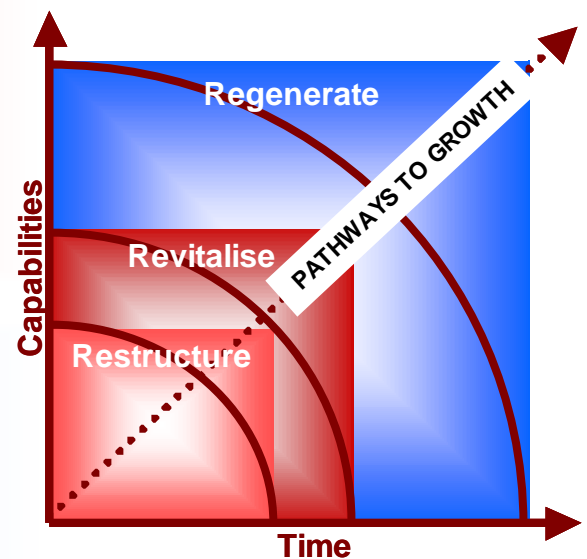
Revitalise (Regain the High Ground)

- ➔ Leverage existing capabilities to extend the 'core' (Honda – from cars to lawnmowers, Amazon.com)
- ➔ Top line growth orientation

Regenerate (Create Own Market Space)

- ➔ Value innovation, create new income streams,
- ➔ delivering distinct and substantial competitive advantages for long periods of time (e.g. Body Shop, Boost Juice).

Blue Zones require a different 'mindset' and a culture of innovation and growth



CASE STUDY: Australian Textile Manufacturer: Seeking new growth opportunities HC+P assisted a Textile Manufacturer to better understand its capabilities and to use this knowledge to realise strategies delivering sustainable growth. Prior to our review, the company sought simply to “sell more into International markets”. As a result of the structured review and identification of its ‘core’ capabilities, **the business undertook a restructure and was positioned to realise a substantial increase in sales.** By realigning its supply chain and tailoring its capabilities at plant level, our client redefined its ‘customer value proposition’ across North America, Australia, Europe and Asia (“fashion” to Europe, “volume” to North America, “environmentally friendly” to Australia and Asia). In addition, the executive team was better placed to commence development of substantial Blue Zone strategies for the future.

GETTING STARTED: Most organisations have a strategy. Commencing with an eight to ten day review, HC+P works with our clients to clarify each of the fundamental strategic issues they face and to determine where they reside along the ‘Pathway to Growth’ illustrated above.

A clearly defined development plan is then articulated and HC+P typically provide a facilitation role as we work with clients to refine and enhance their strategic management capabilities – in a framework that encourages continual renewal of strategy. Where appropriate, HC+P provides specialist assistance in areas requiring specific and/or specialist skills. This could include assistance with the conduct of scenario analysis, the development of an innovation or knowledge management program or the introduction of a performance reporting system such as the Balanced (Strategic) Score Card.

CONTACT US: We will be delighted to hear from you: hcandp@hcandp.com; (03) 9863 8980; www.hcandp.com.