

Evaluate Your Organization:

Is It Growing or Dying?



Clearly defining the differences between growth and decline will equip leaders to know the type of organization they are leading, understand how to measure success, and determine what to do next.

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 **VELOCITY**
strategy solutions

Problem: Many leaders believe their organizations are growing when they are actually dying, because these leaders are focusing on lagging indicators rather than accounting for leading indicators in their assessments.

Opportunity: Clearly defining the differences between growth and decline will equip leaders to know the type of organization they are leading, understand how to measure success, and determine what to do next.

Resolution: Align your people, processes, and strategies around a bias for growth to ensure future opportunities for value creation and market expansion. In times of transition and change, growth is the safest business strategy.

“ The reality is leaders of growing organizations believe so deeply that growth is inherently good that they see the pain of today as evidence of a future tomorrow.

Biology tells us cells that multiply are alive, and those that don't are dead. I think this is true for business too. If you don't have a bias for growth, you will be sucked into managing an organization that has already started to die.

Dying organizations aren't necessarily dead organizations, but they aren't growing organizations either. The greatest temptations for leaders of dying organizations are to cling to strategies that worked in the past, trumpet margins that exceed forecasts, and smile in confidence at their present level of cash reserves and predictability of revenue. When I meet leaders who believe these characteristics are the hallmarks for a healthy organization, I know without a doubt they don't have a bias toward growth.

Safety and Security Are Costly

Growing organizations sometimes do experience those things, but they aren't defined by them. Where leaders of dying organizations use cash reserves and ever-widening margins to take a breath, leaders of growing organizations see reserves and margins as opportunities to invest in future growth initiatives. The most difficult time to discern whether or not you have a bias for growth is when you are leading an organization that is in transition.

This is where leading and lagging indicators offer leaders waypoints to discern whether or not they are headed for growth or decline. The greatest predictor of future revenue is not current revenue. Rather, the greatest predictor of future revenue is pipeline creation. If you're not reaching more, engaging more, and converting more pipeline opportunities, then you are most likely leading a dying organization.

It's easy for leaders of growing organizations to envy leaders of dying organizations:

- Cash is always readily available.
- Big dividends can be counted on just like there are 365 days in a calendar year.
- Discrepancies between forecasted revenue and actual revenue are so small they aren't even statistically significant.
- Operational decisions are made with precision because models have been honed over decades to minimize risk and mitigate any abnormalities.
- Executive team meetings feel like a college reunion party.

It's easy for leaders of dying organizations to look down on leaders of growing organizations:

- They work long hours.
- They ask complex questions.
- Cash is scarce and used intentionally.
- They try extremely difficult things and sometimes fail.
- When growth happens, they almost always aren't ready for it.

Here's the difference between the two: Leaders of growing organizations believe so deeply that growth is inherently good, they see today's pain as evidence of a greater tomorrow. Leaders of dying organizations, on the other hand, believe deeply that risk and uncertainty are so bad, today's comfort keeps them from recognizing tomorrow's crisis, which will hit them like a Mack truck—and maybe even flatten them for good.

The riskiest organization to lead is a dying organization that isn't willing to admit it. The safest organization to lead is a growing one that recognizes risk is what keeps it alive for the long haul.

Hallmark Signs You're Leading a Dying Organization:

- Your executive team is assembled based on tenure, not results.
- You launch edge initiatives with the full constraints of established lines of business.
- You avoid failure by engineering safe experiments that guarantee success.
- You overly control the revenue forecasting process by creating assumptions that go unchecked and never consulting those responsible for revenue creation.
- You allocate operational resources of time, money, and people based on established lines of business without respect to business line performance.
- You reject insights and data that don't match your prevailing narrative or norms.
- You see conflict at the executive table as a distraction rather than a crucible by which you can learn, generate ideas, and make new decisions.

Hallmark Signs You're Leading a Growing Organization:

- Your executive team has earned their seat by investing in people and creating revenue capacity within the organization.
- You launch edge initiatives outside current operational structures and champion the learning process more than the outcome.
- You embrace failure as much as success, maybe even more so.

- You allow those responsible for revenue to make a case for new areas of investment, because you believe the most compelling insights come from those closest to the field.
- You shift operational dollars away from underperforming business initiatives and toward high-growth initiatives even before the revenue justifies it.
- You intentionally seek out data that challenges your core beliefs about what is working and what isn't, and you openly consider changing your conclusions based on new data.
- You welcome conflict and dissenting opinions and are humble enough to see your blind spots and recognize your limitations.

Growth Attracts Brilliant People (and Keeps Them)

No matter what you tell yourself, the people in your organization who have a bias for growth won't put up with leadership that doesn't. If you want to see if an organization is growing or dying, don't look at the front door. Instead, look at the back door. If the people leaving your organization are of better quality than the people who remain, then you are leading a dying organization.

The good news is that you get to choose your leadership posture every day. The bad news is that you are the only one who can decide what culture you want to create inside your organization. Just remember, it is the market that will decide whether or not you survive. Ignore the signposts long enough, and you'll realize you are the only one left who believes that your organization is relevant and that what it provides is valuable.

About

Ben Stroup is Chief Growth Architect and President at Velocity Strategy Solutions where he helps leaders design, develop, and deploy smarter business growth strategies. Ben is a futurist, disruptor, and data champion. He leads a team that takes a structured learning approach to business challenges, which allows them to assist leaders in bridging the gap between ideas, innovation, and revenue—taking ideas from mind to market.

Velocity Strategy Solutions is an on-demand, next-generation business strategy and management consulting firm which provides clients with a relentless focus on data, execution, and results that positively impact the bottom line. Velocity delivers integrated people and revenue strategies combined with a disciplined approach to growth architecture that elevates the capacity of leaders, teams, and organizations to succeed and win more.