

**Initiative
for Real
Growth**

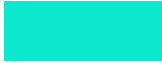
Preview of Findings

Marc de Swaan Arons

New York, January 16, 2018



Today



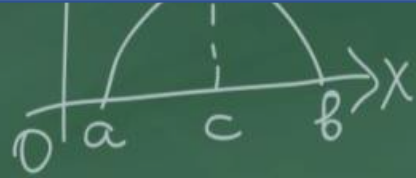
1. The Growth Challenge
2. Initiative for Real Growth
3. The 7 Building Blocks of Real Growth
4. Leadership Role
5. Discussion



The Growth Challenge

Traditional business growth formulas are failing

① $x=a, x=b$
 $f'(x)=0$



$$\lim_{x \rightarrow 2} (x-2) = 0,$$

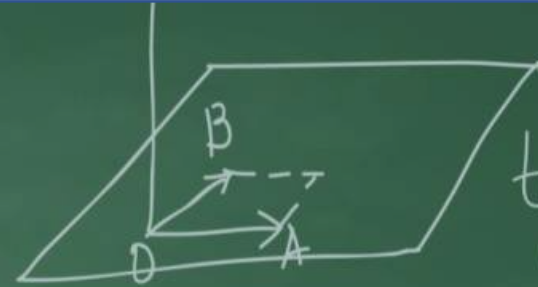
$$x = \rho \cos \varphi, y = \rho \sin \varphi$$

$$\lim_{x \rightarrow 2} (x+4) = 6 \neq 0$$

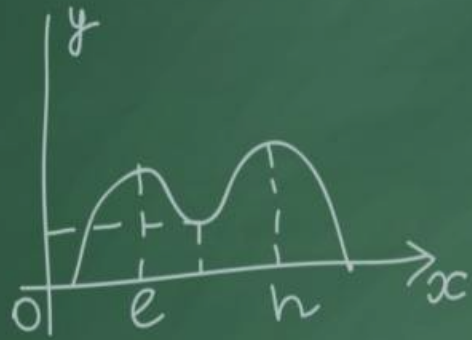
$$\rho = \sqrt{x^2 + y^2},$$

$$\tan \varphi = \frac{y}{x}$$

$$\lim_{n \rightarrow \infty} \left(1 + \frac{1}{n}\right)^n = e, n \rightarrow \infty$$



$$\tan 2d = \frac{2B}{A-C}$$



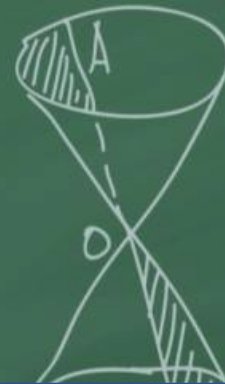
$$Ax^2 + 2Bxy + Cy^2 + 2Dx + 2Ey + F = 0,$$

$$\begin{cases} Ax_0 + By_0 + D = 0, \\ Bx_0 + Cy_0 + E = 0 \end{cases}$$

$$\begin{aligned} d(xe^{-x^2}) &= x de^{-x^2} + e^{-x^2} dx = x e^{-x^2} d(-x^2) + e^{-x^2} dx = \\ &= e^{-x^2} (1 - 2x^2) dx \end{aligned}$$

$$\begin{vmatrix} A & B \\ B & C \end{vmatrix} \neq 0$$

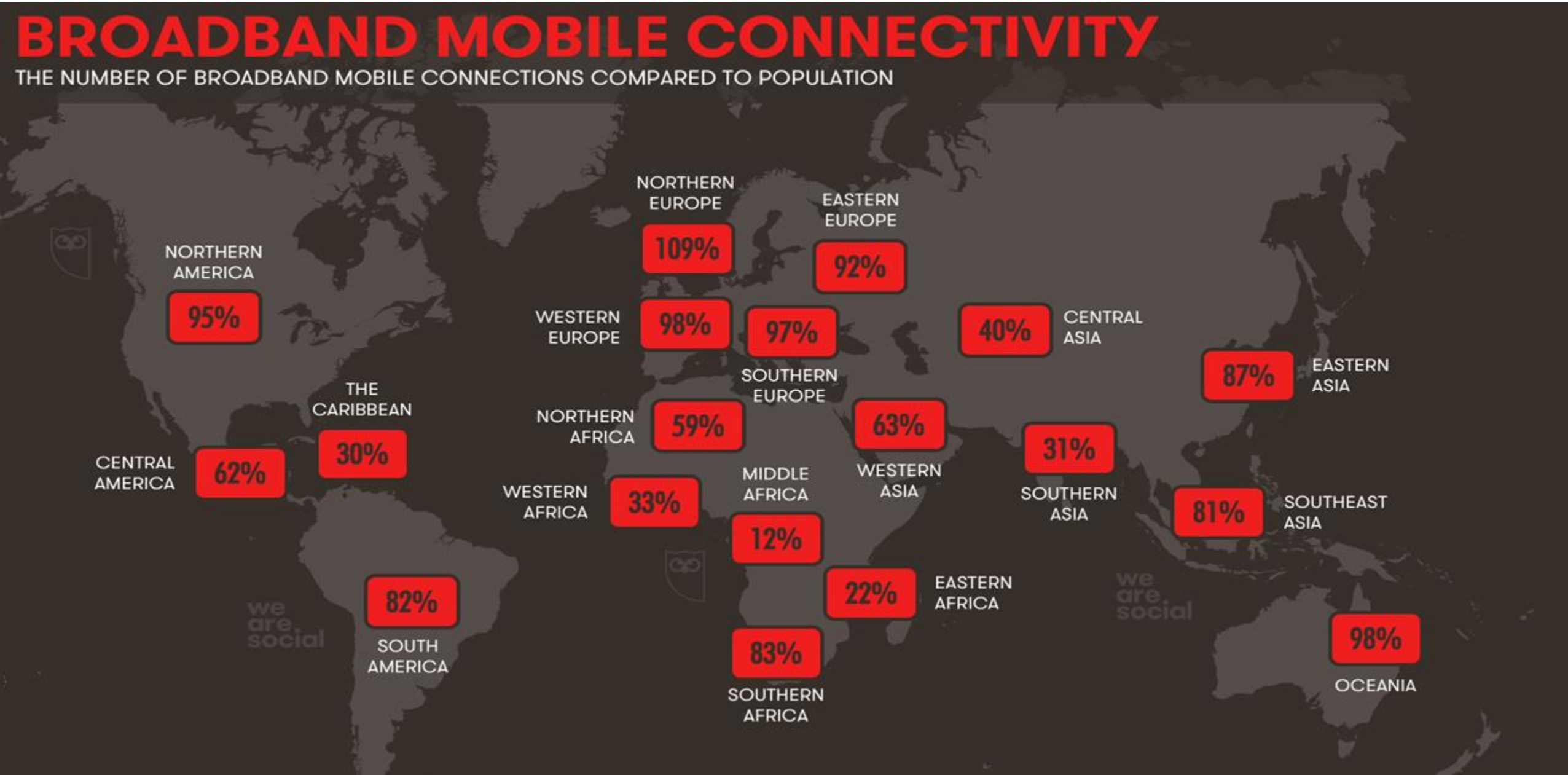
$$\frac{d \frac{e^t - e^{-t}}{e^t + e^{-t}}}{\frac{e^t + e^{-t}}{(e^t + e^{-t})^2}} = \frac{(e^t + e^{-t}) d(e^t - e^{-t}) - (e^t - e^{-t}) d(e^t + e^{-t})}{(e^t + e^{-t})^2} =$$



$$x_0 = - \frac{\frac{|D B|}{|E C|}}{\frac{|A B|}{|B|}}, c$$

$$|A D|$$

Geographic expansion is running out of steam



Barriers to market entry are disappearing



Vs.



airbnb

Better informed consumers are more demanding



Established players are losing out

30%

Disrupters are being disrupted



Growth without strategic focus presents danger



Corporate values are becoming more transparent



Employees are increasingly mobile



Consumers are conscious of societal impact

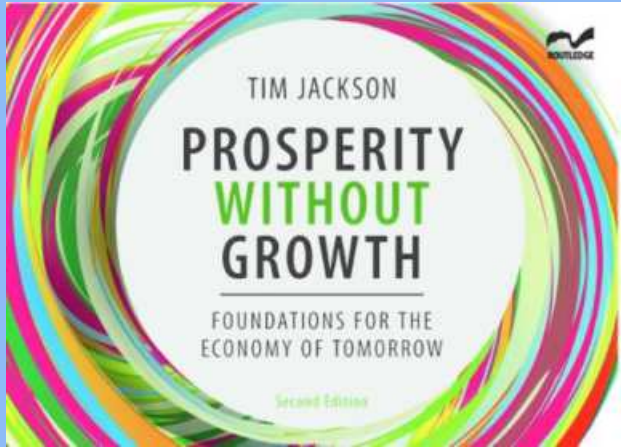
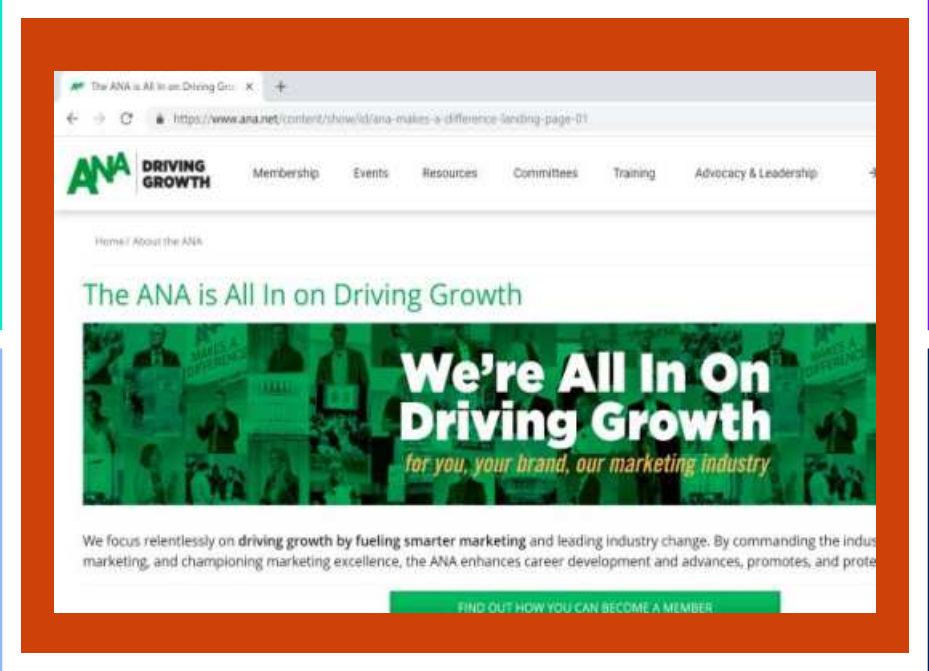
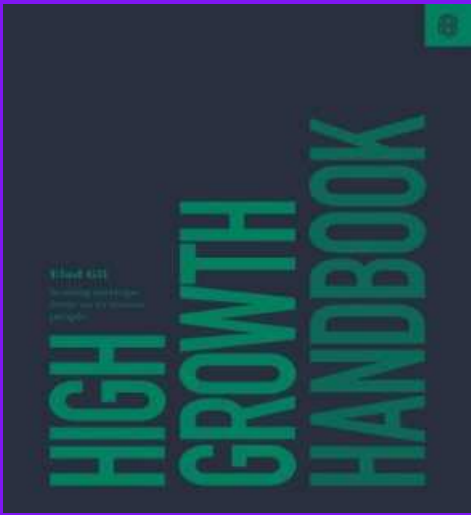
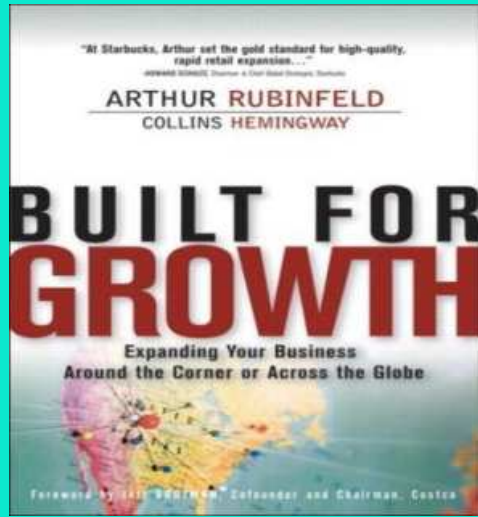


The 'License to Operate' is being challenged



Alternative growth models are emerging

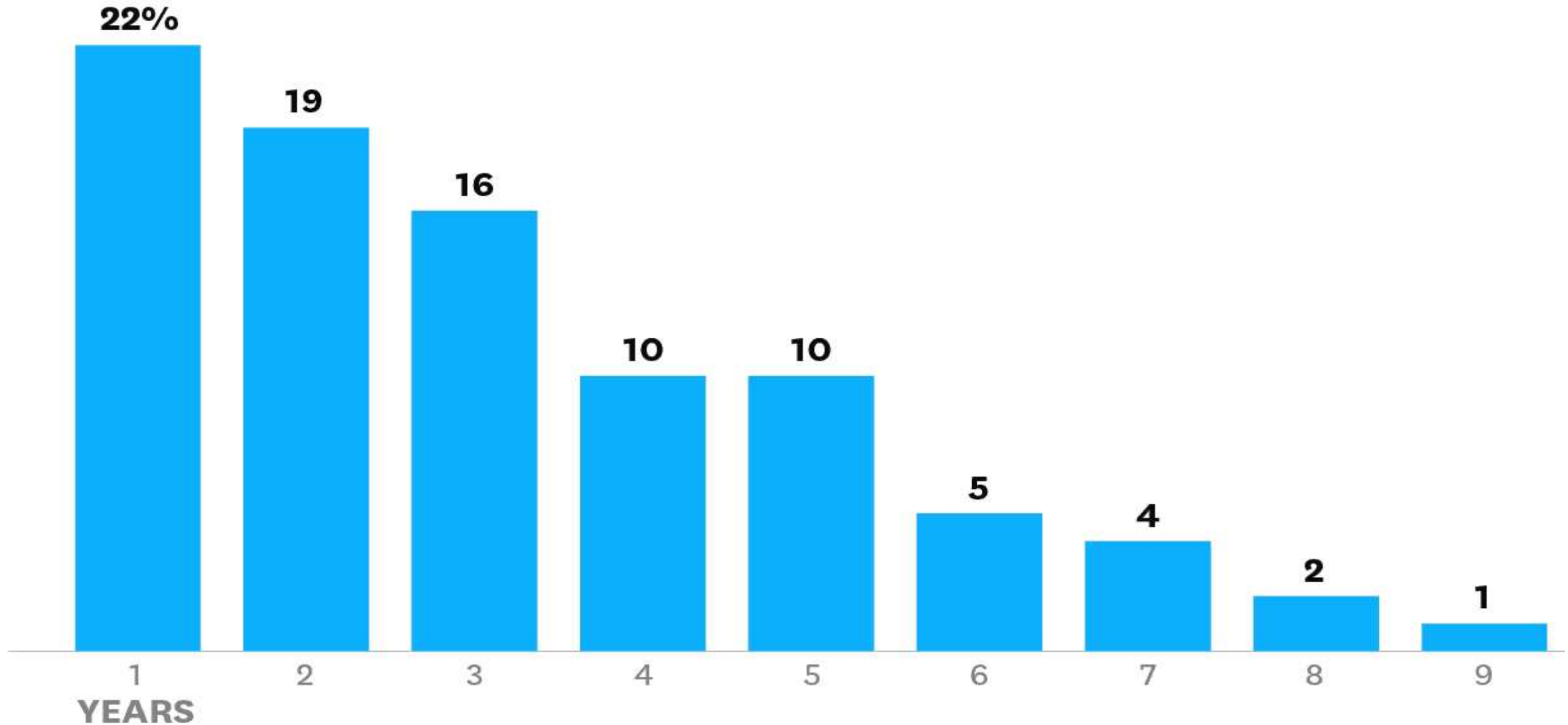




Marketing gets blamed when growth is lacking...



... CMO average only a 25-month tenure



There is a need for a new growth model





Initiative for Real Growth

Our approach is familiar



Experts from 11 WPP Companies



Program orchestration and partners



KANTAR CONSULTING

WARC



SpencerStuart



WPP



ANA



Advisory Board



Antonio Lucio
Global CMO,
Facebook



Lindsay Pattison
Chief Client
Officer, WPP



Lorraine Twohill
CMO, Google



Bob Liodice
CEO, ANA



Carolyn Everson
VP, Global
Marketing Solutions,
Facebook



**Meredith
Verdone**
CMO, Bank of
America



Shiv Shivakumar
GE President for
Strategy & Bus.
Dev., Aditya Birla
Group



Enzo Scarcella
COO, MTN



Peter Ter Kulve
CGO, Unilever



Penry Price
VP Marketing
Solutions,
LinkedIn



Di-Ann Eisnor
Director of
Growth, Waze



Yoram Wind
Emeritus
Professor
Wharton

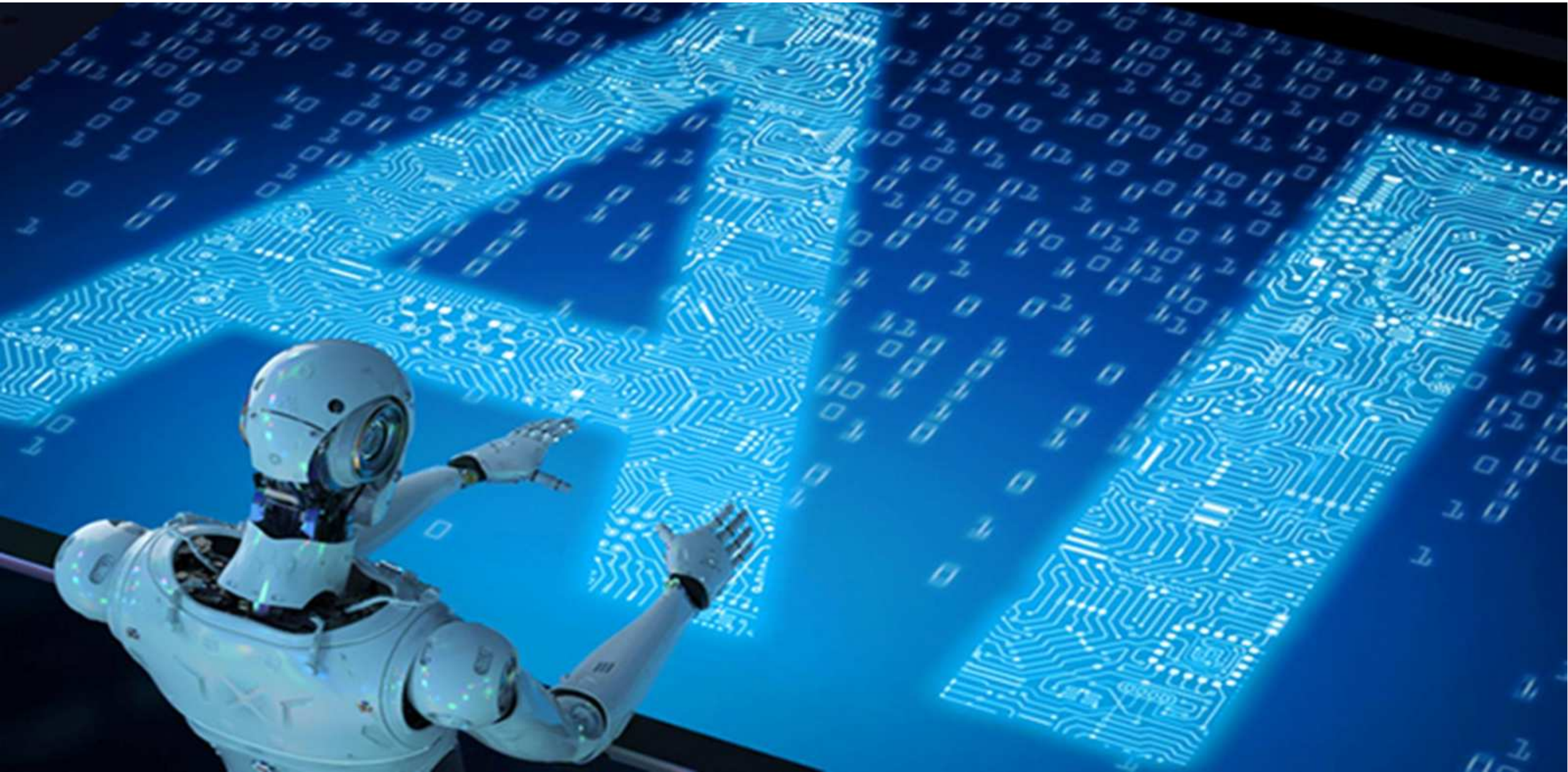


Cindy Wang
CMO, UXIN
Group

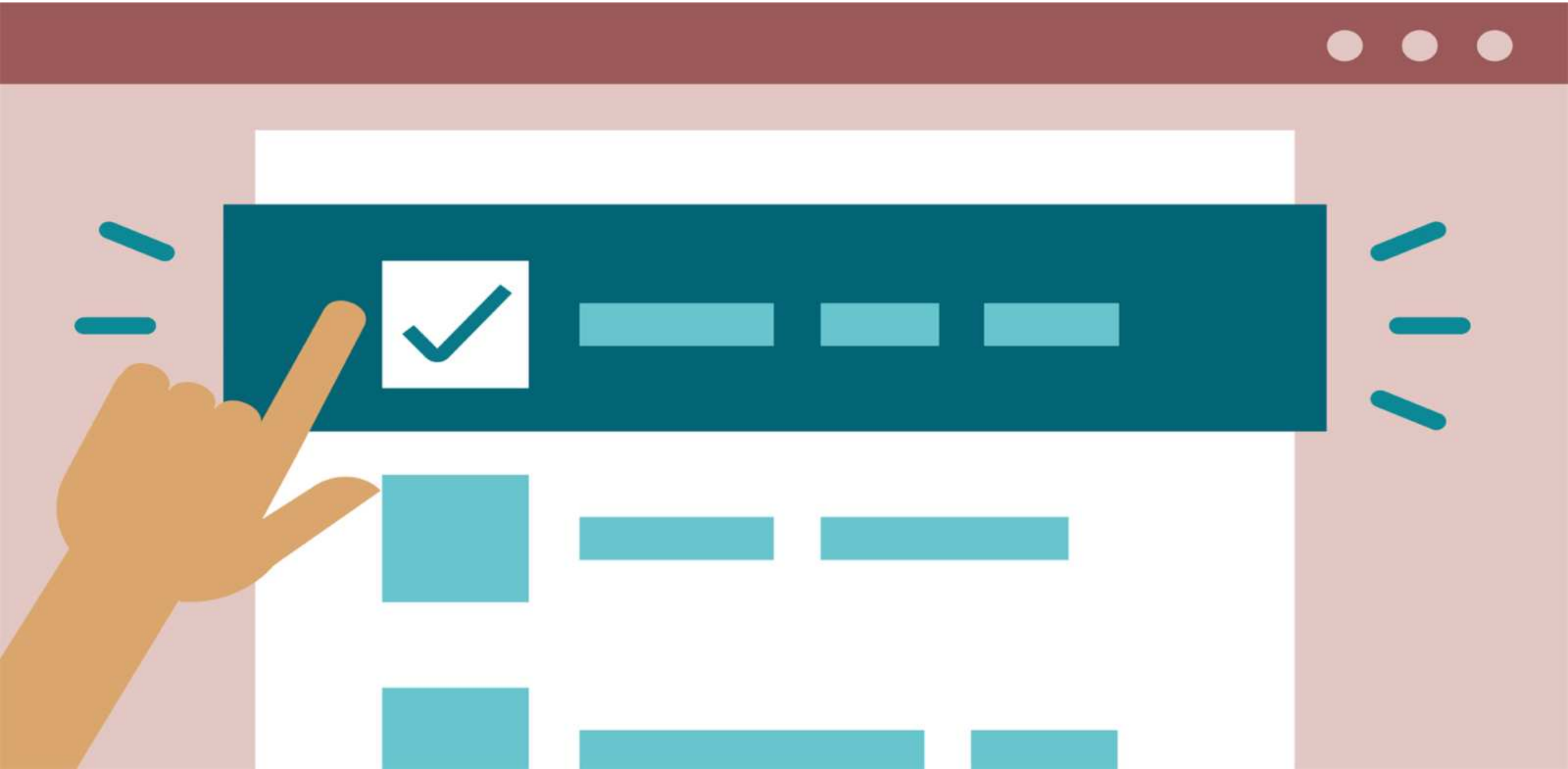


Frank Cooper
CMO, BlackRock

AI Meta analysis of all things 'Growth'



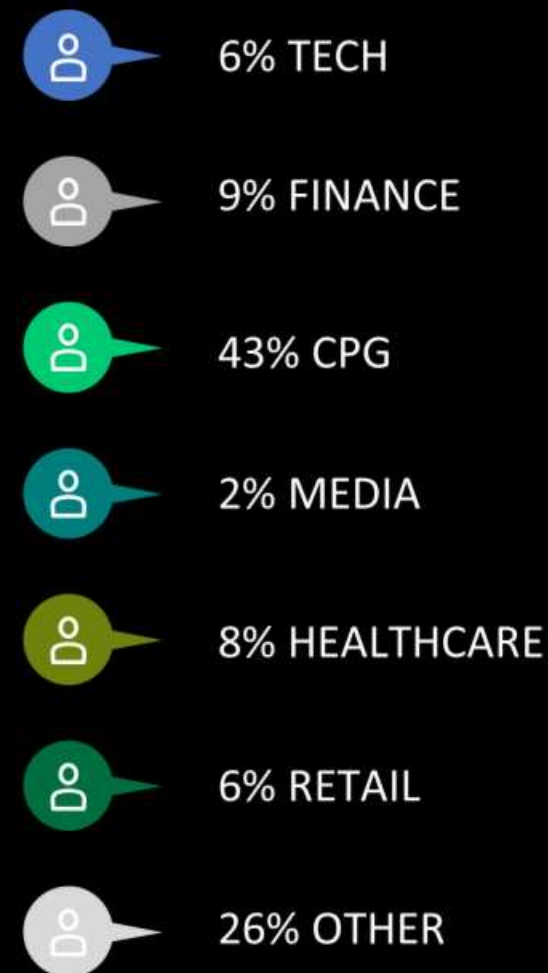
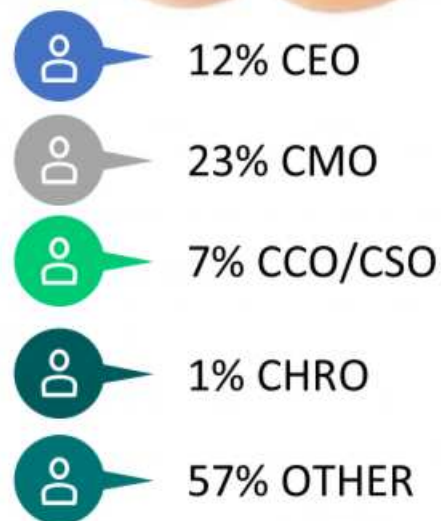
1,000+ on-line survey respondents



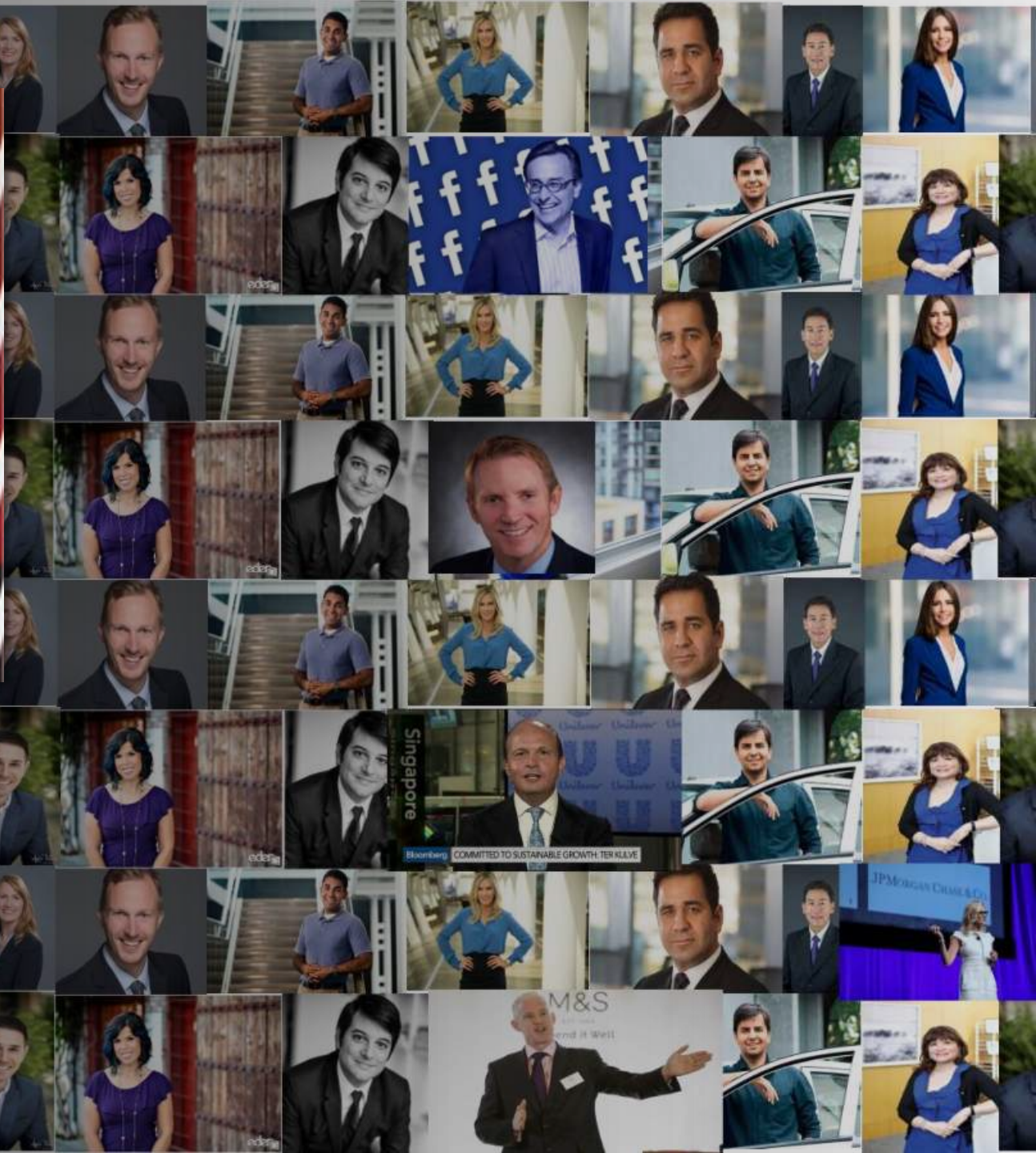
586 vision interviews in 15 markets



WIDE SAMPLE OF FUNCTIONS, LEVELS & INDUSTRIES



Growth Leaders Like ...















marketer
moves

CMO MOVES

DIEGO
SCOTTI

CHIEF MARKETING OFFICER

verizon



Contrasting overperformers and underperformers



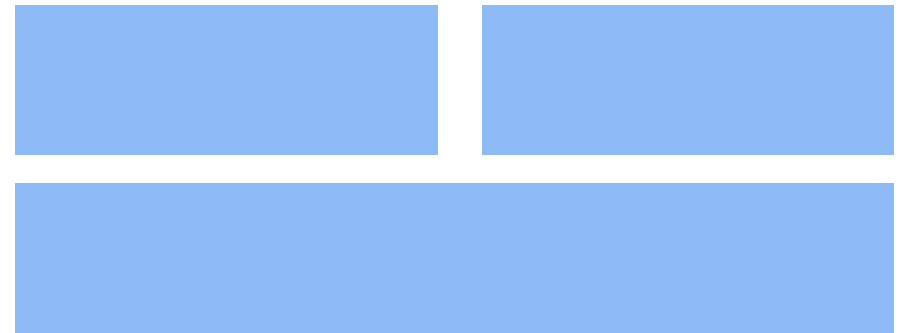


Real Growth Building Blocks

The seven building blocks of real growth

WHAT

What the company brings to market



The seven building blocks of real growth

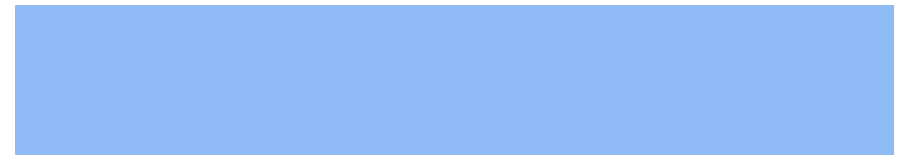
HOW

How the company is organized



WHAT

What the company brings to market



The seven building blocks of real growth

WHY

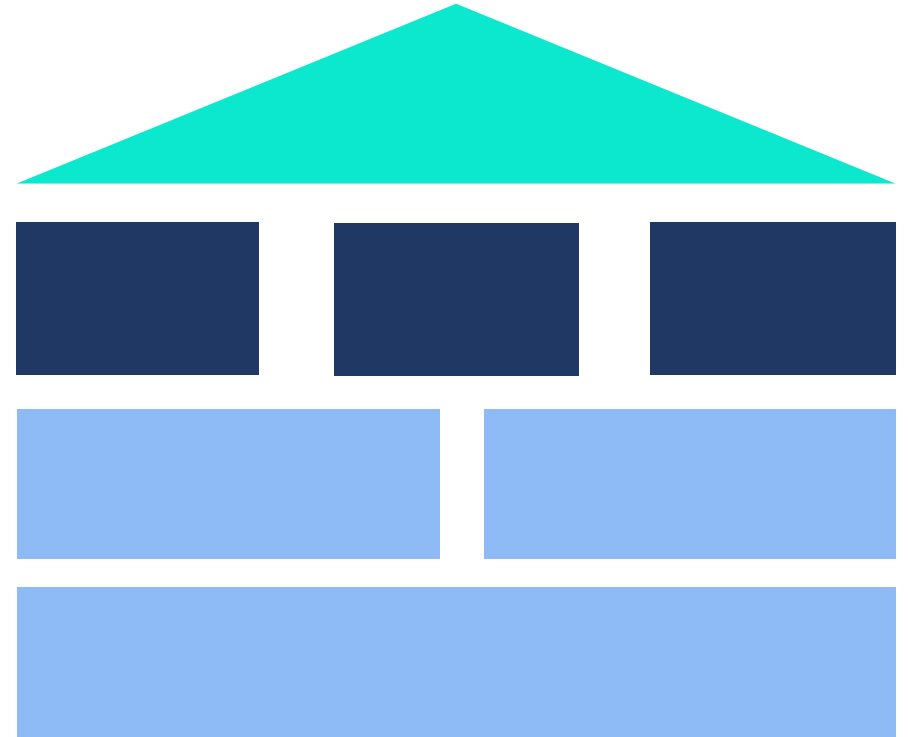
Why the company 'does what it does'

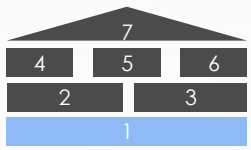
HOW

How the company is organized

WHAT

What the company brings to market





1.

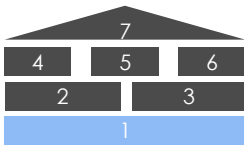
Take an abundant market view

Myth 1

“Growth is about winning market share from competitors”



Overperformers focus on Nielsen, Amazon and Kickstarter



27%

11%

3%



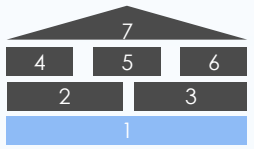
amazon

KICK
STARTER
.COM

82%

45%

Assess and
understand
market
developments



Excelling at spotting and choosing the right wave

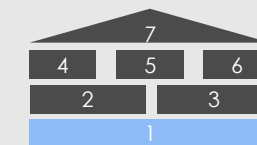
71%

Consistency
with big bets

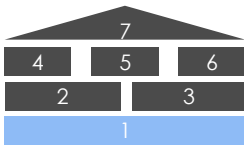
39%



KEEP
CALM
AND
BE
CONSISTENT



Overperformers make big bets and stay consistent...



40%

55%

Focus on
Increasing
market share

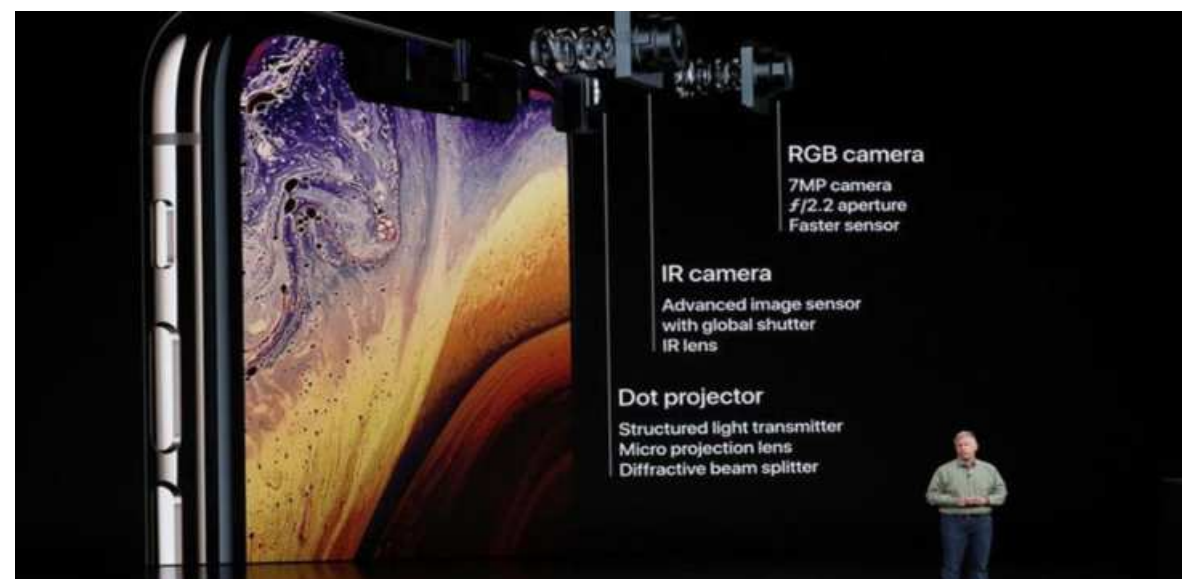
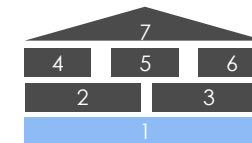


Underperformers focus mostly on growing market share...

59%

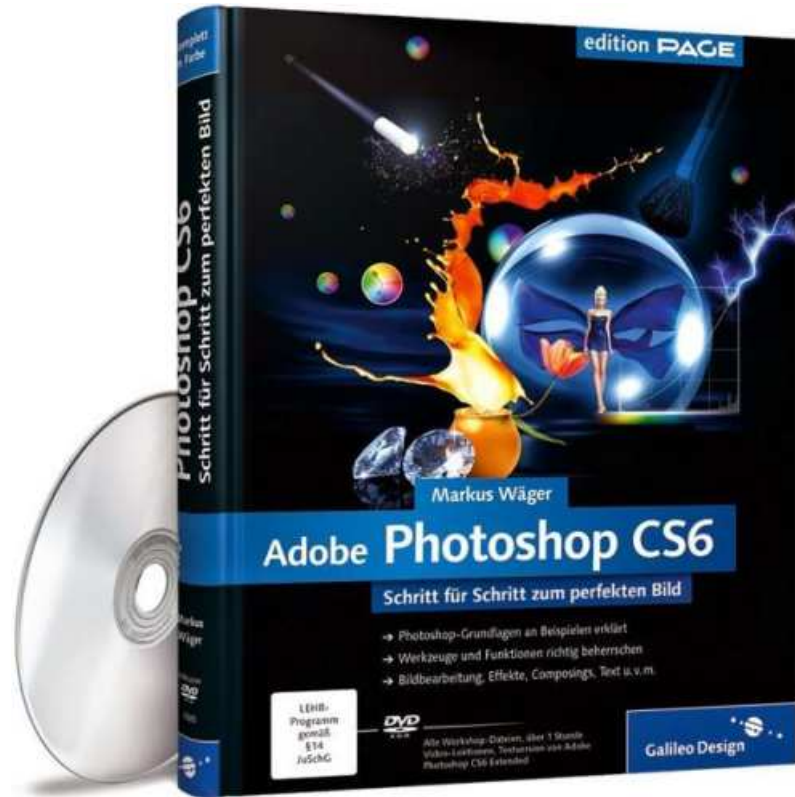
Focus on
category growth
and beyond

42%



... taking a wide-angle lens: category growth and beyond

7		
4	5	6
2		3
1		

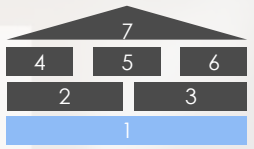


Adobe recognized the need to expand beyond creative...

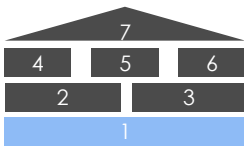


7		
4	5	6
2		3
1		

Broadening the lens: Omniture acquisition



Adding a full marketing delivery suite through partners

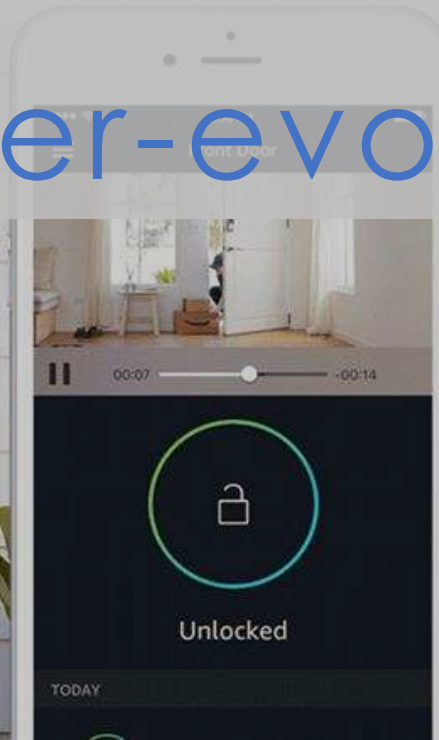


Mars moved its focus from pet food to pet care



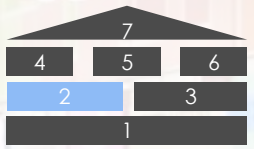
2.

Deliver ever-evolving experiences

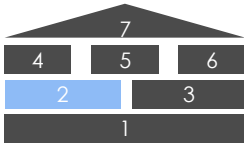


Myth 2

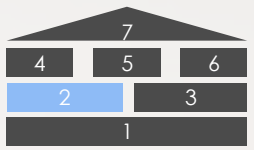
“Growth is all about increasing customer satisfaction”



Overperformers embrace being 'Always Beautifully Dissatisfied'



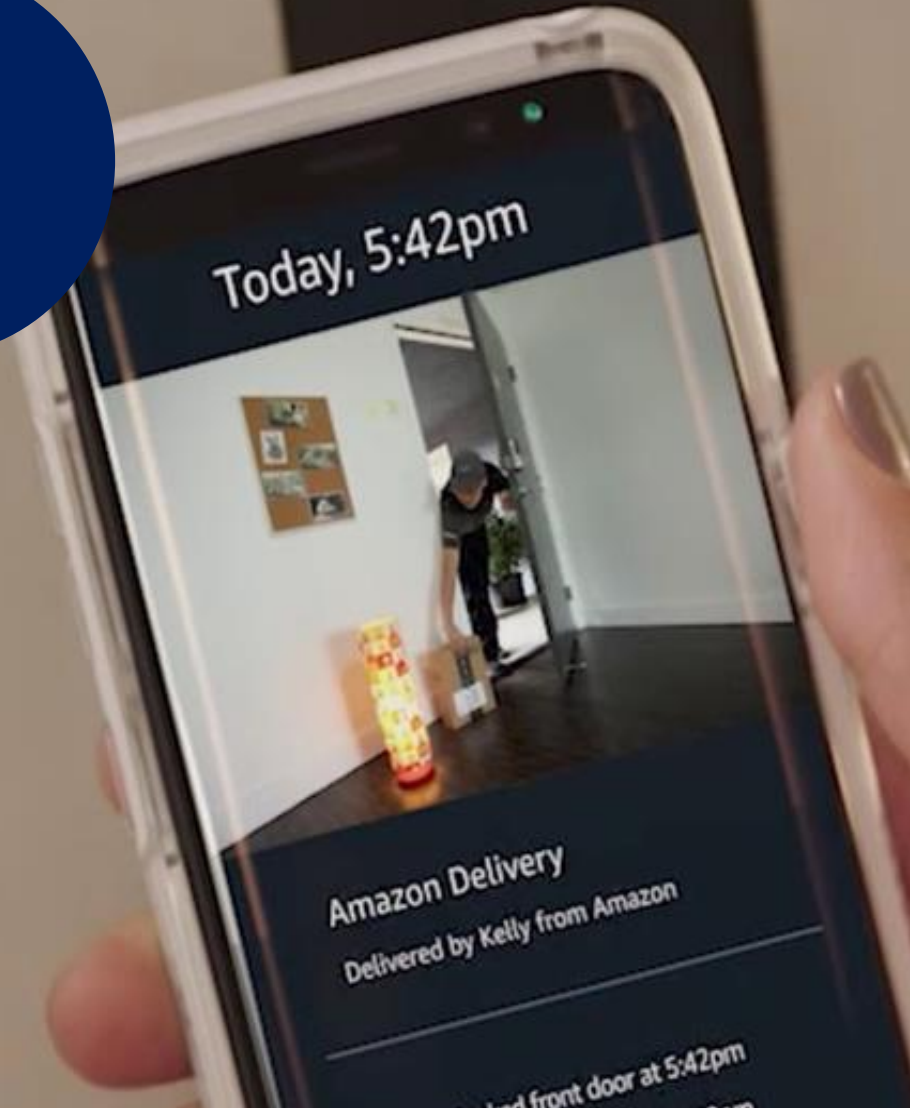
amazon



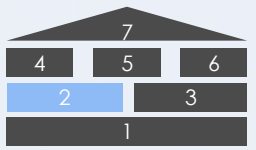
64%

Deliver ever-evolving experiences

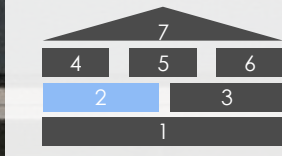
21%



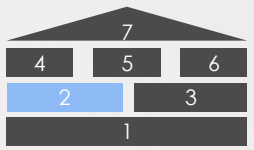
Overperformers focus on eliminating friction to delight



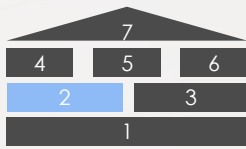
From hotel rooms to full-service business travel solutions



From lobby check-in to terminal arrival assistance



Seamless entry experience



Reinventing the business center in partnership with FedEx

7		
4	5	6
2	3	
1		



Spotify®

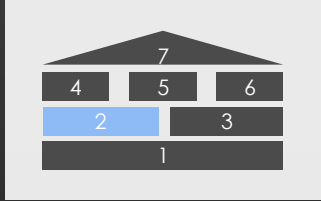
NETFLIX



pandora®



Connectivity and entertainment personalization



MADE FOR ABBY

Discover Weekly

Your weekly mixtape of fresh music. Enjoy new discoveries and deep cuts chosen just for you. Updated every Monday, so save your favourites!

Made for Abby Ch by Spotify • 30 songs, 1 hr 50 min

PLAY

FOLLOWING

...

FOLLOWER
1

Q Filter

Download ☐

	TITLE		ARTIST	ALBUM	
+	Sweeterman	EXPLICIT	Ramriddlz	Sweeterman	3 days ago
+	my boo		kerri	my boo	3 days ago
+	Down Girl	EXPLICIT	Roy Woods	Waking at Dawn	3 days ago

Continuously improving the value delivered

7		
4	5	6
2	3	
1		



LeasePlan USA introduces OneScore

From car financing to mobility data solutions

7		
4	5	6
2	3	
1		

← OLD WAY

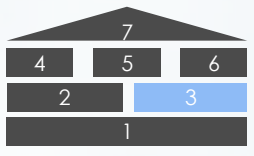
3.

Succeed with multiple business models

NEW WAY →

Myth 3

“If it doesn’t fit in our ROI model, the spreadsheet mafia will kill it”



Overperformers play chess and checkers simultaneously

7		
4	5	6
2	3	
1		



7		
4	5	6
2	3	
1		

67%

Willingness to
accept new
business models

43%

HBR.ORG Harvard Business Review

JANUARY-FEBRUARY 2012
REPRINT R1201M



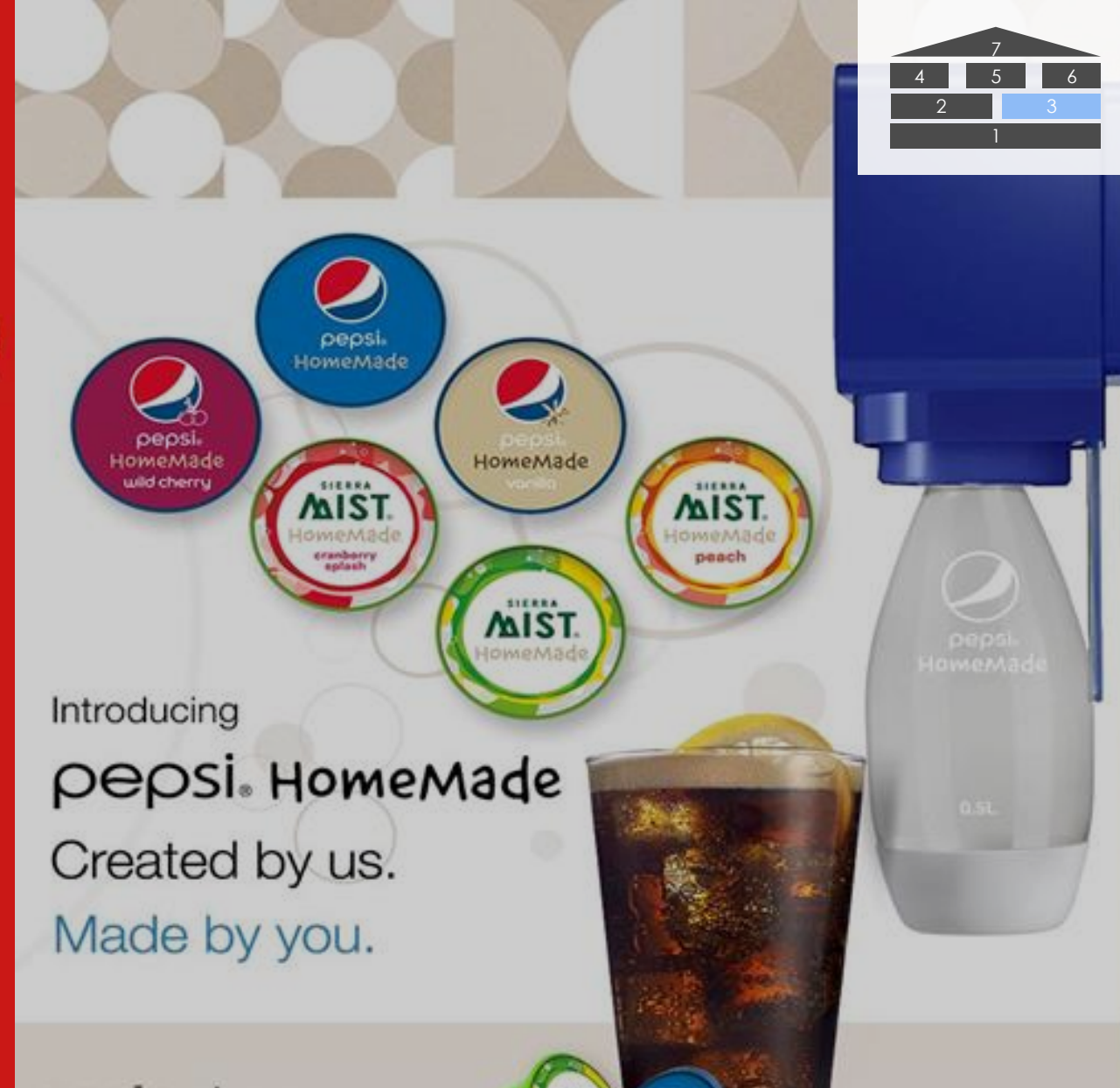
THE GLOBE

When One Business Model Isn't Enough

LAN Airlines flourishes by running three distinctly
different operations at the same time. *by Ramon
Casadesus-Masanell and Jorge Tarziján*

Succeeding with multiple business models

Costa Coffee



pepsi® HomeMade

pepsi® HomeMade wild cherry

pepsi® HomeMade vanilla

SIERRA MIST HomeMade cranberry splash

SIERRA MIST HomeMade peach

pepsi® HomeMade

0.5L

Introducing
pepsi® HomeMade
Created by us.
Made by you.

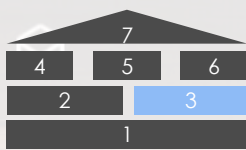
7
4 5 6
2 3
1

From supermarket > high street & subscription models



First
Utility

Across different industries ...



BLADES



BUNDLES



THE HUMBLE TWIN

EVERY
MONTH

\$1

+2.00
S&H

SELECT

A great basic shaver, for guys who dig simplicity and precision.



THE 4X

EVERY
MONTH

\$6

SHIPS
FREE

SELECT

Member favorite - a gentle shave in a single stroke.



THE EXECUTIVE

EVERY
MONTH

\$9

SHIPS
FREE

SELECT

The final frontier - it's like a personal assistant for your face.

... different verticals...

7		
4	5	6
2	3	
1		



SC Johnson
A FAMILY COMPANY

... different cultural and consumer segments...

7		
4	5	6
2	3	
1		

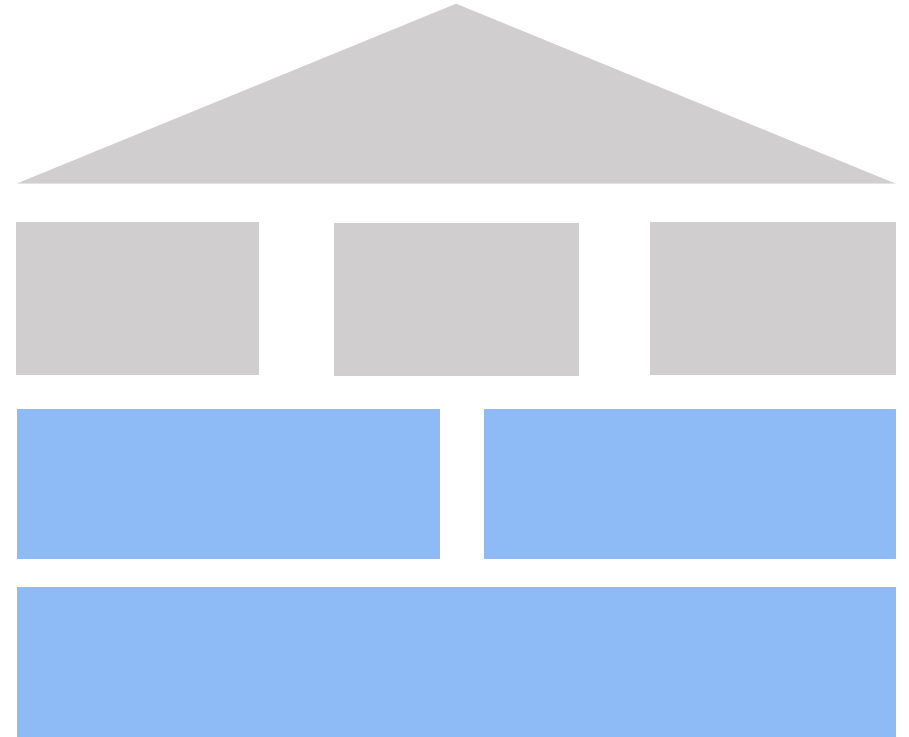


Through acquisition, and also home-grown

The seven building blocks of real growth

WHAT

3. Succeed with multiple business models
2. Deliver ever-evolving experiences
1. Take an abundant market view



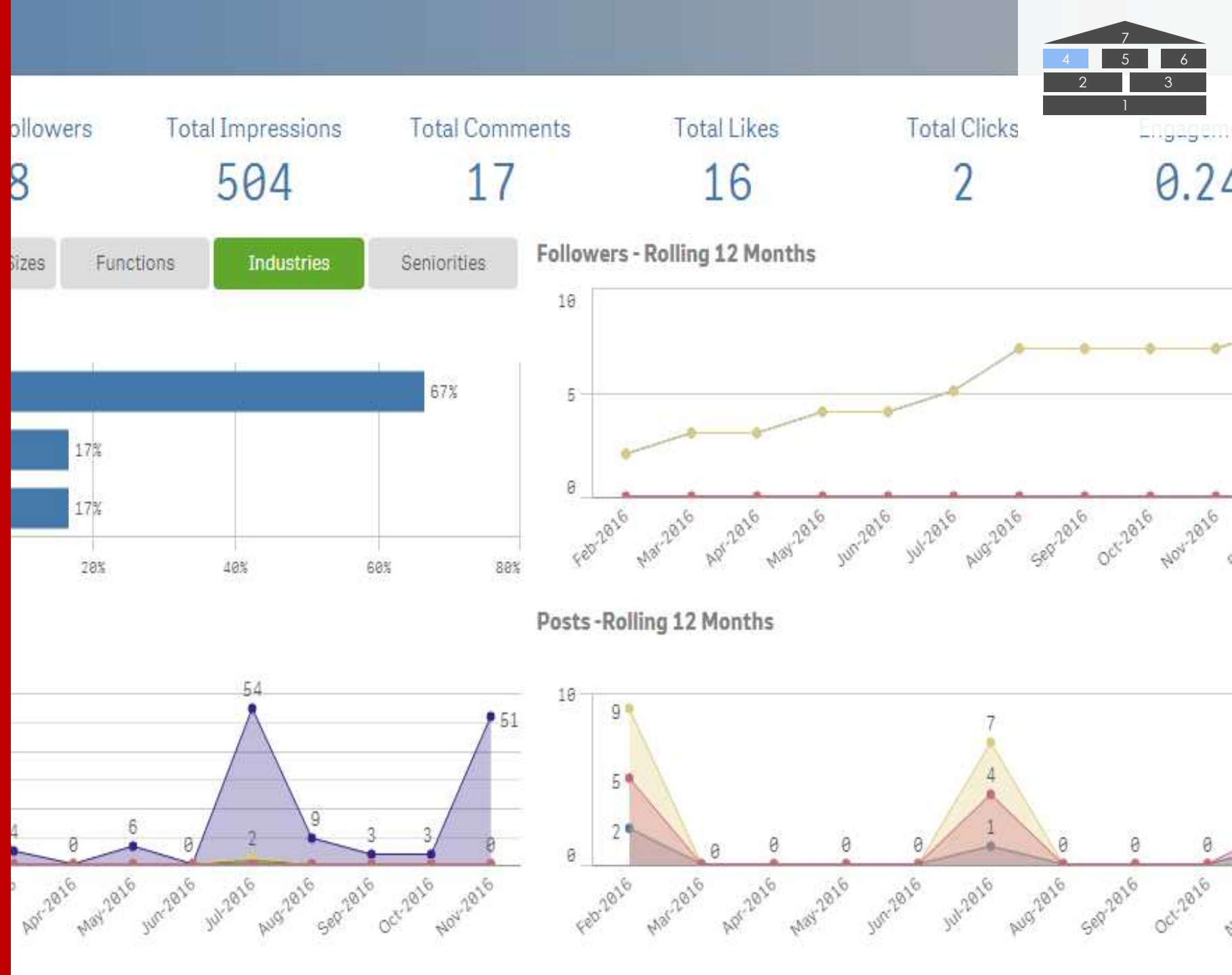
7		
4	5	6
2		3
1		

4.

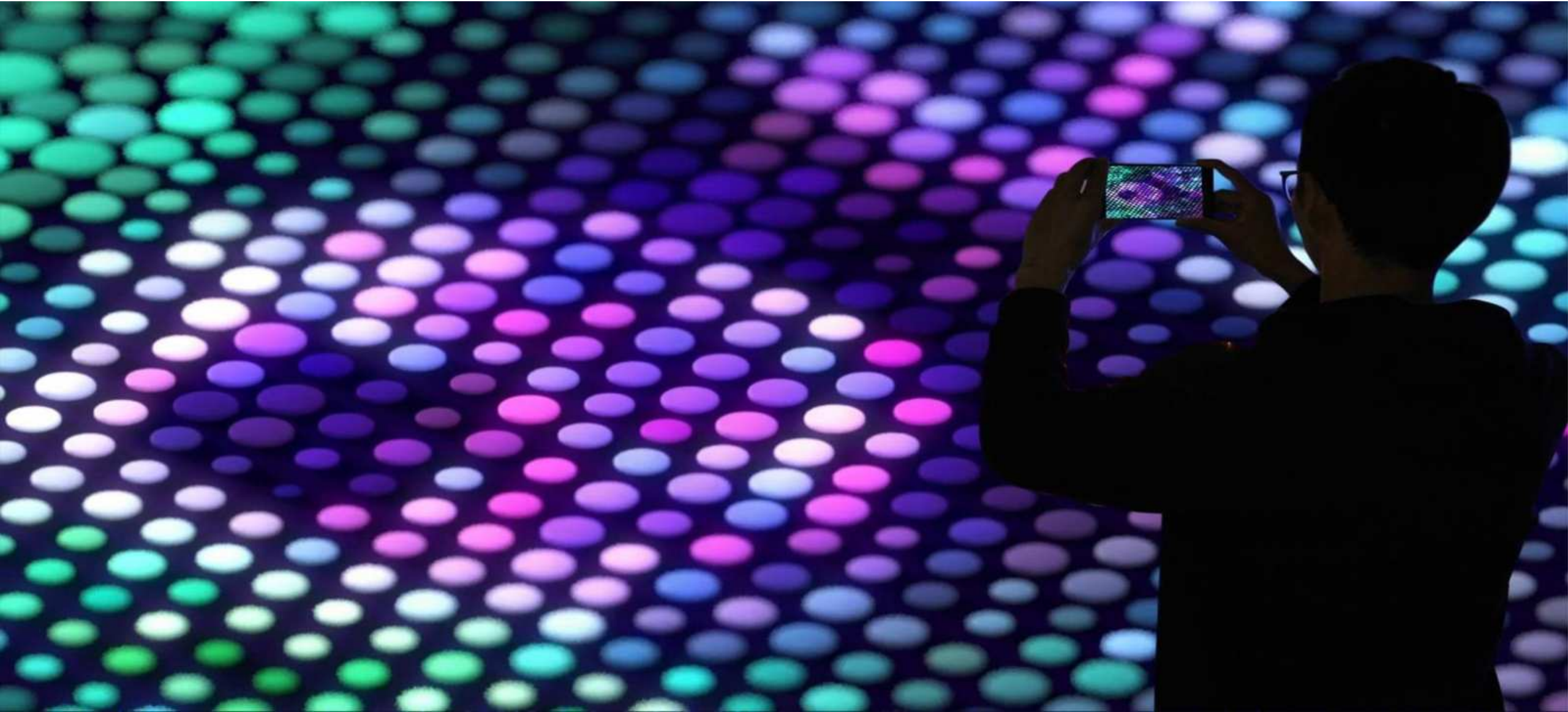
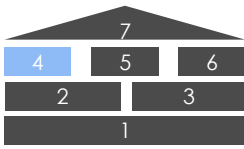
Apply whole-brain intelligence

Myth 4

“If only we had stronger data and analytics”



Overperformers unlock the value of data with deep human insights and creativity





Communication > marketing > business planning

7		
4	5	6
2	3	
1		



AB testing > human insights > creativity

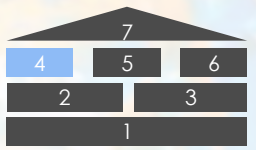
7		
4	5	6
2		3
1		



69%

Ability to attract
whole-brain

27%

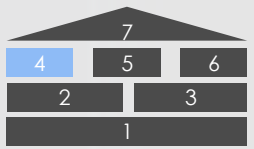


Whole-brain talent

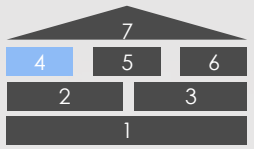
67%

Data and
Analytics at the
core of strategic
decision making

37%



Putting data at the heart of decision making...



73%

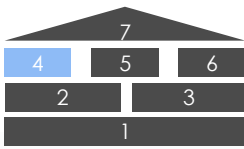
Building data-led
creative
experiences

32%

PERFORMING ARTS

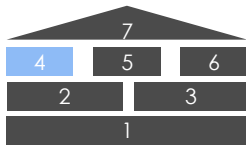
And building more innovative creative solutions

Boosting financial literacy & analytical skills



Aswego										
Attraction	Date		Weather	Gross			Share			
Moving Pictures	Aug	1	Hot	63	25		55	85		
"	"	2	Hot	80	35		76	70		
"	"	3	Warm	83	60		76	50		
"	"	4	Rain	67	30		62	45		
"	"	5	Hot	60	95		55	25		
"	"	7	Hot	1	15	60	1	08	60	
"	"	8	Rain		82	05		76	60	
"	"	9	Warm	1	15	50	1	05	40	
"	"	10	Warm	1	06	45	1	00	05	
"	"	11	Cool	1	04	30		94	40	
"	"	12	Fair		81	70		74	65	
"	"	14	Fair		87	65		77	30	

And human insights & creative capacity



 **micoach**

**HACKERHUERGO**
ACTIVITY LEVEL **MOVING**

LAST 7 DAYS4 WORKOUTS

28.98

 **DISTANCE KM**

03:27:31
TIME

2195
CALC

7:10
PACE

637
RUN SCORE



MORE WORKOUTS

 **WORKOUT HISTORY**

NOVEMBER 2014

11/11/2014
Strength and Flex
●●●●●
00:24:22 414KG
223

11/11/2014
Finish Faster - 10 K
●●●●●●●●●●
00:28:38 5.56KM
5:09MIN/KM 395

11/08/2014
Free Running
01:10:31 13.15KM
5:22MIN/KM 765

11/05/2014



 **TRAINING PLAN**



miCoach can provide the best training plan for you. Simply start by choosing an area you would like to focus on...

RUNNING

FITNESS

SPORTS

Adidas

MY PLAN

12 Dec 2010 - 1 Jan 2011

Pick Date



TODAY

Display

All Workouts

Boston Marathon2

Level 4

[VIEW WORKOUT LIST](#)

REMAINING

WORKOUTS

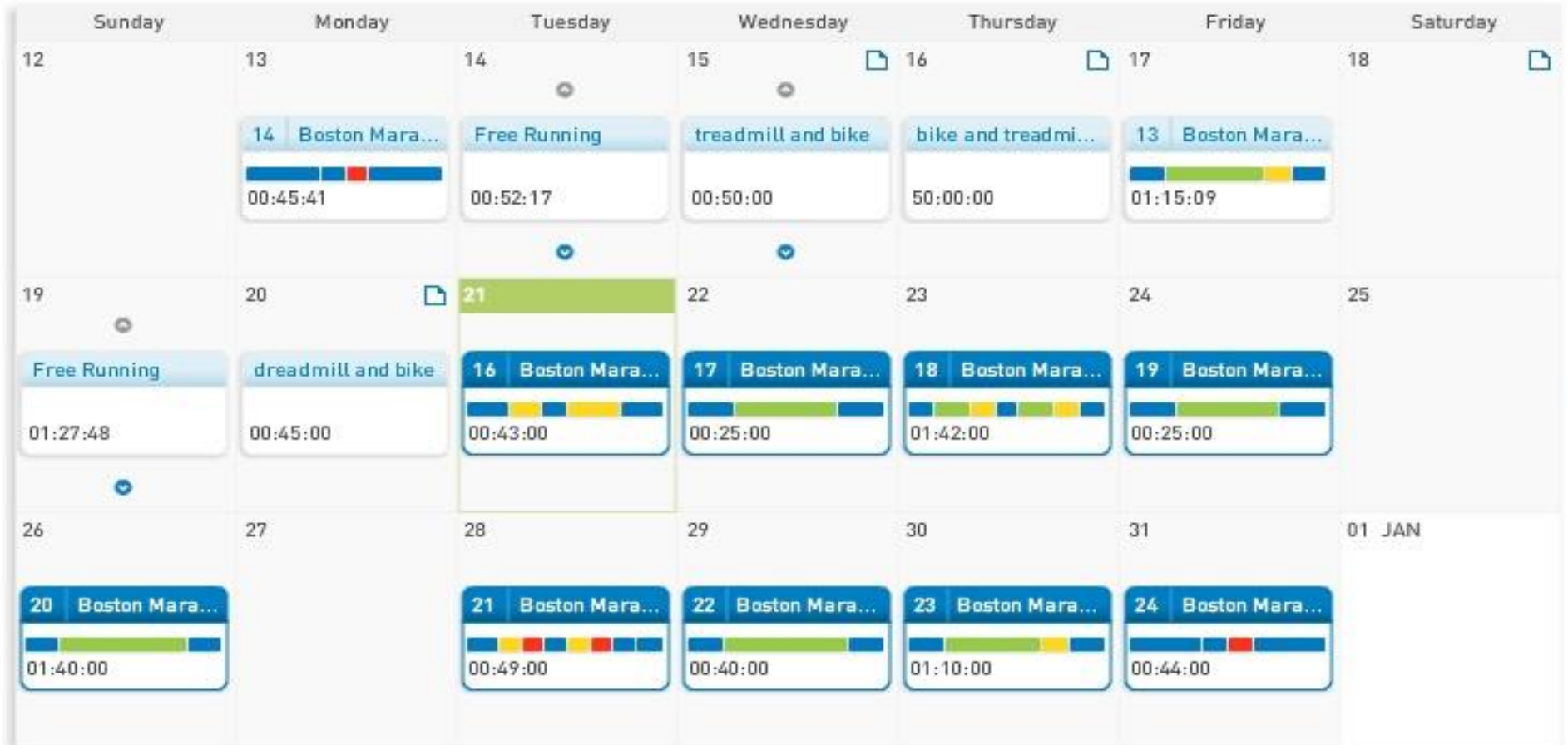
91

WEEKS

19

[EDIT PLAN SCHEDULE](#)

[CUSTOM WORKOUTS](#)



Adidas

Q3 2018 RESULTS

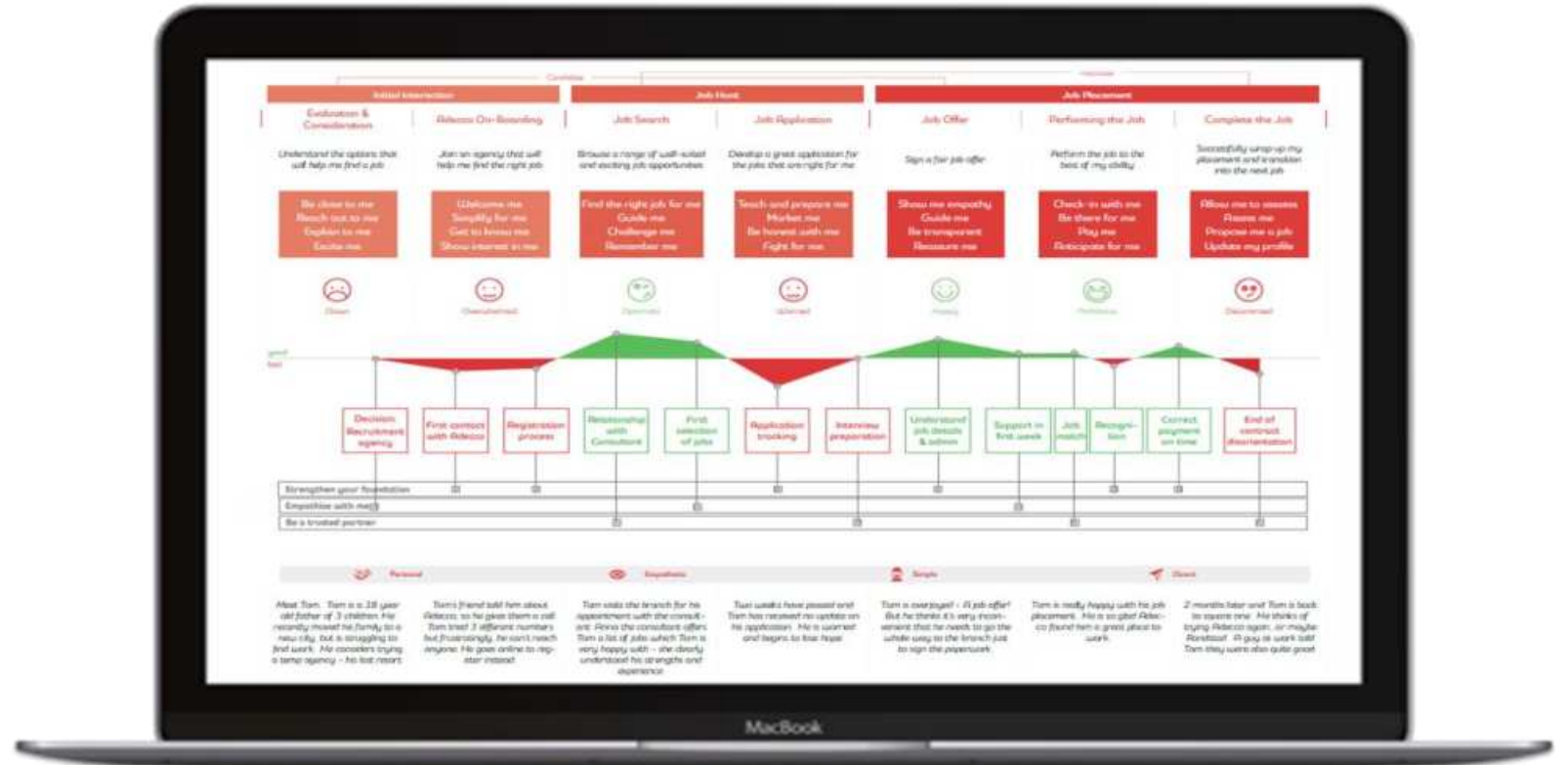
NET
SALES
+8%
C.N.
€ 5.873 BN

OPERATING
MARGIN
+1.3 pp
15.3 %

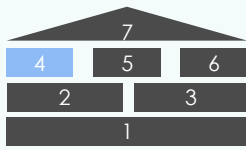
NET
INCOME
FROM
CONTINUING
OPERATIONS
+19%
€ 656 M

7		
4	5	6
2		3
1		

Adidas



Interpreting journey data points for deep human insights ...

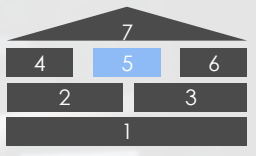


APP OF THE MONTH

How The Adecco Group keeps on investing and optimising their own sales enablement app



... that drive creative solution development



5.

Build a fluid organization

Myth 5

“‘Agile’ is forcing us to redefine our RACIS”

Global Innovation Planning (MR&D budget)

Regional Brand Director

Global Brand Team

Global Brand Director

Category Finance VP

R&D Director

Agree Category Project Portfolio for the Global Innovation Plan (GIP)

Agree Events Plan (Major Projects)

Agree R&D Resources/Budgets for GIP

Agree Brand Development Resources/Budgets for GIP

Agree HPC MR&D Budget

W C

W

LW

W

C

W

W

LW

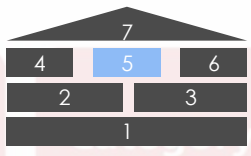
W

C

LW

W

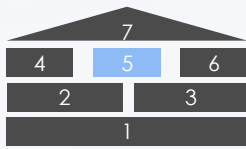
Key: A = Authority to decide C = To be consulted LW = Leads the work W = Do
For further details on the key see page 27. For full matrix see page 28.



Overperformers organize to win the war in micro-battles

4	5	6
2		3
1		



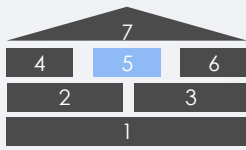


Changing the perspective ...

64%

Competitive
agility

27%



... on organizational change

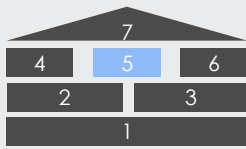
68%

Effectively
removing
internal barriers

17%



Prioritizing the breaking down of internal barriers



67%

Internal
Connectivity

35%

@workplace
by facebook



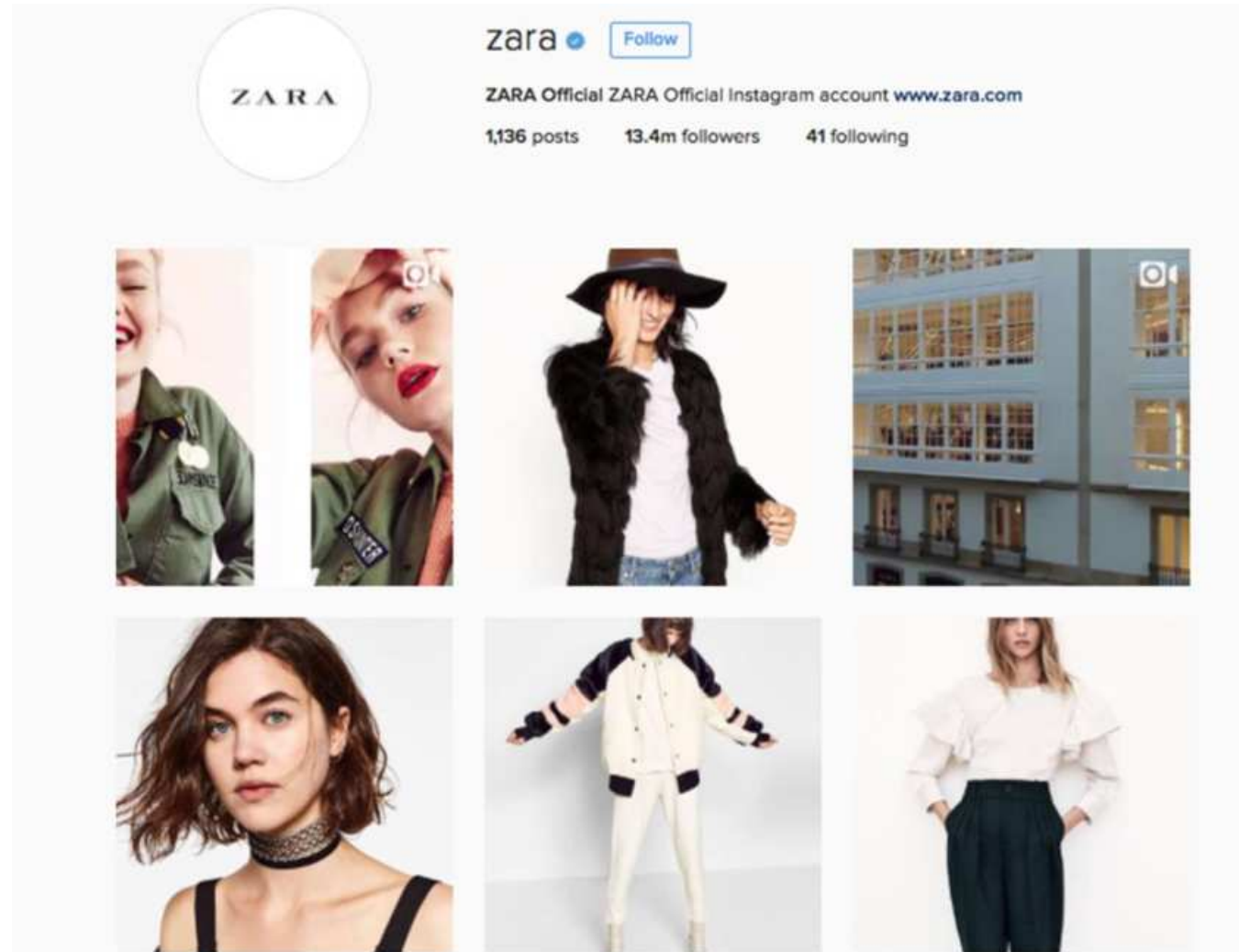
Prioritizing internal connections

7		
4	5	6
2		3
1		

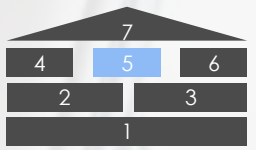
71%

Marketing
and Sales
collaboration

48%



Effectively integrating marketing and sales for e-commerce



71%

External
connectivity

46%

U B E R



Spotify

Connecting more externally to build broader experiences

7		
4	5	6
2		3
1		



Haier's growth story is impressive: led by a strong founder

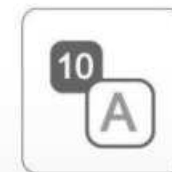


Wi-Fi Connected for Ultimate Control

Use the yomey App to control, schedule, and clean your home no matter where you are



APP



Schedule



Remote Control

Focusing on a 'smart home' vision

RE-ENGINEERING HAIER...

...to make it more nimble, innovative and responsive

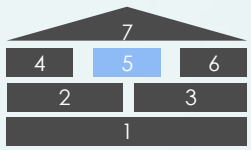
OLD MODEL



NEW MODEL



Graphic by Chao Fansen/CXGB Knowledge



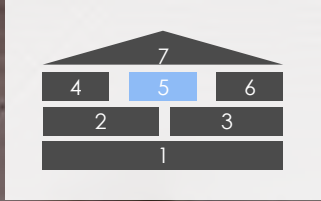
Flatter internal organization with smaller internal competitive teams

SMALL, SELF-MANAGED TEAMS – THE HAIER HOW

Haier's 80,000 or so employees have been reorganised into over 2,000 self-organising units, creating competition, but also fuelling entrepreneurship.



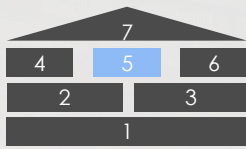
Micro-battle entrepreneurial teams



创新是海尔文化的灵魂

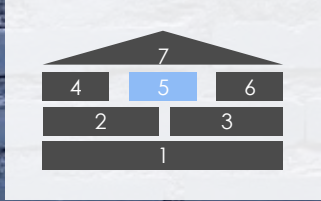
Innovation is the soul of Haier culture

An incubation platform that challenges the status quo



GE APPLIANCES
a Haier company

Partnerships and acquisitions to complete the mix

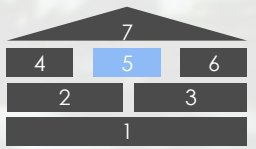


Go-Jek's explosive growth



7		
4	5	6
2		3
1		

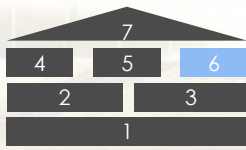
Starting with a clear code of conduct



Promoting micro-entrepreneurship



Consumer micro-battle teams

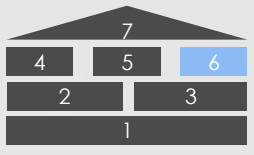


6.

Foster an open culture

Myth 6

“Our culture
cannot be
changed –
it’s in our
DNA”



Overperformers rewrite the culture script

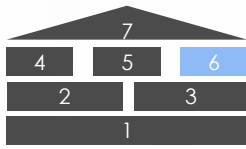
7		
4	5	6
2		3
1		



48%

29%

People, change,
entrepreneurship,
innovation &
teamwork

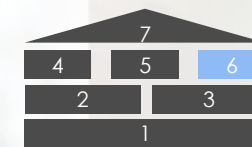


Building a culture of people and results orientation

62%

43%

Ability to bring
diversity to
strategic decision
making



Diversity and inclusivity

7		
4	5	6
2		3
1		



Pernod Ricard



Fostering a spirit of entrepreneurship



FROM

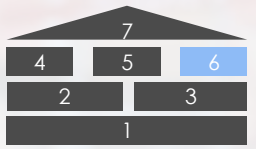
TO

UPWARD ADVANCEMENT	EMPLOYABILITY
PROMOTIONS	CAREER GROWTH
DESIGNED CORPORATE PATHS	EMPLOYEE OWNERSHIP
INTERNAL OPPORTUNITIES	EXTERNAL ASSIGNMENTS
ONE-SIZE-FITS-ALL	UNIQUE TO PERNOD RICARD

POSITIONS EXPERIENCES



Rewarding employee ownership behaviors



Welcoming outsiders and using them to change the company

The seven building blocks of real growth

HOW

6. Foster an open culture
5. Build a fluid organization
4. Apply whole-brain intelligence

WHAT

3. Succeed with multiple business models
2. Deliver ever-evolving experiences
1. Take an abundant market view





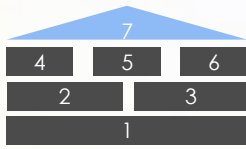
7.

Humanize growth

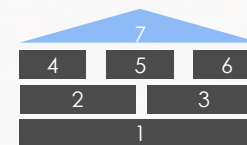


Myth 7

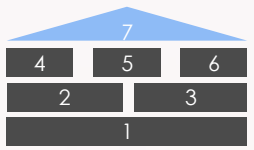
“Our
objective is to
boost
profitable
growth”



Top-line growth is
#1 ambition



Under and overperformers focus on top-line growth equally



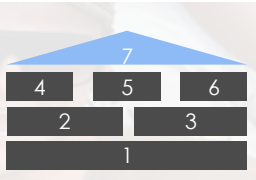
Bottom-line
growth is
#1 growth
ambition



Underperformers focus twice as much on the bottom line



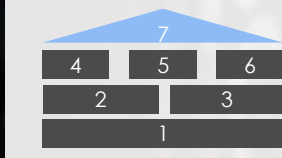
People growth is
#1 ambition



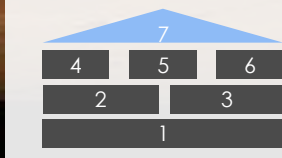
Overperformers focus twice as much on the people they serve: Clients, Colleagues and their Communities



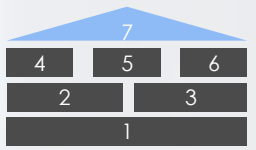
Haidilao puts people first



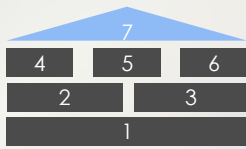
Starting with meaningful employee-care



Resulting in excellent customer care



Cisco made the transformation from profit to people



Simple & shared ambition: the Cisco people deal

The seven building blocks of real growth

WHY

7. Humanize growth

HOW

6. Foster an open culture

5. Build a fluid organization

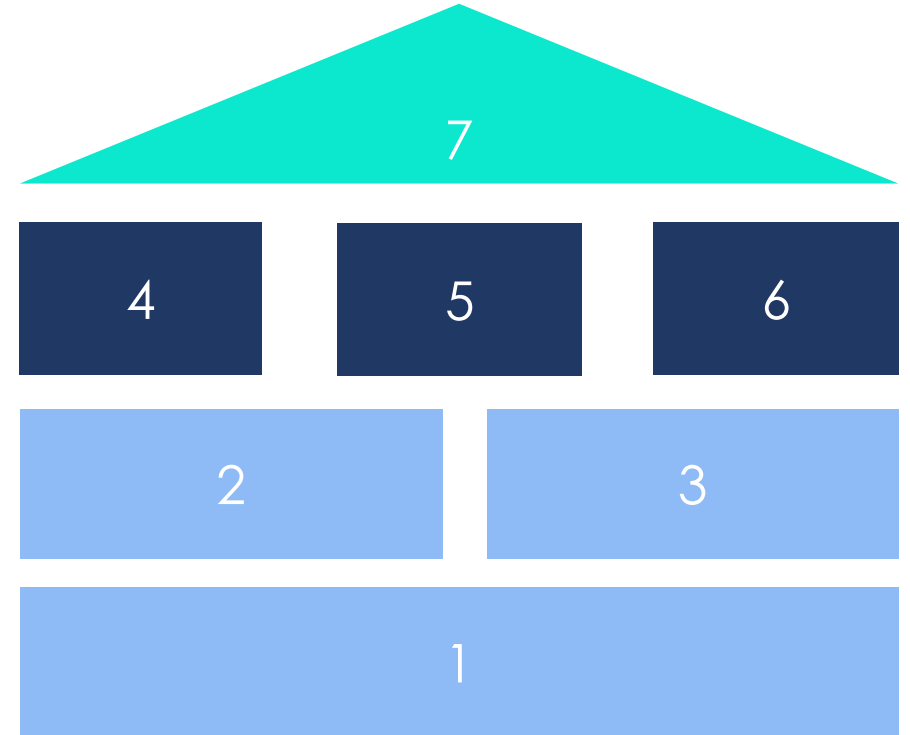
4. Apply whole-brain intelligence

WHAT

3. Succeed with multiple business models

2. Deliver ever-evolving experiences

1. Take an abundant market view





Leading Real Growth

BEYOND ADVERTISING ...



... AND SHINY DIGITAL TOYS THAT DISTRACT ...





... BACK TO MARKETING BASICS



... AND BUSINESS GROWTH

THE DISCIPLINE OF GROWTH

Francisco Crespo
Chief Growth Officer



THE COCA-COLA COMPANY
beverages for life



... A BUSINESS GROWTH ROLE



HERSHEY'S[®]

Michele Buck

INCOMING
PRESIDENT & CEO

... AND EVEN A SOCIETAL LEADERSHIP ROLE

“We are at a turning point. Only businesses that help people and planet thrive will succeed. We have to scale our impact through partnership, collaboration and trust.”



But then again ... YOU KNOW THAT!



Thank you!



Initiative for Real Growth