

# MASTERING THE DYNAMICS OF STRATEGIC GROWTH

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## **ABSTRACT**

This is the executive summary of a business growth model and process by which Executive Management Systems assists clients in mapping and leading their organization's growth.

**Melvin D. Nelson**

## Organizational Development

Executive Management Systems takes a nuanced approach to organizational development, an approach that is tailored to meet the needs of the client. Where we have discussed three spheres of CEO development elsewhere, here we will focus on three phases of organizational development.

Three Phases	Engagement
1. Developing the Executive Mindset	Individual sport
2. Developing the Executive Skillset	Individual + team sport
3. Mastering the Dynamics of Strategic Growth	Team sport

Phases 1 & 2 are covered in the CEO Development Process, yet they are totally integrated with organizational development. This document will give the overview of the team sport process of mastering the dynamics of strategic growth.

### Mastering the Dynamics of Strategic Growth

Important aspects of leading growth include:

- Defining in advance the impacts of growth; and
- Focusing on the right things at the right time.

This phase of the CEO development process introduces a proven business model<sup>1</sup>, a systematic framework to understand growth. It enables CEOs and their teams to clearly identify and understand each of the stages of growth, and the unique definitive parameters of each stage. It introduces the language of growth. The language builds concepts of understanding which – combined with enlightened leadership – result in a transformation of the culture through the development of a growth mindset.

Where Phase I of CEO Development focuses on the CEO as an individual, and Phase II begins to engage the leadership team – both important components of organizational development – Phase III is total engagement of the CEO and leadership team in developing the organization, team sport at its best.

Direct benefits for the leadership team of the Phase III experience are:

- Increased confidence;
- Reduced stress;
- Sharpened focus and increased clarity; and
- Development of a strategic roadmap.

This methodology enables a CEO and leadership team:

- To confidently chart a course for their current growth stage;
- To be aware of the factors which define the next stage of growth; and
- To be certain that they do not miss key steps along the way.

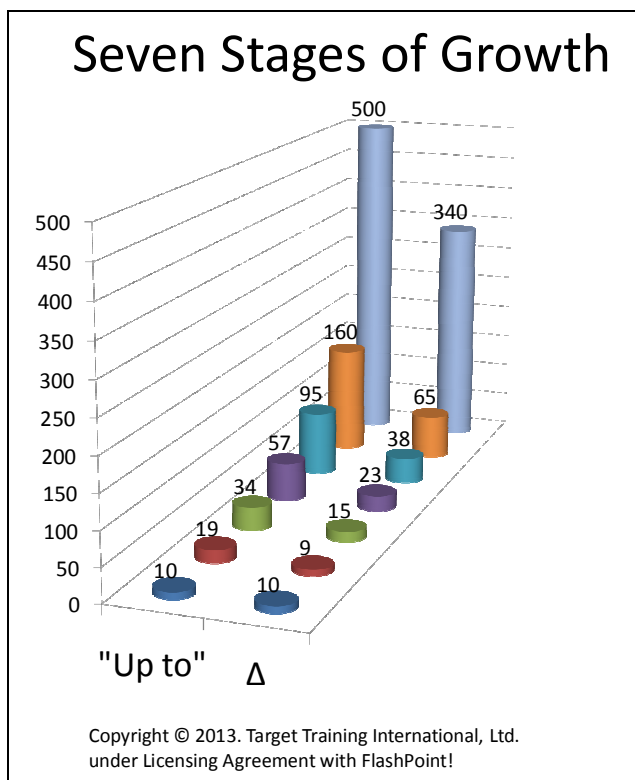
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<sup>1</sup> Executive Management Systems, Inc. is licensed by Target Training International and Flashpoint! to use the Growth Curve business model.

When a company has mastered the dynamics of strategic growth, they are riding the growth curve, walking the optimal path between chaos and equilibrium.

This approach to understanding business growth is tied to the rather simple premise that *“Your people are your business.”* Extensive research has found that the phenomena of business growth are closely linked to the number of employees in the enterprise. Companies or business units of five hundred or less employees experience a rather predictable series of challenges as they grow. To take a company to 500 employees requires moving through seven stages of growth.

These seven stages of growth are shown in the following illustration:

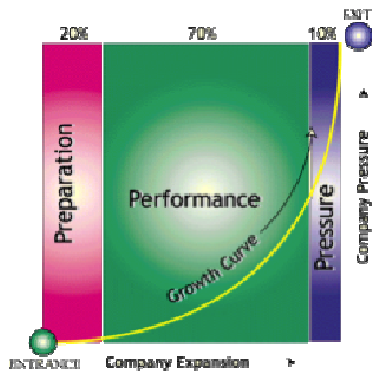


## Facts to Consider

- Your people drive your business
- There are seven stages of growth for business units of up to 500 employees
- The growth, business and leadership issues at each stage are quite predictable
- The transition between each stage of growth experiences an avalanche effect or an anchor effect
  - Avalanche – overload
  - Anchor – rooted in the past; unable to move on / staying with what is comfortable rather than shifting to what is necessary
- Issues not dealt with in one stage carry over to the next stage
- The most critical stage to navigate successfully is Stage 3
- With 100 employees, a company is already in stage six

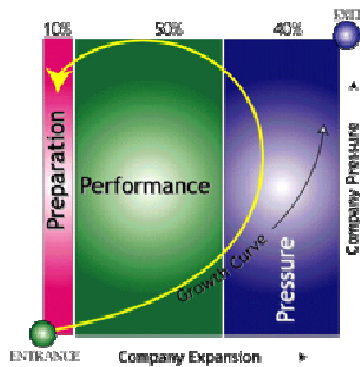
There are three modes of movement through the seven stages of growth:

- Ideal – *Healthy*
- Unhealthy – *Increased pressure due to little or no preparation*
- Troubled – *Dramatic pressure due to poor performance or execution*



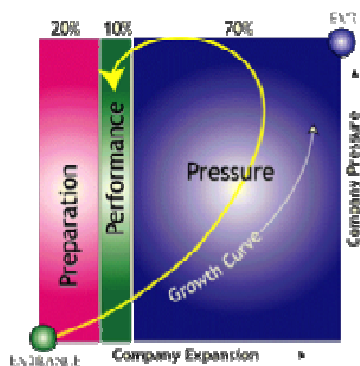
In the “ideal” mode, pressure is well-managed and minimized by adequate preparation, which fuels performance.

**Ideal**  
*Healthy*



In the “unhealthy” mode, pressure is a major waster of resources due to minimal preparation for growth. Performance is significantly reduced.

**Unhealthy**  
*Increased Pressure  
Due to Little or No  
Preparation*



In the “troubled” mode, pressure is rampant due to poor performance and execution.

**Troubled**  
*Dramatic Pressure Due to  
Poor Performance or  
Execution*

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