Institute for Real Growth

Humanizing Growth

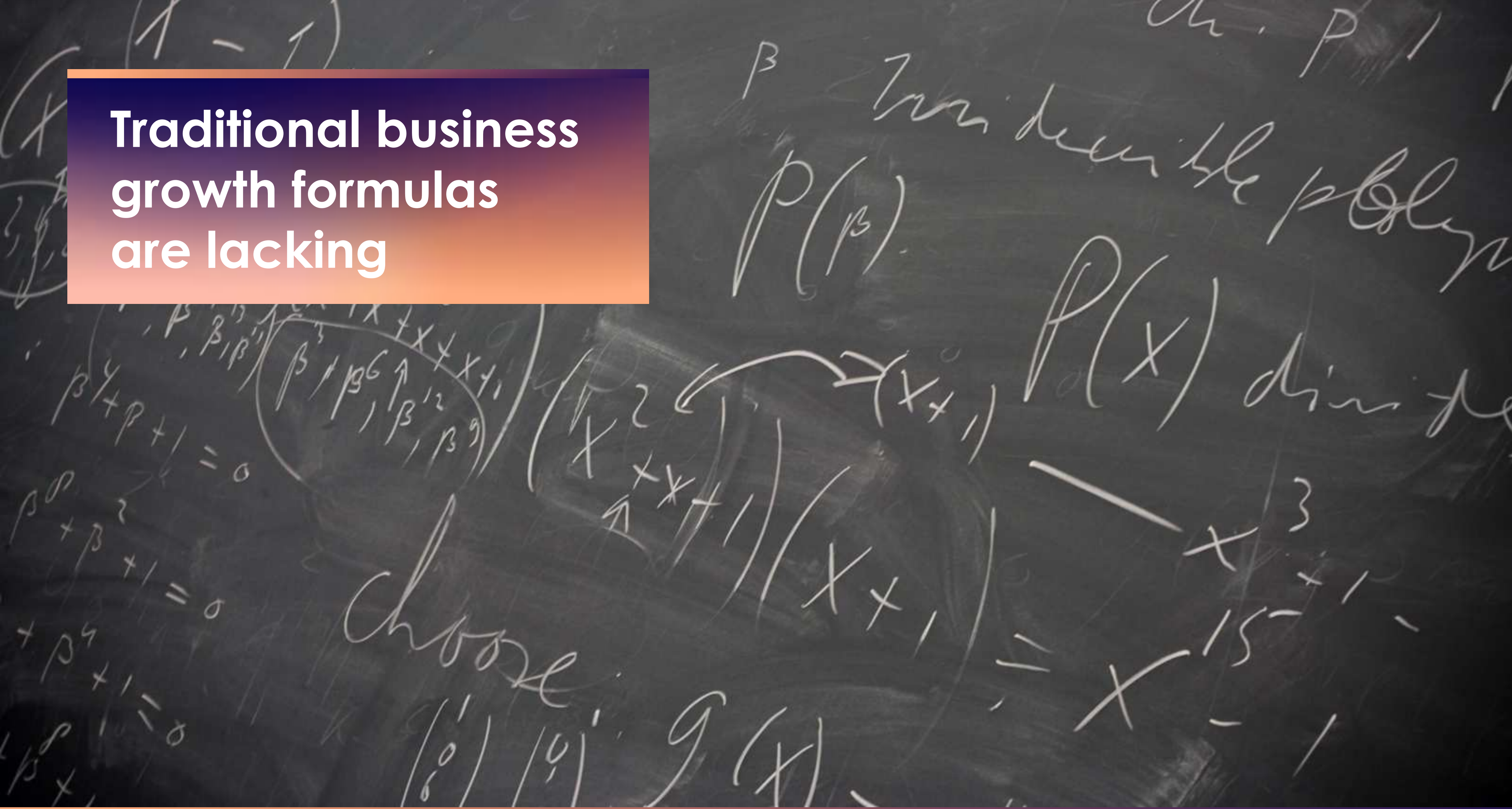
CHRO Forum 2022

The IRG Growth Study

February 22, 2019

Value extraction or value creation to fuel growth?

Traditional business growth formulas are lacking



IRG Partners

Institute for Real Growth

The Humanized Growth Study

750+ QUAL
(CEOs, CMOs)

3,500+ AI analysis
(growth publications)

5,000+ QUANT
(across markets and functions)

3M+ LinkedIn
(members behavioral analysis)

Contrasting the revenue growth of over- and under-performers

What it takes to win

Updated since COVID struck

The 7 Building Blocks of Growth

WHY

WHAT HOW

WHAT HOW

WHAT HOW


1.
Abundant markets

Overperformers think about Nielsen, Amazon and Kickstarter

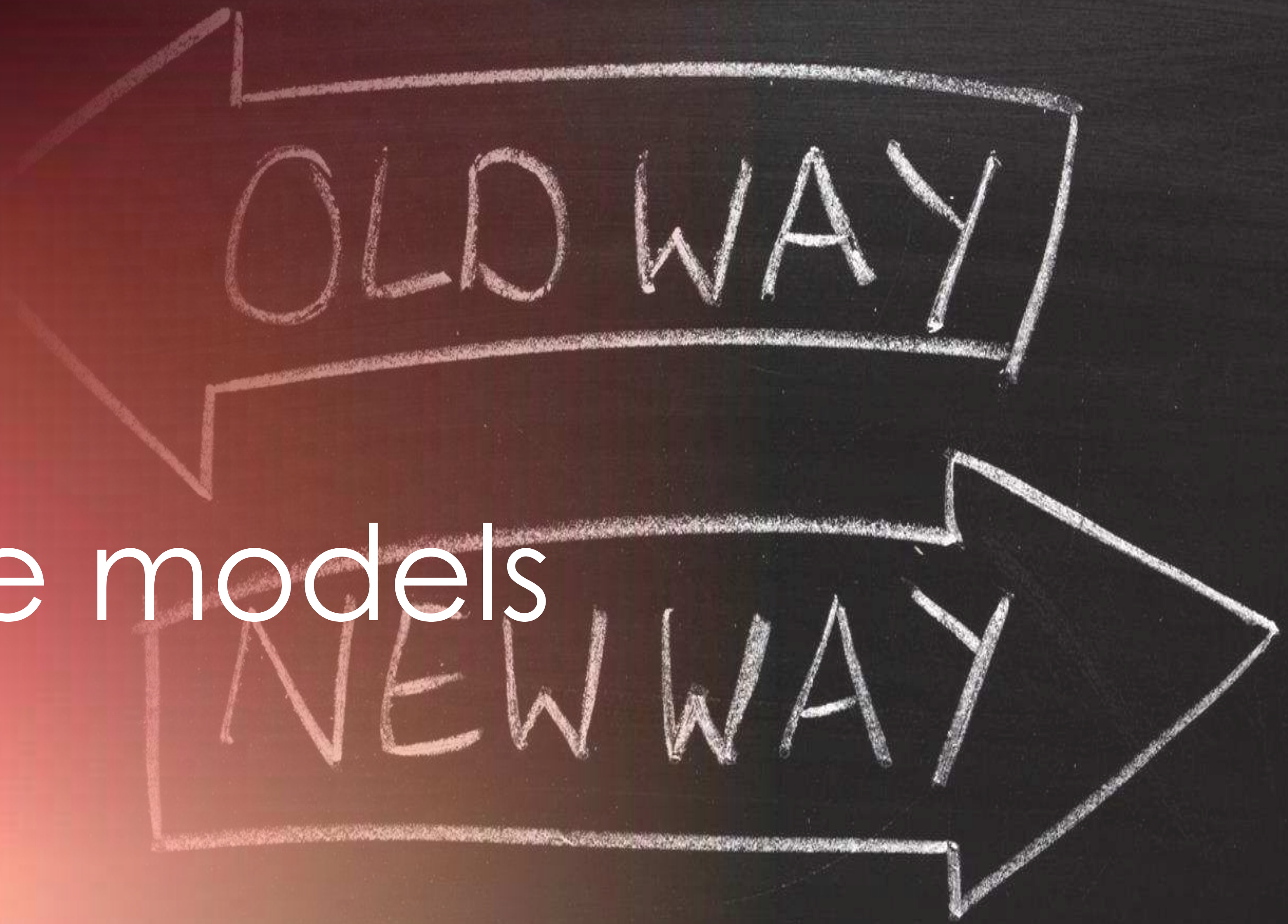
27%	11%	3%
nielsen	amazon	KICKSTARTER.COM

Mars: from Pet Food to Pet Care

MARS petcare

A better world for pets.

2.
Multiple models



Overperformers play chess and checkers simultaneously

Willingness to accept new business models

71%

39%

From supermarket shelves to cafes & subscription models

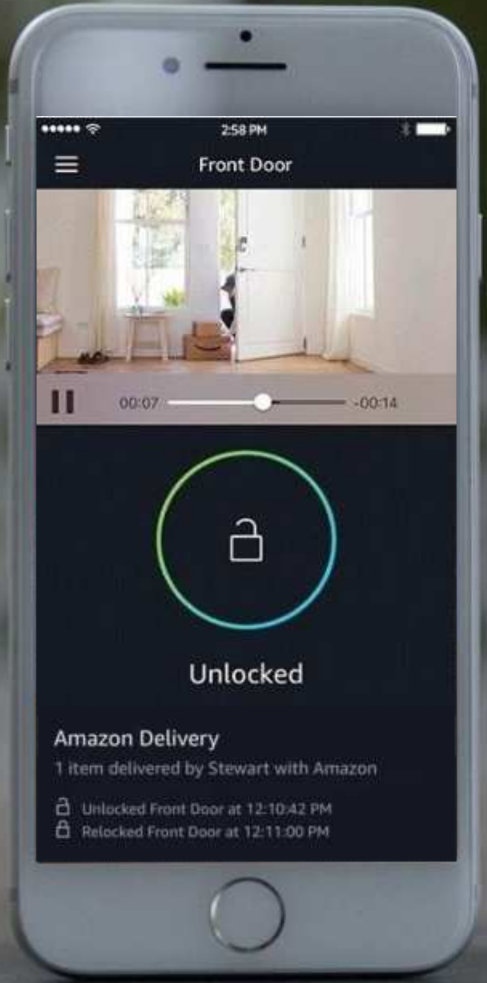
Costa Coffee


65%
84%
Confidence in conversations with Finance on Marketing impact

3.
Evolving experiences

Overperformers embrace the ‘Always Beautifully Dissatisfied’

Focusing on eliminating friction



Deliver ever-evolving experiences

81%

39%

4.
Open culture

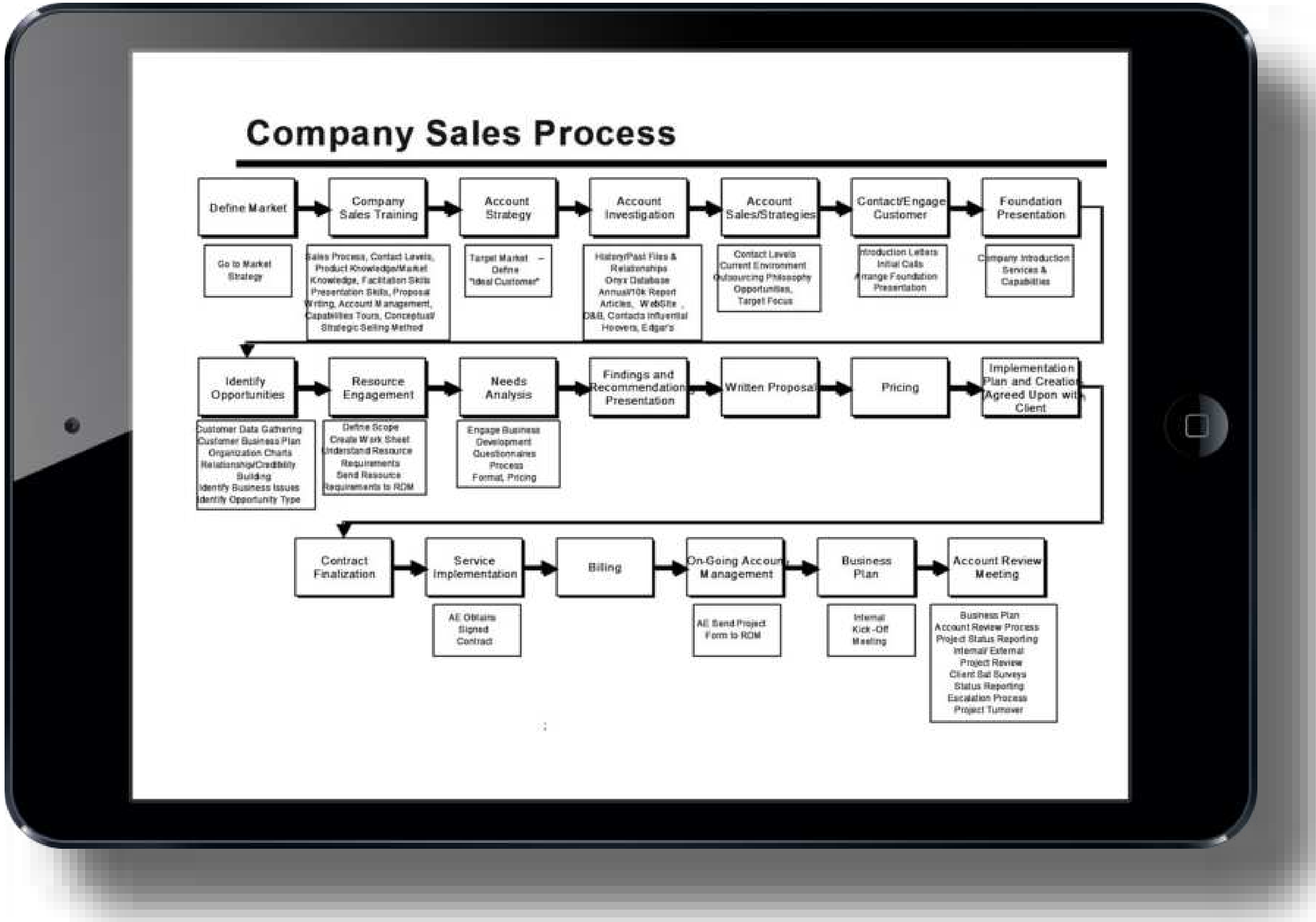
More diverse strategic decision-making

Diversity in strategic decision making

70%

45%

“Procedures, structure & quality”



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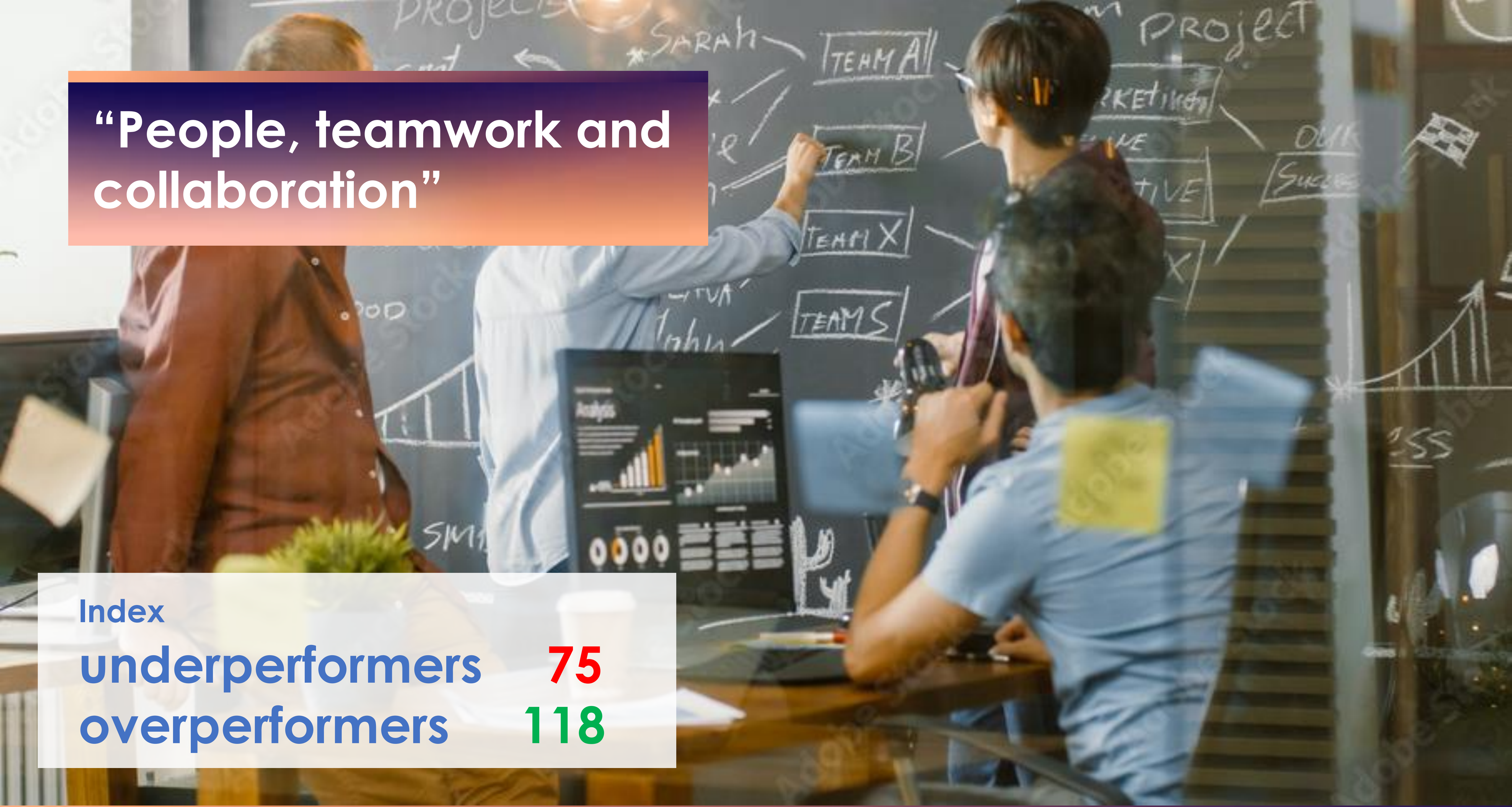
underperformers 146

overperformers 62

"Innovation, change & entrepreneurship"

Index

underperformers	93
overperformers	129



“People, teamwork and collaboration”

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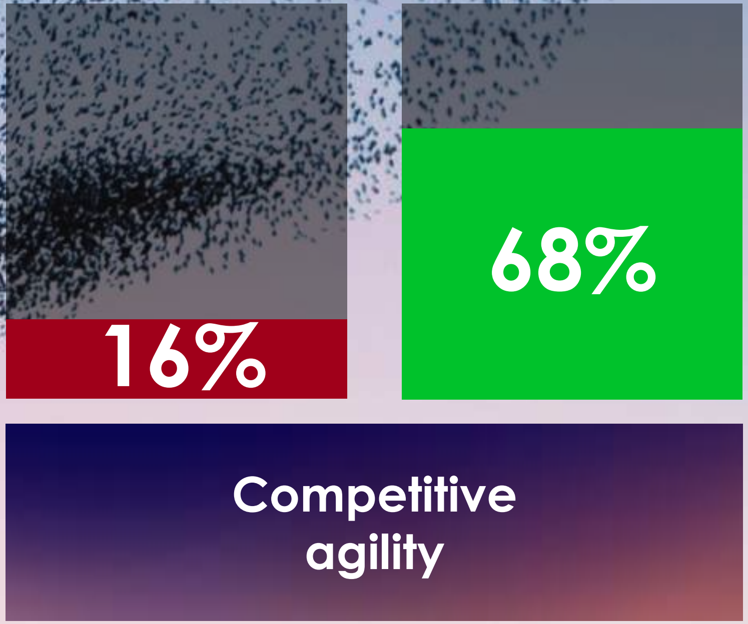
underperformers	75
overperformers	118

5.

Anticipative organization

Switching perspective…

...on organizational change



Connecting horizontally and vertically

3.5x
more connections
with other functions

5.5x
more connections
with senior leaders

6.

Whole brained

Unlocking big data with deep human insights

Combining technology and human creativity

Ability to attract whole-brain

65%

25%

Starting with the data

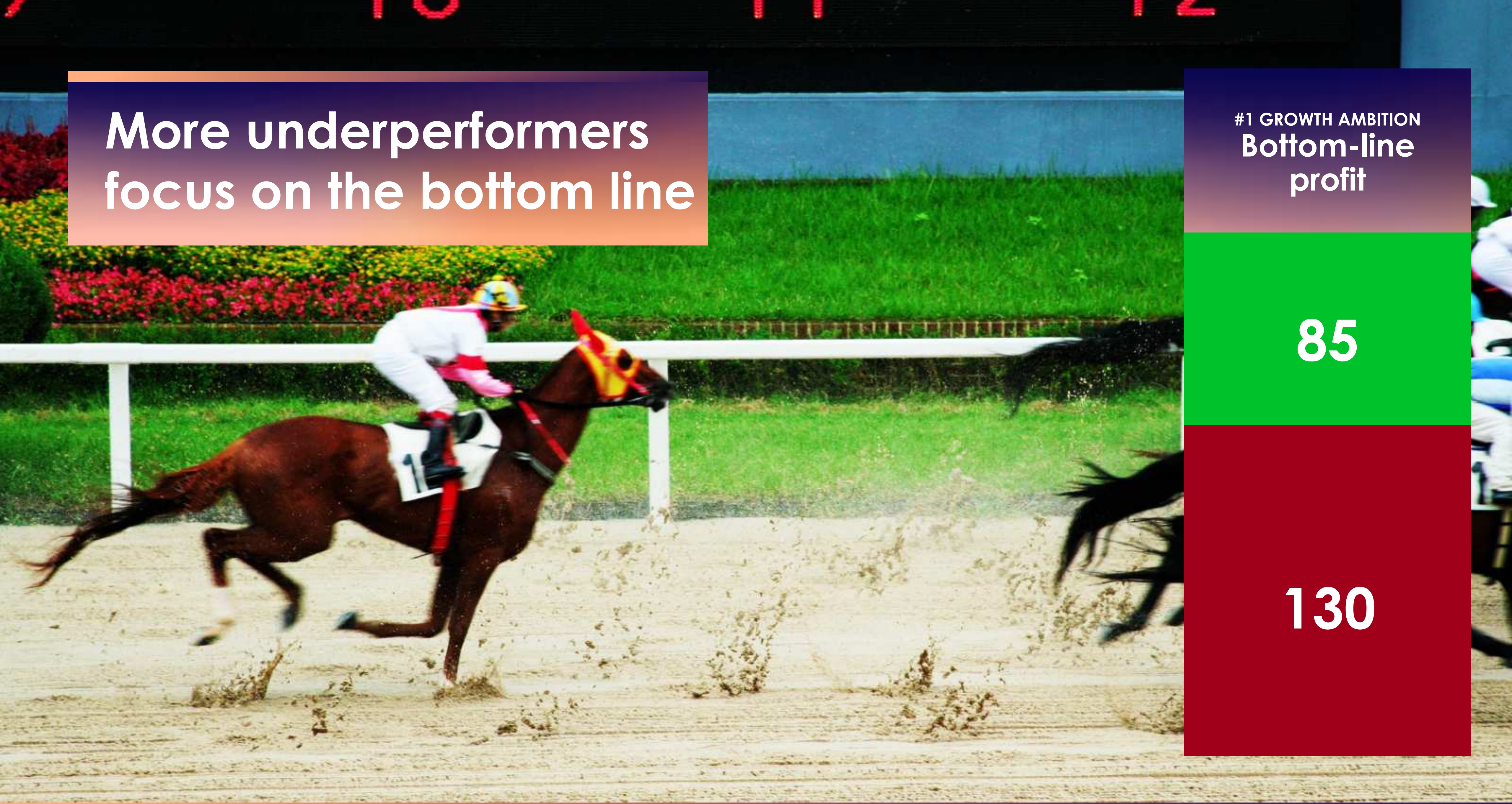
Data and analytics at the core of strategic decision making

66%

36%

7. Humanized Growth

More underperformers focus on the bottom line



#1 GROWTH AMBITION
Bottom-line profit

85

130

More underperformers focus on the bottom line

#1 GROWTH AMBITION
Impact on people

120	
76	

The 7 Building Blocks of Real Growth

HUMANIZED GROWTH

EVOLVING EXPERIENCES

WHOLE-BRAINED

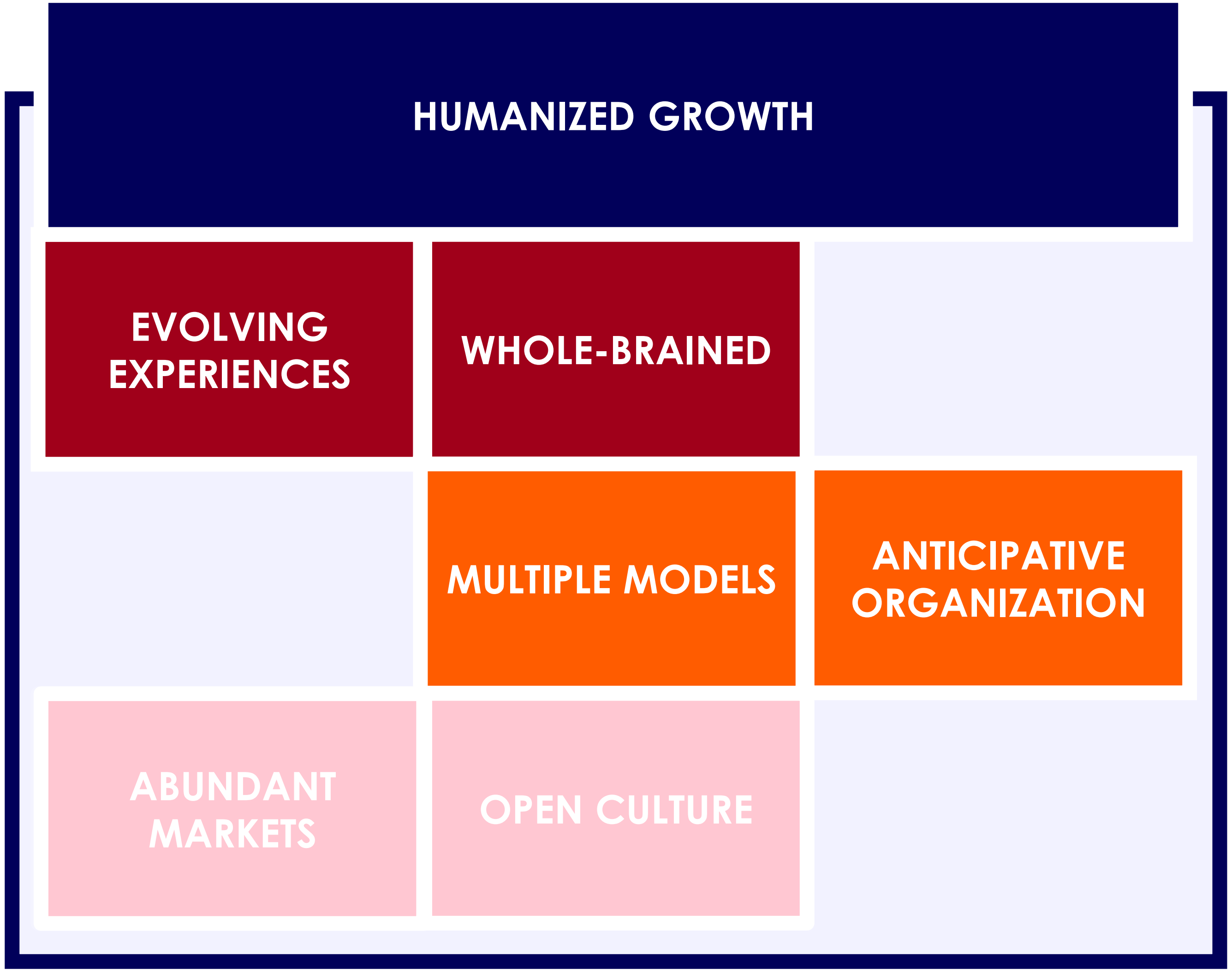
MULTIPLE MODELS

ANTICIPATIVE ORGANIZATION

ABUNDANT MARKETS

OPEN CULTURE

Emerging Future



Pre-COVID

Customers

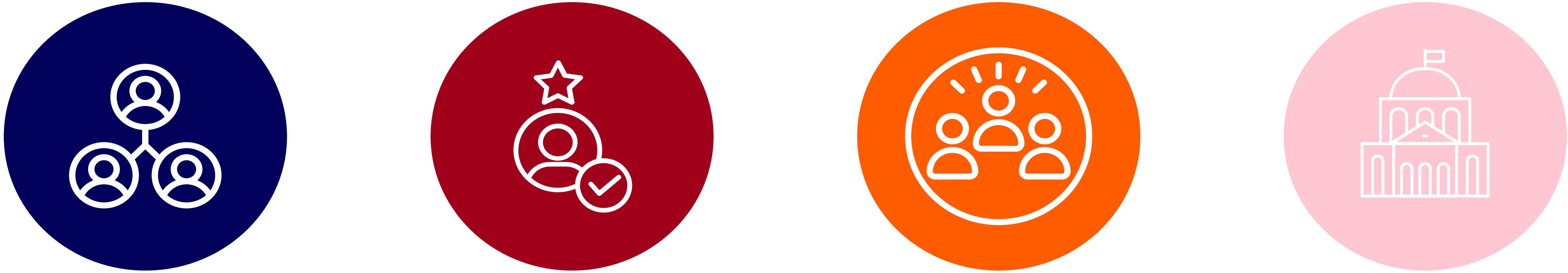
Capital Markets

Post-COVID

Colleagues

Community

Humanized Growth



Colleagues

Customers

Community

Capital Markets

Humanized Growth equation

Colleague Value x Customer Value x Community Value x Capital Market Value

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Short Termism

2008

BlackRock

"To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society"

Laurence D. Fink
Chairman & Chief Executive Officer, BlackRock

2018

2019: US Business Roundtable

BR
Business Roundtable

STATEMENT ON THE PURPOSE OF A CORPORATION

Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity. We believe the free market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment and economic opportunity for all.

Businesses play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services. Businesses make and sell consumer products; manufacture equipment and vehicles; support the national defense; grow and produce food; provide healthcare; generate and deliver energy; and offer financial, communications and other services that underpin economic growth.

WHILE EACH OF OUR INDIVIDUAL COMPANIES SERVES ITS OWN CORPORATE PURPOSE, WE SHARE A FUNDAMENTAL COMMITMENT TO ALL OF OUR STAKEHOLDERS. WE COMMIT TO:

DELIVERING VALUE TO OUR CUSTOMERS. We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.

INVESTING IN OUR EMPLOYEES. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.

DEALING FAIRLY AND ETHICALLY WITH OUR SUPPLIERS. We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.

SUPPORTING THE COMMUNITIES IN WHICH WE WORK. We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.

GENERATING LONG-TERM VALUE FOR SHAREHOLDERS, WHO PROVIDE THE CAPITAL THAT ALLOWS COMPANIES TO INVEST, GROW AND INNOVATE. We are committed to transparency and effective engagement with shareholders.

EACH OF OUR STAKEHOLDERS IS ESSENTIAL. WE COMMIT TO DELIVER VALUE TO ALL OF THEM, FOR THE FUTURE SUCCESS OF OUR COMPANIES, OUR COMMUNITIES AND OUR COUNTRY.

BRT.org/OurCommitment BR Business Roundtable

Update: Significant shift towards more Humanized Growth

More humanized growth focus

IRG CMO Panel

78%

4%

Thank You

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