

Deloitte & Touche Consulting
Group
Braxton Associates

growth

The most compelling issue
facing management today



PARTNERS in
growth

Braxton Associates is the strategy consulting practice of Deloitte & Touche Consulting Group, a worldwide organization with 6,000 professionals in 75 countries. Braxton's unique perspectives, innovative analysis, and client-proven strategy consulting experience are a powerful complement to the industry, operational, and financial insights of the Consulting Group.

Globally, our consultants partner with our clients to put their knowledge to work in industries such as manufacturing, consumer intensive businesses, telecommunications, health care and financial services.

Working as a cohesive team, Deloitte & Touche Consulting Group/Braxton Associates has the knowledge, experience, and resources to help our clients achieve extraordinary results.

WHAT CAN *We* DO for YOU?



Simply put, we can help your company earn the high performance advantages of growth.

Based on our research and experience, we have found that the best way to view growth is as a dynamic, interrelated system. The Growth System™ helps your company view growth as it truly is — constantly changing yet always moving your company forward.

We recognize that growth is a complex issue and that sensible patterns of growth vary for each company. Therefore, our

approach emphasizes building internal foundations to support growth, identifying the actions needed to achieve growth, and fortifying a strong commitment to pursue value-creating growth.

When clients with ambitious growth and profit goals join with Braxton to create new strategies, they most often ask us to:

- Identify early in the process where major change must occur;
- Develop new visions and strategies, based on business

and organizational realities, that will take them into winning territory; and

- Help their management team implement change.

In the pages that follow, we provide just a few examples of the most important issues surrounding growth, and how companies like yours have approached them in partnership with our consultants.

THE Growth

SYSTEM™

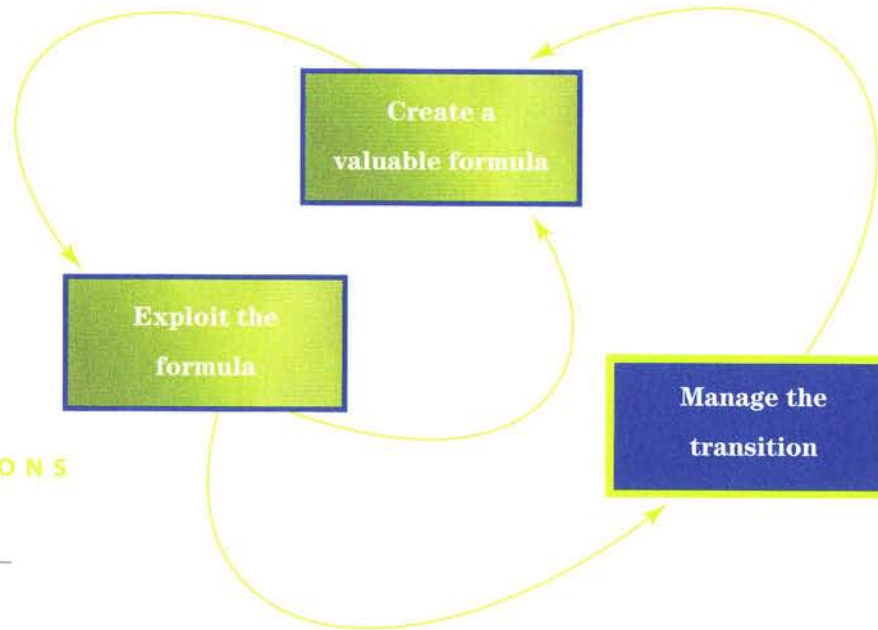


Companies that grow aggressively differ from those that do not — in fundamental, productive ways.

We have learned how to measure those differences in attributes and behavior patterns, and can use them to determine your company's positioning for growth.

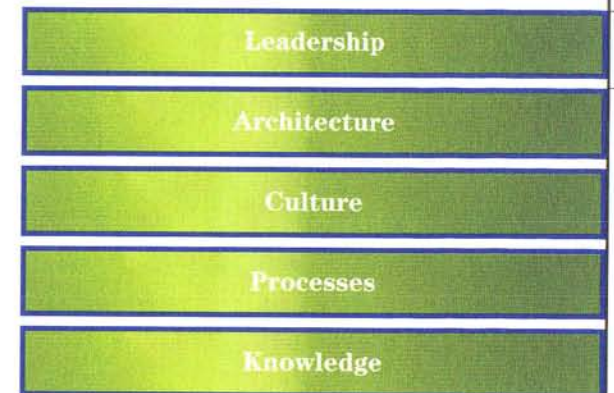
Our years of extensive research into companies with high and low growth patterns and our many experiences with companies like yours allow us to put these findings to work for our clients.



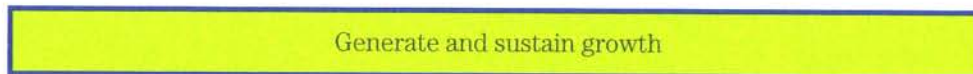


ACTIONS

FOUNDATIONS



COMMITMENT



Based on this research and experience, we find the best way to view growth is as a system. The Growth System™ provides a strategic framework, allowing your company to view growth as a dynamic set of elements — constantly changing yet always moving your company forward.

There can be no question about it: Growth-focused companies achieve sharply higher performance in all measures of a company's success.

Fact: Revenue growth drives value. For every dollar of shareholder value that slow growth companies create, fast growers create five.

Fact: Growth creates jobs. Growing companies are the engines of employment. A mere 100 high growth companies in the U.S. have created 19% of all new jobs in the 1990s.

Fact: Growth motivates employees. Despite heavier workloads, longer hours, and greater intensity, employees' satisfaction scores soar when a company is growing.

Conclusion:

Growth drives superior results.

In the challenging business environment of the past decade, companies have been faced with two alternatives to improve profits: cut costs or enhance revenues. Many chose the former. They downsized, right-sized, and cut back — all to enhance the bottom line. But while this may improve profitability in the short run, it does not address the long-term future.

Growth — the improvement of the top line — is a much more sustainable choice. It is, however, harder to achieve. Growth must be strategic and focused in order to produce long-term

benefits. It must be carefully managed, and opportunities judiciously chosen.

At Braxton Associates, we help our clients transform their organizations into growth-focused, value-based enterprises. We are research-based, issue-driven, and results-oriented. Since Braxton was founded two decades ago, our clients have recognized the quality and innovation of our work *and* our ability to help them achieve and sustain superior business performance.



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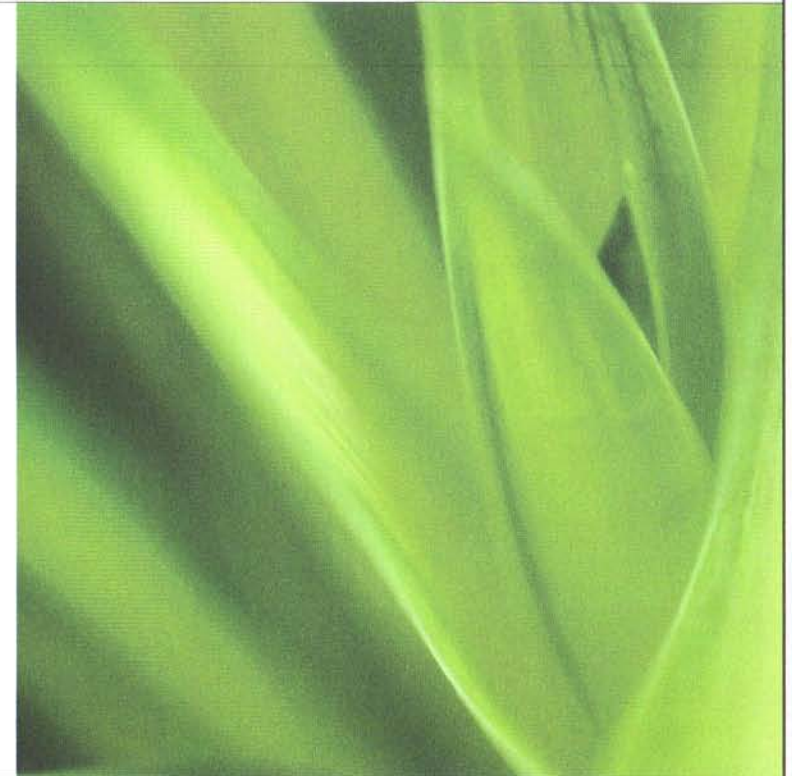
why
GROW?

"High growth drives high performance."

growth *is the* KEY *to* SURVIVAL

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Two of management's most fundamental goals are survival and value creation. Our research has shown that growth advances both goals.



Our research unquestionably demonstrates that growth is necessary for long-term survival, and that companies with the highest growth produce the best returns for shareholders over the long term.

The things successful growers do well — identifying market shifts early and seizing the opportunity, carving out market niches for their products or services, responding quickly and reliably to customer needs — are all critical to survival in today's challenging environment.

Given the harsh business realities of the past decade, a nimble, market-sensitive, and flexible growth plan is the only reasonable strategy for a company that intends to sustain its profitability in the long term.

CASE STUDY

Situation:

After rapid growth throughout the 1980s, a major national healthcare management organization found that new customers were not coming to them in the same volume as in previous years.

Their task was not a simple one. Was the issue inadequate product offerings, or simply targeting the wrong market?

Action:

The case was clear: our client had to reengineer for growth, converting what could be called its “almost customers.” These were potential members who made inquiries, but did not join the client's plan. By examining what the “almost customers” found attractive, and determining what was holding them back, the company could increase its membership rolls and, therefore, its top line.

Braxton Associates and Deloitte & Touche Consulting Group are working with this client to refocus and recast their products, to focus on smaller segments within each target population, and to approach the market creatively.

Results:

To take advantage of the senior citizen/Medicare market, we helped the client develop an array of new products for this sizable and affluent audience. Target publics were more carefully chosen, then reached with an appropriate and cost-effective marketing message.

Today, our client has reengineered marketing, sales, and service to focus on growth. It has aggressively restarted its growth engine, achieving triple the growth of its nearest competitor.

The company is surviving — and thriving — thanks to its partnership with us.





GROWTH *is*
ACHIEVABLE

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The most common excuse for lack of growth is that the company is in a mature industry or a stagnant category.

This is simply not supported by our research findings.

Fast — and slow — growers are found across industry categories, even those classified as “mature.” There is no question that industry-wide trends exist, but it is a firm’s ability to find and exploit potential that truly counts. When a company continually creates and delivers innovative products that are highly valued, it grows. In turn, high growth companies can create high growth sectors or industries.

One of the many benefits that Braxton Associates brings to a client’s management team is the knowledge that can help a company identify hidden opportunities for growth, supporting those efforts with an appropriate internal structure. We understand that teamwork is essential.

CASE STUDY

Situation:

Our client had successfully exploited mainframe technology to become the leader in insurance estimating services. Then a transition occurred: its client companies adopted portable computing technologies and the company went into what its president calls “full technology shock.”

The company had missed important market signals, allowing its competitors to change the rules of the game and control the industry’s direction. Our client had to change its entire product formulation — and its entire way of doing business.

Action:

Braxton worked with this client to identify the true nature of its successful formula and explore several transition options. We examined the total business system, geographic positioning, customer linkages, and process design. Synthesizing this data within “The Growth System”, we helped the client identify and evaluate its three choices for new growth: change the game, unlock the “insourced” market, or move to consolidate the industry. Using our guidance to create a unique competitive position, the company was able to dramatically expand its potential market and increase its value potential.

Results:

The company found one of the keys to new growth: technological innovation. Capturing an innovative idea and bringing it to market, this client created a pen-based mobile system which won *Business Week’s* Industrial Design Excellence Award. It has grown from one business with one product to five businesses with 28 products. At the same time, its head count has held constant at 1,100 people, enhancing profitability while growing revenues.



Growth is an admirable objective, but it is not easy to achieve. Unfortunately, companies can have high growth and create very little value for shareholders.

"Value-creating growth is the only kind that counts."

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growth

is not EASY



Our research indicates three common pitfalls:

- Growth at the expense of profitability

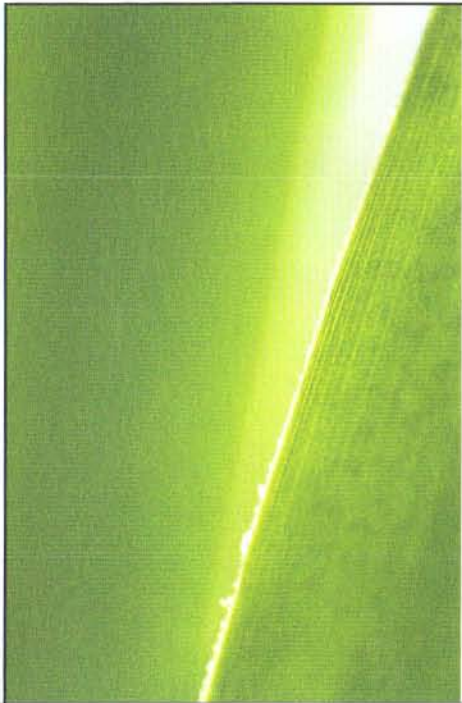
Companies must choose sensible growth opportunities and either make them profitable or abandon them.

- Growth without flexibility

Companies must take care that market shifts don't turn advantages into traps.

- Growing too quickly

A company's organizational structure creates limits to growth. An enterprise must be designed for growth from top to bottom.



WE CAN HELP YOUR

COMPANY GROW

profitably

We recognize that growth is a complex, dynamic issue with different implications for every company. Yet the principles of growth are universal. Our philosophy is premised on three major initiatives: building strong *foundations* which will support growth, fostering and securing a deep *commitment* to profitable growth as an objective, and setting your company on the road to skilled execution of sharply-targeted, growth-supporting *actions*.

We would like to apply our unique approach to help your company meet the challenges of growth. To learn how we can, please contact:

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CASE STUDY

Situation:

From its earliest beginnings as a family of health-related publications, our client company had pursued a corporate lifestyle that echoed its products. Dating from its founding, it had grown consistently in the U.S. But to continue its growth trends, the publishers had to find a way to translate that success into the international arena. That's when they engaged Braxton Associates.

Action:

Working with the client, we identified the skills needed for international expansion and put together a plan of action. We found that successful international growth required a different structure than that which had fostered the company's domestic growth. The challenge was to enable this expansion without losing the basic formula that had made our client successful in the first place.

Results:

Working with our team, the client company has been able to find the synergies between its international and national markets and exploit them. It has identified promising markets and magazine titles, moved away from its decentralized structure toward one better suited for its overseas ambitions, and is building an international database equal to its well-known domestic one. With clear revenue goals in mind and its successful domestic formula effectively translated for international use, this publishing company is well on its way to global growth.

In other words, growth does not automatically yield positive returns; it must be managed to be successful.

Braxton Associates' experience demonstrates that when management focuses on growth issues — the top line — rather than directing their attention solely to the bottom line, value follows. This was particularly evident in the following engagement.