



GROWTH IS ON THE HORIZON

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With the tide slowly turning for Australian businesses, forward-thinking CEOs should be positioning for growth as well as optimising their core business. This means putting customer relationships and innovation at the top of the to-do list and replacing a survival approach with a growth mindset.

Recently, tough economic conditions have driven CEOs to focus on operational effectiveness. While this will always be an important building block for a sustainable business, it's time to change focus.

Despite some high-profile closures and downsizing announcements in 2014, the Australian economy is gearing up, albeit cautiously and unevenly. While some industries are still treading water, two out of three companies expect revenue growth in the next year. Anecdotal evidence from Maximus's leadership development programs confirms this growing optimism.

If you see better times on the horizon, you should be preparing your organisation for growth this year, next year, and beyond. Becoming more customer-centric is vital — it will help you to attract, retain, and grow more customers. Innovation is also important, so you can find new ways to engage with those customers. But having the best strategy, processes, and technologies will only take you so far — ensuring that you have the right people is essential too.

None of this will happen without strong leadership, but not the kind that got your business through hard times. It's time to switch gears from survival mode to growth leadership.

ADOPTING A GROWTH MINDSET

CEOs with a fixed mindset abhor failure and rarely change their minds about people or decisions. They can stifle innovation and sabotage employee engagement.

By contrast, a CEO with a growth mindset regards failure as an opportunity to learn and talent as something everyone can cultivate. This leadership style is less hierarchical, more collaborative, and supports calculated risks.

American psychologist Carol Dwek's research suggests that a company with such leadership has happier employees and a more innovative culture than those where a fixed mindset prevails. People are more likely to trust their colleagues, be strongly committed, and feel empowered to innovate.

Dwek's contention is that an organisation's mindset reflects that of its CEO. The responsibility for creating a growth mindset therefore rests squarely with business leaders.

It's possible to replace your fixed mindset with a growth mindset. Dwek suggest a four-stage process (www.mindsetonline.com). If personal change doesn't appeal, you can still champion a growth mindset for your organisation, built around customer-centricity, innovation, and people. You won't have to abandon your leadership style altogether, but you will need to adapt it to changing times.

THE CUSTOMER-CENTRIC ORGANISATION

Today's consumers are more demanding, fickle, and vocal than ever before. Building successful relationships with them requires working from the outside in — making your starting point for every decision your customers, not your business strategy, processes, or even your people.

Customer-centricity starts with a CEO who has a growth mindset and a clear, customer-centred vision for the business. Bendigo and Adelaide Bank, for example, strives to be 'Australia's leading customer connected bank'. As its former CEO, Rob Hunt, says, "You need to focus on what customers are trying to achieve, not on what you are trying to sell".

Aligning every aspect of your business with your customers' needs rather your organisation's is not a quick fix. Oracle spent ten years integrating listening to, collaborating with, and responding to customers into their culture. Even now, they regard it as a work in progress.

The outside in approach can also be personally challenging for fixed mindset CEOs. It means employees will put the expectations of the customer — not their boss — first, and may challenge the status quo. But the reward — fully engaged customers — is a big one.

THE ROLE OF INNOVATION

It takes a confident leader to embrace new ideas and risk failure at a corporate and personal level. Maybe that's why one in two Australian CEOs struggles with fostering employee creativity and innovation. Yet constant innovation is a must for a customer-centric business. Delighting customers with new product lines and service approaches is the key to building relationships and beating competitors.

To do it well, get inside the heads of your customers. You may think they are happy, but the reality could be different. So invest in deep dive, customer-led analytics, feedback forums, and ongoing informal engagement. What are your customers' expectations and how are your competitors meeting them? Then work out how you can innovate to meet them better.

Global giant 3M has built its business around innovation, introducing 500 new products a year. Its innovation culture extends beyond what it sells to operational processes; all employees spend 15 percent of their time exploring ideas for improving the company.

3M's innovation culture revolves around six principles:

- Building a shared vision
- Predicting the future before it arrives
- Challenging people to stretch themselves
- Hiring good people and then leaving them alone
- Sharing ideas
- Rewarding and recognising innovation

These are good principles for any organisation with a growth mindset.

FINDING THE RIGHT PEOPLE

Creating an organisation with a growth mindset needs all leaders to build teams with a similar focus and will impact your hiring, retention, and promotion strategies.

Growth leaders value a history of effort as well as performance, and explore the candidate's appetite for learning. They look for empathy with innovation and customer-centricity, and a demonstrated ability to react positively to challenges.

To help all employees fulfil their potential, offer growth-focused activities such as customer-focused development programs, innovation reward systems, and a vision-centred communications program. Everything associated with building a growth mindset organisation will take time, and the new normal will not suit everyone. Fixed mindset organisations tend to favour a few 'star' employees; these people may become disaffected or leave, along with managers who cannot adapt.

It's important to make everyone understand that sustainable growth is achieved step by step. Take one step, bed down the associated skills and learning, embrace the opportunities it presents, and then take another step. As long as all the steps are in the direction of achieving a customer-centred vision, your growth strategy will be a success.

ABOUT THE AUTHOR

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Vanessa Gavan is the founder and managing director of Maximus International. For over 15 years, she has consulted to a range of leading Australian and international organisations to enhance business strategies, improve executive leadership capability, redesign organisational structures, and deliver operational performance solutions.

As an entrepreneur and business leader, Vanessa has lived through every business life cycle and has refined her abilities to inspire, deploy, and motivate people to achieve great things.



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