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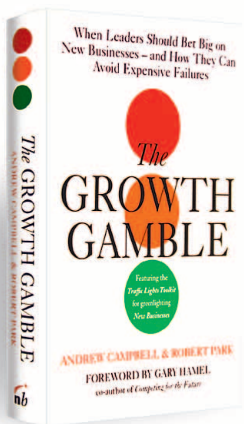

By Andrew Campbell and Robert Park

When Leaders Should Bet Big on New Businesses — And How They Can Avoid Expensive Failures

THE GROWTH GAMBLE

CONTENTS

The Challenge of New Businesses
Pages 2, 3

Beating the Odds
Page 3

Six Rules for New Businesses
Pages 3, 4

The Case for Low Growth
Pages 4, 5

New Businesses Traffic Lights
Pages 6, 7

New Businesses, Right Processes
Pages 7, 8

Positioning and Supporting a New Business
Page 8

THE SUMMARY IN BRIEF

Conventional business wisdom dictates that companies should focus their sites on growth. But growth is no certain thing, say the authors of The Growth Gamble. *Not all companies are built for rapid growth: Their markets are unsteady or extremely competitive, their infrastructure is not sufficiently flexible, or they don't have the quality or quantity of people to lend to the effort. For these companies, a slow or steady growth curve, over years or even decades, is the healthiest option. While this flies in the face of convention, the business landscape is littered with organizations that went belly up because they tried too hard to expand their businesses too far from what they did best, or did so too rapidly to keep themselves solvent. Much of the damage was caused by a lack of rigorous analysis, or the want of a screening tool to help leadership determine what new avenues were right for their companies, and when. With* The Growth Gamble *and its invaluable New Businesses Traffic Lights Toolkit, businesses have what they need to grow smartly and avoid potentially fatal errors.*

What You'll Learn In This Summary

✓ **New business expansion has rules.** Don't stray too far from your core strengths without knowing exactly what you're doing and without knowing, within reason, how your efforts will turn out.

✓ **It's OK to grow slowly.** Do not be seduced by "sexy" business opportunities or driven by inappropriate motivations. For many companies, taking the path of low growth is the smartest option and the one best suited to their business.

✓ **Red means stop; green means go (sometimes).** You cannot be sure a new business opportunity will fit your organization without doing some strategic analysis — the more detailed, the better. The New Businesses Traffic Lights tool distills that strategic thinking in four key areas of consideration — areas you must consider in order to determine whether a new business is right for you.

✓ **Is the profit potential good enough?** Do you know if your potential market is "rare game" or a "dog"? The answer to that question goes a long way toward determining whether your new business is profitable, or a waste of resources.

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THE GROWTH GAMBLE

by Andrew Campbell and Robert Park

— THE *COMPLETE* SUMMARY

The Challenge of New Businesses

Microchip maker Intel has made many attempts in the last 10 years to enter new businesses. Some have been successful, but most have not. After initially making its name as a maker of integrated circuits for electronic memory products, by the early 1980s, Intel's main business — in terms of profits and technical commitments — was manufacturing microprocessors. Intel then entered a golden period of about 15 years during which its dominance of the microprocessor market for PCs and servers powered the company's growth and profitability.

During this period, the company made several attempts to enter new businesses, some of which were intended to extend its core microprocessor business into new areas, while others attempted growth outside the core business strategy. The latter businesses included the manufacture of motherboards, LAN adapter cards, fax modems, PCMCIA cards, video conferencing, and supercomputers.

Few Successes

By 1999, few of these businesses had achieved their purpose of extending Intel's reach outside the microchip industry. Part of Intel's problem was positive: Its core business was growing so fast and demanding so much support that initiatives that did not extend the core were viewed with suspicion, resulting in weak follow-through for businesses outside the core.

Intel also had difficulty in managing businesses with a different business model than its microprocessor business. The company's culture, functional structure and managerial rules of thumb were driven by the needs of the core business, with its largely predictable technological progress. Intel struggled with businesses that had different rules that depended on insights about the future.

With new executive leadership, however, Intel pushed to redefine its core business from microprocessors to "Internet building blocks." This change was reinforced by a slowdown in microchip sales in the late 1990s. In 2003, however, Intel announced it was withdrawing from this strategy, writing off $1 billion in the process.

Burger Maker Bites Back

McDonald's likewise found itself in an industry experiencing its share of decline. By the late 1990s, growth potential in the core hamburger business was becoming limited, and McDonald's strong position in the United States was being threatened. Growth opportunities in international markets were also disappearing, and customers were beginning to raise health concerns about beef and fatty foods.

The company responded by reinvesting in existing franchise locations, as well as by making some key acquisitions in an effort to enter new businesses: acquiring a minority stake in the small Chipotle Mexican Grill chain and buying the 143-restaurant chain Donatos Pizza, as well as British coffee chain Aroma Café. These initial forays were followed by a more aggressive buying spree, including:

- The acquisition of the 900-restaurant chain Boston Market.
- An investment in Food.com, the Internet food takeout and delivery service.
- A minority stake in Pret A Manger, the British sandwich chain.

McDonald's also attempted new business concepts, including a sit-down diner with table service, and McCafe, offering gourmet coffee and related products.

McDonald's still retains some of its businesses, but has scaled back its ambitions. Four of its newer acquisi-

(continued on page 3)

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The Challenge of New Businesses
(continued from page 2)

tions have been placed into McDonald's Ventures, a subsidiary charged with deciding whether any of these businesses can become significant for McDonald's without distracting from its core.

Companies such as Intel and McDonald's can only find significant new businesses under two circumstances. Either they discover a business that "fits in" with their existing businesses and responds well to the habits and rules of thumb that apply to the core. Or, they go through a crisis that breaks their commitment to the old habits and rules of thumb, and brings in new leadership and new ideas. ■

Beating the Odds

Most companies fail to find new growth businesses when their core businesses mature. Intel and McDonald's illustrate this important new reality: They have not found a significant new business that will enhance their growth prospects. In fact, as many as 99 percent of companies fail to create successful new growth platforms. Less than 10 percent of companies manage to restart growth once it has slowed. Only 3 percent sustain a restart for more than three years. Less than 1 percent do so by creating new growth platforms.

These sobering statistics do not, however, keep companies from trying. There are only a tiny percentage of management teams that settle for sticking to core businesses, and declining gracefully as those businesses mature. The challenge of finding new businesses is a growth gamble. To even take on the challenge is to bet against its odds. There are no easy answers.

Theory Versus Reality: An Opportunity Shortage

Current business theory instructs companies to be more entrepreneurial and to copy approaches used by the venture capital industry in building processes for developing new businesses. According to these theories, the high failure rate of new businesses is due to poor processes and skills.

The reality is quite different. Established companies have entrenched mind-sets and managerial habits, which are normally well tuned to the needs of their existing businesses. When companies delve into new businesses that are compatible with those mind-sets, they achieve success. When they try to do things that do not fit, they fail. The problem is, there are very few opportunities that fit.

A New Approach

There needs to be a new approach to the problem. The shortage of opportunities suggests that a screening tool that helps managers identify opportunities with a reasonable fit is likely to be more useful than a series of process steps for developing new businesses. Trying to make dramatic changes to ensconced managerial mind-sets — such as following venture capital processes — is also unlikely to achieve much. The mind-sets and rules of thumb that have served successful companies in good stead are likely to continue to influence success, and deviating from them will likely end in defeat. ■

Six Rules for New Businesses

The shortage of significant business opportunities that fit is the single biggest challenge for managers seeking new growth. Managers should observe the following six key rules about new businesses:

Rule 1: Continue to invest in the core. Investing in core businesses is the first thing senior management must do. It is imperative that these company leaders have their feet firmly on the ground when they decide in which new businesses to invest. One certain way of killing off a company is to invest unwisely in new opportunities.

Patience is key. Even if a business does not grow quickly over a period of years, it is still most often best to focus on core businesses. Companies should continue to regularly review potential opportunities outside the core, but it might take years for the right opportunities to come along. Trying to force the pace can speed an organization's decline.

Rule 2: Don't be seduced by sexy markets, but recognize rare games. The attention given to growth markets is understandable. To create value, managers should focus on markets in which they have an advantage, instead of markets that are growing. It may, in fact, be easier to create value in less popular areas than in "businesses of the future" that attract every manager hungry for quick growth. Managers should, instead, look for opportunities where their company can bring some special competency or resource to the game.

There are, of course, exceptions to this rule: "dog markets" and "rare games."

Dog markets are those where most competitors currently earn less than their cost of capital or are likely to

(continued on page 4)

BP's 'Biggest Mistake'

British Petroleum's former CEO, Sir Peter Walters, described his company's attempts to enter new businesses as "my biggest mistake." Driven by concerns about the oil industry's future following the 1970s oil shortage, BP entered nutrition, IT, minerals and other businesses either because of the similarity of the skills required or because of their growth potential.

"If we had put even half the effort into our core businesses that we put into new businesses," Walters noted, "we would have come out ahead."

Six Rules for New Businesses

(continued from page 3)

do so in the future. They normally occur because the competition in that market has become too intense. These markets are to be avoided, regardless of whether the company has advantages in them.

Rare games are markets where even average competitors are likely to do well. They usually occur because a new market suddenly opens, creating more demand than supply. Companies that get in early have an advantage, in terms of assets or stronger brands. A company can enter a rare game without an advantage, because it is an easy environment. To be sustainable, however, the company needs to create an advantage during its initial years in the market.

Rule 3: Look for advantage, but don't play the numbers game. There is an argument that companies need dedicated venturing units in order to process large volumes of existing work while managing a large number of investment opportunities, as well. Since one or two successes may take a number of years to emerge, companies require a pipeline of new initiatives.

A Losing Game

This numbers game is a losing game. If the presumption is of many failures and few successes, each new initiative will be expected to fail, and will thus not receive the attention it deserves. The alternative is to be selective — to invest in opportunities only when the company has a significant advantage — when it believes it can serve the market and earn 30 percent better margins than competitors. Sometimes, this may mean no new initiatives; sometimes two or three: At no time should it be 10 or 12 (or, as in one company, 44).

Rule 4: Be humble about your skills when looking for new businesses. When it comes to new businesses, humility is a good thing. One of the reasons the advantage hurdle must be set at 30 percent or greater is because managers are frequently overoptimistic about their skills. Also, competitors have advantages that are difficult to observe. Moreover, there are learning and ramp-up costs inherent to entering any new market. In unfamiliar situations, people make mistakes, managers chief among them: They invest too much in marketing, overdesign products, mismanage suppliers, and more.

The Impact of Learning Costs

It is the learning costs that explain why, for any specific company, there are few opportunities. By understanding the impact of learning costs, managers can discover good prospects for new businesses where much of the learning has already been done, as well as avoid potential disasters where the learning cost is likely to be larger than any of the company's existing advantages.

Keep Your Eyes Open for Saplings

Learning costs are an unknown that upset many plans, but they can also suggest one type of new business idea to look for — "saplings," or operating units that already exist within the company. These units are usually forgotten and/or minimally funded, but they exist for historical reasons or reasons connected to the core business, and can be used to grow new legs for the company. Their special feature is that they tend to have strong managers with insights about how to grow the activity, and most of the learning is already done.

Hewlett-Packard, for example, had a computer processor unit that in the 1970s began selling minicomputers for technical applications. In 1980, after many requests, the unit's management team was allowed to enter the commercial computer application market. HP is, of course, now one of the largest computer manufacturers in the world.

Rule 5: Search for people as much as potential. Large companies get lulled into presuming that somewhere, within their talent pool, managers can be found to lead projects. The challenge, they believe, is to find good projects for them to lead. Within an existing business, there are many managers who understand the products, the markets and the essence of the business model needed to make a profit. In new businesses, all three of these areas of knowledge may be absent.

Often, this leads to projects starting out with the wrong leadership. A company may have a huge advantage in technology or brands or customer relationships, but if it does not have the managers with the talent, experience and will to exploit these advantages, it will create no new value. Any process to search for new business ideas should be complemented by a search for managers with the experience, talent and passion to lead.

Rule 6: Be realistic about ambitions. The successes managers have had using stretch goals to power performance in their existing businesses cloud them from realizing that the same techniques cannot be used to drive the creation of new businesses. Stretch goals work in existing businesses because managers get stuck in ruts and stretch goals unlock their thinking.

In the search for new businesses, managers have no ruts to break out of. Goals should be set only after the opportunities for new businesses have been screened, not before. ■

The Case for Low Growth

When it comes to growth, managers are often driven by inappropriate motivations when they should be more selective rather than more energetic in their approach to

(continued on page 5)

The Case for Low Growth

(continued from page 4)

new businesses. They should assess opportunities to enter new businesses with a tough set of criteria, only investing in those that pass a strategic business screen.

This means, of course, that some companies will, at some points in time, screen out all ideas for new business, relegating themselves to a rate of growth determined by core businesses. If the core market is slow to grow, the company will likewise grow slowly, until a promising and appropriate business opportunity arises.

While most managers believe growth to be an imperative, it can, in many instances, also be a dilemma. In some circumstances, it is acceptable to choose to be a low-growth company.

Arguments for Growth

There are a number of arguments for growth. For one, the value of a company, in terms of market capitalization, is greatly affected by its growth rate. If a decision to impede rapid growth reduces expected future growth rates, the value of the company will decline, sometimes dramatically.

Second, success breeds success. A decision to stop growing may break a company's momentum, allowing managers and employees to lower their sights and encouraging them to be satisfied with less. Also, growing companies attract the best talent because they can provide more interesting career opportunities. Once growth slows, opportunities for advancement decline, and capable younger managers are more likely to leave.

There are also "moral" arguments. The assertion is that, if everyone stopped investing in new businesses, progress itself would slow down. Under this argument, companies have a duty to society to innovate and develop new businesses. While such an argument should not be dismissed out of hand, it is, in essence, an argument based more on hope than on logic; managers cannot be driven by hope rather than by strategic logic.

When Is Low Growth the Right Choice?

Low growth is the right choice for companies under two conditions: 1) when there are few opportunities for the core businesses to grow, and 2) when there are few new businesses that have a good chance of outperforming the average company on the stock market. Companies that follow a low-growth strategy under these circumstances minimize their risks of value destruction and increase their chances of value creation.

When deciding on a company's growth policy, the following principles should guide the choice:

- Companies must exceed market expectations — just growing is not enough. High growth is an expectation treadmill.
- Investments in new businesses need to have a good chance of exceeding average returns to justify management attention.
- If a company cannot find new business projects that are likely to earn more than the cost of capital, surplus funds should be returned to shareholders.
- Low-growth companies can still produce good returns to shareholders.
- As long as there are no tax differences between income and capital gains, shareholders are indifferent between dividends and share buybacks.

Low-Growth Strategies Can Succeed

Despite the logic of the low-growth strategy, many managers remain unconvinced. Growth has been deemed a necessary objective for so long that managers find it hard to accept low growth. Their perception is that low growth will lead to problems that simple financial theory has overlooked. They need proof that it works. Fortunately, examples of low-growth successes do indeed exist. ■

Crown Cork and Seal Uncorks Low-Growth Success

A focused, low-growth strategy benefited Crown Cork and Seal. In the early 20th century, the company was in a dominant position in the market for bottle caps. After a corporate shakeup in the mid-1950s, Crown was being faced down by much larger competitors. The company's management decided to stay focused on bottle caps, where it was still a market leader, and specialist segments of the canning industry, such as cans for motor oils and soft drinks.

In the 1970s and 1980s, soft drink companies began to manufacture their own cans, which led Crown's competitors to invest in new and untested packaging solutions. Crown, on the other hand, kept its focus on bottle caps and cans, helping customers convert from steel to aluminum, and investing in plants close to its customers' canning sites. By the late 1980s, Crown's competitors were investing in growth sectors such as insurance and oil, diversifications that unfortunately produced low returns.

Alone at the Top

By going so far away from their core, these competitors wound up taking huge losses and, eventually, one by one were sold. Crown did eventually get into other packaging opportunities, but only when the company's skills were suited to enter into those areas. By the early 1990s, "new packaging materials" was a maturing market, and Crown stood virtually alone at its summit.

For additional information on Gerstner's low-growth triumph, go to: http://my.summary.com

New Businesses Traffic Lights

Managers can and should use the power of basic strategic analysis to help them find business opportunities that fit. The *New Businesses Traffic Lights* is a screening tool to help them do just that. The Traffic Lights are a distillation of strategic thinking. There are four lights: the size of the value advantage, the attractiveness of the profit pool, the quality of the managers running the new ventures and their corporate sponsors, and the likely impact on existing businesses.

What Each Color Implies

Each element is scored as follows:

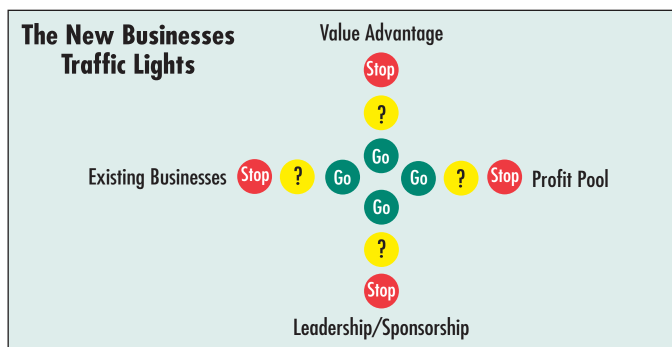
- **Red.** Red implies a significant disadvantage, or that the market segment has little available profit, or that managers or sponsors are inferior to those of competitors, or that there is a big negative for existing businesses. A red light signals a low probability of success, even if some other lights are green.
- **Green.** Green implies a big advantage, or that the market segment is an easy one in which to make money, or that managers and sponsors are clearly superior to competitors in the market, or that there are big benefits for existing businesses. A green light indicates probable success, as long as no red lights exist and a viable business plan can be drafted.
- **Yellow.** Yellow lights indicate marginal situations. Managers should be asked to reformulate their proposal so that at least one light can be green, or an experimental investment can be made in the hope that one of the yellow judgments might actually be revealed to be green.

Let's take a look at the questions raised by each of the four elements in the Traffic Lights tool, and the insights and implications that accompany them:

Value Advantage

Do we have value advantage? A superior return on capital is usually the result of some area of advantage — success is difficult to achieve without it. To assess whether an organization is likely to have an advantage, consider this value advantage equation:

- Unique value we bring.
- Less percent of value we could trade.
- Less unique value our competitors bring.
- Less cost of learning the new business.
- Equals our value advantage (green if positive, red if negative).



Value advantage discussions should center around the value a company can trade and the cost of learning a new business, if its trade value is low.

Value in trade. Managers do not usually consider the tradability of their unique value when assessing new businesses. The value reason for entering a new business is the extra value that can be created. Hence, managers should deduct from their calculations that part of their unique contribution that can be turned into value without entering a new business. Since many types of unique value, such as brand or patent, can be licensed or "cashed through a joint venture," the value advantage equation is often neutral (yellow) or negative (red).

Cost of learning a new business. Managers do not usually assess the likely costs, at both the operating level and the corporate level, of learning a new business. Because learning costs are hard to quantify, they are often left out of the equation. Fit analysis — one way of identifying likely learning costs — usually focuses on what fits, rather than what does not fit. Since learning costs are rarely less than 10 percent of profits and can be 50 percent or more, at least initially, the value advantage is often neutral (yellow) or negative (red).

Profit Pool Attractiveness

How attractive is the profit pool? Analysis of markets should focus on identifying extremes in profit potential. The profit pool question is about whether a market is a "rare game" (green) — a golden opportunity likely to generate good returns, or a "dog" (red) — a rotten market either too small, uncertain or competitive, leading to low returns. All other situations — markets that are neither rare games nor dogs — are "possibles" (yellow). Five criteria must be assessed to determine the attractiveness of the profit pool:

1. Business model potential for high margins.
2. Industry structure potential for high margins.
3. Opportunity for you to be a leader in the market.
4. Cost of trying, relative to the size of the profit pool.
5. Business model vulnerability.

Strategy analysis demonstrates that in most markets, companies with an advantage will earn above-average returns. Thus, detailed analysis of growth rates and likely margins, while necessary for a financial plan, is often unnecessary for making a strategic decision. Since most markets are neither red nor green, they offer little infor-

(continued on page 7)

For additional information on questions related to the potential of the profit pool, go to: http://my.summary.com

New Businesses Traffic Lights

(continued from page 6)

mation for or against the strategic decision.

Finding Management Talent

Managers often do not give sufficient attention to the issue of who is going to run a new business and, in particular, to whom the new business is going to report. New business projects are frequently launched on the presumption that the operating management team can be recruited at another time. This is a reasonable approach if the activity is familiar and the company has good managers in place who can step up and deliver. For less familiar activities, however, finding the right management talent can be challenging.

The questions for finding management talent that need to be addressed are as follows:

- **Do the leaders of the new business have the passionate commitment, personal insights, entrepreneurial flexibility, execution skills, and influence with the parent company that will enable them to overcome any setbacks and roadblocks, and win in the marketplace?**
- **Does the new business have a sponsor who will provide a compatible home for it in the portfolio, exercise effective oversight, protect it from negative influences, and support it through setbacks?**

Managers, particularly in large companies, believe that their managerial resources are considerable or that good talent can be brought in from outside the company. They also presume that they can learn most new businesses. However, when an objective assessment is made of the quality of the project's managers and sponsors compared to those of current and likely competitors, it is often evident that they are inferior (red) or at least not superior (yellow).

Impact on Existing Businesses

What is the impact on existing businesses? The impact a new business has on existing businesses might be significantly positive as a result of customer or cost synergies (green), significantly negative as a result of conflicts of interest and/or distraction of key managers (red), or somewhere in between (yellow). There are two dimensions to consider:

- How big are the synergies? The synergy criterion is about the benefits for existing businesses. In many cases, there are no positive or negative synergies for existing businesses — the criterion is often neutral.
- What are the distraction risks? Managers often underestimate the loss of performance in the core businesses that occurs when attention shifts to new businesses and some of the most energetic managers are allocated to new business projects.

Indeed, on the latter point, some significant analysis is critical. Distraction risks — the best way of capturing the risk of lower performance in existing businesses — depend on two factors:

- The degree to which the challenges in the existing businesses demand scarce management and financial resources.
- The degree to which the new business will compete for these scarce management or financial resources.

When managers invest in new businesses, they often underestimate both the opportunities for growth in their existing businesses and the threats these businesses face from competition. In order to understand the risks of distraction, managers must first understand in what areas their existing businesses most need attention. Armed with this analysis, it is easier to ascertain whether a particular new business is likely to distract from the attention that the core needs.

Summarizing the Traffic Lights

The Traffic Lights might seem daunting. There are four major judgments that need to be made, each depending on a number of sub-judgments. Frequently, it takes less than an hour to talk through the four Traffic Lights and reach a preliminary conclusion. Parts of such a conclusion may be easy to challenge, but frequently the overall judgment (red, yellow or green) is not in disagreement.

The Traffic Lights are a set of questions that managers need to answer that in aggregate form a strategic business case. They are designed to be used early in the life of a project, and as a sanity check for a financial business plan. They can be used even before much information is available to assess a business' potential.

The Traffic Lights do not focus on execution issues. They will not, for example, assess whether suitable partners can be found or whether a technology will work. They assume any operational issues can be surmounted. The Traffic Lights also do not provide clear go/no-go decisions for every situation. They do, however, screen out a large percentage of new business projects that would subsequently fail, saving managers time and money.

In all, the intention of the Traffic Lights is to pull together the fundamentals of good strategic thinking, in a way that will help managers arrive at better judgments. ■

For additional information on how companies harness synergies, go to: http://my.summary.com

New Businesses, Right Processes

All companies face the question of what they should do to increase the chances of successfully creating new businesses. One of the primary questions managers have is how to set up the right processes for new business development. The following three guiding rules help accomplish this:

Rule 1: Manage the flow of new business ideas.

(continued on page 8)

New Businesses, Right Processes

(continued from page 7)

Failure to understand the dynamics of the existing businesses leads managers to underestimate their potential or the challenges they face. Without a thorough analysis of existing businesses, managers do not have a sound platform from which to approach the screening of new business projects. Such a strategy review should not only focus on the current business model and current product-market segments, but also on adjacent business models and on new disruptive competitors. Senior management needs this kind of information for developing top-down ideas for new businesses.

Rule 2: Diligently use the New Businesses Traffic Lights. Whether a company invests in new-ideas workshops or limits itself to looking at opportunities that emerge, the Traffic Lights can help ensure that foolish ideas do not get through the screening process. If the Traffic Lights are widely communicated as a tool for assessing the "strategic business case," managers at all levels will feel empowered both to propose ideas that fit and reject ideas that will not pass the Traffic Lights.

Rule 3: Effectively parent each new business initiative. Once a new business idea passes the Traffic Lights, managers need to pay considerable attention to parenting it appropriately. The toughest decision is faced when progress deviates from the original plan in some serious manner. The choice between repositioning the initiative, altering its objectives, increasing the commitment of resources, or pulling the plug often involves agonizing judgments. ■

Positioning and Supporting a New Business

There are four common questions managers face when developing new businesses that are critical to their success. They are:

1. How far should the new business be integrated with or separated from the existing businesses? In most cases, the new venture should be separate from the existing businesses unless the design of the organization suggests otherwise. Among the questions to ask are:

- Does the new business sell to the same market, use the same technology, or draw on a shared source of advantage (marketing advantage)?
- Does the business unit need to draw on the skills of particular managers or teams that cannot be allocated to the new business (people test)?
- Do the cultures and business models of the new businesses integrate well with those of the parent business (specialist cultures)?

Integration is more possible when the answers to those questions are in the affirmative.

2. At what level in the organization should the new business report? Make sure the new venture reports to a level in the organization where it is an important part of the strategy, good sponsorship is available, and there is some objective governance of the venture.

3. What support should be provided to the new business by the layers of management above it? Analyze the potential parent/new business relationship to decide what guidance and support the new venture needs and limit parenting to these elements.

For example, list the major tasks managers in the business unit will need to complete in the next period (six months to a year) and assess whether the management team of the business is likely to do each task well, averagely or poorly. Where scores are lower, more parent involvement will be required.

4. How should corporate managers monitor progress, and when should they pull the plug? Perform a "confidence check" to assess progress and head off crises. Among the things to check are whether your value advantage is large enough and the profit pool is still good enough to justify the project, whether leaders/sponsors of the business are still good enough for the project, and whether the impact on existing businesses still justifies the project.

The Age of Realism

In the age of realism, the strategic business case will have as much status in decision making as the financial business case. This will make optimistic forecasting less necessary and easier to spot.

The age of realism will be a new enlightenment for business, where rational thought has more weight than chief executive ambition, and where managers at many levels will have the tools to challenge weak thinking. Managers, customers and shareholders will all benefit. ■

If you liked *The Growth Gamble*, you'll also like:

1. ***The Alchemy of Growth*** **by Mehrdad Baghai, Stephen Coley and David White.** The authors introduce the concept of strategic planning built around three "horizons" that reflect the present, short-term future and long-term future of a company.
2. ***Fast-Track Business Growth*** **by Andrew J. Sherman.** Sherman provides an A-Z manual on how to formulate and implement the right growth strategies.
3. ***Driving Growth Through Innovation*** **by Robert B. Tucker.** Tucker guides companies through the process of designing a custom innovation strategy that will satisfy the organization's needs.
4. ***Double-Digit Growth*** **by Michael Treacy.** Treacy shows managers how to follow a few basic principles and build solid portfolios of growth initiatives.
5. ***Customer-Centered Growth*** **by Richard Whiteley and Diane Hessan.** The authors explain how to grow by focusing on your customers with the intensity of a laser beam.

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