

Are You Ready to Grow Fearlessly?

Businesses need to grow to stay healthy. Not only do investors demand it, but growth creates new opportunities for employees, and cash flow to fuel innovation. While growth is essential, most growth initiatives entail risk of one kind or another. I often hear company leaders saying things like, “Our core business is at risk of disruption. We need to branch out into new businesses to grow, but we don’t have all the capabilities we need—they’re not in our DNA,” or, “We’re in unfamiliar terrain and aren’t sure that customer demand will materialize. It’s hard to free up funds for investing in innovation and long-term growth, when there are so many unknowns.”

To pursue growth, leaders and employees must learn to do things they have never done before, and they must grapple with new threats. All of this adds up to the fact that trying to grow a business in today’s turbulent markets is pretty scary—it’s perfectly reasonable and rational for company leaders to be worried.

In nearly every industry, we see turmoil and disruption. For example:

- The food industry is investing to keep up with new ways to order, dine and pickup, and capricious trends in public perception regarding low-fat, low-carbohydrate, non-GMO, gluten-free, organic, alternative sweeteners and grains, and other choices.
- The consumer products industry must constantly adapt to changing consumer buying behaviors and consumers’ concerns about political, social, and environmental issues.
- The entertainment industry is being upended, with companies that formerly were just conduits for content—like Netflix, Amazon, Google (via its YouTube subsidiary), and AT&T (via the Time Warner merger)—now powerhouses of original content.
- The auto industry is changing gears to adapt to the ups and downs of ride-sharing and expand availability of electric vehicles.
- The banking industry is scrambling to adjust to new modes of consumer-to-consumer payment (such as Venmo) and new forms of lending and credit assessment.
- The energy industry is coping with changing regulations and emotional consumer sentiment on both sides of the fracking, renewable energy, and coal debates.

- Industrial products companies are struggling with decisions about how best to deploy sensors and artificial intelligence to improve their products' performance and reduce cost.
- The transportation and logistics industry is responding to trends in globalization, automation, and continued expansion of e-commerce.

If your business hasn't felt the effect of massive market changes yet, it's likely that you will soon. And one thing is certain: if you wait until disruption occurs, it will be too late to respond effectively. To move quickly and intelligently to the changes unfolding around us, you must be sure all levels and functions in your businesses are creative and responsive.

I developed the new rules of fearless growth to help leaders create organizations that have the courage, speed, and agility to succeed, no matter what the future brings. Below, I've shared some highlights of these rules.

An Example: How One Company Created the Freedom to Innovate and Grow

When leaders encounter risks in their business environment, the natural human response is to hunker down, tighten the controls, and defend the existing business. What is needed, however, is not tightening controls, but the opposite. You need a fearless approach to learning and adapting to market change, and that means giving up a degree of control—to employees, business partners, and customers—in order to gain control. It's like learning to ride a bike. At first, the bike seems tippy and unstable, but once you start going, the movement itself creates stability.

If you wait until disruption occurs, it will likely be too late to respond effectively

To illustrate this, I'll share a story about a technology company that I know, which was under threat because a new competitor had entered its market with a low-priced disruptive technology. The competitor's solution enabled B2B customers to bypass the company's hardware entirely, by using off-the-shelf tablets, such as iPads, for a key element of the workflow.

Many millions of dollars of revenue were at risk, so the president of the division, Bill, needed to act quickly. But there was a problem. All of his assets, and his entire workforce, were set up to

support the existing business model. Therefore, he needed to quickly build new capabilities, to compete in a new way.

First, he tapped into the smarts of his employees. He assembled a cross-functional team made up of 15 of the brightest, most creative folks from the sales, customer service, and technology teams—people who normally had little reason to interface with each other, and who brought diverse skills and perspectives. He gave them wide leeway to get out and talk with customers about what was missing from the competitor’s solution and what new problems his company could solve for them.

Because Bill had opened the floodgates of employee creativity, the team came up with a variety of novel ideas for meeting customer needs in a new way. Bill then asked three of his company’s most demanding, forward-thinking customers to collaborate closely with his team to develop a next-generation solution, which would offer all of the value of the competitor’s offering, but would also take advantage of the things that only his company could offer. For example, Bill’s company could provide a high degree of data security, and local technical support—benefits that would be very difficult for the low-priced competitor to copy.

Bill also realized that he would need to reach outside the walls of his company to gain new capabilities, so he enlisted the aid of three business partners who had expertise in key emerging technologies that were necessary for the new solution.

Giving up a degree of control enables growth, innovation, and adaptability.

Each of the actions Bill took to involve and empower employees, collaborate with customers, and rely on business partners required him to give up a degree of control, but as a result, he got to a safer place. With the help of employees, customers, and partners, his division tested a number of potential offerings and landed on one that gave customers considerable new value and took advantage of his company’s distinctive capabilities.

This example illustrates how each of the new rules for fearless growth requires you to give up a degree of control, but as a result, your organization becomes more adaptable, and better able to spot and capture emerging opportunities.

Partner, Borrow, and Share

One of the most common barriers to growth that I've observed is simply not having the needed skills, capabilities and capacity to pursue the desired growth path. Many companies jump to the conclusion that they must acquire or merge with another company to gain these capabilities. On the contrary, most acquisitions cost more than the value they create. The company of the future upends the idea that acquisitions are the most attractive path to growth. Instead, it relies on flexible partnering, borrowing, and sharing arrangements to gain new capabilities, and capacity.

By allying with partners, crowdsourcing, collaborating with others outside your company, and borrowing or sharing tangible and intangible assets, you can create new products and businesses and enter new markets, which would not be possible on your own.

If you want to grow, consider all the ways that you might be able to create something entirely new by partnering with other organizations and individuals that offer something you don't. Consider how Airbnb grew. More rooms are available from Airbnb than from the biggest hotel chains, yet Airbnb owns no real estate and manages no rooms.

Partner with others to gain the capabilities you need to grow

This applies to small companies, as well. As the leader of a boutique consulting firm, I've found that the more we rely on other experts to contribute their know-how in marketing, research, and specialized consulting skills, the faster our firm grows. For example, we can work via video conference and other collaboration tools with partners anywhere in the world, and we can find any skill we need easily, through my personal network, and through tools like Upwork. Both large and small companies should think about how they can use partnerships and other collaboration mechanisms to grow.

In a fast-changing world, you'll be unsuccessful if you wall yourself off, depending only on the relationships, people, data, assets, technology, and knowledge that are inside your company. Instead, work to develop porous company boundaries, and reach outside your company, to share and collaborate with others. This strengthens the people, processes, and capabilities inside your company and enables you to leverage the ideas and capabilities outside your company. Reaching outside enables you to commercialize our ideas faster, more easily, and with a lower cost.

Plus, enabling these flows in and out of your company mitigates the complacency and inertia that can develop when you are constantly focused inside the four walls of your business. Reaching outside the company for new ideas shakes up your thinking and gets you out of mental ruts.

The figure below shows the ways in which you can reach outside our corporate boundaries, to access—and share—talent, data, assets, technology, knowledge, and relationships across your company’s borders. You can find this, and other helpful frameworks, [here](#).



Connect and Strengthen Your Ecosystem

Most of today’s most valuable companies created their success by building powerful ecosystems to connect customers, content providers, suppliers, and others to each other. Amazon has built an ecosystem with both sellers and customers who contribute reviews. Apple has built an ecosystem of app developers. Facebook has built an ecosystem of content consumers and providers (mostly

just regular people, sharing their photos and opinions), funded by the advertisers who want to reach them. Salesforce hosts events that attract over 170,000 customers and partners, who attend in order to interact with each other. The list goes on. But even a small company like my own can build a powerful ecosystem. We've done it by introducing our clients to each other, connecting them to other experts, and sharing insights through our Strategic Agility® Think Tank events.

Today's most valuable companies created their success by building powerful ecosystems

No matter what business you are in, you should be thinking about who's in your ecosystem now, who you would like to be in your ecosystem, how you would like them to gain value from the ecosystem, and how you can make it easier for them to gain that value. Here's a framework that may help you with this process:



With today's technology tools, it's easier than ever to connect and strengthen your ecosystem, but it can require a leap of faith. You can't be sure who will join your ecosystem and how they will interact with and do business with the other participants. You need to nurture and encourage the members you want to keep, while ensuring that bad actors don't cause problems. My book *Fearless Growth* contains a number of helpful case studies and frameworks on this topic, as well as a section on "mistakes to avoid."

Embrace Uncertainty

Everything in business is subject to change, often when you least expect it. And change brings uncertainty, which often creates fear, doubt, or paralysis. We don't know what's going to happen, so we wait. According to psychologists, humans are hardwired to dislike uncertainty; it's in our DNA. In a recent study, researchers discovered that uncertainty is more stressful to people than knowing that something bad is definitely going to happen.

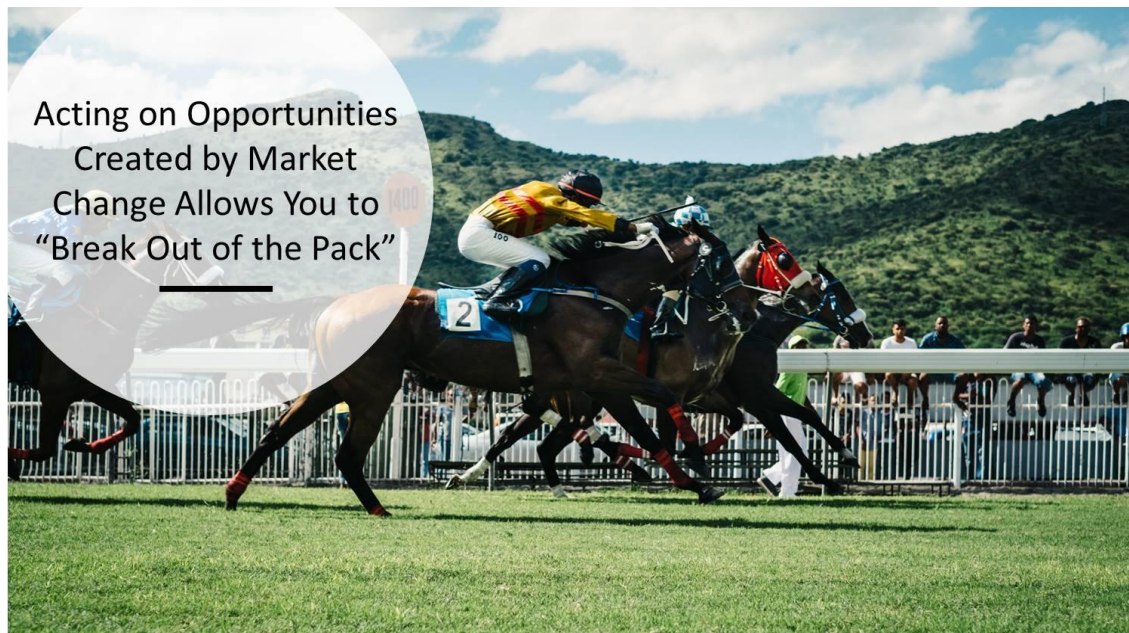
Company leaders' discomfort with uncertainty is one of the most common barriers to growth. This is not surprising. After all, we reward leaders for bringing certainty to their businesses. We provide them with bonuses and promotions if they meet revenue and profit targets set months in advance. Most managers have learned from experience to play it safe when things are uncertain. They seek more information, conduct additional analysis, ask others for advice, and await direction or permission. All of this caution slows organizations down, even when it's crucial to make a quick decision and take action.

But in today's fast-moving markets, the ability to take action quickly when a new business opportunity presents itself, or when a new threat emerges, is crucial. And to move fast, you need to be comfortable with uncertainty. You need to be comfortable not knowing exactly how things will play out.

In my work with companies across countless industries, I've observed that instead of being a negative, uncertainty in business can actually be a positive. Why? Because the faster the market

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is changing, and the greater the uncertainty, the more opportunities you have to pull ahead of the competition. And if your organization develops the skills to continuously adapt to market change, you can maintain or even extend your lead over competitors. Businesses that have the skills to operate in uncertain environments and manage risk capably will be the winners in the long run.



Tesla is a great example of a company that has been effective at embracing—and even exploiting—uncertainty. When Tesla CEO Elon Musk set out to build a luxury electric car, he had a realistic view of his odds of success, assessing them at “a fair bit less than 50 percent.” As he was introducing the Tesla Model S, there were a number of risks and uncertainties, but Musk set out to tackle them. For example, because consumers were worried about the resale value of the car, Musk offered a buy-back guarantee. To allay customer concerns about safety, he made sure the car won the highest possible safety ratings. To address consumers’ anxiety about getting stranded with no battery charge, he built the car to go 300 miles without a charge and installed free Superchargers along all the major highways. Though the odds of success were initially rather low, he succeeded by identifying and addressing risks, one by one.

Get In Sync with Customers

In times past, market research was a primary mechanism for companies to learn about their customers. The problem is, market research often doesn't tell you what customers really think, and it rarely tells you what they are really willing to pay for.

Nowadays, there are often much faster and more effective ways to gain customer input in real-time, simply by gathering and analyzing the data created in the normal course of doing business. For example, TripAdvisor reviews provide hoteliers and managers of attractions and restaurants with daily feedback on what customers are thinking, what they like, and what they don't. There are many other examples of how, by analyzing data on the millions of online interactions customers have with their brands every day, companies can gain valuable real-time insight.

In business-to-business markets, collaborating with customers to co-develop innovations can be a far more powerful method of gaining timely, meaningful customer feedback, compared to conducting market research. By collaborating with customers, you can gain benefits such as these:

- Customers often see trends and market changes on the horizon that you cannot.
- Collaborating with customers enables you to discover synergies between your businesses that would otherwise be difficult to spot.
- You can often learn faster from customers than you can from your own internal team. After all, it's customers who have the most to gain from your investment in the right innovations and product enhancements.
- Insights from collaborating closely with one customer can be applied to other customers who have similar needs.
- Collaboration builds intimacy and trust, which means customers can become your best marketers, referral sources, and advocates—speeding the process of acquiring new customers and closing sales with other existing customers.

The following diagram shows how collaborating with customers can speed up the innovation cycle and enable you to make smarter decisions about what new offerings to bring to market. (You can find a downloadable copy [here.](#))



Open the Floodgates of Employee Creativity

In years past, corporate leaders were expected to make all the key decisions, leaving employees to merely execute. One of the problems with this top-down approach to decision making is that anyone who's not at the top feels little responsibility for what happens in their piece of the organization. Employees play it safe. They keep their heads down and do what they can to avoid missteps and controversy. In this environment, there's little incentive to come up with new ideas, and considerable risk if you do.

As a leader, if you want to fuel employee creativity in your organization, try becoming more curious. Seek out employee ideas and admit you don't know everything. If you simply step back from trying to solve every problem yourself, and instead tap into the brains, hearts, and creativity of your employees, you will find that your employees are happy to step up. You'll find that your employees will become more creative and adaptable. And certainly, in today's fast-changing work, we do need every employee to be watching, thinking, and taking action.

The fearlessly growing company empowers employees to make more decisions—and bigger decisions. Empowering employees enables them to respond in a fluid way to changes in the marketplace, without first asking permission.

The [diagram](#) below takes a framework that I introduced in my first book, *The Agility Advantage: How to Identify and Act on Opportunities in a Fast-Changing World*, and asks: What would you like your employees to be thinking in order to maximize your ability to adapt and succeed? My book *Fearless Growth* has a wealth of examples and techniques you can use to get your employees thinking more this way.



To illustrate the power of unleashing employee creativity, take the example of Kelly, who manages a nationwide chain of Italian restaurants. Until recently, each of her locations was packed most evenings, with a loyal following of customers from the nearby neighborhoods. When food delivery apps, such as Grubhub, UberEATS, and Amazon Restaurants, started

approaching Kelly with requests to deliver the meals direct to customers' homes, Kelly was wary. The apps charged a hefty margin, so profits on the delivered meals would be minimal – or even negative. Plus, there were operational difficulties to be overcome. For example, how would the kitchens handle the additional, often unpredictable, volume? And how could she ensure that hot food stayed hot, cold food stayed cold, and that the food arrived attractive, safe, and delectable at the customer's doorstep?

Kelly knew she couldn't opt out entirely—home delivery of food was a growing trend, and if her restaurants weren't listed on the apps, she would miss out on opportunities to attract new customers, who might first encounter her brand through the app. She also knew she couldn't resolve all the questions related to food delivery on her own. So, she enlisted a team of employees, who were spread across diverse locations in each region, to come up with recommendations. These employees jumped at the chance to contribute. Not only that, they became conduits for ideas coming from scores of other employees. Within weeks, the team had implemented several ingenious innovations in kitchen and packaging procedures to assure food arrived fresh. New customers discovered Kelly's restaurants through the delivery apps, and sales grew.

To be successful in today's fast-changing markets, leaders need to be fearless in recognizing change in the marketplace, and they need to get in sync with changes in customer behaviors and new technologies, as Kelly did. And, like Kelly, they need to work with partners, enlist employees, and learn constantly. In doing these things, they initially give up a degree of control, but eventually gain control, as they create a nimble organization that can adapt to the changing market.

Build Trust in Everything You Do

Trust between employees, business partners, and customers is the crucial ingredient that enables speed and efficiency, especially in an environment of fast market change. When you trust that your colleagues will do their part, you can set more aggressive goals, place bigger bets, and have a bigger imagination about what is possible. When coworkers trust each other, everyone feels comfortable engaging in the debate and disagreement required to make sound decisions. Trusting your business partners means you can move faster together, navigating uncertain terrain with greater confidence.

On the other hand, an organization without trust is inefficient and slow. It experiences many stops and starts, as people check to see if they have the approvals they need, and as they verify that other people have done what they said they would do. If you want to grow in today's fast-paced business environment, you need to actively build trust between coworkers and with your business partners. While it's hard to build trust across your entire organization all at once, if you focus on a key area, there may be things you can do relatively quickly, such as providing opportunities for employees to get to know each other's capabilities, strengths, and motivations better, or establishing norms for how to collaborate.

One company I know was in the midst of a major change in strategy, which would require two groups that had formerly not worked together, the sales team and the customer support team, to collaborate intensively. Each group regarded itself as the exclusive "owner" of the customer relationship, and each was reluctant to join forces, or even to share information about their prized accounts.

A breakthrough occurred when the two teams met for a two-day retreat to hash out their differences, get to know each other on a personal level, and agree on common goals. Creativity, motivation, and collaboration between the groups surged, and sales skyrocketed. These kinds of breakthroughs are not uncommon when company leaders make a deliberate effort to increase trust within and between teams.

Similarly, building trust with outside business partners can yield important benefits, as the two sides become more aligned and productive in working together.

To begin building trust, work to neutralize fear in your organization. Show vulnerability and make it psychologically safe for employees to voice their ideas and opinions. Foster creative conflict by encouraging employees to disagree and challenge each other. Give people challenging but realistic goals. Grant people discretion about how they do their work and show appreciation for work done well. When you do these things to build trust, you'll be amazed how much your team can accomplish.

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Conclusion: Get Started

While you don't need to plan your entire transformation to fearless growth in detail, you do need to get started immediately. Set very specific and measurable goals for the next six weeks (or an even shorter timeframe). Go ahead and schedule a call or meeting, six weeks out, at which you will review the results of your short-term actions. At that meeting, take stock of what you accomplished and what you've learned. Then, refocus your efforts and decide on goals for your next "six-week sprint."

You might be surprised—making one or two high-impact changes often results in a dramatic cultural shift that can open the floodgates, so that subsequent changes are easier to make in the future.

Implementing these new rules can feel risky at first. However, once you hit your stride, adhering to these rules reduces your risk by improving your ability to weather market upsets. You will have greater insight into customer needs and will find it easier to spot and capitalize on market trends. You will have more flexible capability and capacity (not just of your assets, but of your talent, data, knowledge, and ideas) to pursue revenue growth opportunities. You will have more people—partners, employees, customers, and others—to rely on, in a trusted way. You'll be faster at making decisions and more resilient and adaptable in executing your strategies.

Success is never a guarantee for any of us. That stark reality can frighten and inhibit us, or it can challenge and energize us. When we commit to fearless growth, we embrace the inherent risks of business—and of life itself—and throw ourselves into a whole new way of working, leading, and interacting. That way is far more exhilarating and meaningful than the timid (and so-called "safe") alternative so many choose. Whether we win or lose, fearlessness is its own reward.

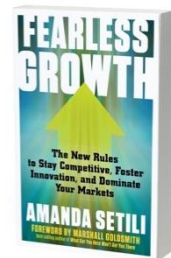
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If you're looking for more information on how to achieve fearless growthSM, you can find [frameworks](#), [videos](#), [case studies](#), and additional [articles](#) on our website at www.setili.com (and on Amanda Setili's LinkedIn profile).

Buy the Book: Ready to learn more? Buy a copy of [*Fearless Growth: The New Rules to Stay Competitive, Foster Innovation, and Dominate Your Markets*](#). Want copies for your organization or an event? Contact customerservice@800ceoread.com or 800-236-7323.



About the Author: Amanda Setili is president of strategy consulting firm Setili & Associates. An internationally acclaimed expert on strategic agility[®], she gives her clients—including Cardinal Health, Coca-Cola, Delta Air Lines, The Home Depot, UPS, and Walmart—unbiased and laser-clear advice on how to respond quickly and intelligently to a changing marketplace. She previously held positions with McKinsey & Company and Kimberly-Clark, and served as an executive with two successful disruptive technology startups in the U.S. and Malaysia. Setili is a graduate of Vanderbilt University and Harvard Business School and has taught as an adjunct professor at Emory's Goizueta Business School. She is also the author of *The Agility Advantage: How to Identify and Act on Opportunities in a Fast-Changing World* and *Fearless Growth: The New Rules to Stay Competitive, Foster Innovation, and Dominate Your Markets*. She lives in Atlanta, GA. To learn more, please visit www.setili.com.