



GRO for Uncertain Times

COVID-19 and the Changing Growth Landscape

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Introduction

Even in the best of times, we know that many companies leave value on the table when it comes to organic growth. They fail to optimize their “growth system”—the set of activities and capabilities through which they find and pursue organic growth opportunities.

And these are far from the best of times, as COVID-19 is creating a new and uncertain landscape of growth opportunities, and changing the activities/capabilities through which companies can find and pursue them.

Now it is more important than ever to optimize a company’s growth readiness, by taking stock of all elements of the growth system and systematically addressing the blind spots, biases, rigidities, activities and weak underlying capabilities that cause companies to underperform on growth.

Areas of Impact

COVID-19 will change how companies think about organic growth in **three key ways**:

1

GROWTH LANDSCAPE:

While scenarios can be mapped for when and how companies emerge from the crisis, it is already clear that COVID-19 will create a new growth environment

2

GROWTH SYSTEM:

Companies will need to rethink their growth system (i.e., the chain of activities / capabilities through which companies scan for, select, move investment to, and exploit growth opportunities)

3

GROWTH PRACTICES:

As we emerge from the crisis, growth underperformers can rebuild growth systems to better align with the new competitive landscape, incorporating the practices of growth over-performers

Respond

By surveying the new growth landscape

The playing field for growth has been disrupted necessitating a new set of tactics. Below are some examples of the disruption faced or expected to be faced by many.

- **Changed customer behaviors:** e.g., greater familiarity with and willingness to use remote channels, e-commerce, for both work and leisure
- **New competitive environment:** some competitors weakened or eliminated, some made more aggressive
- **Disruption to supply and demand:** price sensitivity, volume of demand likely to have shifted, supply chains disrupted, new sources of supply being sought
- **Resource constraints:** companies want to do more with less, cut costs, raise productivity, make better use of existing assets vs. investing to build new ones
- **New ways of working:** companies building on their crisis policies of working remotely to permanently adapting their processes to accommodate virtual working arrangements

Recover

By rethinking your growth system

Taking a closer look at your existing growth system is a good starting point for tackling organic growth challenges. Below are some suggested starting points.

Growth scanning	Growth portfolio mgmt	Segment and target	Design	Execute
<ul style="list-style-type: none"> • Growth opportunity identification 	<ul style="list-style-type: none"> • Opportunity prioritization • Resource allocation 	<ul style="list-style-type: none"> • Customer segmentation • Buying process/journey mapping • Customer behavior targeting 	<ul style="list-style-type: none"> • Customer experience/engagement • Optimized offerings/value proposition creation • Pricing architecture • GTM/channel strategy 	<ul style="list-style-type: none"> • Value proposition delivery • Pricing delivery • Customer experience delivery • Marketing effectiveness • Sales/channel performance • Measurement and adaptation
Alignment	Insights	Talent	Process	Enabling tech
<ul style="list-style-type: none"> • Aligned incentives • Strategic alignment • Organizational empowerment 	<ul style="list-style-type: none"> • Customer insights • Competitor insights • Data strategy 	<ul style="list-style-type: none"> • Culture • Diversity and inclusion practices • Social responsibility • Talent attraction and hiring practices • Talent development and retention 	<ul style="list-style-type: none"> • Agile development • Collaboration • Data-driven decisions • Innovation 	<ul style="list-style-type: none"> • Analytics and visualization tools • Data management • Marketing tech stack • Salesforce tech enablement • Data and platform integration

- **Blind spots and biases:** companies have blind spots and biases in where and how they look for growth opportunities, and which ones they select to pursue as part of the company's growth portfolio
- **Rigidities:** even where companies select growth opportunities to pursue, they often fail to move talent, investment and other resources to the opportunity at sufficient scale and speed
- **Activities:** the activities, processes and systems that companies use to seize growth opportunities—such as segmentation and targeting, value proposition and go-to-market design, in-field execution, closed-loop continuous measurement and adaptation—may not be complete or adequate to the task
- **Underlying capabilities:** companies that under-perform on growth (lag their industry average growth rate) have demonstrably weaker capabilities in a range of underlying capabilities including organizational alignment and data/insights

Thrive

By refining growth practices

Thrive by rebuilding and refining your growth practices by tuning them to the “next normal” growth landscape while adopting the practices of growth overperformers. An illustrative list is below.

- **Correct for blind spots and biases:** balance growth scanning over time horizons, between existing and adjacent/new markets, maximize growth in the core
- **Improve resource flexibility:** streamline budgeting and investment processes to accelerate the allocation of talent, investment and other resources to the top growth opportunities at scale and speed
- **Accelerate shift to test-and-learn:** adopt a test-and-learn, probe-and-react, continuous measurement and adaptation closed-loop execution approach in pursuing growth opportunities. The increased use of digital/technology-enabled processes during the crisis has set the foundation for this kind of change to operating models
- **Upgrade growth-driving capabilities:** begin with capabilities that are feasible in a resource-constrained environment such as alignment and making better use of existing insights to improve growth driving activities like segmentation and targeting
- **Increase efficiency:** take advantage of the opportunity to optimize remote processes, in the current environment, to maximize efficiency, but also allow for increased flexibility in the future

How to Get Started

Assess your readiness to grow:

Read the report for further background on the growth system and insights into the practices of growth overperformers ([here](#))

Take the GRO diagnostic to understand the health of your growth system and compare yourself to research benchmarks

Convene the executive team to discuss growth readiness and how you may need to adapt the company's growth agenda for your new organic growth landscape



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