

Leaders are the biggest obstacle to companies' growth

It is leaders' job to tackle inertia within a company, build a culture of innovation and develop an externally-focussed strategy to grow. Far too often, they are not brave enough to do so. But "steady as she goes" leadership won't deliver a step-change in growth.

Organisations exist to institutionalise their own values and approaches. However, businesses must embrace change to see their growth accelerate. Leaders must therefore be the driving force, deliberately disrupting the status quo to drive change. This means backing their decision-making and being courageous enough to invest time and resources in strategic or cultural changes.

Falling at the first hurdle

Many leaders fall at the first hurdle. They are unable or unwilling to extricate themselves from day-to-day micromanagement. This prevents them identifying how their business needs to change to grow. Mired in process, they lack the capacity to spot opportunity and react.

Those who can are able to seize the opportunity or develop a new direction for their business to unlock growth must then be able to articulate their vision. In doing so, they can bring their workforce with them. This is vital to breaking the status quo and creating a culture of high performance.

Empowering the workforce also democratises innovation. The buck stops with a business's leadership, but that does not mean they should be the sole creative spark. Creating a culture where continuous innovation and idea generation is encouraged at all levels will also help the workforce actively embrace change.

Taking stock of the options

Beside freeing themselves up to identify opportunities and creating a culture of innovation, there are other active steps open to leaders to accelerate their business's growth. Each, however, brings new challenges.

Organic growth does not simply occur by itself. It is dependent on the quality of a company's talent and structure, requiring the commitment of time and resource. If a new international market is targeted, does the business have the right leadership in that territory for growth? Are its sales and marketing teams sufficiently developed to grow market share?

Developing new propositions, products, or service lines is also a typical path to organic growth. However, leaders must fully understand their business's IP, or USPs (or lack thereof!) before taking the plunge. But this doesn't just need to involve new products in previously undiscovered markets; a step-change in growth can also come from doing things differently within existing markets. The recent success of Dyson or Fever-Tree are notable examples.

Mergers or acquisitions are often the go-to for companies looking for new and quicker routes to growth. For large-scale companies, this can be a way to tap into the disruption in their sector, negate a perceived threat, and futureproof their business. Aviva's acquisition of the fintech disruptor Wealthify, for example, shows a desire to bolt on an innovative capability and approach, rather than developing it in-house.

But getting an M&A across the line does not guarantee success. Implementation trumps deal doing. Leaders frequently fail to maximise ROI on acquisition due to lack of consideration for people they are acquiring too, both in diligence and motivation. If an acquired business is not a cultural fit, the

England's Success: is Leadership coming home?

merger will not deliver on its potential. An acquisition also brings new leaders and innovators into the business. Transparent communication with this group and getting their buy-in for the strategic direction and values of the whole business will enhance personal contribution and performance. Failure to do so risks undermining the deal itself.

Evolve or die

To grow, businesses must continue to evolve or they will die. Those that don't embrace change early, nor constantly seek new opportunities to grow, will be left obsolete when their sector moves on without them. Just look at House of Fraser's recent demise.

Change must come from the top, from leaders that are able to free themselves from the minutiae of management, to horizon scan, articulate a vision, and foster a culture of high performance to achieve it. This takes bravery, and self-belief. And unless leaders inspire their workforce, they won't deliver the intended success or the full potential in front of them.

Snowball effect of growth

The benefits of doing so will be seen on the bottom line. But they are not just financial, nor short-term.

Businesses with momentum, and the right culture, are able to recruit the best and brightest. Meanwhile the most forward-looking employees at all levels are often the first to commit and contribute. Motivating, inspiring and empowering them will support further innovation and growth, removing the pressure on senior leaders.

Growth has a snowball effect. By contrast, the status quo, and living off past glories brings any momentum to a shuddering halt. Leaders must decide which to choose.

Mike Taylor is MD of Accelerating Experience, an award-winning Business Performance and Leadership Consultancy.

Our network of consultants combines high level business leadership experience with an uncompromising focus on driving tangible value creation. Taking a tailored, mentoring approach to every client relationship, we work with leadership teams large and small to improve organisational performance in a way that lasts. With clients in international organisations, major partnerships and private equity backed companies, we've helped to create extra value in the 100s of £ millions.