

## ***James Berkeley's Profitable Growth Notes***

### **Profitable Growth Regime**

Profitable growth doesn't arise unless you have the requisite level of focus and discipline in your organisation and the resolve to make it happen. Knowing "what to do" or "how to accomplish it" is insufficient.

We have hard evidence or can point to strong anecdotal information that

1. **We don't pursue profitable growth for our leadership's ego or self-interest, we pursue reasonable and realistic growth goals.** Goals must be stretching and equally they must be in everyone's mutual self-interest, not just shareholders or management.
2. **Our management and employees can if asked confidently articulate our profitable growth goals (business outcomes), others outside the firm will know when we have met or exceeded our expectations (measures of progress and success) and the value created in doing so (tremendous ROI).** This is important because you will need this level of clarity to generate sufficient budget, recruit the appropriate level of resources, attract the requisite capital, and stand apart from the competition.
3. **We routinely discriminate between the critical and highly important profitable growth actions and those that are merely desirable.** For example, the new data analytics tool that you launch doesn't have to be the market leader but it has to attract a few dozen key new high-value clients.
4. **Our management has defined and communicated the traits that describe and typify our desired level of profitable growth.** Each employee needs to understand how their daily activities positively conform to the strategic direction the organisation must travel to accomplish its' goals. At a granular level, our employees time, date, action and personal reward is clearly defined daily, weekly, monthly.
5. **We are measuring only important levels of employee performance, discarding the unimportant.** Profitable growth is about people doing the *right* things at the *right* time with the *right* level of impact to accomplish the firm's goals. It is that simple. A great many firms become besotted by measuring everything, often lead astray by HR, when the only criteria that matters is measuring ONLY those actions that are important.
6. **We are routinely improving our people, their behaviour, attitudes and beliefs.** It presumes that alongside the growth strategy, tactics and execution, management understand what behaviours they must see, hear, and feel within the organisation to succeed. They are an exemplar for the desired behaviour. They have co-opted powerful figures within the firm to support those desired behaviours. They have held

them to account. They have taken reasonable and appropriate action to minimise the resistance points (IT, accounting, reward system and so on).

7. **Our products, services and relationships are addressing existing and future need, not past needs of our ideal buyers.** Is your value proposition powerful and accurate enough to result in an increasingly higher percentage of opening conversations with ideal buyers moving faster towards the conceptual agreement stage, an accepted proposal and closed business? If not, why not?
8. **Our sales education tools are demonstrably helping our prospective customers to make appropriate choices and turning them away from the competition.** Speed is as important as quality. Can you visibly point to faster progression from the opening conversation to closed business and the contribution of your sales education tools?
9. **New profitable growth client opportunities are a result of valuable offerings that meet *their* self-interests, not simply because they love our business or people.** Our client feedback system is sufficiently robust to tell us why we are successful and to indicate how we might productively deploy those strengths for repeat success
10. **We are in front of a sufficient number of ideal buyers of our products and services to accomplish our top line revenue growth goals.** For example, if the goal is to add \$10 million revenue in the next 12 months, the average sale per client is \$100,000, and we convert 25% of prospects into closed business, we need to be in front of 8 ideal buyers a week. Are you operating at the right level of intensity and pace?
11. **We can point to a greater investment focus on improving our client relationships rather than our products or services.** In almost all service businesses, the greatest return on investment comes from stronger relationships with ideal buyers, yet a great many businesses are so pre-occupied with investing in their technology or methodology that they ignore or under-invest in their clients.
12. **We have a sufficient breadth of offerings at different price points for our ideal buyers and no gaps.** Imagine a retail store continuum. Entry level offerings (free – web tools or low fee) must readily engage ideal buyers and provide a real, tangible experience. Mid-tier offerings provide increasing value and an intimate relationship. Top-tier, highly customised products, services or relationships are those your firm is uniquely qualified to provide. It is important that there are no gaps, which might give the client an excuse to run off to the competition.
13. **Our sales and marketing are fully integrated.** Profitable growth demands that each marketing activity that you undertake identifies, attracts (credibility) and immerses (rapport) your ideal buyers in your firm's offerings. Sales being the option(s) you present in a proposal to convert the buyer's interest into signed agreement and closed business. If you find a disconnect between your marketing effort and sales success, either change the marketing activities or point them more towards the ideal buyers you are trying to interest.

**14. We have BOTH happy customers and happy employees.** I have never seen a firm profitably grow without both. Your external and internal communication systems must provide honest, undiluted knowledge to management such that they can accurately and effectively apply it to organisational issues without fear that it is being distorted in the operational layer of the business (“management being told what they want to hear”). Don’t kid yourself.

If you would like to discuss this personally, contact us at telephone: +44 203 440 5072 or email: [james@elliceconsulting.com](mailto:james@elliceconsulting.com)

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