GROWTH STRATEGIES

WHEN ALL IS SAID & DONE,
THIS IS THE KEY

ULTIMATELY GROWTH IS KEY

- ONCE A START-UP IS LAUNCHED
- OBVIOUS PROBLEMS ARE FIXED
- GROWTH IS THE IMPERATIVE
  - FOR SHAREHOLDERS
  - FOR PAYING ACCOUNTS RECEIVABLE
  - FOR INVESTMENT
  - FOR RECOGNITION

GROWTH STRATEGIES

- GETTING MORE FROM WHAT YOU'VE ALREADY GOT
  - OPERATIONAL EFFICIENCY
  - CUSTOMER SATISFACTION
- DIFFERENTIATION
- DIVERSIFICATION
- INNOVATION

GET MORE FROM EXISTING RESOURCES & CAPABILITIES

- STANDARD MODEL: RESOURCES--> CAPABILITIES-->COMPETENCIES
- IMPROVE PROCESS FLOW AND FIT
- HIGHER EFFICIENCY INTERNALLY & GREATER SATISFACTION EXTERNALLY
- BALANCED INTERESTS AMONG STAKEHOLDERS (GOVERNANCE)

DIFFERENTIATION

- SHARPER FOCUS WITH RESPECT TO PRODUCT & MARKET SEGMENTATION
  - DOING MORE THAN OPERATING MORE EFFICIENTLY & MAKING BETTER USE OF EXISTING RESOURCES & CAPABILITIES
  - BUT NOT SOMETHING QUALITATIVELY NEW
  - REFOCUSING, RETHINKING, REWORKING TARGETED SEGMENTS
  - BETTER FOCUS, NOT JUST BETTER USE

DIVERSIFICATION

- 3 GENERIC TYPES
  - VERTICAL INTEGRATION (THE OLD WAY)
  - GEOGRAPHICAL EXPANSION (THE AMERICAN WAY)
  - HETEROGENEOUS PRODUCT EXPANSION (THE NEW WAY)

DIVERSIFICATION II

- FUNDING AND FIT ISSUES
  - EXPAND EQUITY?
  - EXPAND DEBT?
  - M&A VERSUS INTERNAL GROWTH
  - GOVERNANCE CONSEQUENCES
- COMPLEMENTARY RESOURCES
- COHERENCE
- RELATEDNESS & SYNERGY

DIVERSIFICATION III

- WHOLE IS GREATER THAN THE SUM OF THE PARTS?
- IF NOT, AT LEAST 2 ALTERNATIVE ORGANIZATIONAL DESIGNS
  - MULTI-SUBSIDIARIZATION
  - NETWORK ORGANIZATION
- ORGANIZATION CONTROL AND COORDINATION CONSEQUENCES

INNOVATION

- INNOVATION VS INVENTION
- ALL KINDS OF INNOVATION POSSIBLE
  - UP AND DOWN VALUE CHAIN
  - EXISTING THINGS BETTER
    - TANGIBLE
    - INTANGIBLE - LEARNING & KNOWLEDGE
  - NEW THINGS FROM EXISTING
  - NEW/NEW THINGS
  - S-CURVE AND TIMING
    - INTERNAL VERSUS ACQUISITION
  - INIMITABILITY