

Going Forward....

The Growth Challenge

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Conclusions

Growth in Small Economies

“Systemic and predictable innovation comes from entrepreneurs that have mastered the art of balancing insights and foresight, inspiration with vision. In other words, innovation is the result of developing a granular understanding of markets as well as the result of understanding the external forces and the dynamics of the business atmosphere”

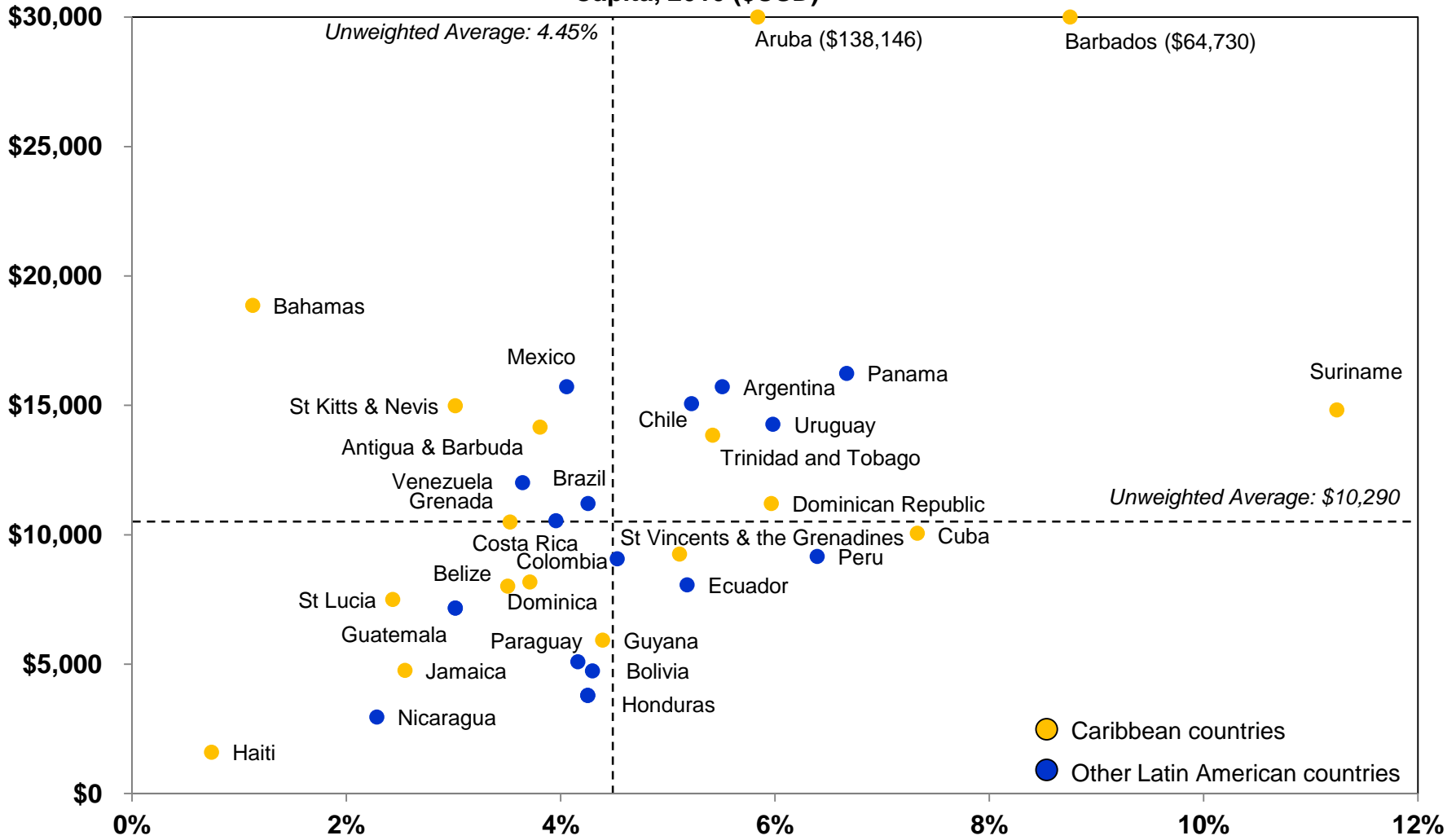
Size...: A flawed denomination

- SMEs is an arbitrary denomination
 - Employees and Sales
- SMEs must not be a destiny
- SMEs are born to grow
- What matters most size or speed?
- There are two types of business:
 - Fast
 - Slow

Prosperity Performance

Caribbean Countries

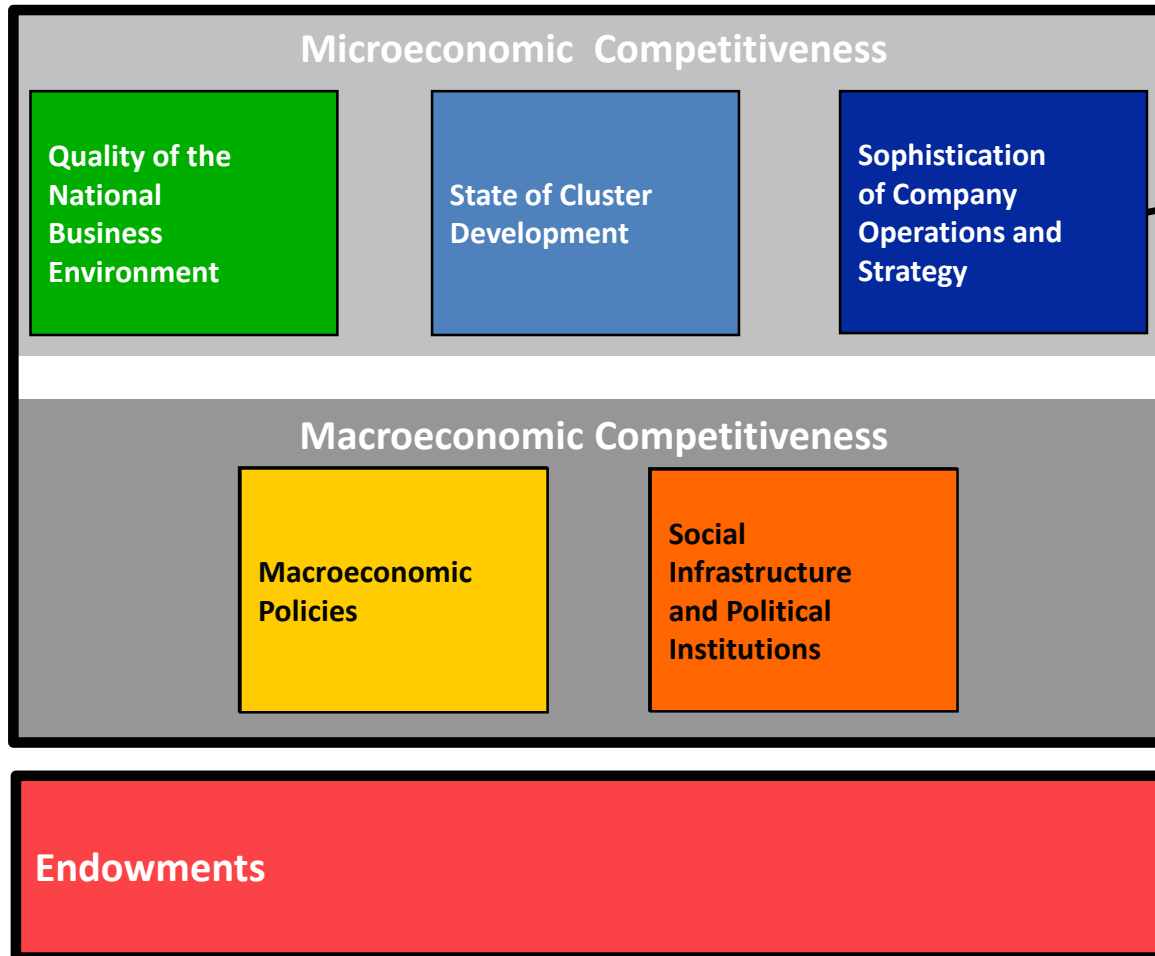
PPP-adjusted GDP per Capita, 2010 (\$USD)



Growth of Real GDP per Capita (PPP-adjusted), CAGR, 2000-2010

Note: Aruba not included in average
 Source: EIU (2011), authors calculations

What Determines Competitiveness?



The **internal** skills, capabilities, and management practices needed for companies to attain the highest level of productivity and innovation possible

The BIG Picture

I M P A C T	Future	With the current level of development, what will be the future impact of SME's in the family, immediate community, and the economy?	What developmental path SME's must engage to have a more significant medium/long term impact in the economy? What sectors/cluster shall we target to develop SME's and with what intensity?
	Current	<p>What is the current development of the SMEs in terms of local, regional, and global competitiveness?</p> <p>What is the current impact of the SMEs in the family, immediate community, clusters and in the overall economy?</p>	What developmental path SME's must engage to have a more significant short term impact in the economy? What sectors/cluster and with what intensity?
		Current	Future
D E V E L O P M E N T			

THE FOUNDER'S IDEAL MINDSET

- Keep growing
- To accelerate growth
- To positively impact the environment
- To positively impact society
- To keep growth profitable

THE YING AND YANG OF GROWTH

The BIG F:

FORESIGHT:

What is coming next?

What is already here?

Trends and Patterns?

Game changing events?

The Growth Challenge

- **New Growth**

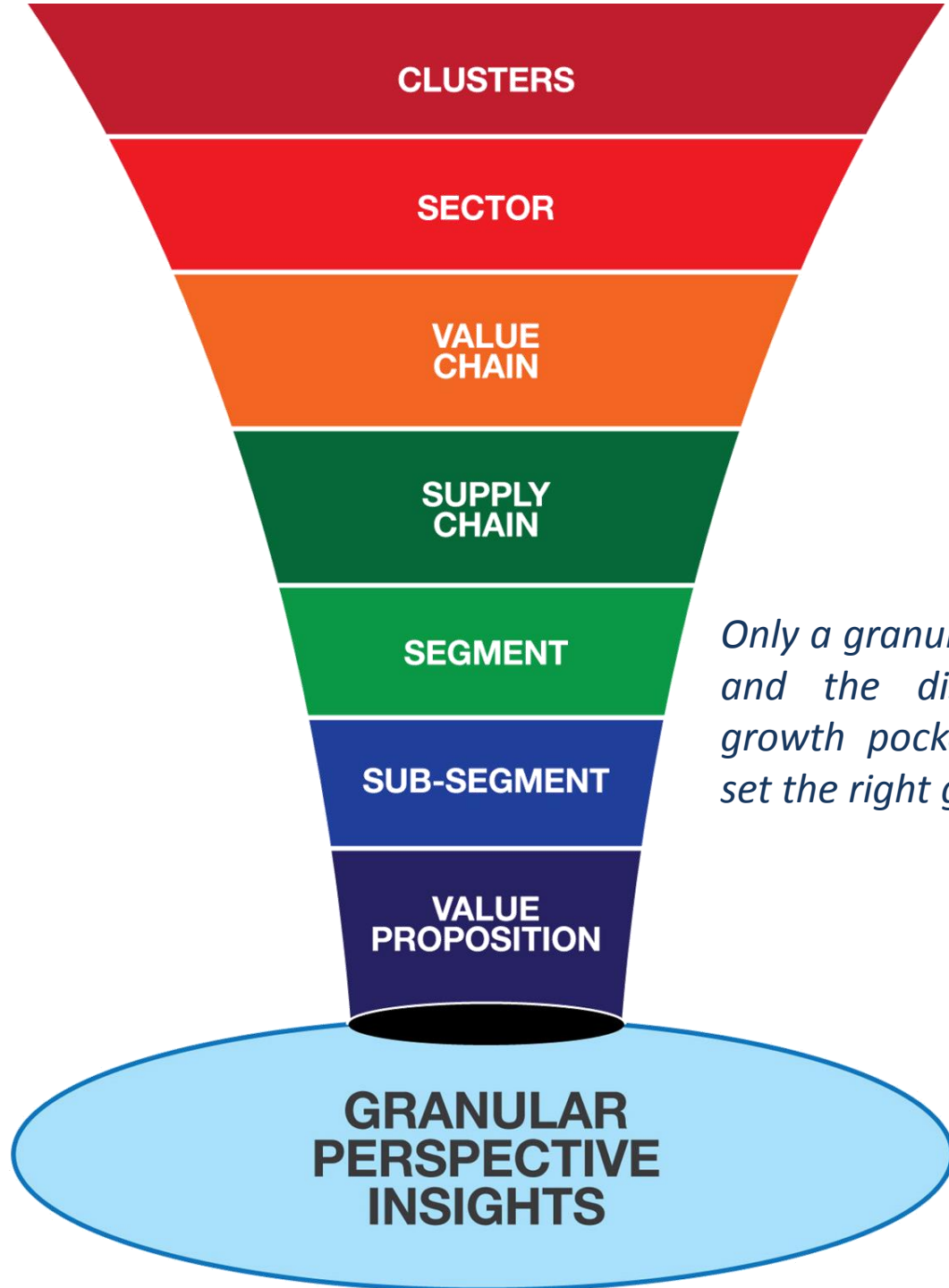
- Non traditional sectors
- Based on global demand dynamics
- Sustainable
- Internationalization path
- Innovation
- Profitable
- Ethical



THE END IN MIND

THE VALUE EQUATION:

$$\text{VALUE} = \frac{\text{Quality} + \text{Service} + \text{Uniqueness}}{\text{PRICE}}$$



CLUSTERS

SECTOR

**VALUE
CHAIN**

**SUPPLY
CHAIN**

SEGMENT

SUB-SEGMENT

**VALUE
PROPOSITION**

**GRANULAR
PERSPECTIVE
INSIGHTS**

*Only a granular regional analysis
and the discovery of global
growth pockets will help us to
set the right growth direction*

Who is my customer?
What do they want/dream/need?
Why do they buy from us?

- **Mark Penn 2007:**
microtrends:.targeting niches within niches
- Stay at home workers
- Uptown tattooed
- Office romancers
- Archery moms
- Old new dads
- Vegan children
- Troubled teens
- College educated nannies
- Late-breaking gays
- Surgery lovers
- Mini-churched
- Militant illegals
- Pampering parents
- Mildly disordered teens
- Video game grown-ups
- Young knitters
- Social geeks
- New luddites

Growth Vehicles

New Growth

- | | |
|---|--|
| <ul style="list-style-type: none"> - Operations in new locations - Conquering new customer segments - New prod/serv - New business models | <ul style="list-style-type: none"> - M&A/JVs in new value chain steps - M&A/JVs of unrelated new businesses - M&A/JVs of new channels |
|---|--|

Old Growth

- | | |
|--|---|
| <ul style="list-style-type: none"> -Market Penetration - Replication -Operational Effectiveness | <ul style="list-style-type: none"> - M&A in same sector/value chain step - M&A in related Markets - JVs with traditional players |
|--|---|

Organic Growth

Inorganic Growth

Growth Rules for Fast Companies

- 1.- Do not compete!
- 2.- Don't play the game, create the game!
- 3.- Combine value with uniqueness
- 4.- Understand your growth atmosphere
- 5.- Be the master of the ultimate competitive advantage

Big Lessons on Growth

- Revenue growth and profitability are key to growth champions performance
- Growth matters for performance AND survival
- Quality of Growth Matters AND the underlying health of your business



Quality of Growth

- **Organic**
 - From within
 - Multi-disciplinary
 - Stretch and leverage internal capabilities
- **Profitable:** Double Digit Growth: Top and Bottom Line
- **Sustainable:** Predictable growth over business cycles
- **Differentiated:**
 - Based on specific sectors/segments
 - Focused on ??? New Value Propositions?
 - Reliability
 - Affordability
 - Convenience
 - Status
 - Sense of Belonging
 - Variety
 - Comfort
 - Speed
 - Originality
 - Consumer Experience
 - Customer Centric/Driven Growth based on unique market insights

The Big IDEA:

“There are not big or small businesses
just slow and fast”