



# Albu on Strategy

Fall, 2004

## Growing “smarter”

One fundamental of successful strategic planning is the ability to craft growth strategies that capitalize on your organization's capabilities. Over my years as a strategy consultant, I have found the Growth Strategy Matrix (below) to be an excellent means for exploring alternative growth avenues. This simple yet effective tool is used to define business opportunities, leverage strengths, and minimize risk over the long term. It helps focus resources on growth initiatives with a high probability of success, given the skills and capabilities of employees, and strengths of your business processes and assets.

The Matrix consists of four boxes which allow you to evaluate products and services in relation to the capabilities of your infrastructure (your people, business processes, and assets).

		Growth Strategy Matrix	
		CURRENT INFRASTRUCTURE	NEW INFRASTRUCTURE
CURRENT PRODUCTS/SERVICES			
NEW PRODUCTS/SERVICES			X

In the upper left, the “current” product/infrastructure box represents your existing core businesses. In the lower left and upper right, you list “new” products/infrastructures. These are growth avenues to consider as extensions of your “core” capabilities.

First and foremost, don't pursue complex growth initiatives unless you have secured a strong foundation within your core businesses. Companies that try to expand from a weak core rarely succeed. Be sure your core business can support growth initiatives.

Second, avoid pursuing initiatives that fit in the lower right hand box (New Product

requiring New Infrastructure). Growth initiatives in this box are generally expensive and risky, with a low probability of success because the organization lacks experience and expertise.

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Dear Friends:

This issue contains three important messages for managers: there is a right way to plan for growth, suc-

cess lies in standing out from the crowd, and winners do not waste time with a long-drawn-out decision-making process.

Business leaders have much to learn from military tactics. There is value in understanding why military operations succeed (or fail). In business as in war, speeding and decentralizing the decision-making process can both confuse your opponents and strengthen your position in the marketplace.

This does not mean that decision-making should be rushed; but it need not be agonizingly slow. One valuable tool for making good growth decisions is the Growth Strategy Matrix. It helps you to identify the most promising avenues for expansion – and to avoid expensive errors.

Just when you thought you knew the rules, Seth Godin tells you to break them. His Purple COW is a persuasive argument for taking chances in order to stand out from the crowd, both in the creation of products and services and in the way you market them.

Finding the right balance between deliberation and swift action is always a challenge. I hope this newsletter will help. If you have a specific challenge you would like to discuss, please give me a call at 203/321-2147 or send an email to [info@albuconsulting.com](mailto:info@albuconsulting.com). Every call or note will receive my prompt, personal attention.

Sincerely,

Dick Albu, President

## Managing on the Front Lines

A recent *Inc. Magazine* article discussed business lessons learned from battlefield strategy in the Iraq war. The article interviews Jason Santamaria, a former Marine and one of three co-authors of *The Marine Corps Way: Using Maneuver Warfare to Lead a Winning Organization*. There were three top takeaways:

1. **“An organization can achieve its objectives even when it's rushed or lacks resources.** Any decision made with more than 80% of the information available is hesitation.”

2. **“Moving fast confuses the competition.** When the US made a quick transition from air to ground attacks, Iraqi troops were surprised. The enemy didn't have enough time to coordinate a response. The Marines call this ‘Tempo’.”

3. **“Decentralized decision making works.** During both the invasion and occupation, Marine commanders gave colonels unprecedented autonomy, so long as they achieved results.” Push decision-making onto the people that interact directly with the market place.





## BOOK REVIEW

### Purple COW: Transform Your Business by Being Remarkable

By Seth Godin (Author of *Permission Marketing*)

According to the author, “the world is full of boring stuff” which is why people do not pay attention. In today’s world of products and services, “Very Good is average.” In order to break-through the clutter, you need to be “remarkable.” Something remarkable is worth talking about, while boring stuff quickly becomes invisible. “In a crowded marketplace, fitting in is failing. In a busy marketplace, not standing out is the same as being invisible.”

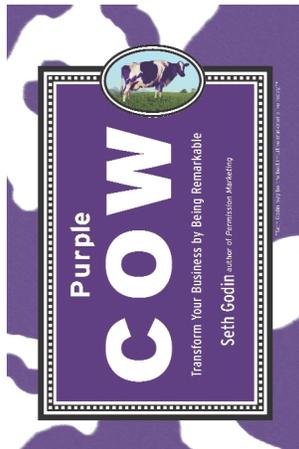
In a recent article by *FastCompany Magazine* entitled “In Praise of the Purple COW” the book was described as “a manifesto for marketers who want to make a difference at their company by helping create products and services that are worth marketing in the

first place. It is a plea for originality, for passion, guts and daring...today, the one sure way to fail is to be boring.”

The old rule of marketing is broken. The old rule was: “create safe products and combine them with great marketing...average products for average people. The new rule is: create remarkable products that the right people seek out.”

Companies that have created Purple Cows include JetBlue Airways, Hasbro, Poland Springs, and Starbucks...and there are many more examples and case studies.

If you want a new perspective on how to bring your product or service to life in a cluttered, competitive marketplace, the Purple COW will be worth your while to read. Enjoy!



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Growth initiatives that should be considered include those in the upper right hand box (current products that can be leveraged into new infrastructure). As an example, a company might decide to pursue the expansion of its current retail food products into the foodservice channel. A joint venture with an existing foodservice operator might be considered a means of entering this market.

Growth might also be considered in the lower left hand box (current infrastructure that can be leveraged to bring new products and services to market). As an example, a company might leverage its manufacturing capabilities or existing sales and distribution network to launch innovative new products to existing customers.

The number of growth initiatives you pursue will depend on the business oppor-

tunity, and impact on profitable growth. Quantifying each will help narrow your choices to the most promising growth initiative over the long term.

I have used this simple tool successfully with clients for over ten years, and in my own business. I would welcome any comments or questions you might have as you use the Growth Strategy Matrix to help you achieve profitable growth.

## Albuinfo

Albu Consulting is a business development and strategy consulting firm focused on helping companies ignite passions toward creating profitable growth. The firm specializes in facilitating the formulation and implementation of business plans that focus resources and eliminate waste, thereby increasing revenues and profits. Founded in 1994, Albu Consulting is well known for its collaborative approach to directing engagements, and has a successful track record of exceeding its clients’ expectations. The firm’s strength is its results orientation, and expertise in dealing with strategic and operational issues. Recently, a satisfied client had this to say about Albu Consulting:

**Hank Udow, Director of M&A, Cadbury Schweppes**

“Albu Consulting was retained to advise us on a multi-billion dollar acquisition. Their hard work, effort and thought were truly appreciated. Our Board members were impressed at the quality of the presentation and the discussion at our meeting. We also recognize the extremely tight time deadline and resulting pressure under which your team had to work.”

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“ If you don’t do it excellently, don’t do it at all. Because if it’s not excellent, it won’t be profitable or fun, and if you’re not in business for fun or profit, what the hell are you doing there? ”

**By Robert Townsend**