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**PART 1**

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The Business Perspective



## CHAPTER 1

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# The Case for Growth Management

Some companies continue to do well in good times and bad. They not only withstand the onslaught of economic recession but they emerge stronger and fitter. Unsurprisingly they also make sure they take the right choices from the numerous options available when economies are growing. How do they do it?

Irrespective of the state of the economy, companies which regularly beat the competition have an ingrained ability to do two conflicting things at the same time: they run the day job effectively and efficiently, AND they make the right choices on how to grow. These require different (conflicting) management styles: relentless detailed operational control as well as having an eye for the main chance. Being great at both things is essential to long term *managed* success.

However, without clear growth management, companies often end up doing the urgent and forgetting the important. This is most true in a recession when the extra focus on cash drives aggressive behaviours on cost control and revenue chasing. In recessions, most company managers know what to do: keep it simple, cut costs and stay alive! The trick is to know how, when and what to cut. But whilst there is a major focus on running the day job, successful companies also know how to build for the future – even in recessions.

As a boy I remember hearing a story attributed to the great racing driver JM Fangio. After a Grand Prix in which some of the drivers had horrific accidents, he was asked whether he slowed down because of the crashes. “No” the great man replied, “I speed up ... because I know everyone else is slowing down”.

In business we are too often impressed by stellar performance in the good times. Retaining an eye for the opportunity in the good times is relatively easy. Keeping it when it gets rough is exponentially more difficult. Some, like Fangio, do it naturally but even he needed clear thinking, discipline and the strength of a whole team working with him to *allow* him to make those critical decisions that beat the competition. He was acutely aware of his total environment, not just the dangers on the road, but the likely reactions of competitors, how and when to take advantage, and critically the capability of the car, himself and the team to deliver.

In business, successful companies know how to run the day job and grow at the same time, irrespective of the economic environment. They operate, in effect, with “Two Hats”, as shown in Figure 1.1.

The bowler hat focuses on *delivering the day job* – driving revenues, costs and margins to meet cash and profit needs. The focus is on the “known”: we know what the market is, what customers want, what competitors offer, our paradigms are largely set. It’s a case of “Don’t give me excuses – deliver *despite* the problems”.

The baseball cap focuses on growth, driving long term sustainable business that predicts and responds to customer trends and opportunities. Here the management style tends to openness and analysis of opportunities where paradigms are flexible and need refining.

Critically running the day job and delivering sustainable growth requires that these different styles of capability, competence and management co-exist in the same organization. More importantly, not only must they co-exist – each one must be understood and mutually respected by everyone.

In essence the organization must be able to wear “Two Hats” comfortably. Who wears which hat, when, in what circumstances and for what specific purposes are the responsibility of the senior management team. Some employees will need to focus over ninety percent of their time and thought on the day job, others the reverse. But every team player needs to understand their roles in delivering both the day job and separately sustainable growth.

People that focus on the day job tend to have little time for work spent on growth: “Don’t they know we’re burning in here”? Those working on growth can tend to dismiss the day jobbers as lacking flair: they “just run operations”.

It is not hard to visualize the following scene in many businesses. During the morning there is an Operations Meeting reviewing sales and manufacturing performance. Let’s assume that the sales objectives were not met for the month, and that manufacturing decided to over build because they could! The tension and “blame culture” of the meeting is easy to imagine and resonates with many of us. I’ve certainly been there – failure to hit a



**Figure 1.1** The Two Hats: operations and growth

target is not good news and brings with it pain for all. Now let's also assume that two hours after the Operations Meeting the company has a Growth Meeting which many of the same people attend. The ability of employees to switch between the grilling of the Operations Meeting and the open creativity of the Growth Meeting is questionable. Who is going to stick their necks out and be creative following the drubbing of the earlier session?

Providing a balanced organization that delivers on both running the day job and sustainable growth aspects is difficult... but is achieved by those that win.

### **So what's new?**

Employees, directors and shareholders in many businesses continue to say things that highlight the need to use a "Two Hats" approach. Regularly they say things like:

- "The company is too slow to react"
- "We're not trusted to make decisions: everything goes upstairs"
- "People take things too literally: they don't think and interpret"
- "Lack of joined-up thinking"
- "That's the latest flavour of the month: we just rush into stuff without thinking"
- "Decreasing experience and knowledge in the company"
- "Making too many wrong decisions"
- "Just not implementing properly"
- "We're just fighting fires!"

These are common comments from people at all levels in business. Their frustration is felt throughout companies, from janitors to CTOs, from accounts clerks to shareholders, and from operations teams to the Board. They are the symptoms of deeper issues. The comments appear in good times as well as recession. So what is happening and why does it mean that running a "Two Hats" organization is the right answer?

### **Trends and observations**

The above comments reflect a number of trends that demonstrate the need to implement and sustain a "Two Hats" approach to drive success. In no particular order, we have observed the following.

#### *Employee values and attitudes*

Most companies are a mixture of people with different values and attitudes. Employees' attitudes to work tend to reflect when they grew up

and their experiences in life. Older employees (over 40) are more likely to have seen a career for life, and had bosses in their early working life that coached and developed them, handing down the received wisdom of the company and the industry.

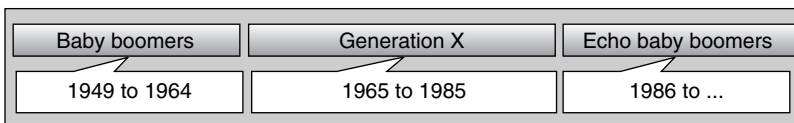
Younger employees are more likely to have a “contract” approach to working: moving between companies, increasing their capability through specific projects and having a less structured career. The reasons for this include changes in legislation, less “blind acceptance” of authority, and a desire to “have it all” (working to live as opposed to living to work). Many younger employees in their early working life want to take time out to travel and enjoy the world, putting off long term career commitments, in contrast to the older age group. The result is employees who are potentially more flexible and adaptable, but who may not have deep sector experience.

This significant change in attitude to work between younger and older employees can create tension and misunderstanding, partly due to the different values each hold. These values are driven by the major influences of the times: postwar boom, cold war, Vietnam, oil crises, fall of the Berlin Wall.

As the hedonistic Baby Boomers born between 1949 and 1964 (see Figure 1.2) retire, their places are taken by Generation X born between 1965 and 1985 whose attitudes reflect their rejection of free love (it gave us AIDS) and hedonistic values (you’ve raped the planet’s resources) of the Baby Boomers.

Additionally the Echo Boomers (Generation Y) born after 1986 swing back in their attitudes against Generation X. They are even more hedonistic than baby boomers: “I don’t ‘do’ delayed gratification!” They are just now in 2008 starting to enter work as adults.

These significant attitudinal differences need managing constructively. Even the concept of “management” has had to change. Simple boss–subordinate relationships are breaking down. Most successful managers now use the combined skills of their total teams – openly learning from them as well as directing and supporting when needed. Managers who think they know everything and expect to solve the problems themselves are (thankfully) a dying breed.



**Figure 1.2** Cohort groups timeline

But the issue goes deeper than this. It is not just about the management of mixed age groups – this has been around for decades. It is the combination of factors that is causing a major change and driving a need for a “Two Hats” approach. These factors include the:

- i. relative shift in power between the age groups as Generation Xers move into senior positions and the Board room *in rapidly increasing numbers* over the next few years,
- ii. different value sets of each age group throughout organizations which increase the possibility of hearing the same words but taking a very different interpretation of what was said and agreed,
- iii. need for organizations to be more fluid and the implications that has for Baby Boomers used to hierarchical structures and
- iv. changing attitudes to work/life balance.

These issues and the other observations noted below have to be managed proactively. This coupled with the increasing need to cope with rapidly changing market conditions (economic cycle, the rise and rise of China, India, Eastern Europe, increasing brand promiscuity...etc) means that to run the day job and grow the business, companies must increasingly adopt a formal “Two Hats” approach. They must use the similarities and differences between the age groups in their organizations positively and consciously to deliver on both the urgent (the day job) and the important (sustainable growth).

### *Speed of change and expectation inflation*

The speed of change is increasing in all walks of life and is a main reason why successful companies operate a “Two Hats” approach. The global village, cheap air travel, technological developments and mass use of the internet have radically changed our expectations. We expect more, faster, cheaper and with better service all the time both in what we buy AND in how we work.

The relative impact of technology on customers and employees is well known. It is not just the use of technology that changes why, how and what people buy and how they work. It is also that different people have different *expectations* in applying technology and its ability to fulfill and continuously change the *pace* of development, how it helps add customer value and how it is used in the workplace (wherever that may be – office, home, on the move).

These different expectations drive different attitudes to work and play; they also drive expectation inflation. If we have good service at a hotel

reception, we expect the same level of service every time, and we get irritated if we don't get it. It also subliminally inflates our appreciation of service at every reception from the garage to the theatre, to the airline and the supermarket.

But whilst the speed of change is increasing and changing our expectations, it is not consistent or uniform in its impact on different types of people – whether as customers and/or employees. This creates opportunities for differentiated (product/service) offers and requires a more fluid approach to company organizations than “conventional” management.

Many markets have seen “choice overload” for customers as companies have pushed for (minor) increases in market share and volume. Minor changes made by companies to their products or services often don't provide the added value customers are seeking. Rather than increasing brand loyalty and driving sustainable growth, a lot of business activity has actually made companies and their products more alike. As a result, customers become less brand loyal as customers want to have the “latest thing” – defeating the object of the exercise in the first place! Just think of how cars have changed over the years. No one makes a bad car anymore. Even respected car journalists find it difficult to separate the objective differences between cars competing in the same sector. They rely more and more on subjective differences.

Additionally, in shifting between good times and economic recessions, customers quickly re-evaluate their expectation of “value”. As a recession approaches, value shifts to no frills, more basic propositions, often very quickly as a focus on cost cutting to balance the books takes hold. By contrast, moving from tough times to economic growth generates increased focus on a broader range of differentiated benefits. Organizations that use a “Two Hats” approach are more likely to be able to predict and respond quickly to such changes in customer expectation. They are also more likely to be able to differentiate themselves from the competition and stay ahead over time.

### *Knowledge management*

Successful businesses rely on knowing more about the market and the industry than their competitors. This knowledge needs to be fresh and relevant. It also needs to be available when and where decisions are taken. Well managed knowledge can help overcome declining experience in the organization but it must be used effectively and appropriately.

Technology has massively increased the amount of data and information available to everyone: the company, their competitors, their suppliers and

especially their customers. Managing this data into information and more importantly still into “insight” that sets your company apart has become a critical success factor.

Most of the comments we hear relate directly to managing knowledge:

- “the company is too slow to react”,
- “we’re not trusted to make decisions: everything goes upstairs”,
- “people take things too literally: they don’t think and interpret”,
- “lack of joined-up thinking”, “decreasing experience and knowledge in the company”.

But access to the same data, information and knowledge can still produce very different results for a company depending on how it is interpreted. Successful companies operating a “Two Hats” approach retain an open mind on how to interpret and apply “knowledge”, and can produce major growth in the face of stiff competition.

An illustration: Motorbikes in the late 50s and 60s in the USA became iconic features of youth, rock and roll and rebellion. Brands such as Harley Davidson and films like *Easy Rider* set scenes of the times: travelling Route 66, cruising the highways and changing your greased-up jeans only when they walked off and left you naked as a jay bird. You can imagine ten years later being a manager in the American bike industry and seeing all your customers aging... finally settling down and having kids... selling the beloved bike and buying a station wagon and enjoying their leisure time outdoors. Bike sales were falling, times were tough, the market was moving to cars – all the stats and information told you so.

Interestingly, at the same time as some motorbike manufacturers were hunkering down for tougher times, and building their brands to a heritage segment, other manufacturers looked at exactly the same data and decided to invest massively in new models, new plant and new sales capacity. These other manufacturers had a totally different mindset. They produced basic transport for emerging markets where poor roads were the norm and reliability was essential. They looked at the US data and said “Wow, let’s reinvent biking in the US”. They had no real market share to defend. They initially targeted leisure activities, targeted fun and sport for all – adults with young kids and teenagers. They succeeded in developing a major new off road/dirt track segment. They were Japanese.

Knowledge management depends not only on what data and information you think you are managing and how you propose to use it. It must also include how your competitors and latent competitors are likely to interpret and use it. Retaining a set paradigm helps drive efficiency and

effectiveness in day to day operations, however retaining a set paradigm also constrains and stifles growth. Adopting “Two Hats” avoids this conflict, allowing organizations to think and operate differently depending on the task at hand.

### *Technology and the curse of E-mails*

It is a misconception that more technically savvy individuals are more capable in modern business. Often people who are seen as computer literate are lauded for their knowledge and skill, but technological “know how” must be managed in the context of the business and its processes. Businesses are run by people, for people. Technology is a tool to help, and must be appropriate to the business need.

So, technology can be both a boon and a “blocker” in business. The most notorious example is e-mails. To start with there is the obvious: e-mails are fast, efficient, instant and cheap. But on the other hand there’s too many of them and they don’t convey easily subtleties in tone and style. Simple questions can be misunderstood – but this was also the case with good old fashioned letters and memos.

So let’s move on...“e-mails are impersonal, they reduce conversations and understanding”. This is a huge issue. E-mails are sent between employees sitting at adjacent desks – why? Because they don’t want to disturb each other (partly), because it’s quicker to fire off a quick e-mail (partly), because it allows me to cover my backside by copying all and sundry (partly), because I am just not thinking (partly), and because it’s the culture of the way we work (partly). Whatever the reason(s) the root causes and unintended consequences reduce company value dramatically. Let me illustrate:

A commercial buyer in a company sees that the company consistently advertises in “Trade Magazine Monthly” and thinks the advertising sucks. The buyer e-mails a colleague in Marketing and writes: “Why are we advertising in Trade Magazine Monthly?...our advertising sucks!” The marketer replies defensively and quickly: “Thanks for your comments ... we’ve always advertised in that mag”. Sum impact of this e-mail exchange for the company and its shareholders: pretty low if not negative.

Contrast this with the following face to face exchange on the same subject:

*Buyer: “Hello my name is Claire, I would like to know why we always advertise in Trade Magazine Monthly, and is it me or are our ads pretty ordinary?”*

*Marketeer: “Hi I’m John, and I know Trade Magazine Monthly is not exactly the best title, but they actually sponsor the best trade exhibitions in the sector so to get great stand positions we put in a low cost advert each month... it’s not ideal but it serves a purpose. By the way we’d like to work with some of our suppliers in promoting the business at the trade exhibitions – do you know any suppliers that would join us?”*

The difference in business value between the e-mail communication and the conversation in this example is obviously huge.

E-mails are great and are vital to business. The key is to recognize the different impact they have in helping run the day job (where the business is well known and everyone understands what they need to be doing), versus managing Growth (where new paradigms and ideas are forming) which needs deep discussions and open questioning.

Irrespective of the volume of e-mails we get each day, businesses must understand the context of e-mails as a tool and the social and culture dynamics that lie behind them. The deeper issue is the level of acceptance of personal accountability and responsibility in the team and in individual employees that lies behind how e-mails are used. Companies therefore need to understand how to use technology in managing the day job and separately in growing the business. Operating a Twin Hat approach can help everyone in the business use technology appropriately, depending on the context.

### *Re-organizations*

Re-organizations often use “downsizing” to speed up decision taking and lower break-even points. Downsizing works effectively when the new leaner organization knows what is important and develops new streamlined processes to make sure those who are left don’t carry on doing what the larger team did before.

Downsizing often means that the older *experienced* employees leave or retire. Those that are left often try to retain the old methods, using informal processes to cover the gaps in the new streamlined process. This can work for a while... until the next downsizing when the informal processes start to creak and fail. (“We just don’t know how to implement anymore.”) In such cases subtle and critical links in thinking and communication can be lost, seriously damaging shareholder value.

It reminds me of the famous and wonderful Morecambe and Wise comedy sketch with André Previn, written by Eddie Braben. André is

conducting a piano concerto, and when it comes to the piano part André motions to Eric to play. Eric bangs the keys of the piano in a seemingly mindless uncontrolled manner. André stops the session and turns to Eric saying “Do you know this concerto?”

“Yes” replies Eric.

“But” says an exasperated André, “you are not playing any of the right notes”.

Eric smiles patiently, grins and says: “I am playing all the right notes ...just not necessarily in the right order”.

Playing the right notes at work requires the whole team (orchestra) to play the same tune at the same time: whether individually, in a quartet, or as the full orchestra. Anyone playing out of time or out of tune is easily heard in music ...it is much more difficult in business, and takes careful planning and organization to avoid.

Stripping out layers of management should make it easier to communicate. But if those people who are left just work harder rather than smarter, no amount of streamlined processes will stop communication breaking down. Re-organizations that simplistically lower the break-even point are doomed to failure (“There’s no joined up thinking”). Re-organizations must reflect how the business needs to operate on both the day job and delivering growth: in good economic times and bad.

For many businesses during an economic recession the focus is cut the cost base ... fast! Too often subtle (and even obvious) communication links are lost: the baby gets thrown out with the bath water. Knowing what, when and how to re-organize flows on directly from a “Two Hats” approach. It identifies what’s urgent and what’s not and what’s important and what’s not. It reveals what the organization needs to do to support the differing styles of management required to run the day job and separately grow the company.

### *Decision taking*

Business comes down to making better decisions faster than the competition. Unfortunately a lot of organizations are not good at making decisions effectively and efficiently. If they were we would not hear the comments we do:

- “We’re not trusted to make decisions: everything goes upstairs”,
- “We’re making too many wrong decisions”,
- “No one accepts responsibility around here”,
- “We’re so short term focused ... we just fire fight”.

Companies that win make better decisions, faster than their competitors, regularly over time. They do it in good and bad economic times. They are

more objective and well informed. They value data, translate it into information, analyze it and use it to good effect. But it is not as simple as that.

Winning organizations also know how to make decisions. They are clear about who is responsible for which decisions and clear about the accountability that goes with it. They know how individual decisions impact on other areas of the business and their customers and suppliers. They make decisions at the right level in the organization, for the issue at hand. To do this they ensure that those making decisions are fully equipped to make the optimum decision for the company. They balance decision taking responsibility with capability, information, and timeliness. These reduce the chances of a “bad” or “slow” decision and make it easier for individuals to accept the accountability of their decisions.

The crucible of company effectiveness and efficiency is the quality and speed of its decision taking. Showing an organization how to make better decisions is not difficult. The difficult part is in them sustaining the discipline and focus, and adjusting the process to market needs over time. A “Two Hats” approach helps companies understand who and how decisions should be taken on running the day job and separately on growth. It provides a clear understanding of the context in which decisions should be made and ensures that when decisions are made the best possible data and information is used along with subjective experience. It also helps make clear who is responsible and accountable for what.

### *Health warning: success can kill*

We are all familiar with the concept of over trading: growing so fast that cash is taken out far faster than it is being put back in – clearly many companies have failed as a result.

But there is a subtler death from success that progressively makes companies blind and deaf until it’s too late. *Health warning*: “Nothing fails like an old success”.

Too many businesses rely too heavily on tried and tested methods, structures and marketing programmes. They stick with these historical successes even though they are getting progressively less effective over time. Why? Because they don’t want to risk a new idea that might fail (partly)...because they can’t think of a better idea (partly)...because the boss invented the original success and politics are stopping us from doing something new (partly).

Whatever the reason old successes are not predictive of future success – irrespective of the form they take: people, processes, propositions. Things change and so must the business. Being blinded by an old success is not a good place to start.

A wildlife illustration: At the age of 2 months a tiger cub did something naughty, so its mother lightly cuffed his ears and he stopped doing it. Success! At the age of 4 months the tiger cub did something else naughty, so mother Tiger cuffed its ear again and he stopped doing it. Success! At the age of 12 months the tiger cub did something willful, so the mother cuffed it hard, the cub gave mother a sideways glance, but still he stopped doing it. Success! At the age of 18 months the tiger cub stole her lunch and the mother lifted her paw ... help! ... too late! ... he's bigger than me and I need an alternative plan! Failure Big Time!

Companies need to recognize and respond to their changing environments. Old successes and old ways of thinking have a place, but they must be applied with knowledge of the current and future market. A "Two Hats" approach avoids repeating old successes to the point of failure and keeps the company relevant to its market. In the increasingly fast paced global market, change is not only happening faster, it's coming from previously unconsidered directions.

"Nothing fails like an old success" is increasingly relevant. Successes are becoming "old" faster than ever before. Companies are morphing and adapting faster than ever before. Market needs are changing faster than ever before. The critical issue is how to adapt and redefine an old success to make it a new success by continuously recognizing the changed environment and context.

### *Unbridled enthusiasm*

This is an interesting issue, as to many it's counter intuitive. All companies want enthusiastic employees and teams. They engender speed, drive, commitment and almost every other power word that is used in CVs and candidate descriptions. But enthusiasm must be bridled: managed and controlled appropriately. If it's not it can create friction and cynicism reflected in comments such as: "That's the latest flavour of the month ... we just rush into stuff without thinking".

I recently came across a very enthusiastic entrepreneur and business owner in the Midlands. She made the following really positive comment about how she brings on new people in the business.

"I hire only the very best I can find" she said. "People with great experience, fire in their bellies and a real desire to help. We show them how the company operates and our processes and we encourage them to make suggestions on how to improve things but only once they've worked in the business for six months and understood us".

She really believed she was open to new ideas and was enthusiastic about getting input from everyone. I asked her how the processes and operations of the company had changed over the years.

“Oh hardly at all” she gushed, “so it’s obvious that the way I set it all up in the first place is spot on”.

As the saying goes: “Yeah...Right!” She had no idea that her own enthusiasm was blinding the business to new and better ways of working. Interestingly, she also went on to say that despite hiring the best, her people would not think for themselves! If it goes unchecked, unbridled enthusiasm is a double edged sword.

Managing enthusiasm is essential to get the best out of it. A “Two Hats” approach provides a structure to make this happen without running the risk of generating an exclusive club that delivers well but alienates some in the process.

## Summary

In good times and bad times companies that win manage the day job and growth side by side. Companies that win understand the need to manage each separately and have a culture that supports and develops ideas on improving today’s business as well as responding to new trends and opportunities.

They get results by ensuring that the *whole organization respects* both types of work – work for the day job and work on growth opportunities. They use a planned and consistent approach that they manage throughout the economic cycle – indeed a great time to grow is during a downturn, when your competitors are in free fall and costs are falling.

In many cases running the day job should be 90% of the focus and activities, with 10% allocated to developing sustainable growth (but the proportions vary by sector). Companies that lose out often do not manage growth and the day job together. Growth is thought about in “fits and starts”, or it comes down to serendipity and luck...neither of which are effective long term. As the saying goes “hope is not a strategy”.

A “Two Hats” approach provides the basis for sustainable ongoing businesses and long term shareholder value.

## This book

This book assumes that most businesses are relatively better at running the day job than they are at growing. It also assumes that most growth that is managed tends to be driven more through simplified budgeting process rather than through well planned and structured Growth Management processes.

As such this book focuses on how to establish and manage growth rather than how to make the existing business more efficient and effective. It focuses on practical tools, techniques and processes that companies should use to drive sustainable growth. And by Growth I don't mean just a bit more on the revenue line or an improvement in margin from cost management or revenue mix control. By Growth I mean new business that the company can and should be doing to position itself differently in the market and which provides the basis for sustainable high quality earnings. Growth is about knowing the opportunities, prioritizing them, defining customer relevant solutions, implementing those new propositions excellently and subsequently consolidating the new Growth business into the mainstream at the appropriate stage.

I have used many of the tools, techniques and processes of this book in my work and know that they are effective. They are practical, focused and link together to provide a sound basis for Growth Management alongside managing the day job.

### **“Two Hats” in practice**

The first time I came across the need for a “Two Hats” approach was back in the early 1980s when working for Ford. The team was asked to grow the company's aftermarket parts business in the UK in three separate but linked areas: retail DIY, fleet workshops, and body shop. We adopted the standard model of setting up projects and managing them to completion. No great issue there then? No...not really, they were all successfully brought to market and had varying degrees of sustainability. But it was obvious that the company needed to do things differently if it was to avoid a fits and starts approach to growing the business. Just as I was thinking about this I was moved to another part of the company and the thought was put on hold.

At various times subsequently the issue raised its head and really came to the fore in Jaguar in the late 1990s/early 2000s as the company grew from a two-car line-up (of XJ6, XJS) to a four-car line-up (XJ8, XK8, S-TYPE, and X-TYPE). What was obvious there was that growth needed to be managed throughout the company, and its partners.

For Jaguar UK as a sales organization this meant managing our growth in co-operation with our marketing agencies, suppliers, and our dealers as the retail shop window of Jaguar cars. In association with our dealers, we defined, developed and implemented a “Scale Shift” programme designed to deliver the substantial growth in volumes and profits from the new

models the company was going to introduce. A key element of the success of Jaguar dealers in the UK at that time was a clear understanding of the need to manage the day job and manage growth at the same time. Internally within Jaguar UK this “Two Hats” approach made life easier and reduced confusion considerably. It may not have been perfect... but it was a heck of a lot better than had we not worked that way, and everyone benefited. I’ll give you one specific and detailed illustration.

Ahead of the launch of S-TYPE the whole of the Jaguar UK sales team were brought together to take a look at the final design in the design studio, about nine months out from the official launch date. Needless to say everyone was excited and keen to see the iconic designer Geoff Lawson’s new car. The team were suitably impressed and applause rang out across the room as the covers were taken off. Great stuff! As we walked around the car the team were making notes and taking in the design features and uniqueness of the car. After fifteen minutes or so we all stood around the car together and started discussing with the designers our thoughts and the implications for us as a team and our dealers. In the midst of all the excitement and enthusiasm Rod Wilkinson said “What about the Rover 75, it’s going to be launched at the Birmingham Motorshow at the same time as we’re launching S-TYPE”. As a model the Rover 75 is a great car in the volume sector, but that wasn’t the point.

As an individual Rod was fairly well known for coming out with left field thoughts – and this was another corker! In the midst of us all considering the competition as BMW, Mercedes, and Audi, we had hardly given a second thought to Rover and their 75 – it just didn’t compete directly with S-TYPE. But again that was not the point. The point is that we had a managed Growth process that allowed controlled input from everyone at the right time.

Rod’s comment was not based on the relative products of Rover 75 and Jaguar S-TYPE. It was based on how he’d heard his dealers talking about Rover 75 and how they as dealers were perceiving it versus Jaguar S-TYPE. As many of our Jaguar dealers also owned Rover franchises, the issue for us was to make sure we positioned the *commercial opportunities for our dealers* from Jaguar S-TYPE clearly against those from Rover 75.

In a moment the power of a “Two Hats” approach was crystalized. Rod’s comments lead us directly to consider how we would ensure that dealers supported Jaguar S-TYPE and were under no illusions: S-TYPE provided much better commercial returns for dealers and competed in a very different sector compared to the volume market of Rover 75. We were not going to allow any amount of Rover Group activities to persuade the dealers otherwise.

Without the Growth Management element of a “Two Hats” approach allowing open input, Rod’s comments would have been lost. I think he would still have said it...because that’s Rod. It’s what makes him such a great asset. But I think the rest of us would not have taken his comment on board. Without Growth Management we’d have dismissed it as a “Rod-ism”. Thankfully the more open and thoughtful nature of that Growth meeting gave us the “authority” to explore and consider the comment properly, with very positive results.

The remainder of this book focuses on specifics in developing and running Growth Management alongside the day job to capture the natural capability of the team to drive sustainable growth. So let’s be crystal clear here about the difference between the “Two Hats” approach and Growth Management:

**Growth Management** is the organization and process of identifying growth opportunities and delivering relevant, sustainable customer valued propositions that support the company’s business strategy and provide long term shareholder value.

**The “Two Hats” approach** encourages an organization to work and think differently on the day job compared to growth at one and the same time. It is the recognition that running the day job (day to day operations) requires a different management and operating style to that needed for delivering new growth. Specifically it recognizes that individual people who deliver the day job should also be involved in developing growth and that to encourage them they need the flexibility to work in different ways on each as they move from one meeting or discussion to another during the working day.

Without Growth Management processes, tools and techniques, there can be no “Two Hats” approach; and vice versa.

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