

Executive Summary of **Mastering Business Growth & Change Made Easy**

© by David Matteson & Jeff Hansen, June 2008

You stand at a crossroads. A new division of your company is about to be launched, and you need to prepare for the growth and change. The obvious immediate task is to hire the new manager, but in your gut you know it requires more than simply filling the position. You expect the division to grow rapidly and capture a large part of the market in a new part of your industry. This is a big decision.

Based on your past experiences you outline a hiring process designed to find the best candidate. You have all the job applicants complete a comprehensive management-style questionnaire and gather additional information about the candidates' qualities, skills, and past experience.

As you sort through all the data to narrow your choices, you rely on the candidates' management style as the first screening criterion. Then you turn to their past experience, references, and skills. You have a small committee of people who will be interacting with the new manager take a look at the credentials of the top three candidates you've found.

As all of you focus on each of the candidates' management styles you make your hiring decision with confidence and hope. You're convinced you've found the right person, with the right management style, to get this new division started and guide it from infancy to a solid market shareholder.

Sounds exciting, doesn't it? It is exciting, except for the fact that the new division is doomed to fail.

How can such a dire prediction be made with so little information? Because of the extensive research, the key concepts, and the vital information shared in Jeffrey A. Hansen's book, *Mastering Business Growth and Change Made Easy*.

As described by Hansen, it doesn't matter what industry you're in; it doesn't matter what market niche you're in; and, it doesn't matter what leadership or management does. Every business has the potential of growing through four different stages with a transition phase between each growth stage. It is possible that some businesses will not experience all four stages of growth, but every business will experience at least two or three of the stages and every business will always move through a transition phase between each stage of growth that is experienced.

Such news may not be extremely revealing at first glance. Having a pre-defined number of growth phases for any new business is expected. What's not likely to be expected is that growing businesses require different styles of leadership, organizational structure, and decision-making strategies, at different stages of growth and through each transition.

Key Stages of Growth

Hansen describes the stages of growth for a business as: 1) Concept Development, 2) Rapid Market Expansion, 3) Crowded Marketplace, and 4) Niche Development, with a "foundation-building," or transition phase, between each. At first glance it would be easy to believe that a business will start out in stage one and move step by step through all four stages. The research shows this assumption would be a mistake.

It's true every business will start in the Concept Development stage and then move through a Transition Phase into the next stage of growth. The next stage of growth, however, is not necessarily going to be Rapid Market Expansion. Depending on market conditions, circumstances within the industry, and the nature of the product or service being developed, the business may just as likely transition into the Crowded Marketplace stage, or even the Niche development stage.

Think back to the prediction of failure offered for your new division described in the beginning. That prediction was delivered with such confidence because Hansen describes how important it is for a company to pay attention to having the right leadership style, decision strategies, and organizational structure involved at the right time. When moving through various stages of growth, passing in and out of the transitional phase in the process, a company can only be successful if the leadership is also changing to match the requirements of each particular growth stage.

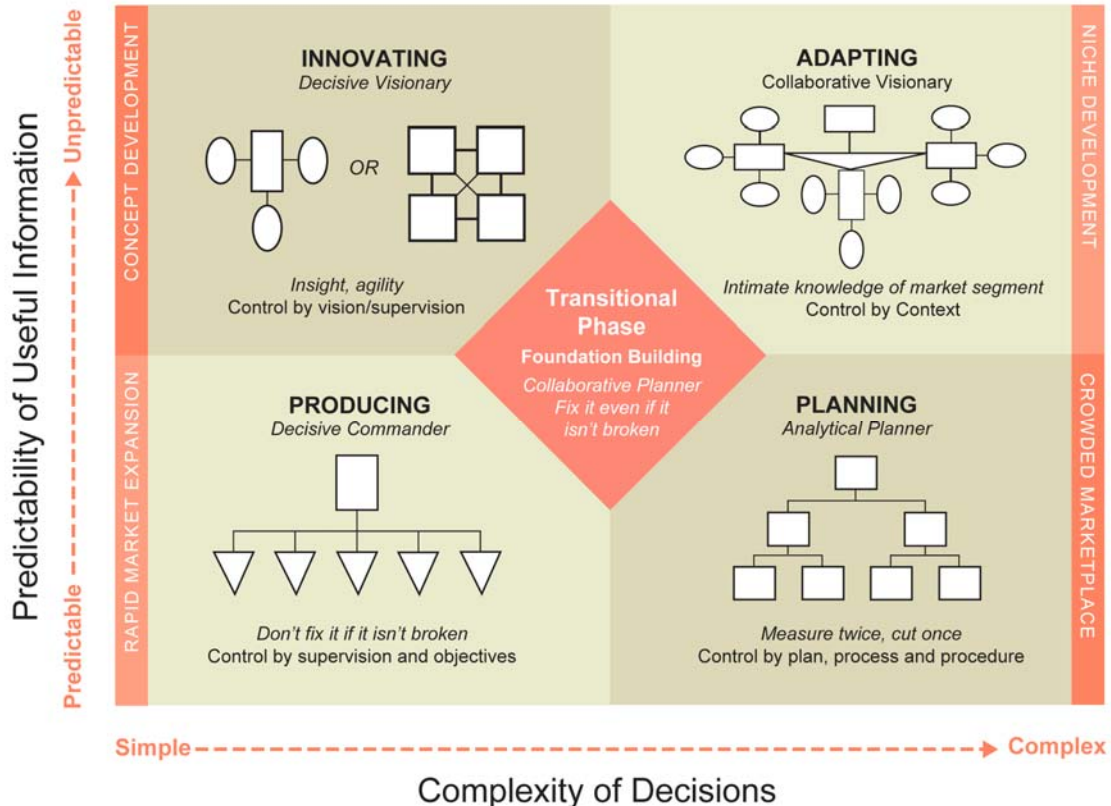
No doubt you'll find it easy to imagine a different management style would be needed in each stage of growth. Extensive research and experience with growing companies provides all the evidence necessary to uphold this hypothesis. In *Mastering Business Growth and Change Made Easy*, Hansen concludes that in fact, there is one naturally effective style of management for each stage of growth and another for the transition phase. (see Diagram 1.)

Diagram 1: The Growth and Change Map

Hansen, Jeff, *Mastering Business Growth & Change*, 2005, pg 13.

! choice and growth map

from Jeff Hansen's, *Mastering Business and Growth*, 2005, page 13



Identifying the Right Style for Each Stage of Growth

The Concept Development stage of growth shown in the upper left corner of the diagram, is where every idea begins its journey from mind to market. This stage demands a leader who is innovative, provides a compelling vision, and is highly directive in how to achieve it. It requires personal interaction with team members to rapidly develop strong working relationships that produce high levels of creativity. In other words, a Decisive Visionary is needed.

To move beyond this stage of growth, the business will have to go through the Transition Phase, which is depicted in the center of the diagram. The leader here must be aware of the need to make the work processes more rational and transparent, and engage team members in building the structures and processes associated with business success in the next phase. Where many companies fail is to move into this Transition Phase without a clear decision of which of the three possible next phases they are growing toward .

In the Transition Phase the infrastructure of the business must be developed and strengthened in anticipation of the next phase of doing business. Formal controls are created to help drive the creation and implementation of new systems, plans, and procedures. A Collaborative Planner style is best suited to help the business realize success in this stage.

If a business moves out of the Transition Phase into Rapid Market Expansion (see the lower left quadrant of the diagram) it must be prepared be narrowly focused, highly action oriented, and willing to say “No” to many of the activities that it engaged in in the Concept Development Phase. Getting more product out the door or being able to provide more services more rapidly characterizes the highest priorities now. The Decisive Commander who builds a platoon of implementers, following a plan for deep market penetration that captures market share and builds revenues, will lead the business to be the most successful in this phase.

Alternatively, if the business comes out of the Transition Phase and moves into the Crowded Marketplace stage of growth, the Decisive Visionary that was required back in the Concept Development stage will be exactly the wrong leader. As seen in the lower right corner of Diagram 1, when a business is in a competitive battle emphasizing price and features, typical of a crowded marketplace, then complex organizational structures are needed to develop specialized and compartmentalized teams of people each focused on their own individualized tasks of cost reduction, performance consistency, and functional efficiency. The business demands planning, effective processes, and efficient procedures. An Analytical Planner is required for success in this phase.

Of course, a fifth different style will be needed if the business transitions into Niche Development, seen in the upper right portion of Diagram 1. To customize products to meet the demands of unique market niches, those niches must be identified. Specific features and benefits attractive to the customers in these niches must be developed. If the business is to continue growing, a Collaborative Visionary needs to be at the helm. The vision and culture will rise in prominence and team members will be most successful working in collaborative teams and with strong performance feedback mechanisms in place.

Based upon research on thousands of companies it is no longer a mystery as to what works and doesn't work at various stages of business growth. Different forces drive the enterprise's success at different stages of evolution. Different modes of operation will drive the business forward and through a series of ever-increasing growth and expansion. To effectively guide the business through these stages of growth, using dramatically different modes of operation, the business must absolutely insist on the use of significantly different styles of leadership, organizational structure, decision-making, and management.

How You Change Styles and Modes

Critical to successful, then, is leadership that makes conscious choices about which phase to grow into next, and that has the strength and discipline to make key changes through the different modes at different times and in the right sequence. This is no small feat to accomplish.

How is it done?

Like the seasoned professional of a well-tuned racecar, the successful business recognizes the existence of critical elements to the growth process. For the race car driver there is knowing the car, knowing the circumstances the race demands, the wise use of superior judgment about road conditions, and demands on both car and driver, as well as impeccable timing. Bringing the metaphor into the business world – it's all about the business leader having the wisdom and knowledge of the situation, conscientiously making wise decisions, and taking deliberate and disciplined action appropriate to the circumstances.

Translating all of that into the practical realities of a leader faced with the next stage of growth in business usually requires a decision to either relocate, emulate or collaborate. If relocation is the chosen strategy to cope with the new stage of growth, then there will either be a change in leadership or a change in business.

If the business chooses an emulation strategy then an appropriate management style that fits the stage of growth will be required. If leadership is by and through the same person, then that person must change, or at the very least emulate, management styles; a feat of no small accomplishment most experts would say. In fact, many would say that a leader's ability to fundamentally change his or her personal management style is next to impossible.

So, a business may choose to collaborate or create a management team made up of people with different styles to fit each phase of growth. The difficulty here is the business' capability to hire, or put into place, a management team that has the right strengths at the right time. Too often a business experiencing growth is short on resources, be they human or material.

Fortunately, there is a fourth choice. The business and its leadership can focus on and emphasize the right mode of operation. Instead of trying to change specific management styles, the change can be a shift in focus so that the right priorities are set, the organizational structure is in place, and the right processes are developed. The right mode of operation will always have the right structures, the right controls, and the right culture.

The critical key is for the leader to know and understand his or her dominant management style. The book contains an excellent self-assessment and extensive discussion about the results, quite

sufficient to guide and direct any business leader through to a better understanding of his or her management style.

Once the self-assessment is taken and the results understood, it becomes much easier to know specific strengths and weaknesses and how they fit or fight against the current growth stage of the business. Once the dominant management style is known, success for mastering business growth and change becomes a matter of identifying “the subtle indicators that change is imminent and then anticipate and prepare for the changes before they become imperative” (p. 37).

Details, Case Studies and Survival Tips

Fortunately Hansen provides substantial detail for each stage of growth as well as for the transitional phase. Deeper explanations of stage indicators, management modes, appropriate processes, and better organizational structures are all provided.

Real-life case studies are included throughout to enhance the key points being made, and the reader is able to follow along with the fictitious Vic Sparrow and his helicopter manufacturing company to better understand each of the stages of growth.

Organizational growth will always follow the path of least resistance, unless better management and stronger leadership are applied to ensure the company follows a path of “right resistance.” That’s why additional key insights and concepts are included in a chapter that further explains how to know where a business needs to go next, which stage of growth is best suited for the circumstances, and how to prepare for it. Details on how to reduce the costs of transitions, avoiding common errors, and ways to stay on the leading edge of the growth curve are all included.

Hansen also offers Ten Survival Tips for the leader of a business that is growing. The number one key is to know the dominant management style. Careful completion of the self-assessment included in the book will provide a solid foundation for understanding your own dominant style.

As you read through all of the survival tips you’ll find excellent recommendations for separating the leader’s personal goals from the organization’s goals. You’ll also be better prepared to take advantage of the momentum your business experiences and learn how to work with and through others as your business grows.

Whether it is your own style, your own business, or you’re hiring someone to manage the growth and development of a new division within your business, reading, studying, and applying the concepts in *Mastering Business Growth and Change Made Easy* will be vitally important to your success.

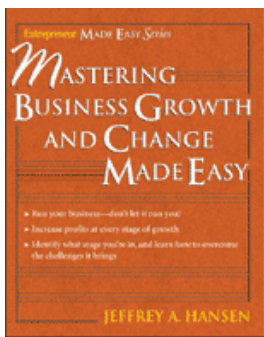
Let’s revisit where we started.

You stand at a crossroads. A new division of your company is about to be launched, and you need to hire the new manager. You expect this division to grow rapidly and capture a large part of the market in a new part of your industry. No doubt this is a big decision.

Based on your past experiences and what you've now learned, you are prepared to do more than simply outline a hiring process designed to find the best candidate. Yes, you still have the job applicants complete a comprehensive management-style questionnaire and gather additional info about the candidates' qualities, skills, and past experience. You still sort through all the data to narrow your choices.

But, you also carefully apply the strategies, the concepts, and the key principles Jeffrey Hansen explains in ***Mastering Business Growth and Change Made Easy***. That means you recognize how the culture, the organizational structure, the styles of communication and decision making all change as the organization will grow. This gives you the ability to focus on more than just hiring the right person.

You do find the right person with the right qualities and skills needed to launch this new division. But you go beyond that and discuss, plan, and prepare for the changes that the new division will experience as it grows. As a result, the new division succeeds, navigating through the different stages of growth as management styles are adjusted and the right mode of operation is implemented at the right time.



Mastering Growth Management and Change Made Easy can be purchased at major bookstores including Amazon.com.

For more information visit:
<http://earlyedgesolutions.com> or
<http://www.bheron.com>