

Executing a Business Growth Strategy

How do we get the resources?

BY LINDA WOLSTENCROFT

As the old saying goes, “if we are not moving ahead, then we are falling behind”. Thus, we have a challenge.

The growth is there for the taking. Certain markets are growing. Major defence procurements in certain countries are being executed. There is a huge Industrial and Regional Benefits (IRB) balance owed to Canada. While there are many opportunities to win new business, there are also opportunities for industry consolidation, such as mergers and acquisitions.

Here are some considerations around getting the resources required to execute a growth strategy:

First, determine whether growth is a true undeniable priority. Every company talks about wanting to grow and build plans and strategies, but not every company is serious enough to make it a true priority. Some indications that growth is not a true undeniable priority are:

- The growth is being led the Sales / Marketing / Business Development / Strategy lead instead of the President / CEO;
- Work on growth gives way to routine meetings, reviews and issues;
- The strategy for growth is unclear such that people within the company discuss growth but their thinking in terms of how to achieve it, what it will look like, and what areas will grow are different.

Once it is established that growth is indeed a true undeniable priority, the next step is to consider the company's existing priorities and determine which can receive a lighter priority in favour of growth. This may seem counterintuitive because in growth the objective is to do more not less, but this action engages people within the company and achieves a balance between internal and external expertise.

It also makes sense to pick the best stars to execute the growth strategy because they are most familiar with the company's business operations, customers, and markets. And the message by reallocating priorities of the best people is that growth is a top priority.

Regroup, Redeploy, and Reach Out

With priorities being reset and people being redeployed, the other factor is to look at external help. Financial institutions stand at the

ready, and government departments, agencies, and industry associations are available for assistance with areas such as the following:

- Marketing
- Technology development
- International contracting
- Access to IRB donors
- Funding sources

Reach out to entities for basic and expert assistance; these entities can include the Canadian Commercial Corporation, Export Development Canada, the Trade Commissioner Service, Industry Canada, Public Works and Government Services Canada, the Business Development Bank of Canada and the Canadian Association of Defence and Security Industries.

Industry and market experts can also assist with advice, networks, and connections. For growth by merger or acquisition, experts in executing the financial and due diligence activities are available for hire.

When selecting external help, there are many choices and selecting the right one can be challenging. Choose experts that are focused on meeting your objectives, who have a track record of success, and who can provide you with a good Return on Investment (ROI). Avoid experts that use a canned methodology or process unless it is compatible with your own; this can change the team's focus from the objectives to the methodology. Furthermore, keep speed in mind as it can be slowed down by too much focus on process.

Many experts use time-based charging (by the hour or by the day), which does not motivate them to work quickly and could potentially be unethical in the worst-case scenario. Recent news about certain experts billing hours in excess of their workdays is testament to this. It is better to deal with a known fee and a known ROI.

For growing a company, an investment of \$1M to achieve a growth increase of \$20M per year results in a 20:1 ROI in the first year alone. Over time the ROI can be much higher and many experts will price at a much higher ROI; as much as 200:1 or 300:1.

The final point to be made is focus. The example of the company who developed an internal “tiger team” to work with the external experts resulted in a successful acquisition. This team can stay with the project through the acquisition process and the transition to ensure success.

In summary:

- Make sure growth is a true undeniable priority,
 - Reset company priorities,
 - Examine the plethora of assistance available in government and associations,
 - Select external experts based on their focus on your objectives and the ROI for their engagement,
 - Establish a team of internal and external experts, and,
 - Apply the focus needed to make the growth a resounding success.
- Go forth, and grow.



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