

ENTREPRENEURS dream of creating and scaling their own startup into the next big thing. However, achieving growth is a challenge for all – even the most promising startup. Very often, early successes in the fast-growth phase of development may not guarantee enduring competitive advantage and business sustainability.

In a new EY book titled *Daring to Compete*, which draws on research based on interactions with winning entrepreneurs of the long-standing EY Entrepreneur Of The Year (EOY) programme, it is clear that market-leading entrepreneurs share common attributes – they have a disciplined framework for driving growth. In other words, they leave nothing to chance.

At EY, we call this framework the EY 7 Drivers of Growth – a blueprint that helps companies to align their capabilities with growth strategies by focusing on seven distinct levers: customer; people, behaviour and culture; technology; operations; transactions and alliances; finance and funding; and risk.

All businesses – irrespective of their size – will need to manage these growth drivers, and each growth driver will evolve as the business moves along the various growth stages and on to internationalisation. Most entrepreneurs share the common experience of selling and servicing their customers directly in the early stages of their business, which equipped them with the ability to build direct relationships with their customers.

Yet in the face of competing business priorities, it is easy to lose focus on the customer. Market-leading entrepreneurs know that they need to not only meet, but to exceed, their customers' expectations by continually raising the bar and challenging current business models. This invariably compels them to innovate and problem-solve. In short, focusing on customer agility propels them to drive change and seek digital innovation.

According to the EY book, market-leading entrepreneurs are at the forefront of driving technological change today not because they are “technophiles” but because business change necessitates it. With digital technologies such as data analytics, they can make better, quicker and smarter decisions to improve business performance, enhance operations and manage risk.

Yet, while business leaders recognise this potential value, many still find it hard to successfully leverage information technology to deliver business change. To that end, leaders need to constantly ask themselves: How do I lead by example in adopting new technologies for every relevant aspect of my business? How do I adapt my business model to create new opportunities, skills and roles in light of new technologies?

Having the right talent is key to leveraging new technologies but companies – particularly the early-stage ones – may also find it challenging to attract and retain skilled individuals. That is why market-leading entrepreneurs prioritise attitude over skills in recruitment, and continually invest in training their staff to meet the changing demands of their business.

As organisations scale from startups to multinational corporations, they also need to transform their performance and reward structures to recognise behaviours that contribute to longer-term growth.

Just as important is the ability to access the right amount of funding for investments in people and technologies at the right time. Winning entrepreneurs time their capital needs by setting key milestones, planning their cash flow and sourcing for appropriate types of financing.

By strategically planning ahead instead of being opportunistic about growth, they are able to pursue sustainable growth.

Take for example Linda Hasenfratz of Canadian automotive parts company Linamar Corporation, who said



BALANCING SPEED WITH SUSTAINABLE GROWTH

Market-leading entrepreneurs have a disciplined framework for driving growth, leaving nothing to chance

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in the EY book: “We are not trying to grow at 99 per cent. I would rather grow between 10 and 20 per cent a year – not just because that means that you can cashflow your growth but because that sort of consistent sustainable growth means that you can also create the people that you need. You can only grow your human capital at a certain rate, just like your financial capital.”

This perspective should give all entrepreneurs reason to pause and ask: How do you balance speed and sustainability in your businesses?

The adoption of new technologies and ways of doing things also introduces new risks. The stereotype that entrepreneurship is about “risking it all” is neither a healthy nor useful mindset in managing risks effectively.

It is true that market-leading entrepreneurs embrace risk as a positive force, but they are also disciplined in that they only take calculated risks – assessing the potential downside and judging their ability to absorb any negative impact.

The leadership team often directly plays the role of risk gatekeepers in the early stages of a company's growth but as the business grows, refreshed policies, procedures and internal controls are needed. This is especially important as business risk diversifies and increases in complexity with growth, which may come from both organic and inorganic expansions.

One of the best ways for entrepreneurs to mitigate risk in accessing new markets and product segments is through partnerships, acquisitions and alliances. Evaluating the risks and performing due diligence are key components of the deal negotiation and structuring process. At any point in this process, circumstances may evolve, resulting in an adjustment of the price, a revision of the terms and conditions, or the decision to walk away.

Clearly, effectively pacing the growth of the business has a lot to do with balancing investments and attention across the seven growth drivers, even as the customer remains the focus of growth strategies.

Yet, it is not always about giving what the customer wants. Consider the famous quote by Henry Ford: “If I'd asked customers what they wanted, they would have said faster horses.” Ford had thought differently about the customer's needs and desires – and he gave the middle-class market a car that they could afford. By holding an alternative view of the customer's needs and desires, one can then disrupt the market – and create a true sustainable advantage. ■

The author is EY's Asean Growth Markets leader. The views reflected in this article are the views of the author, and do not necessarily reflect the views of the global EY organisation or its member firms.