



Birol Growth Consulting

BGC Growth Assessment Report

About the BGC Growth Assessment

The BGC Growth Assessment is based on FORECAST, a new Best Practices assessment and analysis instrument that measures your company's performance in 34 Best Practices and 171 Attributes of **fast** and **sustainable** growth against those of the world's best-run companies. Focusing on the areas of **Market Intelligence**, **Brand**, **Operations**, and **Talent**, FORECAST is the result of over a quarter century of experience working with the world's leading fast growth companies and the last six years of dedicated research in development of the instrument itself. Built by a team of executives, entrepreneurs, consultants, and business school professors, FORECAST is the most comprehensive Best Practices assessment on the market today.

FORECAST is unique in that it combines multiple aspects of the world's leading models, theories, and organizational development instruments into one. For example, you will find elements of Ken Blanchard's "Raving Fans" alongside Ichak Adizes' Lifecycle Theory and Peter Senge's work on Systems Thinking from MIT/Sloan. You will also find elements of not only one, but *five* major quality assessments contained in this instrument such as the Baldrige and EFQM assessments which are not only used by Fortune 500 companies throughout the world, but governments and public institutions as well.

Only FORECAST brings this complete suite of thought leadership together removing the jargon and consulting-speak so that its Best Practices and attributes can be used by your organization no matter what organizational development model, practice, or methodology yours may subscribe to.

By distilling Best Practices down to their basic elements, FORECAST can also be configured to work with new leading models as well. Through exclusive arrangement with *Applied KnowledgeLabs*, the creators of FORECAST, **Birrol Growth Consulting** has brought you its own customized version of the assessment focused specifically around those best practices and attributes relating to your company's **Best and Highest Use™** and Andy's own unique and highly sought after prescription for growth.

Underlying Models of the Assessment

There are three underlying core models of the Assessment: **Systems Theory**, **Organizing Theory**, and **Lifecycle Theory**.

Systems Theory in its simplest form explains the interconnectedness of everything within a business. It means that making change in one area affects the whole. Most problems or challenges facing the business today are only symptoms of an underlying cause that is more complex. If the organization does not take a larger view of the problem of the moment, it will not see the true cause. A quick way to tell if an organization is dealing with symptoms or the root cause is if the problem is recurring. If you are solving the same problem, you have been treating symptoms. Solving the root cause means the problem stays solved.

Organizing Theory (*The Law of 5's*) looks at the situational nature of the five processes, the five control mechanisms, and the five components of organizational structure that drive how a business organizes to maximize resources.

Lifecycle Theory looks a business over its entire life and based upon its current stage can help a company predict the greatest threats and opportunities it has both now and in the immediate future. It allows any business to understand their present circumstances and predict what is next.

Often when executives speak of what stage in their lifecycle they are in, they will refer to their current capitalization, number of customers, number of employees, or perhaps their number of physical locations. Lifecycle Theory, however, discounts those attributes. While age of the company, current capitalization, number of customers, number of employees, or perhaps the number of physical locations a company may have will be a statement to what that company has achieved, they are not necessarily predictors of whether or not those achievements can be *sustained*. Lifecycle Theory instead looks for those predictors by way of corporate culture and management's beliefs about what needs to be focused on which in turn *drive* the traditional indicators of success. For example, cash flow and profitability are both important in a company, yet profitability is less crucial to success in earlier stages than it is at later stages.

Regardless of industry, company history, company size, or revenue, all organizations must implement specific best practices at particular stages of their corporate life cycle in order to achieve optimum growth. A company may be 25 years in existence and has grown, and grown profitably, every year making it appear like it is at the Stable or Prime stage in its lifecycle, yet it may still be neglecting many Stage I or Stage II attributes which have in turn either stifled the company's *true* growth potential (i.e. it was growing at 10% per year "safely" while its competitors were growing at 20%), or are in fact setting it up for future hardship, or even demise.

Many of the challenges in companies today come from these best practices working out of sequence. Life Cycle Theory, and the FORECAST Assessment as a whole, can help determine what an organization needs to do first, and then next throughout its entire corporate life cycle. Research has shown that no matter from what industry or unique circumstances a company may be coming from, it must work these Best Practices in their proper order in order to achieve and sustain optimum growth. For further illustration of these Best Practices and their position in the corporate lifecycle, please note Appendices B and C near the end of this report.

A discussion of your assessment scores, beginning with **How To Read This Report**, begins on the next page.

How To Read This Report

Overall, this assessment is designed to determine how aligned your company is around its **Best and Highest Use™**.

As you recall from taking the Assessment, you were provided with a statement from which you either agree or disagree. A six-point scale was used to eliminate the midpoint and provide an score that was to one side, or the other. Of the scores themselves, a “1” indicates that the attribute does not exist, whereas a “6” indicates that it exists all the time. Comments are also included which provide further insight into the numbers provided.

Each score you see represents an average. In the larger, organization-wide report, the scores are divided into four categories - O, E, M, and I – which refer to the various respondent groups: **Overall, Executive, (Middle) Management, and Individual (or “front-line”) Contributor**. In certain cases, only the score for **Executive** will be provided.

To the right of the averages you will see the heading “Stage” along with a Roman numeral beside each attribute. This refers to the stage in the corporate lifecycle that attribute is associated with. Please note that the stage the attribute is associated with is **not** affected by that attribute’s score.

What to Look For In Your Report

While there are many “layers” to the data and your corresponding report (Andy will guide you through the pertinent ones), there are two things to look for which can help you put the report to immediate use.

1) **Stage I Scores Below 4.00**. A score below 4.00 for a Stage I attribute represents an area of the company that should receive immediate triage. Often challenges within a company that keep repeating themselves (i.e. they never stay solved) are a result of a Stage I attribute which has not been fully developed within the company.

2) **Conflicting Scores**. Attributes within the Assessment can be independent of one another, or either complementary or contradictory depending on their nature. For instance, a company may score itself very high on “Collecting Competitor Intelligence” yet score itself very low on “Market Research”, leading one to question how in fact the company is either collecting, or *perhaps storing and processing*, its Market Intelligence. Although there are many of these relationships between the attributes of the assessment, your FORECAST expert will guide you through the ones relevant to your company and current situation.

Finally, upon review of your scores, Andy will discuss how specifically his process can assist you in maintaining and improving each of these Best Practices and attributes within in your organization, as well as answer any additional questions you may have.

Expert analysts at Applied KnowledgeLabs have prepared an interpretation of your scores from an objective third-party position. Your Assessment Results begin on the next page, starting with the **Executive Summary** and followed by Andy Birol’s recommendations.

Executive Summary

The scores would indicate a very high degree of customer satisfaction and customer commitment within the company. Scores of 6.00 were present for such key attributes as Voice of Customers, Internal Service, Impacting New Customers, Rapid Response and Tailored Response. Other high scores for attributes such as Streamlined for Responsiveness (6.00), Continuous Improvement Processes (6.00), and Customer-Driven Strategy (5.00) appears to be in support of this as well.

Bureaucracy scores and Infrastructure scores would indicate that there's a lot of empowerment and/or autonomy in the organization as well with employees tasked with serving the customer.

Product & Service Offer Mix was given a score of 3.00. The statement responded to was: "It is very clear we have the right product & service offer mix for the price". With such high scores for Voice of Customers (6.00) and Adding Value to Customers (5.00), a score of 3.00 might suggest that the operative phrase in this statement could be "very clear". While Jamestown Coatings may be winning customers over, there appears to not be any basis other than sales and perhaps customer satisfaction indexes to address the question of "why" from a competitive standpoint. This would be supported by the low scores given for Market Research, Client Development, and Making The Rules.

Nonetheless, everything the company is doing internally appears to be working as far as keeping customers is concerned. Externally, however, the scores express some challenges as again the score for Product & Service Offer Mix would begin to suggest being less than a 4.00. Market Research was given a score of 1.00, as was Sales Automation and Client Development. Collecting Market Intelligence was given a 2.00.

In the short-term, a company can manage fairly well letting sales levels and feedback from customers suffice as market research and intelligence (especially if a company has exclusive products or services), however relying solely on this makes for an increasing level of customer and employee flight risk if situated in a marketplace with savvy and/or aggressive competitors. Low scores in these areas may indicate that the company is missing out on potential opportunities that further articulation of its brand may help to remedy.

Client Development was given a score of 1.00. If the company is in a transactional business where the ability to be a knowledge resource for the customer and build relationships between clients/customers and the company is limited, this score may not have a lot of bearing on the success of the organization. If the opposite is true, however, a 1.00 in combination with a low Characteristics of Profitable Customers score of 3.00 would indicate that the company may be leaving significant amounts of money "on the table" in trying to discover/meet a customer's needs. Sometimes a score of 1.00 here can be an indicator of too many "hassle customers" which may generate revenue, but at the expense of company efficiency or morale. It can also sometimes be an indicator that the company's employees tend to be excessive in trying to serve a particular group or type of customers to too much of the company's expense. Either way, the low scores for these attributes, especially those of Stage I, warrant more discussion.

Recommendations

Andy will be providing you with recommendations based on your data during your executive debriefing. Those recommendations and corresponding dialogue here will be captured in this section once the debriefing has concluded.

Stage I Attributes <4.00:

Part A:

<u>Attribute:</u>	<u>Score (Overall):</u>
Product & Service Offer Mix	3.00
Market Research	1.00
Collecting Market Intelligence	2.00

Part B:

<u>Attribute:</u>	<u>Score (Overall):</u>
Identifying Best Customers	2.00
Characteristics Profitable Customers	3.00
Making The Rules	1.00

Part C:

<u>Attribute:</u>	<u>Score (Overall):</u>
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- No scores <4.00

Part D:

<u>Attribute:</u>	<u>Score (Overall):</u>
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- No scores <4.00

Your Assessment scores begin on the next page.

Best and Highest Use® Survey Results

Part A: Internal Perception		3.33	
Description	Attribute	E	Stage
<p>Internal Perception</p> <p>How your firm perceives what your customers value it for doing.</p> <p>A snapshot of the perceptions of your systems, structure, processes, and procedures that currently deliver your firm's BHU.</p>	Understand Customer Use	5.00	II
	Product and Service Offer Mix	3.00	I
	Market Research	1.00	I
	Right Structure	2.00	III
	Adding Value to Customers	5.00	II
	Communicate Key Performance	4.00	III
	Collecting Market Intelligence	2.00	I
	Enhance Brand Image	2.00	II
	Internal Service	6.00	III
	Vx of Customers	6.00	III
	Capability Development	2.00	III
	Maintaining Price Integrity	2.00	IV

Part B: External Snapshot		3.85	
Description	Attribute	E	Stage
<p>External Snapshot</p> <p>An analysis of the company's performance in the marketplace based upon their opinion of the perception of former and existing clients and suppliers.</p>	Identifying Best Customers	2.00	I
	Characteristics Prof. Customers	3.00	I
	Impacting New Customers	6.00	I
	Research-Driven	5.00	I
	Provide Superior Value	5.00	I
	New Uses for Existing Offer	2.00	III
	Understand Trends	4.00	I
	Rapid Response	6.00	I
	Tailored Response	6.00	III
	Perceived Uniqueness (Brand)	3.00	III
	Chars of Best Customers	4.00	II
	Making The Rules	1.00	I
	Winning Profitable Customers	3.00	II

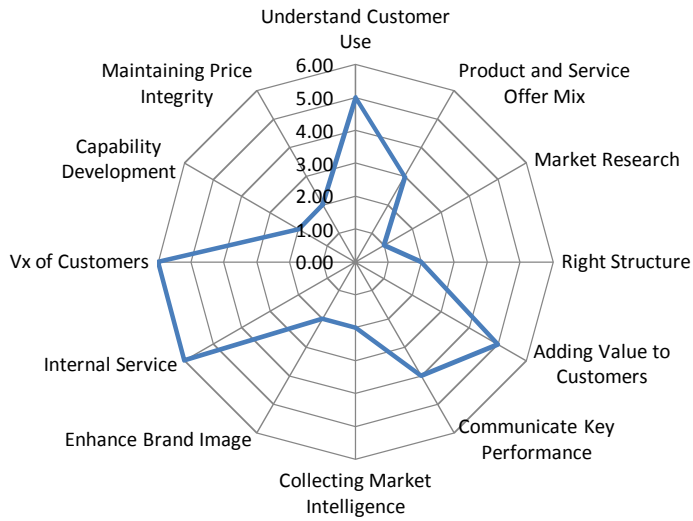
Best and Highest Use® Survey Results

Part C: Direction Setting		2.91	
Description	Attribute	E	Stage
<p align="center">Direction Setting</p> <p>An actionable growth plan designed to find, keep, and grow customers with confidence.</p>	Customer-Driven Strategy	5.00	I
	Sales Automation	1.00	III
	Client Development	1.00	III
	Formal Customer Development	3.00	III
	CRM Technology	5.00	I
	Build Right First Time	5.00	III
	Flexible Output Perception	5.00	IV
	Selling Overwhelms Service	1.00	III
	Flexible Output Reality	1.00	III
	Runs @ 95% Capacity	2.00	IV
	Perceived Uniqueness (Metrics)	3.00	II

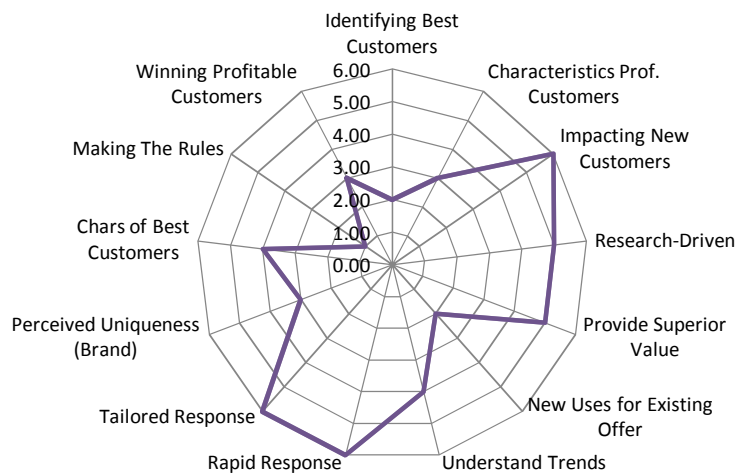
Part D: Tactics and Structure		4.09	
Description	Attribute	E	Stage
<p align="center">Tactics and Structure</p> <p>Your confidence in implementing your Best and Highest Use by aligning strategy with people, processes with clients.</p>	Silo-less Infrastructure	5.00	III
	Impact on Existing Customers	5.00	III
	Bureaucracy Not an Obstacle	4.00	IV
	Remove Non-Value	3.00	III
	Excellent Service w/ Margins	3.00	III
	Policies for Service	5.00	III
	Continuous Impr. Programs	6.00	III
	Appropriate Funding	1.00	IV
	Provide Superior Value	5.00	I
	Streamlined for Responsiveness	6.00	III
	Sales Process Objectives	2.00	III

Best and Highest Use® Survey Results

Part A: Internal Perception

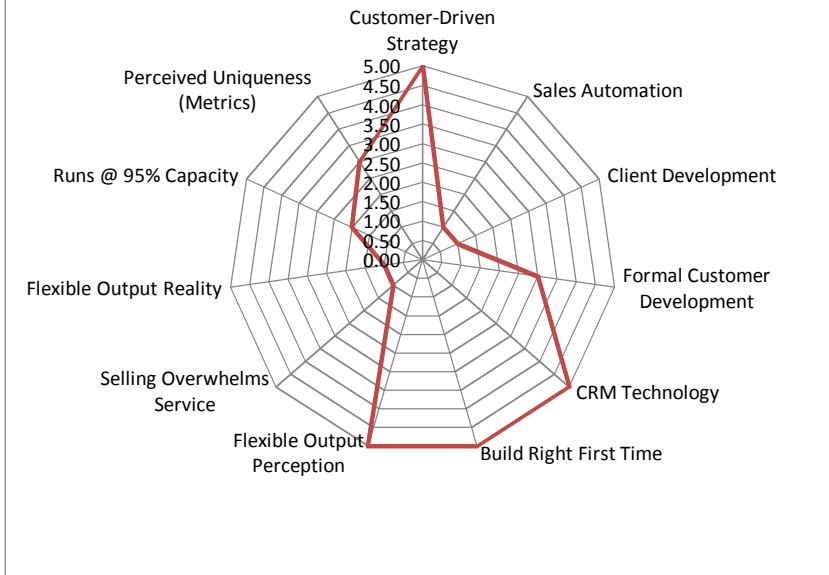


Part B: External Snapshot

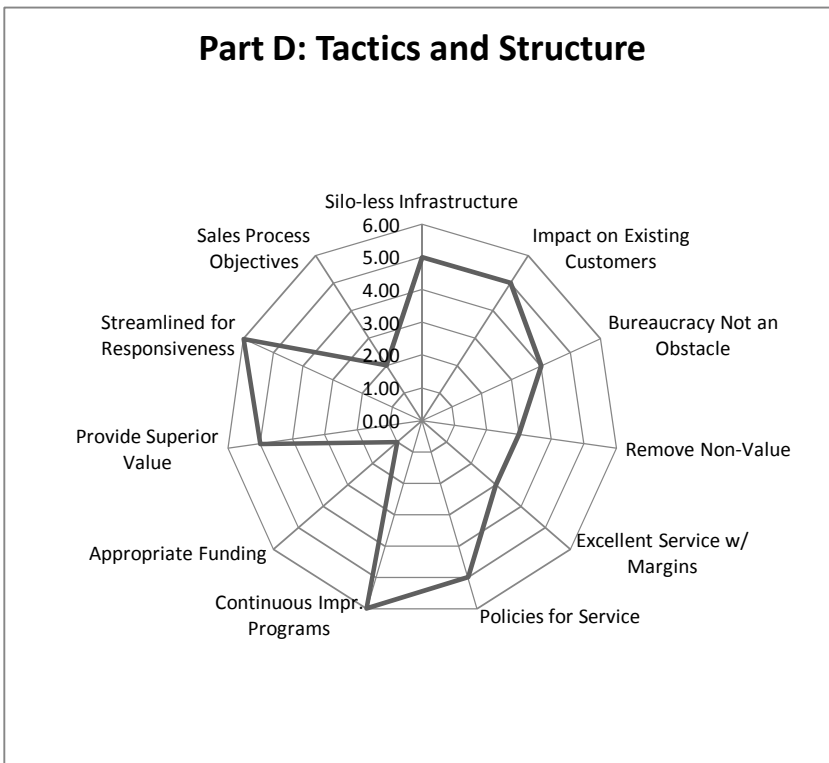


Best and Highest Use® Survey Results

Part C: Direction Setting



Part D: Tactics and Structure



Appendix A: Glossary of Concepts

Market Intelligence (Competitive Advantage)

<p>The essence of understanding market leadership, this section identifies where the organization can excel and is the matched set for Core Competency. Competitive Advantage exist in both real time and the future, understanding the under- or unserved needs with significant financial gain of a targeted niche.</p>			
Best Practices	Description	Attributes	Definition
Competitive Landscape	Creating an accurate and complete picture of the entire marketplace, used to identify current and future customer value	Impacting New Customers	The benefit of any offer is how it affects the customers business.
		Impact on Existing Customers	By understanding our customers better, we can improve the profitability of the relationship
		Making the Rules	Given only two choices in the marketplace, copy, or lead, the leaders force their competitors to copy.
		Research Driven	Intuition alone is dangerous; market leadership utilizes intuitive knowledge based upon provable facts.
Product to Knowledge	Understanding how the customer uses your products and services to drive continuous improvement of your existing offer and development of new products and services	Customer Driven Strategy	Business strategy is designed to improved customer performance.
		Leader-Customer Contact	Developing critical intuitive knowledge by direct contact with the market
		Client Development	Improving the profitability of existing accounts with the same diligence as improving product quality
		Market Research	Comparing current and future competitors, identifying most and least profitable customers, and the best and worst products (services) available.

Targeted Industries	Based upon Competitive Landscape, the selection of specific industries with un or underserved needs and high economic return	New Uses for Existing Offer	Identifying the most profitable customers today and the immediate future for the current offer.
		Understand Trends	Identifying the issues affecting value of customers, the customers' customer, and competitors.
		Identifying Best Customers	Identifying the characteristics of the best and worse customers.
		Characteristics Profitable Customers	Identifying customers where there is a match between vision-mission-values, business models, and willingness to pay for performance.
		Rapid Response	Flexibility of the systems to operate in the real-time to customer needs
		Tailoring Response	Flexibility of the systems to customize the offer to provide better value to the customer
		Product and Service Offer Mix	The company's offer of products and services at current price matches the targeted accounts

Brand (Core Competence)

Fast growth starts with brand, and what makes it superior in the eyes of the customer. Beyond a marketing campaign, it is about perceived customer benefits of your end product and the experience of buying and using it. It must be difficult for competitors to imitate, and must create uniqueness from anyone else.			
Best Practices	Description	Attribute	Statements
Stakeholder Contribution	Creating a clear and compelling picture of the company's future that enables everyone: employees, suppliers, and shareholders to contribute	Distinguishing Mission Statement	The end game, what the company intends to achieve for whom.
		Embraced Vision & Values	The company's social rules, how we intend to accomplish the mission.
		Clarity of Purpose	Ensuring the "rules of the game" is clearly defined to allow for independent action.
		Long Term Perspective	All short-term actions are weighed against the long-term impact.
		Respected Leaders	The behavior of corporate leaders is consistent with the organizations mission, vision, and values.
Infrastructure Alignment	Given your company's strategy and processes, the most efficient method of organizing to ensure coordination without bureaucracy	Reporting Methods	The company provides the right amount of information about the few key metrics.
		Streamlined for Responsiveness	All processes are aligned with impact on the customer's business or those who service customers.
		Solve Problems	The company is not reactive to reoccurring problems, issues are solved once.
		Silo-less	Processes drive structure; the company organizes around core processes and then determines the best structure.
		Fire Fighting	The urgent (the immediate) does not crowd out the critical (long term).
Cultural Adaptability	Based upon your company's history and traditions, the ease or difficulty for using all of its resources to conduct on-going change	Flexible	The company's culture (social structure) is flexible enough to match rate of change in the marketplace.

Goal Integration	The blending of diverse goals (business objectives, job demands, professional development) to align people with strategy, processes with customers	Communicate Key Performance	The company collects and shares information to provide clarity to act.
		Customer Feedback	Information about customers is part of corporate reporting.
		Information on Quality	Information about quality is part of corporate reporting.
		Understand Personal Impact	All members understand their impact on corporate performance.
		Service to Existing Vs. Selling to New	The company balances service to existing customers with gaining new customers.
		Selling Overwhelms Service	Internal service is treated with the same diligence as external service to customers.
		Common Objectives	High levels of consistency exist between customer objectives and company objectives.
		Policies for Service	Policies for servicing internal and external customers are consistent throughout the company.
Resource Deployment	Given the restrictions on available resources (money, time, people, focus), a process that maximizes results from current budget	Right Structure	Execution is a core component of everyone's job.
		Executive Focus on Service	The company fully supports fewer initiatives to ensure execution instead of under funding many initiatives.
		Sufficient Resources	The company is never confused: purpose always trumps policy.
		Bureaucracy Not an Obstacle	The company's structure supports performance and does not serve as an obstacle.
Intellectual Leadership	Your company's ability to establish thought leadership in its industry by being first to take advantage of new opportunities	Collecting Market Intelligence	Collecting, interpreting, and sharing knowledge about the market is a core function in the company.
		Developing Future Capabilities	Information about future opportunities and threats drives internal improvement.

Migration Management	Based upon trends identified in your company's Targeted Industries, the ability to move into new markets while the opportunity exists	Improving Core Capabilities	Part of the company's yearly strategy is the improvement of internal processes.
		Leveraging Technology	The company uses technology as leverage for improvement and increasing productivity.
		Assembling Experts	The company has relationships with industry and subject matter experts to improve the business.
		First to New Markets	The company is successful at being first to take advantage of changes in the market.
		Quickest to Customers	The company is successful at being first at introducing new products and services in the market.
Change Readiness	The ability of your organization (strategy, processes, resources, people) to tackle change as part of how business is done	Planned	The company understands that the process of making changes is as important as the quality of the decisions.
		Compelling	All changed is approached and managed through WIIFM (What Is In It For Me).
		Invigorated	Members of the company understand that change is core the business and enjoy the challenge.
		Collaborative	Special emphasis is placed on collaboration during period of change to minimize isolation and resistance.
Strategic Response	The creation and execution of business strategy that creates a competitive advantage by making your brand superior in its niche	Anticipating Change	The company understands the market and their customers, and therefore is first in the market.
		Winning Profitable Customers	The company competes for and wins the best customers.
		Best Suppliers	The company competes for and wins the best suppliers.
		Technology for Service	The company uses technology as leverage for implementing strategy.
		Capability Development	Information about current opportunities and threats drives internal improvement.

Targeted Accounts	Based upon your Targeted Industries, selecting customers that match the company's core competence	Perceived Uniqueness	The company understands how to be distinctive in the customer's eyes.
		Adding Value to Customers	The company constantly looks for ways to make existing accounts more profitable.
		Collecting Competitor Research	The company understands how to be distinctive from their competitors.
		Executive Involvement in Sales	The company founder-owner-executive has an active role in the sale process.
		Right Selling Level	The sales force is selling to the right customer level.
		Understand Customer Use	The sales force understands how customers use the company's products and services.
		Characteristics of Best Customers	The sales force understands the reasons the best customers are the best customers.
		Right Sales Metrics	The company measures sales in a way that ensures the sales force will do the right thing
		Enhance Brand Image	Everyone in the company ensures the brand is protected or enhanced.

Operations (Productive Capacity)

The essence of your business model, this section measures the organization's ability to provide products, services, and customer enthusiasm to specified markets. It is the delivery component for Core Competency.

Best Practices	Description	Attribute	
Information Acquisition	The availability of multiple methods of storing information (quantitative and qualitative) from business operations for future use.	Storage	Our processes ensure that knowledge is embedded in processes and is readily available.
Development & Research	Reversal of traditional R&D, new ideas is developed in collaboration with suppliers and customers: bringing products and services to the market faster and at lower cost.	Aggressively Build Capabilities	Part of the company's R&D processes is dedicated to improving of how it does business.
		Problem Solving	The company has a commonly used process for analyzing problems.
		Soliciting Input	The right people – subject matter experts, process owners – are involved early in the R&D process.
		Brand Uniqueness	Being unique is integral to any design specifications for new products & services.
		Voice of Customer	Customer specifications are integral to any design specifications for new products & services.
		Voice of Supplier	Supplier specifications are integral to any design specifications for new products & services.

Process Design	An established process for designing and building product, service, sales, and support processes that ensures right first time delivery.	Remove Nonvalue	The company ensures all nonvalue added activities are eliminated from processes.
		Build Right First Time	Designing processes with quality built in, not inspected in later.
		New Process = New Standard	Designing processes that create new standards for quality, speed, and cost.
		Excellent Service Margins	Great margins are built into all service processes.
		Locus of Control	People focus their time and energy on things under their control.
		Performance Autonomy	Everyone has the freedom necessary to do the job right the first time.
		Minimize Management Surprises	Management's decision-making is fact based and consistent.
		Provide Superior Value	Providing superior value to the customer is built into the process.
		Provide Value @Price	Designing processes that build superior value for the price.
		Flexible Output	Product and service processes are flexible and able to adjust to market demands.
		Run @95% Capacity	Product and service processes are capable of running at 95% of its capacity over time.
		Operational Cleanliness	Acting as if all functions and processes are open and available for immediate customer inspection.

Knowledge Dissemination	The availability of multiple methods for retrieving information (quantitative and qualitative) used in problem solving and decision-making.	Availability	All information relevant to problem solving, decision-making, and operating the business is immediately available.
		Direct Access	Everyone in the organization has access to relevant information when performing his or her role.
		Task Procedures	Knowledge on how processes work is embedded in the system.
		Notified of Advertising	Information about marketing and advertising campaigns is shared internally prior to launch.
		Right Information	The right people have access to the right information at the right time.
Production Equipment	Reliable and robust applications (machinery, computers, pagers, phones, etc.) that are user friendly and dependable.	Info-structure	We have the necessary equipment in place to leverage all resources.
Inventory Management	An established and ongoing process for managing inventory using JIT (just in time) methods to reduce costs and ensure quality.	Turnover Metric	Inventory turnover is a shared and managed metric.
		Turnover Leader	Our company exceeds the industry average for inventory turnover.
Preventive Maintenance	An established and ongoing process for ensuring equipment is managed through its lifecycle, not run to destruction.	Maintenance Schedule	We do not run to destruction, our equipment is serviced to ensure
		Production Downtime	The maintenance schedule eliminates untimely breakdowns that affect production.

Process Reengineering	An established and ongoing process that ensures every component of the business is continuously improved using the tools of quality.	Front Line Continuous Improvement	The front line is responsible for initial quality and continuous improvement.
		Local Control of Resources	All members of the company have control of resources required to do the job.
		Feedback on Continuous Improvement	All members of the company receive feedback on performance that drives improvement.
		Continuous Improvement Programs	Processes exist and are used to constantly improve all components of the business.
		Quality Programs	Processes exist and are used to consistently improve initial quality on all components of the business.
		Challenging Work	Jobs are structured to be challenging and demand high levels of performance.
		Safety Emphasis	When processes are designed, safety has the same priority as quality and continuous improvement.
Project Management	A core competency of change, the ability to manage the process of change is determined by the ability to manage large and complex projects.	Tracking Progress	Projects are tracked to ensure the result meets specifications: features, budget, and schedule.
		Team Involvement	Projects are designed and managed to include all the key stakeholders.
		Industry Leading Process	Processes exist and are used to consistently manage projects.
		Meeting Efficiency	Project meetings are held frequently (as appropriate) and are well run.
		Teamwork Effectiveness	Collaboration is a key component of the project management process.

Beta Testing	Based on research & development initiatives, a methodology that tests processes, products, and services with end users prior to launch.	Product Testing	New products (services) are tested prior to customer delivery.
		Appropriate Funding	New products (services) development receives necessary funding to do it right the first time.
		Testing New Capabilities	New products (services) are developed with improving the customer's competitive advantage as key objective.
		Maintaining Price Integrity	The company does not have to reduce its price after introducing new products (services).
		Leader in Product Launch	The company has developed a reputation as an industry leader for developing new products (services).

Operations to Knowledge	The lessons learned from internal operations to R&D and continuous improvement initiatives.	Customer Recovery	The company has a clear and flexible policy to allow the customer-contact personnel to recover from over-promising and under-delivering.
		Formal Customer Development	When processes are designed, improving the profitability of current customers has the priority as the Sales Process.
		CRM Technology	The company's long-term goal in all customer relationships is creating long-term loyalty with the most profitable.
		Exceeding Customer Expectations	The company constant provides +1% service; just a little bit more than expected.
		Customer Driven Innovation	Customer feedback and performance of the company's products (services) is used to drive innovation.
		Supplier Driven Innovation	The company shares industry and customer information with suppliers to identify new ways of growing the business.
		Sales Process Objectives	When processes are designed, improving the profitability of new customers has the priority as products (services).

Talent (Discretionary Performance)

Talent represents the amount of performance the organization can capture beyond what is required. Typically, standards are set artificially low. No business is able to sustain itself when people do the minimum. Every successful company has a competitive advantage through people who work harder than required or compensated.			
Best Practices	Description	Attribute	Statements
Knowledge Development	A future focus on the skills required to meet the performance demands as the company moves into new business opportunities	Education	The company invests in knowledge for future business demands.
		Career	The company invests in knowledge to support making the organization a career.
Motivating Work	A work environment where the barriers are removed and the factors that multiply performance enhanced	Responsibility = Authority	The amount of responsibility demanded of employees is equal to their degree of authority.
		Unburdened of Bureaucracy	Individuals are never conflicted between following policy and doing the right thing.
		Self Esteem & Accountability	The company is able to maintain employee self-esteem while holding them accountable.
		Encourage Initiative	The company expects and has built into every role the need to take the initiative and not wait for direction.
		Reward for Corporate Results	The company rewards performance in a way that makes the effort worthwhile.
		Reward for Special Effort	The company rewards special effort in a way that makes it a good deal.
		Overall Respect	Employees are treated with respect regardless their level in the company, same as customers and suppliers.
		Share Business Information	All relevant and appropriate information about the business is shared to enable initiative.
		Solicit Innovative Ideas	The company seeks information from all employees to drive innovation.

Employer of Choice	The processes for attracting, developing, and keeping the right talent to become the Employer of Choice in your niche	Promotion for Performance	How the company promotes people is known and considered fair.
		Selection of Right People	The company's employment process ensures the right person is available.
		Recognizing Talent	The company rewards people in a way that makes the effort worthwhile.
		Retaining the Best	The company's employment process ensures the right people are retained.
		Separating the Mismatch	The company's employment process ensures the right people are separated as quickly as possible.
		Rewarding Leadership	The company rewards leaders for the development of people.
		Hire the Best	The company's employment process attracts the right people at the right time.
		Qualified for Promotion	The company's employment and training processes ensure a pool of talent is available for selection.
Work Organization	The informal and social relationships between members of a group and between other groups that support or hinder overall performance	Servicing Internal Customers	Internal customers are serviced with the same diligence as external customers.
		Managing Interpersonal Dynamics	The challenges of interpersonal dynamics are managed as part of maintaining collaboration.
		Service & Quality Teamwork	Teams are focused on serving customers (internal and external) by working together.

Group Performance	The creation of synergy from teamwork where to results are greater than the sum of the parts	Individual & Group Scorecards	The company has scorecards to measure the performance of groups and teams.
		Team Based Innovation	The company uses groups and teams as essential element in the innovation process.
		Significance of Membership	The purpose for creating groups and teams is to achieve something of significance for the company.
		Internally Driven Improvement	The company uses the interpersonal dynamics of group membership to drive performance.
		Group Success	Groups and teams are assembled for the right reasons, provide with clear mandates, and managed to achieve high levels of success.
Performance Feedback	Formal and informal communications on organizational, departmental, group and individual performance	Openness & Trust	Building trust is one of the objectives for how the company provides performance feedback.
		Formal Performance Appraisals	Performance evaluations are a core element of the reporting process and are used for personnel and compensation decisions.
		Self-Managed Scorecards	Every individual in the company has a scorecard that is used to track and self-manage performance.
		Leader as Coach	Leaders in the company use scorecards to coach individual and group performance.
		Management Involvement	The company's decision makers receive frequent information from customer-contact personnel to collect real time perceptions.
		Solicit Suggestions	Customer contact employees are an important source for improvements to the customer service process.
		Management Face Time	The company's decision makers have frequent face-to-face meetings with customer-contact personnel.
		Service Component in Evaluations	Customer service is a core component of all performance measures

Behavioral Boundaries	The establishment of operating limits that define acceptable behaviors and enable independent decision-making.	Role Models	Individuals in leadership positions are the best role models for the company's values.
		Total Accountability	The company holds individuals and groups responsible for violating the company's values.
		Vision & Values = Behavior	The company's values are used by everyone to guide behavior.
Objective Setting	A clear and concise picture for individual and group performance that serves as the basis for performance management, succession planning, and compensation	Individual & Team Performance	The goals of leaders and managers contain the goals of both individuals and groups.
		Support for Corporate Objectives	Leaders and managers in the company are available to support attainment of business objectives.
		Communicating Success Factors	The company ensures that business objectives are integral to individual and team goals.
		Building in Customer Requirements	Customer requirements are integral to performance standards.
		Advertising Involvement	The company ensures it does not over-promise and under-deliver by including employees in the development of advertising.
Role Clarity	Specific and documented requirements of a job or task, linked to a process, and with real-time measurements.	Written Expectations	The company documents all performance contracts for feedback, rewards, and accountability.
		Link to Goals	Individual and group goals are linked to necessary resources and business objectives.
		Link to Processes	Every job/role in the company is clearly linked to its process.
		Goal Accountability	All employees are held accountable for business results and job performance.
		Clarity in Evaluation	All employees are clear and not surprised when performance is evaluated.

Skills Training	A present focus; bringing the skill levels up to meet current role demands.	Training Integrated with Job	Business objectives and job demands are reflected in all training courses.
		Training as a Priority	The company demonstrates its commitment to market leadership by investing in skill development.
		Training Supports Business	The company ensures that training supports business objectives.
		Clarity of Expectations	Training courses have a clear expectations and performance objectives.
		Back on the Job Support	The company ensures that after training employees are supported when applying new skills.
		Follow-up for Continuous Improvement	Training is always followed-up to ensure it is used by the individual.

Appendix B: Stages of Fast Growth by Attribute

Lifecycle Theory suggests that a company will move through each stage of its corporate lifecycle not by financial performance, but rather by its beliefs regarding what attributes should be focused on for each particular stage.

Applied KnowledgeLabs has identified 170 attributes that represent those of the world's leading companies, and in what stage those attributes are focused on in order to achieve and sustain optimum growth.

Companies may find that while they are categorically a "Stage III" company (as defined in Appendix C), they may have a number of Stage I or Stage II attributes which have gone either un-served or under-served as they've grown.

It is often found that the lack of focus or resources towards these attributes may be what is underlying an organization's current constraints to growth. For instance, a company may feel they are at Stage III in their lifecycle yet they are experiencing problems with increasing the revenue and profitability of accounts. It may be determined through further investigation that "Distinguishing Mission Statement", "Identifying Best Customers", and "Identifying Most Profitable Customers", all Stage I attributes, were foregone in the early stages of the company and instead, the company held a "Revenue Above All" belief system in place.

While cash flow is of course primary in the early stages, not doing *anything* in regards to these other three attributes can lead to a company having to now sort and cull their customer base in Stage III more than would have been necessary, at a time which is much more costly. With clients now much larger than in their earlier stages, and relationships which are now much more longstanding, a company can be left in a difficult position that could have been at least minimized if not avoided.

Issues with today's automakers can also be considered from this perspective, with there being a widely-held opinion that *Customer-Driven Strategy* and *Leader-Customer Contact* (both Stage I attributes) were neglected while *Internal Service* (i.e. taking care of Internal Customers) and *Streamlining* were given priority based on their perceived stage in their lifecycles.

Upon further review one will find that these attributes are indeed relevant to any industry and companies of any size or shape. Attributes specific to your organization will be discussed in more detail during your Executive Feedback session.

A table of the attributes and their appropriate Lifecycle Stage is listed on the next few pages.

Appendix B: Stages of Fast Growth by Attribute

Stage I	Stage II	Stage III	Stage IV	Stage V
Impacting New Customers	Leader – Customer Contact	Impact on Existing Customers	Flexible	60% Gross Margin
Making the Rules	Respected Leaders	Client Development	Bureaucracy Not an Obstacle	30% Revenue Growth
Research Driven	Anticipating Change	New Uses for Existing Offer	Improving Core Capabilities	30% Reinvested in Growth
Customer Driven Strategy	Winning Profitable Customers	Tailoring Response	Leveraging Technology	
Market Research	Technology for Service	Embraced Vision & Values	Assembling Experts	
Understand Trends	Perceived Uniqueness	Long Term Perspective	First to New Markets	
Identifying Best Customers	Adding Value to Customers	Reporting Methods	Quickest to Customers	
Characteristics of Profitable Customers	Executive Involvement in Sales	Streamlined for Responsiveness	Planned	
Rapid Response	Right Selling Level	Solve Problems	Compelling	
Product and Service Offer Mix	Understand Customer Use	Silo-less	Invigorated	
Distinguishing Mission Statement	Characteristics of Best Customers	Fire Fighting	Collaborative	
Clarity of Purpose	Right Sales Metrics	Communicate Key Performance	Storage	
Collecting Market Intelligence	Enhance Brand Image	Customer Feedback	Run @95% Capacity	
Collecting Competitor Research	Challenging Work	Information on Quality	Knowledge Availability	
Performance Autonomy	Responsibility = Authority	Understand Personal Impact	Direct Access to Knowledge	
Provide Superior Value	Self Esteem & Accountability	Service to Existing vs. Selling to New	Notified of Advertising	
Local Control of Resources	Encourage Initiative	Internal Service	Right Information	
Customer Recovery	Reward for Corporate Results	Selling Overwhelms Service	Turnover Metric	
CRM Technology	Reward for Special Effort	Common Objectives	Turnover Leader	
	Overall Respect	Policies for Service	Scheduled Maintenance	
	Share Business Information	Right Structure	Production Downtime	
	Self-Managed Scorecards	Executive Focus on Execution	Product Testing	
	Total Accountability	Sufficient Resources	Appropriate Funding	
	Role Models	Developing Future Capabilities	Testing New Capabilities	
	Individual & Group Performance	Best suppliers	Maintaining Price Integrity	
	Support for Corporate Objectives	Capability Development	Leader in Product Launch	

Stage I	Stage II	Stage III	Stage IV	Stage V
	Communicating Success Factors	Aggressively Build Capabilities	Education	
	Building in Customer Requirements	Problem Solving	Career	
		Soliciting Input	Unburdened of Bureaucracy	
		Brand Uniqueness	Promotion for Performance	
		Vx of Customer	Retaining the Best	
		Vx of Supplier	Separating the Mismatch	
		Remove Nonvalue	Reward Leadership	
		Build Right First Time	Servicing Internal Customers	
		New Process = New Standard	Managing Interpersonal Dynamics	
		Excellent Service with Margins	Service & Quality Teamwork	
		Locus of Control	Team Based Innovation	
		Minimize Management Surprises	Significance of Membership	
		Provide Value @Price	Internally Driven Improvement	
		Flexible Output	Group Success	
		Operational Cleanliness	Openness & Trust	
		Availability of Task Procedures	Formal Performance Appraisals	
		Info-structure	Leader as Coach	
		Front Line Continuous Improvement	Solicit Suggestions	
		Feedback on Continuous Improvement	Training Integrated with Job	
		Continuous Improvement Programs	Training as a Priority	
		Quality programs	Training Supports Business	
		Safety Emphasis	Clarity of Expectations	
		Tracking Progress	Back on the Job Support	
		Team Involvement	Follow-up for Continuous Improvement	
		Industry Leading Process		
		Meetings Efficiency		
		Teamwork Effectiveness		

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		New Process = New Standard	Managing Interpersonal Dynamics	
		Excellent Service with Margins	Service & Quality Teamwork	
		Locus of Control	Team Based Innovation	
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		Feedback on Continuous Improvement	Training Integrated with Job	
		Continuous Improvement Programs	Training as a Priority	
		Quality programs	Training Supports Business	
		Safety Emphasis	Clarity of Expectations	
		Tracking Progress	Back on the Job Support	
		Team Involvement	Follow-up for Continuous Improvement	
		Industry Leading Process		
		Meetings Efficiency		
		Teamwork Effectiveness		

Stage I	Stage II	Stage III	Stage IV	Stage V
		Formal Customer Development		
		Exceeding Customer Expectations		
		Customer Driven Innovation		
		Supplier Driven Innovation		
		Sales Process Objectives		
		Solicit Innovative Ideas		
		Selection of Right People		
		Recognizing Talent		
		Hiring the Best		
		Qualified for Promotion		
		Individual & Group Scorecards		
		Management Involvement		
		Service Components in Evaluations		
		Vision & Values = Behavior		
		Advertising Involvement		
		Written Expectations		
		Linked to Goals		
		Linked to Processes		
		Goal Accountability		
		Clarity in Evaluation		

Appendix C: FORECAST Lifecycle Stages

Stage I: Dream

Principals have decided to open the doors and execute the business plan. No systems are in place as of yet but should be mapped out in concept. Plans are fuzzy on the details; business concept driven mostly by a vision or dream. Personal inventory (“gut check”) must be performed in order to determine whether there is enough conviction to weather the storms and stay the course with a lack of systems and lack of support.

Stage II: Go Live

Cash is created by pursuing any and all opportunities that arise, but company is relying typically on a few key accounts to fund their startup (along with, perhaps, external sources of capital such as credit cards, banks or investors). There is typically a struggle to complete the product or service. A lot of mistakes are made, and often products or services will be replaced with better ones. Leaders/Founders are hands-on and participate in the day-to-day work. “Info-structure” is non-existent except for accounting and order-entry systems.

Stage III: Second Act

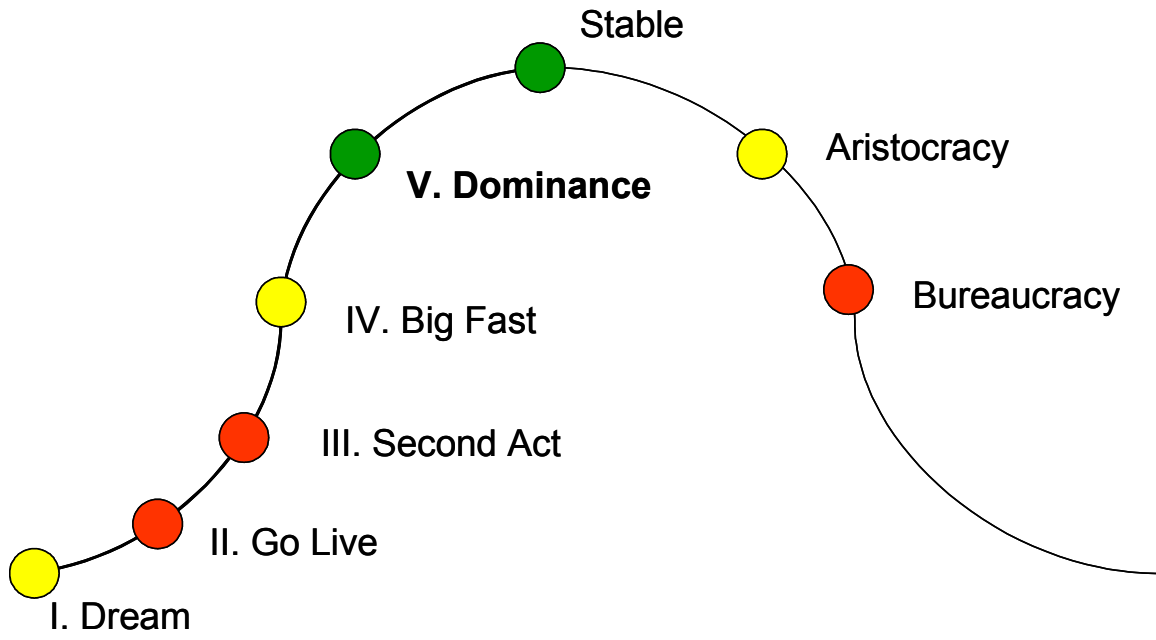
Company is on a high – they’ve survived the first cash drought, the products/services have been proven, and sales are now increasing. Dreams are now bigger – if you can succeed doing it for a few, why not for millions or even billions? The organization is strongly sales-driven and wants to consume and devour everything in its path. Every opportunity is pursued. Deals are often made without knowing fully whether or not the company can deliver. Everything is “now!” Lack of information or poor velocity of information affects executive decision-making, often causing a lot of fires. Change is driven by disasters, direction determined by which disaster is the biggest. Info-structure has improved, but is still mostly for data storage rather than active, real-time data usage.

Stage IV: Big Fast

Company starts looking and feeling like a “real” company. Accounting and information systems are in place, and the corporate culture shifts from entrepreneurial leadership to professional management. Some of the entrepreneurial drive begins to get reined in – controls are put in place around workflows and behaviors that may not be well-accepted. There is a definite contrast and feeling of “old vs. new” inside the organization. For the first time the company has been able to seriously consider its long-term potential. Bad news tends to move far slower than good news. Turf protection and turf wars may exist.

Stage V: Dominance

The optimum growth position where the company achieves a balance between control and flexibility. Gross margins are at 60%, with 30% of revenues being invested back into the company. The company operates in a clear, focused, and committed matter. Front-line and customer-facing employees are the eyes and the ears of the company. Bad news moves as quickly (or quicker) than good news. The corporate culture is balanced equally between Leadership and Management. Executive time spent “on” the business vs. “in” the business is around 50/50. Infrastructure is trusted by all employees. Company is in a constant stage of change which is supported and encouraged by all staff.





About Andy Birol

Andy Birol helps driven business owners create breakthrough growth and prosperity by discovering their **Best and Highest Use®** (BHU) and driving it through their firms. Birol's Firm, **Birol Growth Consulting** has increased the gross margins of over 400 businesses by an average of at least \$100,000 each for an economic impact of \$40 million overall.

Andy's business consulting philosophy is to passionately understand his clients' condition and aspirations and then bring as much in-depth influence, external objectivity and breakthrough thinking to help them "Get There." Following twenty years of management experience and backed by academic achievements from *Boston University* and *Kellogg Graduate School*, Andy has helped many firms grow their businesses in a variety of different ways. He has helped introduce new products, enter new markets and develop new distribution channels. He has designed new pricing, compensation and sales incentive plans as well as restructured and staffed marketing, sales and customer service organizations to achieve a greater level of success.

Andy has been quoted as an expert in such publications as the *Wall Street Journal* and *The New York Times*. He is the author of five books himself, his most recent being the *5 Catalysts of 7 Figure Growth*. He is the recipient of multiple entrepreneurial awards and is a much sought after speaker to both large and small organizations. With a passion for small business and entrepreneurship, Andy frequently leads owners' workshops and roundtables and coaches business owners one-on-one from all four corners of the globe. Andy has traveled, lived, spoken or worked in 59 countries and all 7 continents. He is based in Cleveland, Ohio, where he lives with his wife, Joan and daughter Margo.

More information about Andy's experience and accolades can be found on his website at www.andybirol.com (see "About Andy"). His passion for business, love of family, and firm belief in the American Dream is equally matched by his high level of expertise and insight, and we look forward to putting that to work for your company.