



Demystifying your growth options

Prepared by Right Lane Consulting
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Zoe Pappas and Brad McSwain from Right Lane Consulting presented to an audience of superfund industry representatives at the 2012 Conference of Major Superannuation Funds. The presentation and this paper reflect on the work Right Lane has completed with super clients on their growth options and strategies; but the approach can be applied broadly to other industries.

DEMYSTIFYING YOUR GROWTH OPTIONS

At Right Lane, we have seen organisations struggle to find common ground when having conversations about their growth options and strategies. In particular, we've seen this in our work with super funds. It's through this work that we have developed an approach that can assist boards and executive teams to have these conversations. This approach has three components:

- 1. Run a parallel process:** It is difficult to have a linear conversation about growth. How can we decide on a growth aspiration, for instance, without knowing what our current growth trajectory is, or how far organic growth might get us? We need to have informed discussions about these points in parallel.
- 2. Get credible data and build an interactive model:** Having informed discussions, and making informed decisions, requires having credible data. A great model can make this data real for people and can increase confidence in the approach and decision-making, particularly when engaging with stakeholders.
- 3. Be transparent:** It is important to be transparent with stakeholders and to engage them at multiple points in developing and determining the overall strategy. This includes using accessible frameworks for decision-making and involving stakeholders in the evaluation process.

Our approach can help bring clarity to discussions on growth, on the full range of possible growth opportunities, on resource allocation, and ultimately on the benefits to members and stakeholders. Each of these components is further detailed below.

1 Running a parallel process

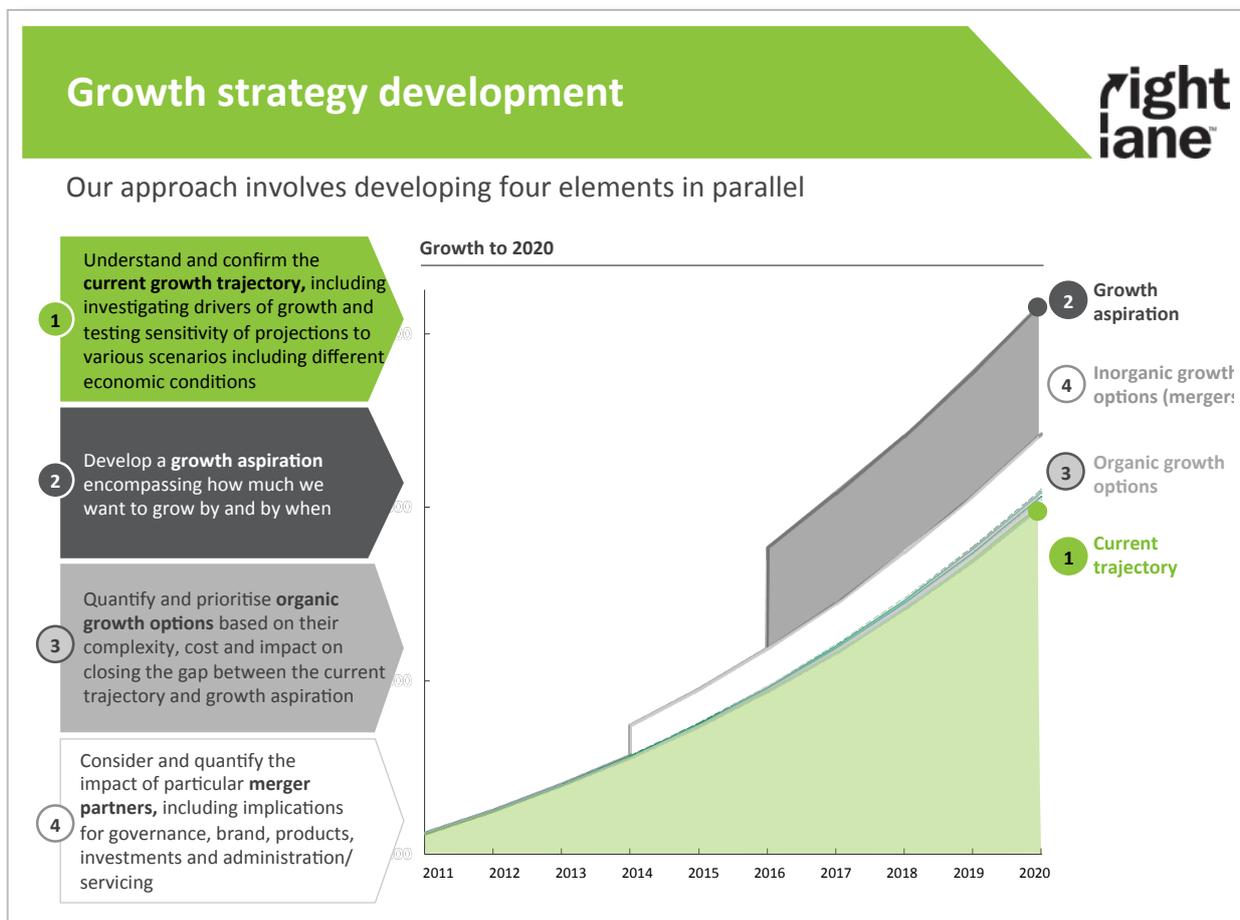
In setting a growth aspiration for your organisation, we believe it is essential to determine accurately your organisation's growth trajectory. You should also consider the best combination of organic and inorganic growth options that will enable your organisation to bridge the gap between its growth trajectory and aspiration. This sounds obvious, but few organisations go to the trouble of modelling these data accurately and in concert. As a result, many growth conversations we have witnessed peter out when participants' queries about one or other of these factors cannot be readily addressed.

There are four key pieces of work to be undertaken when considering growth options. Our approach is to ensure these four pieces of work are developed in *parallel*.

These parallel pieces of work are:

- Confirming your current growth trajectory
- Developing a growth aspiration
- Evaluating and prioritising your organic growth options
- Considering your potential merger opportunities.

Figure 1: Running a parallel process



The entire article is available upon request. For a full copy or if you would like to know more about how this approach might work for your organisation, please contact Zoe Pappas or Brad McSwain. Details below.

For more information

If you would like to discuss any aspect of this paper in further detail, please contact:

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