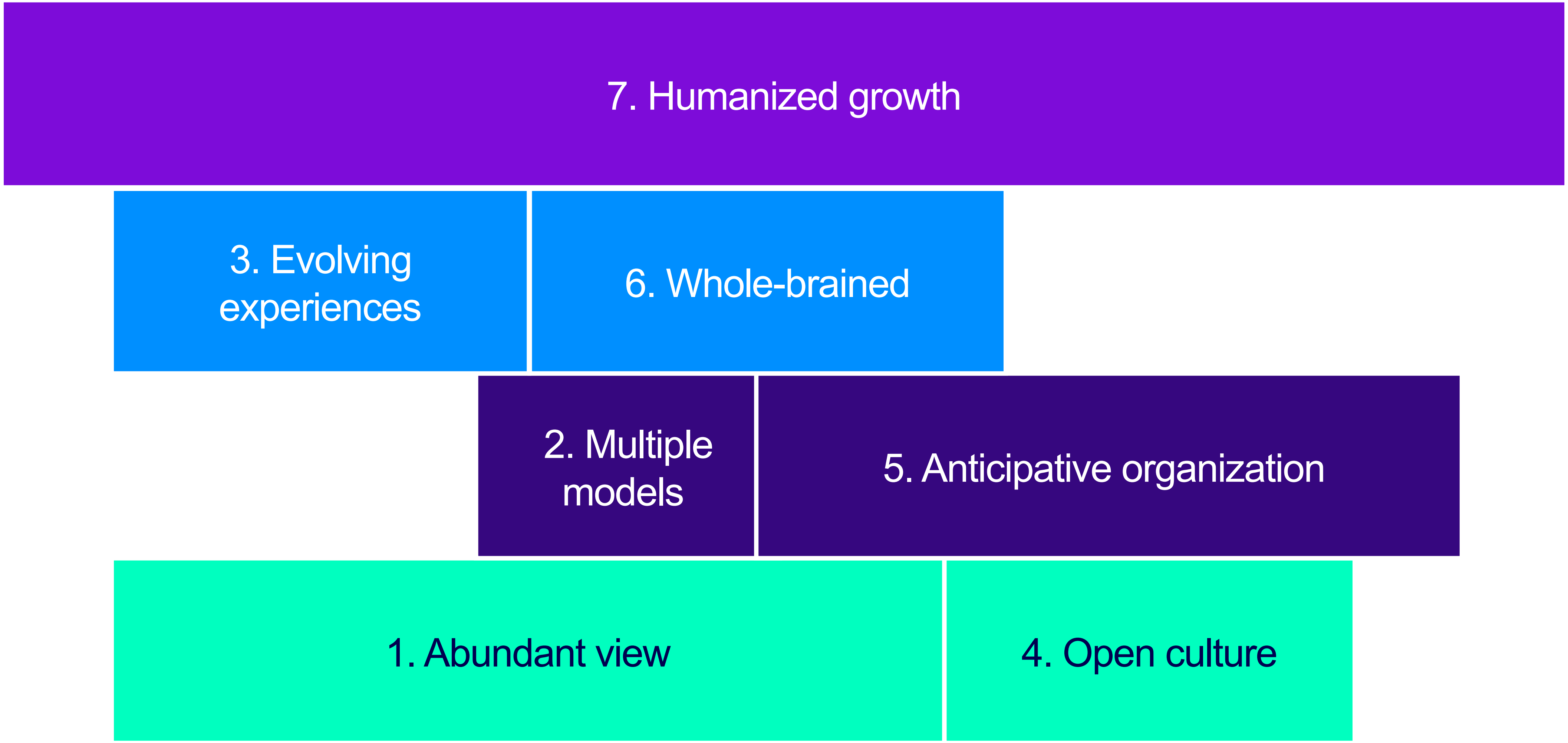
Please note that this deck is still work in progress and will be significantly more updated over the next couple of months

Initiative for Real Growth

Case Study library

The Seven Building Blocks of Real Growth



1.

Abundant view

Statistics: Abundant view

- Growth can be found in **looking beyond existing markets and creating new categories**. In Fortune‘s 2010 list of fastest-growing companies, half the top 20 companies grew via category creation.
- The 13 companies that were instrumental in creating their categories accounted for 53% of incremental revenue growth and 74% of incremental market capitalization growth over those three years (HBR, 2013).
- The world’s Top 10 retailers are more globally focused, with operations on average in 13 countries versus 10 for the overall Top 250. European retailers remain the most globally active as they **search for growth outside their mature home markets** (Deloitte, 2019)**.**

Mars Petcare

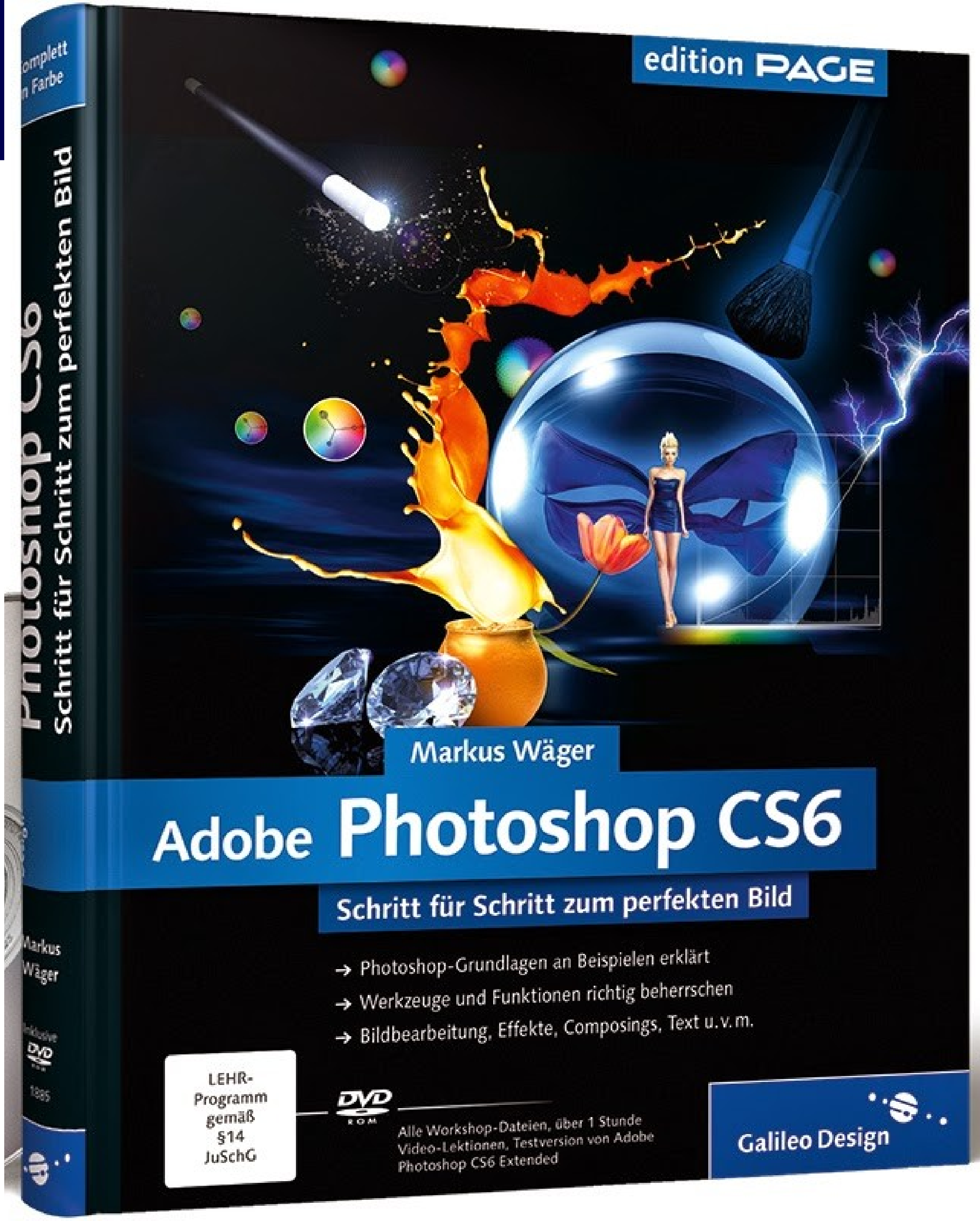
- Mars Petcare, headquarted in Brussels, is a diverse family-run business across 50 countries dedicated to one purpose, **a better world for pets**. With 75 years of experience, its portfolio of 41 brands serves the **health and nutrition needs** of the world’s pets including brands Pedigree and Whiskas.
- As a producer of pet foods since 1935, Mars Petcare is the world’s first professional pet food manufacturer.
- About half of Mars Inc. annual sales are from its pet-related goods, and in recent years it has diversified its portfolio into pet care to capitalise on consumers’ increased spending on pets.

From pet food to pet care

- Mars recognized the trend over the past several decades that has seen people gradually treat their pets more and more like members of the family, **consequently driving higher spending on their nutrition and welfare**.
- Additionally, pet food and related products sell particularly well online and in cities, meaning that the pet business is benefiting from the macro trends toward online shopping and urbanisation.
- Mars Petcare is now a **leading veterinary health provider** through a network of over 2,000 pet hospitals including Banfield and Bluepearl.
- Mars also provides **technology products** such as Wisdom Panel genetic health screening and DNA testing for dogs, and the Whistle Aps dog tracker.
- It's also active in the innovation space with a start-up-centric accelerator and donation program to **springboard disruptors in the growing pet care industry**.

Adobe

- Adobe Systems was founded in 1982 and for the first 20 years of its history was grounded in Photoshop, PDFs, and type-management systems.
- It's since made a transition from a license-based professional packaged software company for creatives into a first-in-class, multi-segment enterprise SaaS solutions vendor.
- In 2012, it launched Creative Cloud , where customers paid a monthly subscription fee. By May 2013, CC had attracted almost 700,000 paid subscribers and was far exceeding Adobe's expectations, replacing Photoshop as Adobe's most highly rated software in terms of customer satisfaction.
- It's expanding roster of products span creativity and design, marketing and analytics, and e-commerce; offering a one-stop shop to the creative community.



Growth through acquisitions

- In September 2018, Adobe added to its B2B offerings by purchasing Marketo, the leading platform for B2B marketing engagement. The company offers marketing applications for harnessing data and content to deliver real-time, cross-channel engagements in business transactions.
- It also acquired, Magento, an e-commerce business facilitator, which topped the $30 million sales target Adobe set for it for the three-month period. The integrated commerce capabilities gained with Magento help Adobe in both the B2B and B2C aspects of its business.
- Currently, e-commerce represents just 10% of total global retail sales, but that number is likely to continue to grow and is expected to top 17% by 2021. These additional capabilities position Adobe to benefit from the increasing adoption of digital sales.

Broadening the lens

- “If you believe that growth is a fundamental imperative, and if your business is not growing, and you are the market leader in a lot of spaces, you need to broaden the lens by which you look at opportunities—more extensions and adjacencies become obvious.” Shantanu Narayen, President and CEO, Adobe
- Adobe’s risk paid off, and as of 2018, stock is up more than 400% over the past five years and has gained 40% thus far in 2018 -- even after the recent market slump. For perspective, the broader market, as represented by the **S&P 500**, has gained about 3% so far this year.

2.

Multiple models

Statistics: Multiple models

- Typically 70%–90% of acquisitions are failures as the focus is placed on what a company is going to get from an acquisition, rather than what they can give.
- Between 2002-2009, IBM acquired around 70 companies for approximately $14b. By channeling the products of the target companies through a large-scale, global sales team, IBM estimates its revenue increased by 50% in the first two years following each acquisition and by an average of more than 10% in the following three years.

Shell

- Founded in 1907, Royal Dutch Shell has operations in more than 70 countries with businesses including oil and gas exploration and production; manufacturing, marketing and shipping of oil products and, more recently, renewable energy projects.
- It owns and operates 44,000 gasoline filling stations worldwide.
- Shell predicts the proportion of worldwide energy consumption met by electricity will increase from less than 20 per cent today to about half in coming decades. **Much of this will be at the expense of oil** as electric vehicles gradually replace petrol and diesel cars.
- Looking beyond their core business, Shell's strategic aim is to **thrive through the energy transition** and turn it into a major opportunity rather than a threat.

Diversifying beyond oil and gas

- To prepare for a world where fossil fuels are less dominant and **ensure Shell remains a company for the future**, a New Energies division was established in 2016. Focused on two main areas:
- New fuels for transport, such as advanced biofuels and hydrogen;
- Power, from generating electricity, to buying and selling it, to supplying it directly to customers.

- The company invests a maximum of $2bn a year in "new energy" commercial opportunities which represents less than a tenth of Shell's total capital expenditure, with the vast majority still going to fossil fuels. Investments aim to **accelerate the building of a customer-focused energy system** to support Shell's strategy to offer more cleaner energy solutions to customers.

- "The era of oil and gas and petrochemicals is not over, but the era of electric transport is also coming in. **The world is changing and if our customers' needs are changing, we have to change with them."** Ben van Beurden said, Shell CEO

‘New energy’ investments

- With the rise in take-up of electric vehicles, global petrol demand is expected to peak in 2030. In Shell’s wider effort to make electricity a significant part of our business they have acquired many companies to ensure sustainable long-term growth:

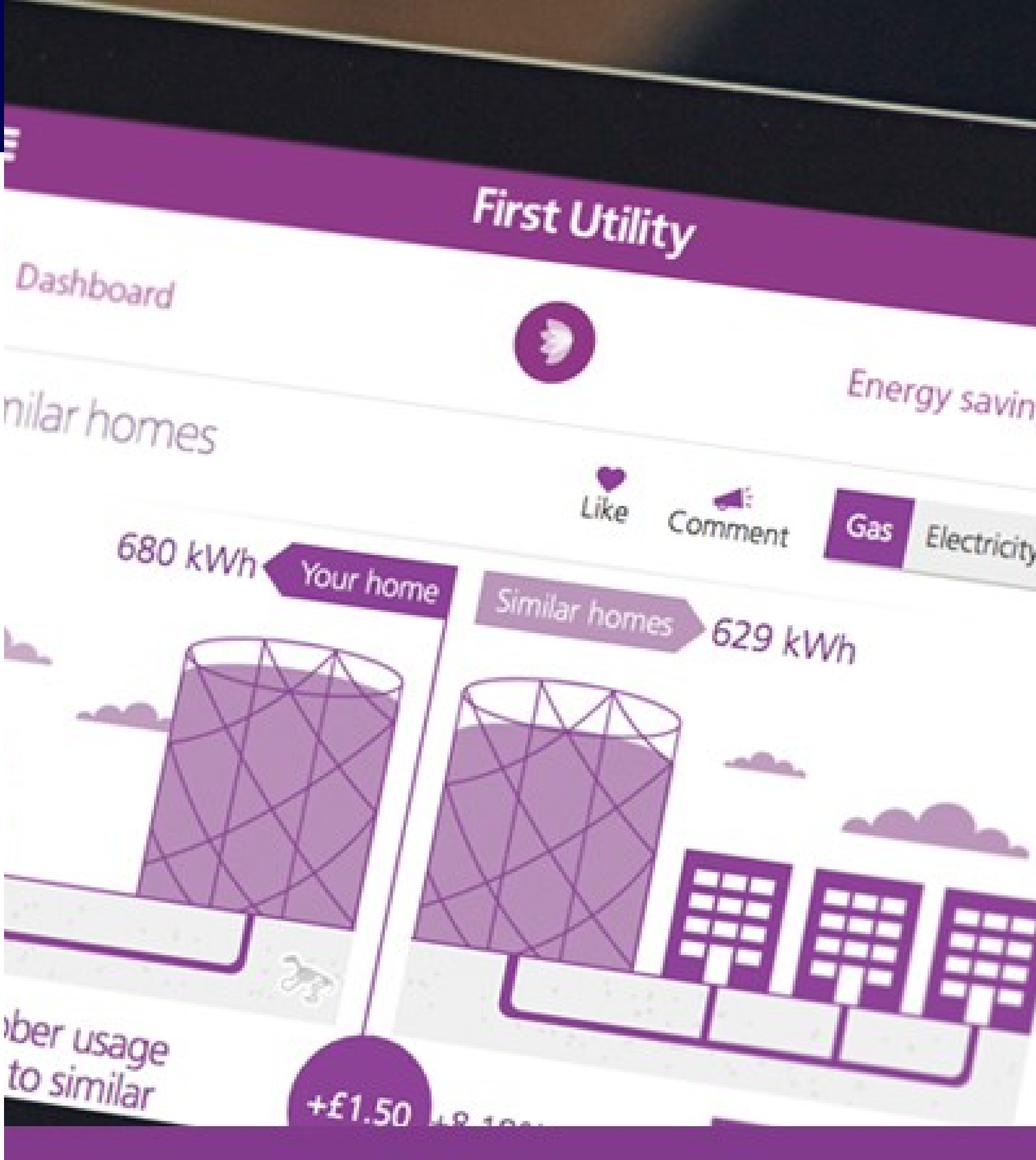
  - Shell is growing its renewables portfolio with stakes in Silicon Ranch Corporation, a US solar company, and a Borssele offshore wind project off the Dutch coast.

  - Shell invests in electric charging solutions with the acquisition of NewMotion, Europe’s largest electric-vehicle charging provider with 30,000 private and US-based Greenlots. offer its customers choice in their network of petrol stations and have customers choose Shell to refuel in whatever capacity the fuel is

  - In February 2019, Shell acquired sonnen, a leader in smart energy storage systems and innovative energy services for households. It will allow Shell to offer more choice to customers seeking cleaner energy.

Expansion into utilities

- Shell has expanded into utilities to provide electricity and gas to direct to homes and businesses.
- In February 2018, Shell completed the acquisition of First Utility, the UK’s seventh-largest gas and electricity supplier that already operated under the Shell brand in Germany. It will be supplying 825,000 households
- Compared to oil and gas companies, power-generating utilities operate on low-margins and have performed poorly in recent years. Despite this, Shell is making small investments now in order to minimize the difficulty of gaining entry to new markets later on. It may not seem a natural fit in the current market; however Shell is taking a long-term strategy.
- Furthermore, apps and smart home devices generate energy use data the has become a valuable commodity in itself.



PepsiCo

- Formed from the merger of Pepsi-Cola and Frito-Lay in 1965, PepsiCo is an American food and beverage corporate headquartered in New York.
- Its product portfolio comprises of 22 brands that generate more than $1 billion each in annual retail sales, including flagship brands Pepsi, Gatorade and Tropicana, Quaker and Frito-Lay.
- As consumers become increasingly health-conscious and sales of sugary, carbonated soft drinks decline, the beverage industry is undergoing transformation. Consumer preference towards healthier alternatives has also negatively impacted the sales of diet drinks with growing concerns around the dangers of artificial sweeteners.
- With a third of PepsiCo's revenue coming from its beverage business the company is accelerating its growth by moving the business beyond its reliance on sodas.

Acquisition of SodaStream

- The shift away from carbonated drinks and diet sodas has seen PepsiCo consider other avenues to maintain its position in the market. Alongside building on opportunities to grow share in its key categories, it moved into another business model through the acquisition of SodaStream.
- SodaStream manufactures and distributes home carbonation machines that transform tap water into flavoured, sparkling beverages. Its products are available in more then 80,000 stores in 45 countries, and it has seen more than 30% year-on-year growth in the US, capitalising on the strong growth for sparkling water in the US market.
- SodaStream marketed itself as a more environmentally friendly alternative to mainstream bottled drinks and therefore an indirect potential threat to drink manufacturers. The acquisition allows PepsiCo to address single-use plastic and appeal to more environmentally-conscious consumers.

Implementing direct-to-consumer

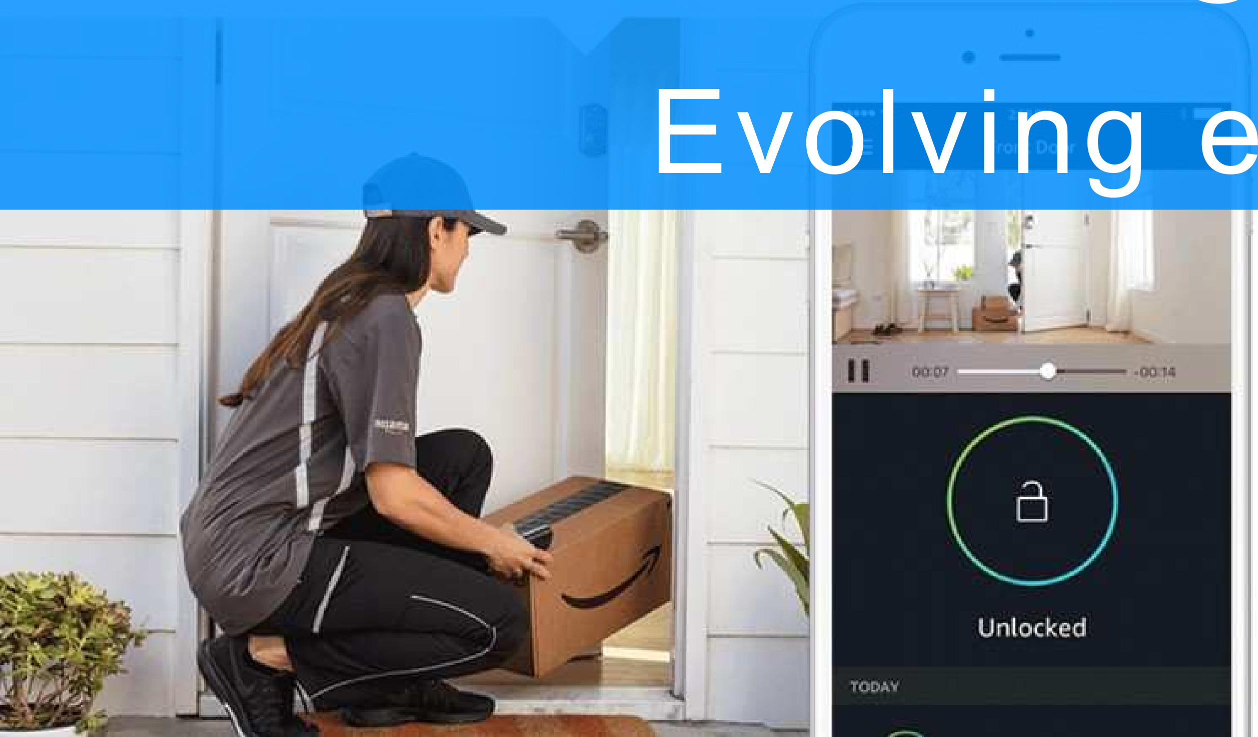
- The acquisition allows PepsiCo to build its eCommerce capabilities and role as a direct-to-consumer retailer.
- As a brand who historically sells through third-party retailers this model provides an opportunity to gain more data through direct relationships with the consumer. Studying consumer behaviour patterns can inform PepsiCo's marketing decisions and future acquisitions.
- Where other CPG brands struggle, SodaStream has performed well on Amazon and the acquisition has provided PepsiCo with valuable expertise.
- **"With its customizable options, SodaStream empowers consumers to personalize their preferred beverage in an environmentally friendly way and provides PepsiCo with a significant presence in the at-home marketplace"** Ramon Laguarta, CEO PepsiCo

Drinkfinity

- PepsiCo is further expanding into eCommerce with the launch of Drinkfinity in the UK, the first time it's brought a pure-play brand to the market. The product is a healthy squash-like drink that comes in the form of plastic 'pods' that consumers can only buy, along with a reusable bottle described as a 'vessel', on the Drinkfinity.com website.
- It will provide valuable insights into consumers and its success is less about sales and more about high engagement and gaining as much data as possible.
- PepsiCo announced its FY18 results with full year organic revenue growth of 3.7% to $64.7 billion

3.

Evolving experiences



Statistics: Evolving Experiences

- Experience-led businesses were found to achieve average revenue growth rates of 23% compared with 13% of other companies surveyed.' (CMO, 2018)
- Experience-led businesses are seeing 1.8x the customer attention in terms of brand awareness than those lagging behind (CMO, 2018)
- McKinsey research finds that customer journeys are significantly more strongly correlated with business outcomes than are touchpoints. Customer satisfaction with health insurance is 73% more likely when journeys work well than when only touchpoints do. Similarly, customers of hotels that get the journey right may be 61% more willing to recommend than customers of hotels that merely focus on touchpoints.

Hyatt

- Hyatt Hotels Corporation, headquartered in Chicago, is a **global hospitality company with a portfolio of widely recognized and industry leading brands**. As of September 30, 2018, the company's portfolio included more than 750 properties located in 55 countries across six continents.
- With a **tradition of innovation developed over a sixty-year history**, the company's subsidiaries develop, own, operate, manage, franchise, license or provide services to hotels and resorts under 14 established premier brands including Park Hyatt, Grand Hyatt and Hyatt Regency.
- Hyatt's purpose, to **care for people so they can be their best**, informs its business decisions and growth strategy and is intended to attract and retain top colleagues, **build relationships with guests** and create value for shareholders.

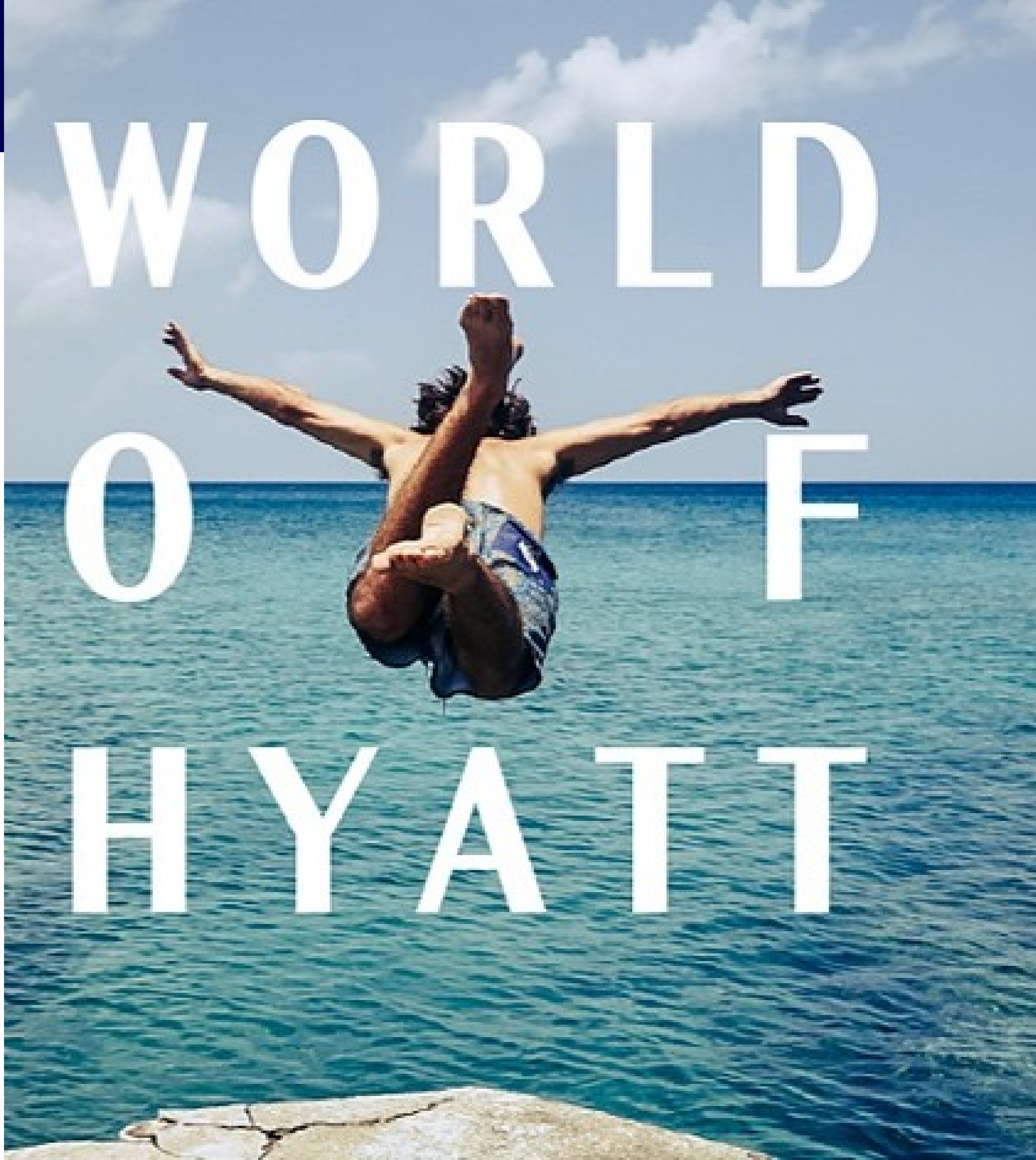
Lack of differentiation

- Despite record levels of revenue, a high stock price and good employee-guest relationship scores, Hyatt recognized the **downturn in economic growth** and **declining loyalty amongst customers**.
- **Competition was becoming increasingly intense** from well-established hospitality chains, smaller independent operators, and **from new channels** including short-term home rental platforms, Airbnb and HomeAway.
- Traditionally, Hyatt relied on brand name recognition and reputation to distinguish themselves. However they **offered the same service and procedures** as many other hotels. It found that **guests lacked control** over their experience and **staff had little governance to make decisions that could positively impact their guests**. Hyatt needed to break out of the “sea of sameness” within the industry.

Human-centered design thinking

- To differentiate itself, Hyatt, in collaboration with Stanford University, applied the principles of human-centered innovation design, **placing the customer at the center of the process**.
- Fundamentally, this means **empathizing with and embracing diverse viewpoints**, testing new ideas with others and recognizing the importance to learn from end users, team members and other stakeholders. This transformed the company culture from transactional operations, to a more **enlightened environment defined by providing caring experiences for both guests and employees**.
- *"***Empathy is essential** to the world, and it's particularly applicable to our business. We are serving high-end guests and **creating compelling experiences** is essential to our success."

– Mark Hoplamazian, Hyatt CEO



Distinct guest experience

- With a focus on transforming the entire guest experience, Hyatt turned 10 of their properties into **laboratories of innovation** where they ran iterative experiments on real customers to test everything from lighting to furniture. This new approach to design innovation transformed their overall mission deliver distinctive experiences.
- Through collaboration, Hyatt is able to push its solution-finding out of departmental silos and into dynamic team brainstorming. This allows customers true ‘needs’ to be uncovered and influence technology. Innovations include **‘Mobile Entry’ replacing room keys**, the World of Hyatt mobile app, allowing guests to personalise their experience by requesting forgotten toiletries, **checking in and out on-the-go**, and booking an Uber to the hotel. And most recently, in 2019, partnering with Google Assistant Interpreter Mode to allow customers and colleagues to communicate in 27 languages.

Relevant collaborations

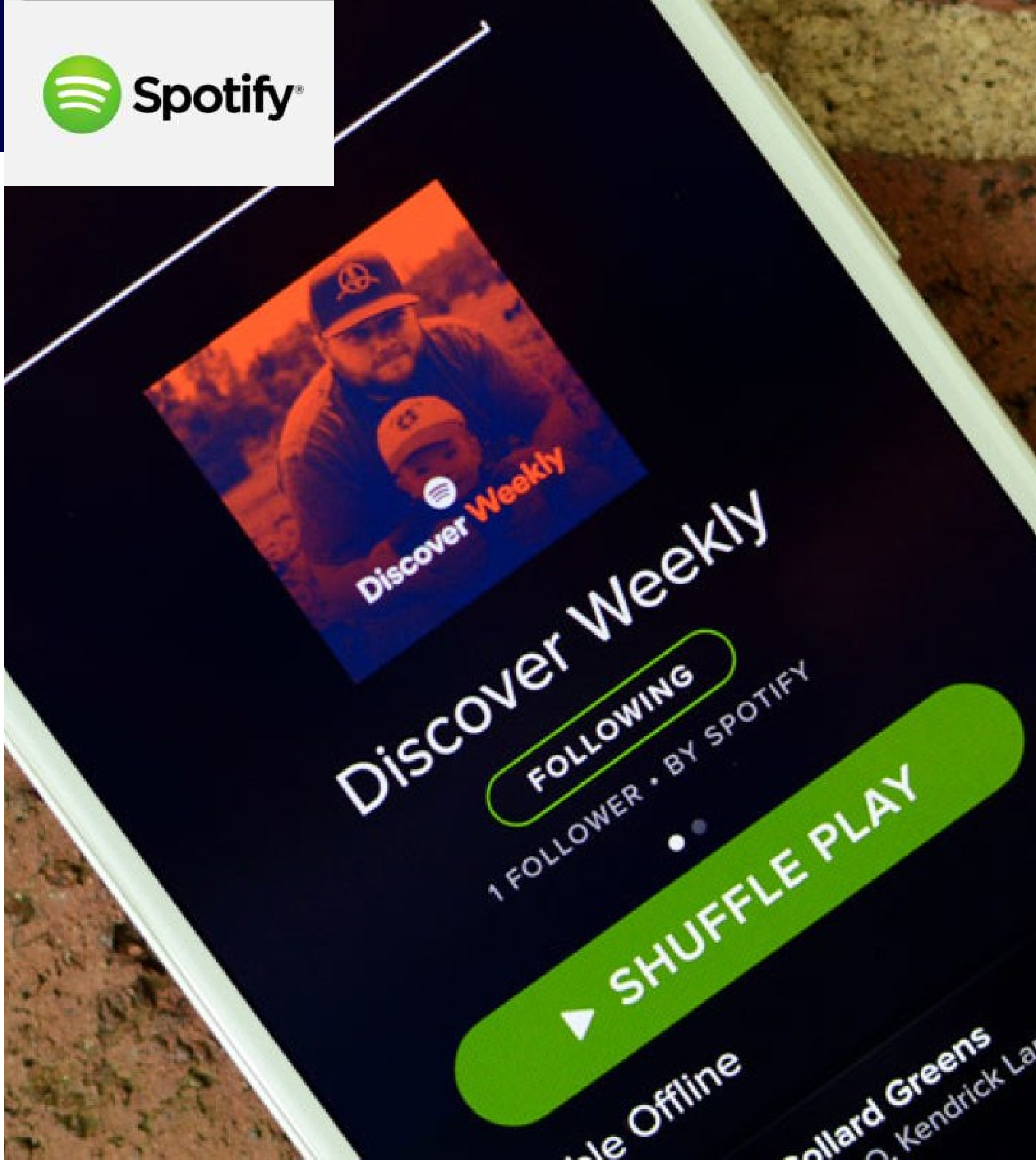
- Hyatt **builds experiences with an understanding of what's most important to their community of travellers** and collaborates with relevant brands.
- To satisfy traveller needs Hyatt partnered with **Sonifi**, offering guests simple, seamless and secure streaming of their favourite entertainment to provide a personalised 'at-home' experience.
- Hyatt Centric, an innovative lifestyle hotel brand targeted at millennial travellers, inspires exploration and discovery of destinations with resident expert guides, locally-inspired artisanal menus and city-themed rooms. It collaborated with **Sofar Sounds** and **Spotify** to connect guests with the local music experience and provide playlists inspired by the local music scene.
- To improve the quality of stay by continuously investing in the best business facilities such as **FedEx** desk services.

Impact

- Building and delivering new experiences to care for the high-end traveller has **increased the relevance of Hyatt's brands and improved engagement.**
- **High levels of guest satisfaction** has led to increased guest preference for Hyatt's brands, which results in a **strengthened revenue base over the long term**.
- In 2017, Hyatt **achieved a record level of 65 new hotels.**
- Hyatt identified wellbeing as being increasingly important to its guests and in 2017, as part of its growth strategy, **extended the Hyatt brand beyond traditional hotel stays** with the inclusion of Miraval wellness resorts and exhale fitness and spa. Integrating the mindfulness expertise of these brands into its core business reflects the company's commitment to **finding new ways to care for its guests**.

Spotify

- Beyond its sleek interface and large library of music, the streaming service Spotify has seen growth by providing engaging experiences.
- It offers a personalised experience with its Discover Weekly playlist. Updated weekly with recommendations tailored to subscribers music tastes, it provides continued discovery and entertainment.
- In collaboration with Uber, a new feature was launched allowing customers requesting a ride to connect to Spotify and play their own music during their journey. Users are able to wirelessly control the music during the ride using either the Spotify or Uber apps. The feature is available to Spotify Premium users and drives uptake of their subscription service.
- Spotify ended 2018 with 207 million monthly active users including 96 million premium subscribers, up by 29% and 36% year-on-year, respectively. It reported revenues of just under €1.5bn for the fourth quarter of 2018, up 30% year-on-year.



4.

Open culture

Statistics: Open culture

- 38% of employees have left a job or would consider leaving one if they felt the culture was permeated by negative office politics.
- 82% of the respondents to Deloitte’s 2016 Global Human Capital Trends survey said they believe that culture can be a competitive advantage.
- Having a culture that attracts high-talent can lead to 33% higher revenue.
- 62% of employees feel that their standard of work rises when they collaborate in teams (IBM)

Microsoft

- Microsoft, the technology company with headquarters in Washington, develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and services.
- Founded in 1975, it rose to dominate the personal computing operator system market. However, throughout the 2000s, Microsoft failed to keep up with the rise of smartphones, tablets and internet search, despite attempts such as the Windows Phone and Bing.
- Since 2014, Microsoft has successfully repositioned itself as a company focused on devices and services, to a cloud computing company. However, it wasn't this shift or the billion-dollar acquisitions of Minecraft and GitHub that drove its growth; but the **changing culture of its 130,000 strong workforce** led by CEO, Satya Nadella.

Culture change

- Historically Microsoft focused on performance and productivity, with **a culture built on competition** that had a long-standing reputation of infighting. This led to **alienated employees**, and in the decade after 2000 it lost substantial market share from the likes of Apple and Google. The technology industry had shifted from desktop to smartphones, from Window’s to iPhone and Android; and Microsoft failed to compete.
- After becoming CEO in 2014, one of Satya’s first acts was to ask the company’s top execs to read Marshall Rosenburg’s Nonviolent Communication a discourse on **empathetic collaboration**, an indication that he was going to focus on **transforming not just the business strategy but the culture as well**.

From product to people

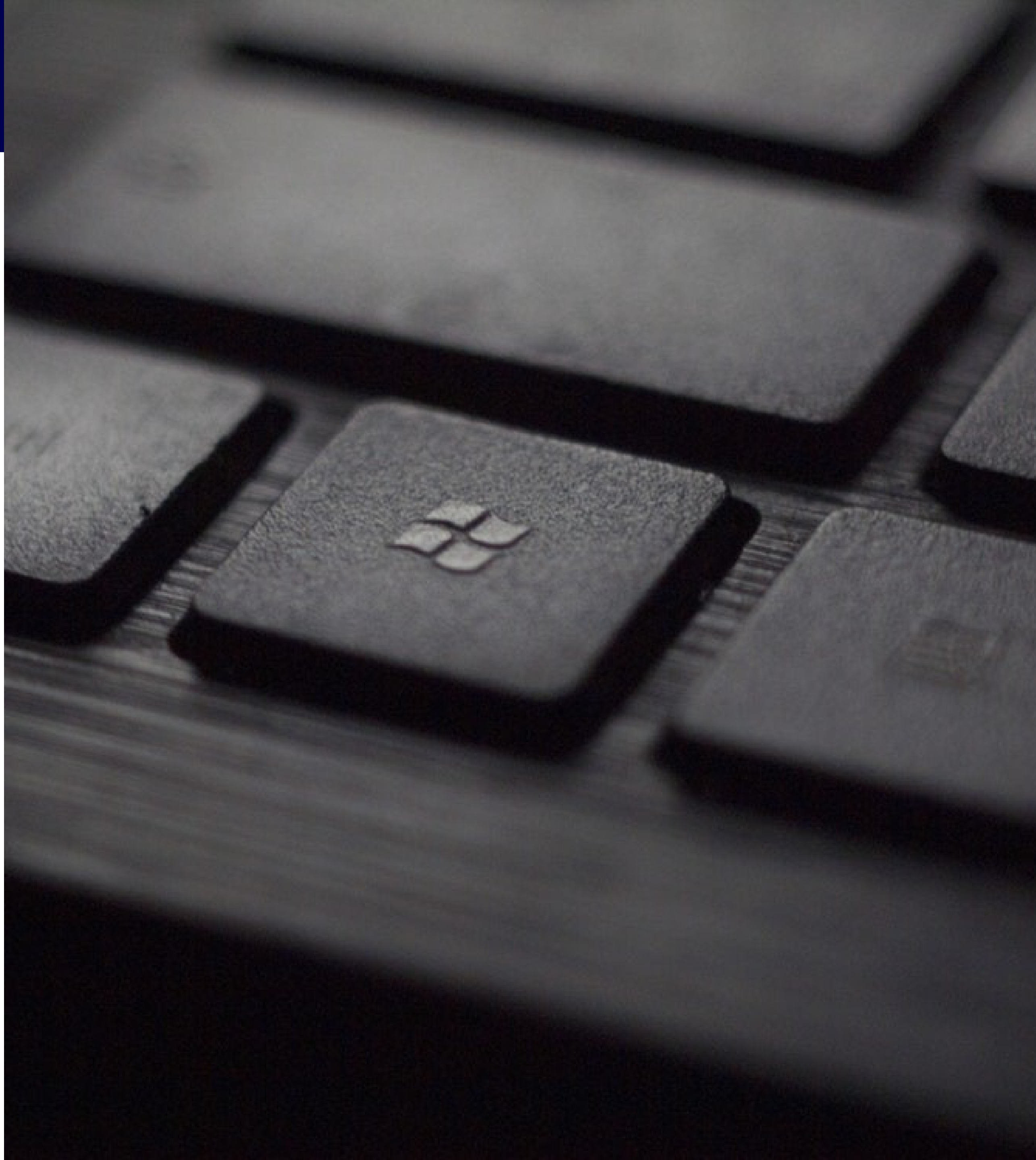
- Nadella's approach to business is gentler than his predecessors. He believes human beings are wired to have empathy, which is vital not only for **creating a supportive work culture** but also for making products that will **resonate with people**.
- Bill Gates' mantra of "a computer on every desk" was no longer resonant for a 21st-century enterprise technology company. The company redefined its mission **"to empower every person and every organisation on the planet to achieve more"** reflecting its efforts to become a people company instead of a product company.

Growth mindset

- Nadella credits Dweck’s 2007 book Mindset: The New Psychology of Success with defining his philosophy on company culture. Profoundly different to Microsoft’s previous values, the idea suggests that intelligence and talent are not fixed traits and that the **true mark of success is one’s ability to learn**.
- Previously employees were fearful of pursuing ideas at risk of failure which **inhibited innovation**. Now **curiosity and continuous learning is encouraged** with Nadella distributing video blogs to the company discussing the books that he’s reading.
- It has inspired employees to engage with the company in new ways and emphasizes the soft skills essential to improve organisational performance, which can often be derided in the corporate business cultures
- “We went from a culture of know-it-alls to a culture of learn-it-alls”**– Chris Capossela, Microsoft’s CMO**

Empathy & collaboration

- A key barrier to growth was the company's former stack ranking performance review, forcing managers to place their employees on a scale from top to poor performers. This has been altered to a new process called '**Perspectives' which encourages employees to solicit opinions from their peers, prompting conversations that feel more like coaching than reviews**. This emphasis on teamwork and employee growth provides a supportive culture to inspire more innovative ideas.
- Not just limited to internal culture, Microsoft forged a new direction where it was more open and integrated with the external computing environment. During his first appearance as CEO, Satya released Microsoft software suite, Office, for Apple's iPad, putting an end to Microsoft's reputation for not collaborating with rivals. This **collaboration was key to furthering technological process** and growing the ecosystem further.



Impact

- Microsoft’s share prices have not only returned to their highs but surpassed them. In 5 years since taking over in 2014, its share price have trebled, at one point in November 2018 making Microsoft the most valuable company in the world.
- Nadella has restored Microsoft to relevance, and generated more than US$250 billion in market value in just three and a half years.
- Most notably, he has restored morale within the company and embedded an empathetic culture and mindset of growth

Pernod Ricard

- French drinks group, Pernod Ricard, is the world's second largest distiller with brands including Jameson whiskey, Beefeater gin and Absolut vodka.
- Instead of a traditional hierarchy structure, the organization favours clearly defined roles and goals, a strong support structure and an open-door policy when employees need extra help. Employees are encouraged to take initiative and have a more entrepreneurial outlook, by having the freedom to make mistakes.
- "We want this to be a place to grow. We want to have an entrepreneurial spirit."
- This has contributed to the lowest attrition rate in the industry and a workforce that 94% are proud to be a part of.
- It's sales in 2018 totalled almost EUR9bn with an organic sales growth of 6% and the fastest profit growth in seven years.

Creators of Conviavility

- Pernod Ricard has built its business around creating a culture of ‘Conviviality”, being kind, collaborative and supportive. This core principle drives the company’s ways of working and defines the outlook toward its employees.
- In February 2019 it launched its first global corporate campaign as an extension of it’s longstanding mission statement, encouraging people to disconnect from the digital world and share human moments together.

“There’s a real yearning for connection and sharing in today’s world. Convivialité…echoes the lifelong motto of my grandfather Paul Ricard, who launched an invitation to all his employees to ‘make a new friend every day.’”
Alexandre Ricard, Pernod Ricard CEO

5.

Anticipative organization

Statistics: Anticipative organization

Organisational change:

- In 2017 88% of respondents were reorganizing their companies into a flatter, more networked team structure year. The trend continued in 2018, with 91% of respondents saying that their organizations' employees spend time on projects outside their functional area, and 35% say that employees do so on a regular basis (Deloitte, 2018).
- *80%* of newly-agile companies said that overall performance increased moderately or significantly since their agility transformations began(McKinsey).
- 85% of executives surveyed by Bain (2016) cited internal barriers, not external barriers, as the primary obstacles to growth. This increased to 94% of companies with more then $5 billion in revenue, with two out of three predicted to stall out, go bankrupt, be acquired or break into pieces in the next 15 years.

Statistics: Anticipative organization

Internal connectivity:

- The top three barriers to communication innovation are internal processes, cited by 53% of respondents, IT infrastructure on 49%, and lack of technology on 39%. And 71% said they do not think their organisation is investing enough in technology and innovation for communication (DRP, 2018)
- McKinsey & Company found that by employing enterprise collaboration tools, it could boost one global software client's productivity from 20 to 30 percent.
- Team members that have strong personal connections with one another make them more willing to take risks, support one another, and celebrate successes (BCG, 2018)

GO-JEK

- Established in 2010 as a motorcycle ride-hailing phone service, GO-JEK has evolved into an on-demand mobile platform and super-app, providing a wide range of services including personal transport, logistics, food and grocery delivery, on-demand hairdressers and massages, with integrated mobile payments.
- Originating from the idea of simple street-hailing transport offered by local ojeks (motorcycle taxis) able to overcome the traffic challenge of Indonesia’s congested roads; GO-JEK provides drivers with a mobile phone, data plan and platform to connect supply and demand.
- GO-JEK now operates in 204 cities across five countries in Southeast Asia. A total of 2,000,000 driver partners process 50 orders on average every second.

Autonomous Management

- GO-JEK's extensive breadth of services gives the company a high number of competitors. It therefore needs to act quickly in order to respond to the market. The company structure reflects this with **"mini-CEOs" appointed as product managers** across the 18+ verticals. They are given independence in their decision-making with **end-to-end ownership of their product to enable agility at scale.**
- "You can't put a crazy target on someone's head, and then micromanage them to achieve the target. You say, "Whatever it takes. You're the boss. You decide how to hit target." " **Nadiem Makarim, GO-JEK CEO**
- Employees are well-trusted with benefits such as unlimited sick leave and no office timings. Teams are permitted to **collectively decide what works best for them** in order to deliver the best business results and drive growth.

Empowered drivers

- GO-JEK's ecosystem **supports both individual entrepreneurs and small businesses** to enter the digital economy by leveraging its technology for their ventures. GO-JEK drivers earn substantially more than other entry-level service jobs and many people have quit their jobs in order to improve their livelihoods.
- Drivers receive a small per-kilometer payment with the bulk of their income coming from hitting performance targets and earning bonuses. This points-based bonus system is structured in a way that incentivises drivers to complete the maximum number of orders, get people to top up their Go-Pay accounts, and take more orders during peak times. All priorities in the GO-JEK business model.
- Fostering **a culture entrepreneurship,** GO-JEK take a 'test and learn' approach by **implementing micro-battle teams** where if a driver sees an opportunity to create value, they feel empowered that GO-JEK will support and implement it. They invite their drivers to **story-telling sessions** to aid continuous innovation.

External connectivity

- As a successful technology platform, GO-JEK's **spirit is to collaborate with others.**
- This was demonstrated though it's strategic partnership with Bluebird, one of Indonesia's most successful taxi services. Announced in March 2017, the partnership strengthens GO-JEKs car services with access to a 23,000 strong fleet. It also allowed for a new taxi booking feature on its platform called GO-Bluebird, leveraging their technology while maintain their profit margin.
- GO-JEK benefits from the credibility Bluebird has as one of the most trusted transportation services in Indonesia. This **provides legitimacy to GO-JEK and enhances market trust**.

Expansion overseas

- As GO-JEK begins to expand overseas, **fit-for-purpose teams are given independence to manage their own market-led local strategies**. This allows the company to **scale quickly** and translate its concept to different local contexts.
- Guidance is provided upfront by **mentoring local teams** on what has been successful in Indonesia and what hasn't worked. GO-JEK aims to create autonomous teams able to make their own decisions on selecting products to launch, pricing, changes to the brand, and how they want to recruit in the market.
- In September 2018, the company launched its first international operations in Vietnam under the brand "Go-Viet". **In only six weeks Go-Viet seized a 35% share of the motorbike ride-hailing market**, with the app downloaded 1.5 million times and 25,000 drivers joining the platform.

Results

- In under 2 years, the start-up was valued at more than US$1.4 billion and boasted the country's largest network of motorcycle-taxis.
- In less than 3 years, GOJEK grew from a few hundred orders to more than 100 million every month – a total order volume growth of 6600x.
- Go-JEKS's 2018 funding round brought in US$1.5 billion of new capital and valued the company at roughly US$5 billion. Investors included tech giants Google and Tencent as well as Chinese e-commerce player JD.com and Japan's Mitsubishi Corporation. The investment fuels its accelerated Southeast Asia expansion to include Singapore, the Philippines and Thailand.

Haier

- Haier is a **Chinese consumer electronics and home appliances company** specialising in refrigerators, dishwashers, air conditioners, smart home appliances, and more. It has 29 worldwide manufacturing bases, 10 research and development centers, and more than 76,000 employees.
- Zhang Ruimin, Haier’s CEO since 1984, has transformed Haier from a small fridge factory on the verge of shutdown in Qingdao into the **world’s largest appliance manufacturer.**
- Haier’s success can be attributed to its core identity of a company **dedicated to solving problems for consumers, while embracing change and continually reinventing itself.** It has reinvented itself several times to encourage innovation and remain competitive.
- **“There must be change every day, otherwise you’ll definitely lag behind the times.”** Zhang Ruimin, CEO

Micro-enterprises

- Haier aims to **“create zero distance with the customer”** with an organisational structure based on independent operating units that have their own profit and loss responsibility and accountability.
- By eliminating a middle management team of more than 12,000, Haier’s company structure has evolved from a **top-heavy traditional hierarchy to a flatter organization** with micro-enterprises dedicated to a specific innovative product or idea.
- This creates an organization that is **extremely responsive to customer needs, constantly cultivating new ideas and innovating quickly**. Instead of R&D, production and sales working in a linear relationship, the new organization structure is made up of small, nimble working units that have **full authority to make investments without central approval**
- Everyone, whatever their role, is **expected to talk to consumers and suppliers on a regular basis** making them able to better respond to customer demand

Entrepreneurship

- Haier actively encourages it employees to go after their own business by **providing entrepreneurial training and resources to turn them into owners of their own micro-enterprises**.
- If employees have a compelling entrepreneurial idea that they wish to pursue, they are free to propose the idea for a new product or service within the company. If the idea gains enough traction from employees as well as suppliers and customers, the employee can form their own micro-enterprise within the company by recruiting across the company to form a team dedicated to making the project work.
- The company incentivizes employees with financial rewards determined by the market performance of the products and services. It also includes other nonfinancial metrics such as active users, user interactions and lifetime users which motivate microenterprises to build services to **generate ongoing business beyond just an appliance sale**.

Open Innovation

- Haier has maintained a leading position and **managed the evolution to IoT by repositioning the company** and its brand to be an orchestrator of resources - bringing entrepreneurs, R&D, suppliers, manufacturing and service partners together – to deliver customer-centric experiences.
- The company realizes it cannot develop all technologies in-house so follows the concept and principles of open innovation**, collaborating externally with research institutes across the world**.
- It has formed a global network of resources and users which attracts world-class resources to participate in its R&D “cooperation, win-win and sharing” mechanism. This **enhances its innovation capacity** and allows Haier to play a leading role in the development of products and technologies in the industry to **provide excellent experience for its users**.
- Haier has applied for more than 25,000 patents in total. In 2017 alone, Haier applied for more than **7000 patents, 60% higher than the industry average**.

GE Appliances

- To further its growth and manufacturing presence in the US, Haier acquired GE Appliances in 2016. The acquisition fundamentally changed the way GEA operates as a company, allowing them **to start thinking "as a two-year-old startup".**
- Haier overhauled the governance, performance and payment structure at GEA by breaking the company with 60,000 employees into more than 1,000 independent business units that are **grounded and guided by local markets and consumer connection.**
- These localized entrepreneurial "microenterprises" enable GEA to **quickly change their approach and seize new market opportunities** that create value for consumers.
- This new **consumer-focused strategy** led to GEA's best results in a decade, with profit growth of 22.4 per cent in 2018.

Results

- Haier is the fastest-growing provider of appliances in the world and **since 2011, it has held the largest worldwide market share in white goods**. In 2016, Haier accounted for 10.3% of worldwide home appliance sales and had a CAGR revenue of 6.1% over the past decade.
- In 2017, Haier's global revenue hit 242 billion yuan (US$48 billion), representing **an increase of 20% year on year,** while its profits surged 41%.
- In the first half of 2018, the company recorded revenue of 88.6 billion yuan in (US$13.2 billion), representing an increase of 14.19%.
- With its upscale brands in China, such as Casarte, and its growing presence in the United States, Europe, and Japan, the company has moved out of the value-priced and niche appliance domain to compete directly with top-of-the-line appliances from more established companies.

Internal connectivity

- New messaging, chat and video communication systems are being launched across many organisations. One connectivity platform, used by Heineken, Nestle and Booking.com, is Workplace. Developed by Facebook, it uses familiar and easy-to-use tools like groups, instant messaging and News Feed to transform teamwork, communications, and culture.
- Workplace connects employees at every level from the executives working at headquarters to low-level employees out in the field.
- Delta's cross organizational development teams around the company have generated $40 Million in incremental revenue and opportunities by utilizing Workplace.
- Walmart claims that an offering like Workplace is helping the company break down language barriers, increase knowledge-sharing, and even manage their responses to emergencies like Hurricane Harvey.

Workplace & Starbucks

- Starbucks adopted Workplace by Facebook, 80 percent of Starbucks' store managers were actively using the tool to share knowledge, best practices, and support one another.
- Beyond improving internal communication, **Workplace allows companies to become closer to the customer, enabling faster innovation.**
- A Starbuck store manager posted on Workplace about customers requesting an unusual drink that was not on the official beverage menu. The drink had gained popularity on social media and similar stories were shared on Workplace by nearly 40 other store managers selling the drink. The growing demand was recognised by the category marketing teams and within 24 hours the new product was available to order and selling successfully in selected stores.

6.

Whole-brained

Statistics: Whole-brained

The problem:

- According to the BI Survey, 58% of companies are still basing over half of their business on gut feeling or past experience.
- An Accenture study found that only 1 percent of CMOs believe they are responsible for digital innovation within their company.
- The majority of companies (64%) do not have a documented data analytics strategy and only 50% of organisations reported executive sponsorship of analytics (Econsultancy, 2017).
- A study from Forbes Insights and KPMG found that 84% of CEOs are concerned regarding the quality of the data they're using to make decisions

Statistics: Whole-brained

The advantage:

- McKinsey found that companies with data-driven strategies have a 5% better rate of productivity and 6% more profit than their competitors.
- Improving customer relationships (55%) and making the business more data-focused (53%) are the top two business goals or objectives driving investments in data-driven initiatives (IDG, 2016).
- Research from McKinsey found that companies who focus on data when making sales and marketing decisions are able to increase their marketing return on investment by 15-20%.

Netflix

- Netflix is the world's leading internet entertainment service streaming TV series, movies and documentaries across a wide range of genres and languages. Netflix offers unlimited viewing on internet-connected devices and provides new content for subscribers each month.
- The initial business model included DVD sales and rental service, but the business expanded in 2007 with the introduction of streaming media. In 2012, it also entered the content production industry and now produces and distributes titles under ‘Netflix Originals’.
- Netflix has disrupted and fundamentally changed the entertainment industry by using the power of data intelligence to compete with traditional media providers.

Data intelligence

- Internet entertainment is expanding rapidly due to consumers changing expectations to have the freedom to watch content on demand, on any screen and being personalised to individual tastes

- Operating in more than 190 countries, with over 150 million streaming subscribers, Netflix possesses a huge amount of data. It collects the following to inform its strategic business decision and develop data-led creative solutions:

  - Viewing figures
  - The day and time users watch content
  - When users pause, rewind, or fast forward
  - Where users watch content and the device they use
  - When users leave content and if they ever come back
  - Ratings of content via ‘thumbs up-thumbs down’ (about 4 million per day)
  - Searches (about 3 million per day)
  - Browsing and scrolling behaviour

Results

- Allowing users to discover content they’ll enjoy is integral to Netflix’s success. To improve overall customer experience Netflix can understand user preference and utilise AI and machine learning algorithms to make relevant suggestions.
- Netflix viewing figures noticed high engagement with cancelled TV show, Arrested Development, and consequently launched a new successful ‘Netflix Orignal’ series.
- Netflix invested over $100 million to outbid TV channels like HBO to earn the rights for House of Cards as they were confident through their data that they had the right audience. It brought 2 million new US subscribers and made 86% of subscribers less likely to cancel their membership.
- As of May 25, 2018, the company’s stock price hit an all-time high while its market cap grew to [$152.7 billion]

Adecco

- Headquartered in Switzerland, The Adecco Group is the world's leading HR and staffing solutions partner, with 34,000 employees and 5,100 branches in over 60 countries.
- It supports more than 100,000 organizations with provides more than 3.5 million people with permanent and flexible employment opportunities every year.
- Its transformative strategy plan aims to strengthen every aspect of its offer in the world of work, by enhancing client and candidate experience, and being more productive and efficient.

GrowTogether

- Adecco created a programme called GrowTogether which aims to use technology and innovation as an enabler to improve and enhance its reputation for customer service. As a people-centric business it’s designed to accelerate its transformation and build stronger relationships with its customers.
- To improve the customer journey, Adecco undertook a mass qualitative and quantitative research approach to gain a deeper understanding of the needs, attitudes and behaviors of its candidates and clients.
- With the aim of creating winning experiences across all touchpoints, Adecco examine their performance at each step from the moment an individual begins searching for labor to how they can drive loyalty.
- Research included branch immersions and story-telling circles with quantitative analysis then used to validate the research, establish the prevalence of different stories and provide data insights.

Investing in digital

- Adecco is traditionally brick and mortar based, however the company continuously searches the HR technology landscape to find, build and invest in the most promising tools and emerging business models. It is empowering its business and employees to think creatively and growing their offer and investing inl ventures that improve its digital capabilities.
- Its digital-enabled portfolio offers new levels of flexibility and choice for candidates and clients through online platforms Adia, Vettery and YOSS. Based on Adecco Group's co-creation innovation approach it created YOSS, an online professional freelance platform catering to the 'gig economy', in collaboration with Microsoft.
- It also integrated Mya is an AI-enabled chatbot that automates outreach, screening, and communications with jobseekers, into its solutions.

Results

- Interpreting journey data points allowed Adecco to gain deep human insights and drive creative solution development
- For example the study identified that the time between interviewing and waiting to hear the outcome was a particularly stressful time for a candidate. Previously they didn’t always contact the candidate but have now implemented timely notifications through it’s virtual Candidate Portal to improve overall experience.
- Adecco reported a 6% growth in revenue of EUR 23.7 billion in 2017.

7.

Humanized growth

Statistics: Humanized growth

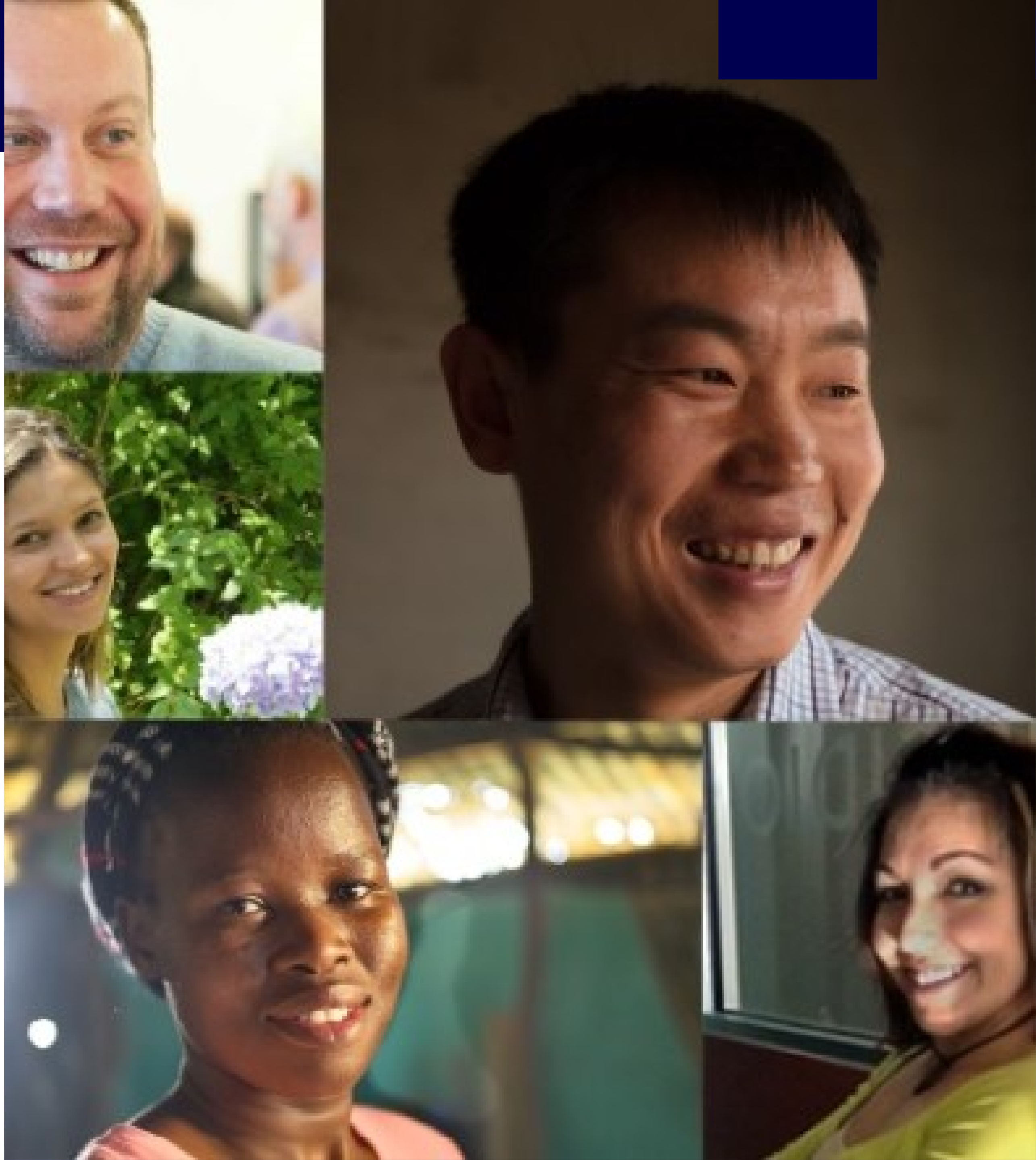
The importance of an engaged workforce and positive employee experience:

- Gallup found that 87% of employees worldwide are not engaged in their work; and those with highly engaged workforces outperform their peers by 147% in earnings per share.
- Inspired employees are 125% more productive than their satisfied peers (Bain & Company).
- An IBM report, titled *The Employee Experience Index*, found that 95% of employees reporting a positive employee experience with their company said they engage in activities which are not part of their job but beneficial to customers and their company. That figure fell to 55% for staff reporting a poor experience with their employer.

Statistics: Humanized growth

Having a positive impact on the wider society is fundamental to growth:

- Deloitte (2018) found that 81% of businesses have inclusive growth efforts built into their business priorities; and 93% see a business return on investment in their inclusive growth efforts
- Another Deloitte (2019) study found 34% o respondents cited societal impact most often as the top factor used to measure success when evaluating annual performance.
- A GROW study demonstrated how brand ideals aren't simply about altruism or CSR but a fundamental human value that is authentic to the brand and ultimately a driver for extraordinary growth. Analysis discovered that companies who centred their businesses on ideals had a growth rate triple that of competitors in their categories.



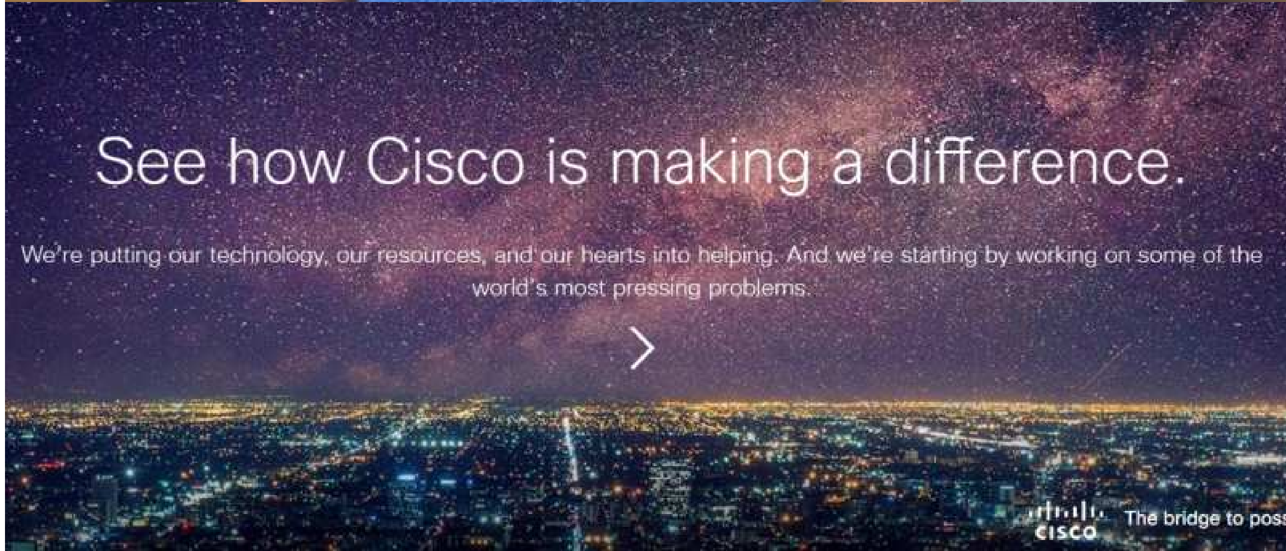
Cisco

- Cisco is an American multinational technology conglomerate headquartered in California, that **develops, manufactures and sells networking hardware and services**.
- Since 2015, Cisco CEO, Chuck Robbins has led its **business-model transformation** from a pure hardware business to a hybrid focused on hardware, software and services.
- *"We embarked on a transition in our business, primarily because our customers were asking us to change the way we deliver our technology.* ***Customers wanted to consume our technology as a service****, which leads to subscription, which leads to more recurring revenue which is better for our longer term business model."*

  - ***– Chuck Robbins, Cisco CEO***

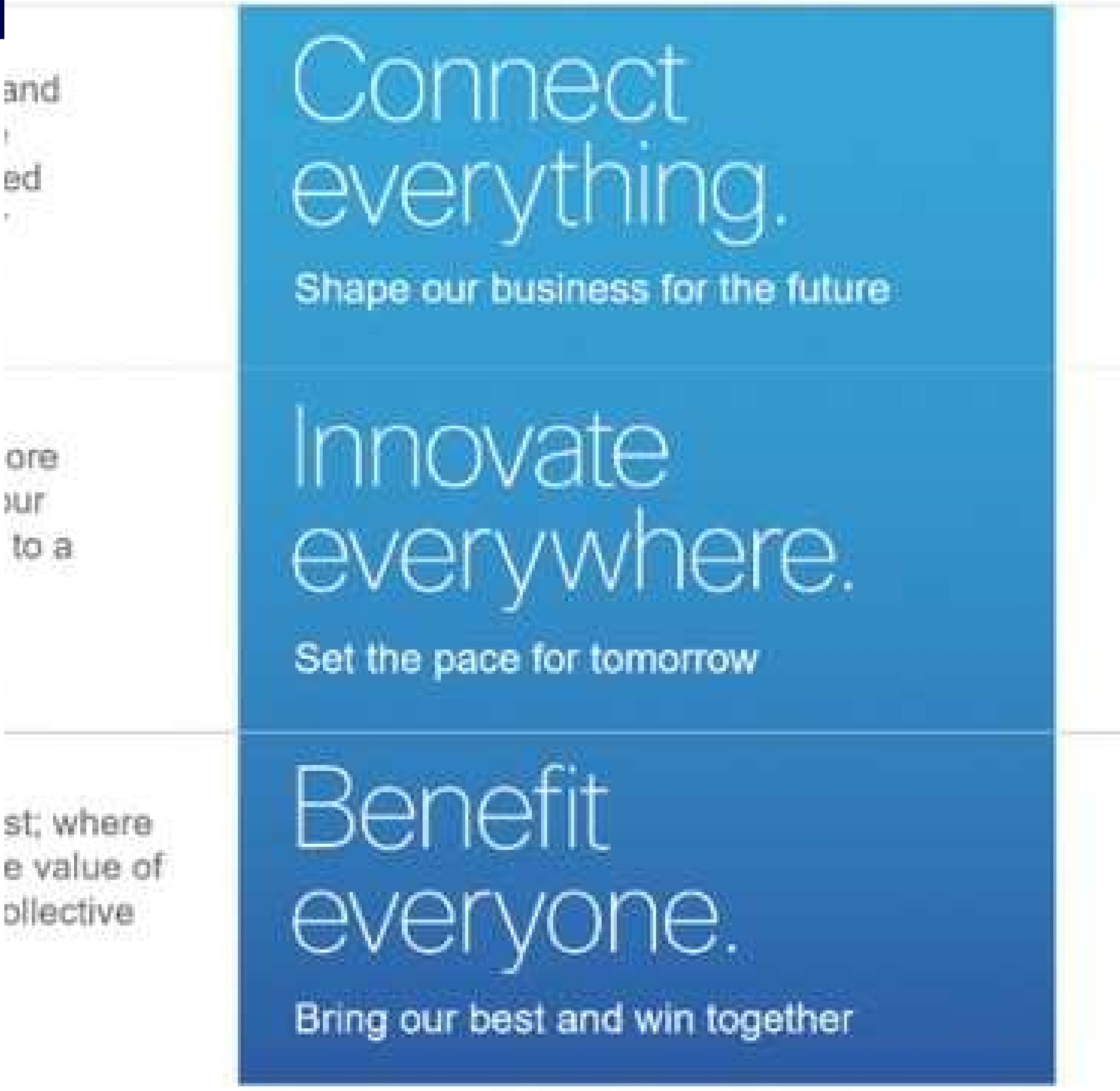
Intervention

- Its past proposition focused on being a secure and trusted network provider. Instead, Cisco began to target technology optimists and cemented Cisco's ongoing effort to make a **positive impact on people, society, and the planet.**
- Taking learnings from B2C, Cisco shows how **human storytelling** can be successful even for B2B tech companies. A focus on **customer advocacy and utilising consumer stories** has been successful in showing how Cisco’s technology can help businesses achieve their objectives.
- Marketing steers clear of technical details and focuses on **telling interesting and inspirational technology stories**. Its content strategy includes **educating and raising awareness of critical issues**, such as cybersecurity, through short and impactful videos.



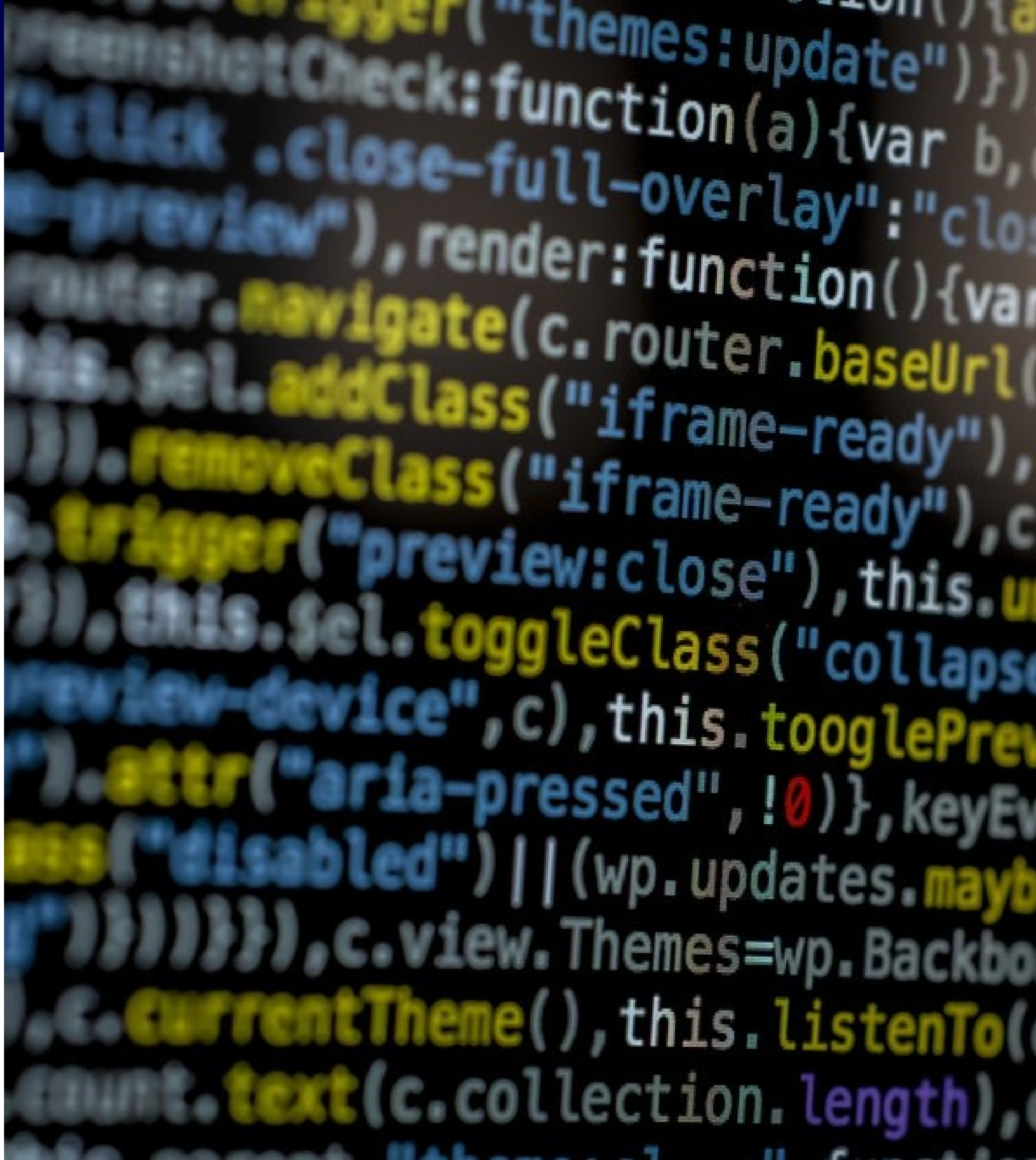
Impact on Colleagues

- Cisco redefined employee experience to create a culture that attracts and retains the best talent in order to grow and lead the industry. It launched the **'People Deal',** a simple and shared three-part promise between Cisco and its employees.
- **Connect:** people, processes, data, and opportunities. Use connections to deliver positive outcomes that align with customer needs.
- **Innovate:** providing an open and agile environment that encourages employees to explore ideas and relentlessly pursue innovation.
- **Benefit:** works with the highest levels of integrity to appreciate all individuals contributions to positively impact the world
- The manifesto creates a sense of pride amongst employees and empowers people to be productive and create innovative results to benefit all.



Impact on Consumers

- As technological and industry advances squeezed profit margins on traditional Cisco core products, Cisco transitioned from a hardware centric business to one focused on software and services.
- In changing its go-to-market strategy, Cisco had to consider the different expectations of B2B customers. It realised in today's digital world, **it is all about the customer first**, as opposed to the technology.
- Cisco focuses intently on customers by creating long-lasting partnerships, working together to identify our customers' needs and provide solutions that fuel their success. Such as earning their trust and advising them on Wi-Fi, security and communications strategy.

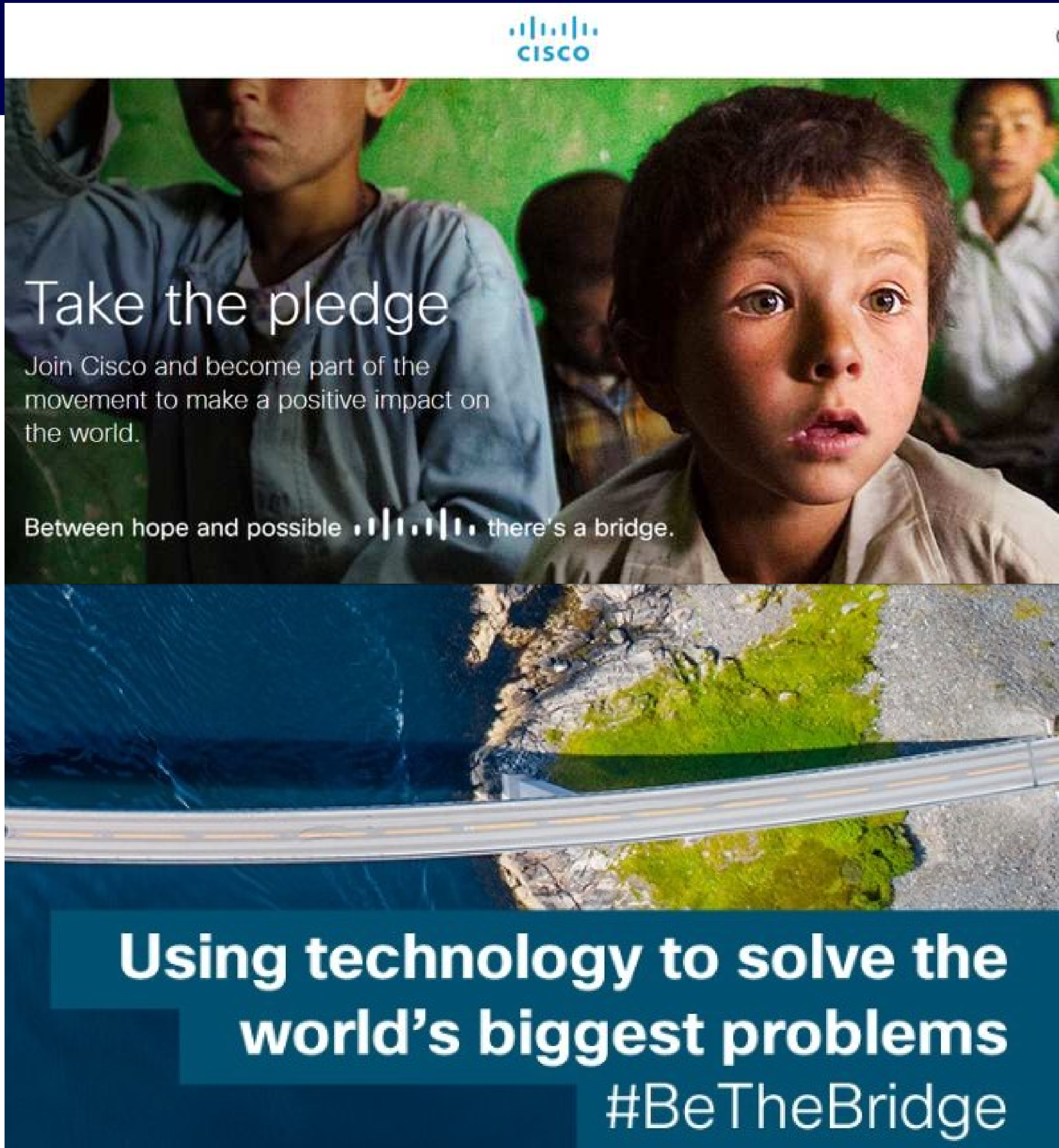


Impact on Community

- Cisco places significant value on creating innovative technologies and positive experiences that **make the world a better place**. It's CSR strategy is the cornerstone of its transformation and **aligned to business objectives with real metrics and accountability**.
- **Cisco Networking Academy** trains students in information technology and in one year taught almost 1.5 million people. 97% of students in a graduate program in Italy (where youth unemployment is at 40%) found work within 6 months.
- As **cybersecurity** becomes a prominent issue, Cisco works with organisations and governments around the world to remove this threat to business and people's way of life.

“Bridge to Possible”

- Cisco launched its “Bridge to Possible” campaign in November 2018, a bold and fresh brand platform **celebrating Cisco’s technology as being a bridge to solutions to some of the world’s biggest problems**, like poverty and environmental concerns.
- The campaign increased engagement by inviting everyone to make a pledge to use their skills, access, and ability to make a positive impact on people, society, and the planet. This forms a more **meaningful connection between Cisco colleagues, consumers and the wider community**.
- Social engagement was 12 times more than Cisco had ever achieved, and 98% of employees thought the campaign felt authentic and true to the business.



Results

- Cisco reported a **6% year-over-year increase in net revenues to $12.8 billion** in Q4 fiscal 2018.
- The **third consecutive quarter of revenue growth** for Cisco after about two years of consistent revenue declines.
- New leadership and an increased focus on customers has seen a positive reaction to an emotional marketing campaign evolve into a **new company vision "Cisco is the bridge between hope and possible.'"**
- Fundamentally, Cisco **doesn't focus solely on the bottom-line** it measures success on how it positively impacts people, society, and the planet.

Sweetgreen

- Founded by a trio of recent Georgetown Business School graduates in 2007, Sweetgreen is a fast-casual restaurant company specializing in offering regionally-sourced, seasonally-focused salads.
- Since 2007, Sweetgreen has expanded to 90 locations, with over 3,500 employees. In November 2018, Sweetgreen announced it had raised a $200 million round of funding, and the company's valuation now stands at $1 billion.
- Sweetgreen's founders credit their success to a philosophy of **"building intimacy at scale"** rather than prioritizing short-term profit revenue and profit growth. Their story illustrates how rapidly growing companies can maintain familiarity with customers, partners and employees.

Situation

- Shortly after founding Sweetgreen and experiencing an initial period of success, Chief Brand Officer Nathaniel Ru and his team were faced with a dilemma.
- Having studied the history of many similar startups, Ru's team noted a number of structural changes that often accompanied rapid growth: loss of speed to market, dips in product quality and uniqueness, lack of customer focus, and cultural shifts that leave employees feeling less involved and inspired.
- The team set out to avoid these pitfalls by implementing four key cultural and branding pillars, ensuring they could **retain an atmosphere of intimacy** as they grew.

Intervention

- Sweetgreen adopted a policy of **'slow down to speed up'**, saying no to immediate expansion opportunities, learning from their mistakes, and building a truly scalable blueprint for success before expanding into any given market.

- The company also **embraces modularity** in whatever they do. Rather than rolling out what's successful to every new market and context, they make extensive use of pilot programs designed to test their assumptions at every turn. While this process has slowed down their short-term gains, it has allowed them to ensure truly sustainable growth that can weather the impact of any misjudged idea.

Impact on Colleagues

- Sweetgreen’s founders make sure to stay plugged in to the employee culture and experience, taking at least one shift at a restaurant location after each seasonal menu change. This process helps them identify the pain points that their employees experience from day to day, and to address them accordingly.

- In addition, Sweetgreen makes sure that ample opportunities for creativity, leadership, and personal passion are available to all of their colleagues. The most anticipated event on their company calendar is a **‘Shark Tank’ style pitch session** where employees propose, and are rewarded for, their unique visions of how Sweetgreen’s business can evolve.

Impact on Consumers

- Before entering a new city, Sweetgreen studies local food culture, artistic trends, demographics, and even traffic patterns. This allows them to meticulously tailor their offerings to local needs and preferences – in the company's words, for customers to feel that a given location is "*your* Sweegreen, not just *a* Sweetgreen."

- As Sweetgreen becomes more established in the markets it expands into, it makes sure to establish local cultural connections that keep the company feeling like part of the local community. From collaborations with Michelin-starred chefs to musicians like Kendrick Lamar, Sweetgreen consistently looks to become an institution within the communities they serve.

Haidilao

- Chinese hot-pot restaurant chain, Haidilao, has seen incredible growth and success from its humble beginnings as a small hot-pot shop in 1994.
- It has over 300 outlets in 60 Chinese cities as well as more in Los Angeles, Tokyo, Singapore, London and Seoul, **opening at a rate of 3 new restaurants every day**.
- In 2017 it served 106 million guests with revenues up 36% to $10.4 billion.
- Haidilao's strong success can be attributed to its **customer-centric and employee-centric philosophy**.

Culture of trust

- With 60,000 and counting employees, the company has one of the highest retention rates in the industry.
- CEO, Zhang Yong, encourages his people to take initiative and promotes a strong culture of trust. His employees feel trusted and empowered which encourages the frontline teams to deliver extraordinary customer service.
- **"Putting faith in my staff has paid off for me. Giving them responsibility and autonomy is how you show trust“** Zhang Yong, Haidilao CEO
- The company understands that the front-line servers know the customers' needs and problems the best. Therefore they are given the authority to do whatever makes the customers happy, including handling customer complaints by refunding meals without the involvement of the manager.

Impact on Colleagues

- Haidilao has a generous pay structure with incentives and welfare packages to take care of its employees. It offers an equity-like incentive scheme, rewarding them with roughly 3% of the restaurants' profits.
- Outstanding employees even receive free apartments, parental subsidies, children's educational allowances and other benefits. There are also referral incentives with many employees referring their family and friends to work there.
- The company only promotes from within, which empowers its store managers, or shifus, to work hard and provide good service. It scales its operations by a shifu opening a new location, and bringing a third of his restaurant's staff with him. This leaves an apprentice behind as the new shifu to develop and manage a location on their own.

Impact on Consumers

- Haidilao prides itself on providing customer service beyond a typical Chinese diner’s expectations
- Unlike most hot pot restaurants, the chain invests heavily in its waiting areas. They are well-decorated, have seats and can account for a third of the total space of the restaurant. It also provides free Wi-Fi, manicure/shoeshine/hand massage services, board games, and a variety of snacks and drinks.
- In response to reported food safety concerns, Haidilao allows customers to see into the kitchen via a live-stream video from a television hung on the restaurant wall or through tablets on their tables. They are also welcome to personally observe the food being prepared.