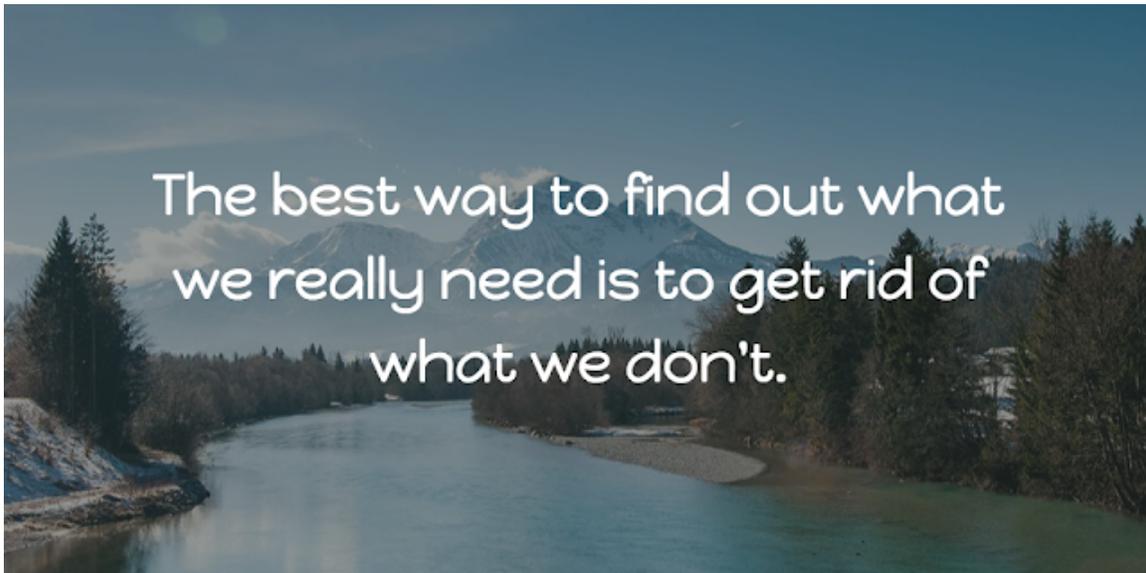


5 Steps to KonMari Your Growth Strategy



It's a New Year, and many people have resolved to do something better going forward. Articles and podcasts abound offering advice on simplifying our personal lives to help us focus on what matters most. As evidence, note the popularity of the new Netflix show, *Tidying Up*, based on the book by [Marie Kondo](#).

The concept is relevant to businesses and organizations too. But when planning for growth, most leaders underestimate the value of **simplification**. They focus much more time and energy on understanding the people and the markets they serve and the competitors with whom they compete. They plan to leverage this knowledge as a springboard for innovation, marketing, and selling that will set them apart from the pack and drive profitable growth. This is the lifeblood of most successful businesses.

But everything in that growth equation requires investment, and too often there isn't enough time and energy dedicated to doing the heavy lifting required to free up the resources needed to fuel growth. This leads to under-nourished growth initiatives that fall short of the dreams envisioned during planning...similar to those New Year's resolutions that fall by the wayside.

What Matters Most

Any strategic growth plan should include an often over-looked tool for creating the fuel needed to drive profitable growth - simplification. When simplification is done well, it can lead to improved operations, higher quality, and improved customer satisfaction. Just as importantly, simplification efforts yield cost savings and increased cash flow that can be reinvested into growth or taken to the bottom line to improve profitability.

The best simplification initiatives are focused on eradicating or at least minimizing lower value work, and reallocating time, energy and resources toward higher value work. Anyone who gardens will understand this concept because it is similar to pruning a plant to redirect scarce nutrients toward more productive uses.

The Challenge

Many people go to work in most companies and perform tasks they have performed day in and day out for a long time without seriously questioning the value of the tasks. Even if the leaders of the company have done a good job communicating goals and strategies, many of the functional operations at their company performed by front line workers are grounded in legacy systems and processes, and based on obsolete plans.

Don't assume that all of the work going on in your organization today is relevant to your current plan of attack

Simplification at Work

Every turnaround or significant improvement in top and bottom line results that I've been involved with included a strategic and aggressive reduction in the number of products or services (SKUs) our company offered to customers.

This will appear counter-intuitive to many people, especially the sales force. How could we possibly sell more by eliminating the number of items we have to sell? The answer is simple. All of those items eat up time, energy and resources throughout your organization that even the best CFOs can't fully measure. And when lower selling SKUs are eliminated, most of the resources they consumed can be reallocated toward higher velocity SKUs and innovation that might yield solutions much more meaningful to the marketplace, and therefore your business.

For example, earlier in my career I joined a company to lead a turnaround. One of the key measures of success in this company, beyond sales and profits, had been the number of new products launched. Consequently, the number of products the company was making and selling had ballooned over recent years, yet sales had stagnated and profits were declining as added complexity had driven higher costs.

We immediately eliminated 40% of the SKUs in our portfolio. At first the sales force complained about having fewer tools in their toolbox. But soon the SKU reduction program generated smoother operations, cash, and resources to invest in innovation and marketing. Over the next three years we turned the business around by focusing on fewer, bigger, and more market-meaningful innovations backed by better and more focused marketing and sales execution. But the accelerator of our improved results was the SKU reduction program.

In another turnaround situation in which sales and profits had been declining for five years, deep-dive analysis revealed significant customer dissatisfaction with the time it took

our company to fulfill orders. As we developed our strategic plan, it included innovation and improved marketing of our brands. But before we invested in growth, we needed to focus on first things first. It would be silly to attract new customers to buy our products and services only to disappoint them.

We immediately kicked off a cross-functional project to re-engineer our order-to-cash process, and we made sure the entire organization understood how this project connected to the new strategic growth plan. We began by mapping the existing processes, and by asking "why?" for every step along the way, deploying many of the principles of [Lean Six Sigma](#).

Our people were surprised by how often the answers to why we were doing many of the things we were doing were "I don't know", or "that's the way we have always done it", or better yet, a supervisor had asked for that step in the process many years ago and that supervisor was no longer with the company. And even when the answer was something more justifiable, we often found redundancies and inefficiencies because our order fulfillment process had become clunky and littered with low value work that had been bolted on over time.

Within three months we redesigned our entire order-to-cash process and significantly reduced the time it took us to fulfill orders. Just as importantly, we freed up time, energy, resources and cash to focus on higher value initiatives that fueled profitable sales growth and turned the company around.

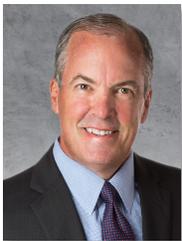
How to Simplify

1. **Make it a priority.** Leaders must champion, model, and reward simplification. They also must help their workforce understand the importance of focusing on what matters most by consistently revealing where simplification has made a real difference in the company's performance. It's also important to help people understand that complexity is a natural outcome of business growth and success, and it takes diligence and persistent pruning to ensure focus on what truly matters for future success.
2. **Provide your workforce the context they need to take strategic action.** Most people in your workforce need help determining the difference between lower and higher value work, and they need encouragement to question the way work gets done today. Which begs the question: how do you define the value of work? It should be defined by the organization's purpose, vision, and strategic plan to achieve the vision.
3. **Start small.** Once the organization understands your purpose, where the company is going, why, and how you're going to get there, it's time to arm people with the knowledge and tools they need to challenge conventional wisdom, push back on the status quo, and make smart recommendations for improvement. You don't have to train the entire company on Lean Six Sigma, [TQM](#), or [Kaizen](#). Start with a small cross-functional team that understands and is proficient with the core principles of simplification and process improvement, and focus them on an area of your

organization that is rife with unnecessary complexity, and improvement would have a measurable impact on your results.

4. **Force-multiply.** As you progress, share the learning and results publicly, and reward those who lead the charge. Rinse and repeat with another overly complex operation, and the learning and growth will multiply. Simplification is contagious when you catch people doing something well, and they experience the difference between a lean and well-oiled machine versus a clunky and complex process. Especially when it pleases customers and fuels profitable growth.
5. **Make it cultural.** Don't be seduced by early wins. Simplification should not be a one-trick pony. It requires commitment from the top and persistent engagement from leadership to embed it into the culture of your organization and maximize the long-term economic value it can generate.

Here's to a fulfilling and prosperous New Year fueled by simplification!



About the Author

Jude Rake is the founding principal of *JDR Growth Partners*, a consulting firm he launched to help corporate boards, chief executives, and their leadership teams achieve improved results and sustainable growth. Before founding *JDR*, Jude served in multiple C-level roles including CEO for eleven years. In each of these roles he built and led successful leadership teams that fueled significant improvements in workforce engagement, collaboration, accountability, and results.