

How understanding context fuels growth

Transcript

SPEAKERS:

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WADE KRUSE: So what I'm hearing is, our clients out there, companies could be well served by doing a better job looking at growth from a holistic perspective. Do you see that as something that is lacking?

CHRIS SMITH: I think that's the segue to that third dimension of growth, which is context. I think we naturally hear the word "growth," and in the business community we think top-line a lot of times. But I think the context of growth is the balance between the scalability, the strength of your foundation, because that's what gives you the stability to grow at an intensity that's greater than parity. So redefining the context of what growth means to be both top-line but also your internal operations, your internal technology, that's the third conversation we're having a lot, is how do we keep those in balance? If you grow too fast and your foundation isn't solid, you fall at some point.

ELLIOT FINDLAY: Yes, growth for growth's sake can actually be fatal. And ultimately you have to manage all the levers in your business, from top-line growth through profitability through managing the operating expenses to provide a structure for actually sustaining growth. And we see too many people pulling levers to drive top-line growth and then they're in a position where they've actually lost their story for profitability and sustaining growth. So you have to be very mindful on your approach to growth across the board.

CHRIS SMITH: The inverse is true, too. There are companies that heavily invest in the infrastructure and the operations, but they don't have the top-line going. So again, big margin hit comes out when you build too big and too robust a foundation.

ELLIOT FINDLAY: The amount of times you hear that we're building a pipe to handle a future flow that is never really coming, it's a case of, you need to be mindful of layering on all these costs to essentially fuel growth, but then it's almost irresponsible cost

management, and the business suffers profitability loss due to these enhanced growth costs that are building in. Again, this has to be looked at in its entirety to be successful.

WADE KRUSE: That's helpful. It's hard to grow in a sustained way because it's challenging. It's hard on our people when you're trying to grow. Growth requires change, and constant change is tough stuff. This is helpful. And it's also helpful in the context of setting up some deeper dive discussions that we have coming up in our growth series that all flow from what the two of you have shared with us here. So I appreciate your time. Thank you for spending a few minutes with me, I appreciate it. And I'd like to thank all of you for joining us and I look forward to seeing you on future sessions.