

Lack of Growth - getting to the root cause

It's that time of the year again and leadership teams are questioning their growth plans. They look back at some of their planning assumptions: sales projections, product release and new hires.

Whilst the CEO is on the hook for growth projections - too many managers at too many companies believe that growth numbers are imaginary, simple increments over last year's numbers. So little attention is paid to them. It's like having a plant in the corner of your office that dies every year – well wishers throw it occasional sorry glances or some water – but predictably it does not grow or thrive.

The sales team convinces itself that the CEO doesn't really believe or expect the number it has published. The product team is driving towards the next release. Don't believe us? Do a simple survey in your own company. Ask your management team to rate their level of confidence that you will hit your growth target on a scale of 1 to 10, with 10 being the highest.


Working towards a growth target requires new ideas, new products, and new ways to collaborate. It may require a change in leadership style and organizational structure. Compared with "as is," growth is way out of the comfort zone.

But what if you are serious about growing your business? What if you want to translate those projections from fiction to reality?

The first step is to understand what's inhibiting growth today. When we ask management team 'what's holding growth back?' many respond with comments like 'it's the



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Insight in Brief

- Leadership teams often get stuck trying to make growth happen. This is often due to their focusing on symptoms rather than root causes.
- By using the simple 5 WHYS technique, they can start to delve more deeply and discuss and address the key issues inhibiting growth.

worst market we ever saw' and 'competition is really tough' – you get the picture. The problem with this picture is that it is foggy, lacks clarity and sucks energy rather than being actionable.

Typically people focus on the symptoms without really understanding the causes. To understand the inhibitors to growth it requires looking beyond the obvious. In most cases the root cause is deeper. The '5 Whys' technique can be helpful – it's a simple iterative question asking technique that explores the cause and effect relationships behind a particular problem. The primary goal is to determine the root cause of a problem – in this case, what's inhibiting your growth.

Let's illustrate this with an example:



The example illustrates how to get to a much deeper root cause e. g. ' Our management team don't understand marketing' . If we had only tackled the pricing issue, it would not have delivered any deep actionable insight. If we tackle the marketing problem (a real cause - rather the just the pricing symptom) we can really make progress and start to make growth happen.

To briefly go back to our plant in the office, we mentioned in the first paragraph - no amount of occasional sorry glances or water would have helped it thrive - but moving it into the sunlight might just have done the trick.

Insight in Action

- Ask your management team to identify the key issues affecting growth in your company.
- Group these in themes and ask them to vote on what they believe to be the most critical issue affecting growth
- Use the 5 WHYS technique to delve into the root cause
- Put a 90 day action plan into place to start addressing the root cause



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