

From stuck to scale:

# A new strategic blueprint for breakthrough growth



*'From Stuck to Scale' by Andrea Kates diagnoses exactly what it takes to help corporate teams, entrepreneurs and ecosystem leaders succeed in bringing new initiatives across the finish line. It's a practical workbook with original tools she's created and first-hand case stories from companies she's worked with and leaders who represent fresh thinking and breakthrough growth. To find out more and take the diagnostic visit [www.andreakates.com](http://www.andreakates.com)*

# There's never been a more important time to rethink business strategy. We're overwhelmed by the shifts in our competitive space.

Our industries are being challenged by global competitors that are moving faster than ever. Inside our companies, we need people with new skills that range from expertise in artificial intelligence to talent in global expansion. At the same time, the customers and communities we serve face massive challenges that reflect trends from outside our four walls – from sustainability to energy to food access.

We know we need to pause from our work running day-to-day operations to address our business strategy. But the traditional way we've approached strategy needs to be completely redesigned to keep pace with today's market dynamics. Traditional strategy tools like competitive analysis, SWOT, design thinking, theory of constraints, blue ocean and lean startup aren't suited to the task. They weren't designed for today's business environment. That means we're left without growth strategies that will truly work.

## We're stuck. We need new tools that will get us unstuck.

That's exactly what inspired the book 'From Stuck to Scale'. It's a new blueprint for strategic growth that tackles our biggest obstacles and prepares us for breakthroughs. Here's how it works and how to get started.

### **In today's world, successful strategy must include tools for getting unstuck**

When it comes to business strategy and breakthrough growth, there are two harsh realities that we can fix:

- 1.** The best ideas don't necessarily become the best businesses.
- 2.** Too many important initiatives – with the potential to serve thousands or millions of people – die an early death. They don't get the internal support they need, customers don't flock to buy them, they miss the technology mark, or they simply fall flat. Which means they never achieve the scale they deserve.

We **can't** look at one factor as the single cause of every strategic shortfall.

But we **can** change the fate of strategic projects that fall short – by applying a new diagnostic and using a new set of tools.

We **can** move innovation from stuck all the way to scale by taking a fresh approach. ►

### **A 20 euro bet ten years ago set the stage for ‘unstuck’**

Ten years ago, I had the realisation that we needed a more effective way to tackle our strategy road-blocks. It was the conclusion of a two-day leadership retreat at a large healthcare organisation. The teams had all been directed to design and lead major innovation and growth initiatives. The leaders had calculated financial projections, studied market forces, considered future demand and factored in as many leading trends as they could envision. They had also brought into their growth plans novel products and services that they believed would serve customer needs and sell well.

When I walked into the leadership summit, the future looked promising. On paper and in Power-points, thirty leaders each presented their strategies, representing a wide range of innovative products, expansion proposals and even recommendations for acquisitions. I was so confident that I could predict which of these initiatives would drive growth that I actually made a small wager on my way out of the room. I picked the teams I believed would hit their projected revenue goals and drive profits in the coming year based on their presentations that day and I smiled as I laid down my 20 euros on my choices.

The problem was that of the 30 new paths to growth that looked so good on paper, only five turned out to be winners. And the winners weren't the ones I'd bet on. Ever since I lost that 20 euro bet, I've studied what went wrong in that organisation's strategy and where so many leaders in other companies, other industries and other countries miss the mark. For ten years, working with thousands of teams, I've focused on fixing what I believe is the most important issue of all in today's dynamic, high-speed market:

## **What does it take to remove barriers and accelerate a successful business strategy?**

The results are in my newly-published book 'From Stuck to Scale' – a playbook that addresses both the mindset and the tools we need to tackle challenges, create successful strategies in a very uncertain market and get the support we need to build thriving business innovation.

## **Here's the secret: To make a strategy work, start by diagnosing where you're stuck.**

### **Five stages where we face setbacks**

There are five stages in the lifecycle to guide strategy toward something novel that can become big. This process applies whether you're leading a team to develop a new consumer product, a healthcare service, a technology solution, a business-to-business product, a media platform, a fintech company or any business that can't reach its growth targets by staying on an incremental path. Every step in the five-stage process presents unique pitfalls that prevent success as well as secrets to moving past those obstacles. We'll start with an explanation of each stage and examples of leaders who faced similar challenges and were able to break through. Then, we'll share three tools that you can use right now to jumpstart your growth strategy.

## 1. ENVISION

Imagine you're a leader who's been responsible for running a profitable division for years. When you're asked to design next year's strategy, you'll probably be tempted to start with where you've been and build out features to your existing offerings. That's where people get caught in the first stage, Envision. Before you know it, you're making minor adjustments to what you're already doing, and the opportunity to really forge a new path is gone. **To get unstuck in the Envision stage try this instead:** Bring together a group with diverse skills including trends and market insights, sales, logistics, finance, technology, marketing and regulatory. Put together scenarios that reflect where the market is heading and how your company might address a bigger customer need. Don't worry about how you'll execute yet, or you'll run the risk of shutting down ideas with great potential.

## 2. EXPAND

Here is where you might get stuck in the Expand stage. You develop your strategy, but do not realise you have blinders on. You might be tempted to lead with technology. Or, maybe you start with a spreadsheet and try to stretch sales projections. You could be basing your expansion on the needs of one customer, ignoring bigger opportunities that could serve the market more broadly. **To drive success at the Expand stage, gather a team to check for bias.** Question: "How might we be limiting our opportunities by thinking too narrowly?"

## 3. BUILD

The third place where teams get stuck is in the experiment stage. Picture this: You assemble teams to mock up a new software platform, test market a product, pilot a novel service with customers you've never worked with before. All is going well until you realise you're stuck in the small-scale pilot mentality, without a clear path to big markets or big revenues. **When we're stuck in the rut of small thinking, we need to identify the rut right away.** Ask yourself if there are unmet needs that you could serve if only you had a different product. Make sure the team tackles the obstacles and continually expands the market potential.

## 4. ENGAGE

Once you know you're building a great product, how will you be sure you can capture a big market, sell to a large customer base, get the internal support they need and keep the growth coming? Too often, successful pilots don't reach their full potential because the leaders who run the pilots aren't able to enlist the support or make the sales. Transforming pilots into full-scale, thriving lines of business requires champions: Sales, logistics, product, customer support and sometimes even champions from your supply chain and partners. **Take a hard look at whether the same person who runs the pilot is the best person to bring the strategy forward as it grows.**

## 5. ACTIVATE

Have you ever watched a promising strategy fail when it was really close to gaining traction? Sadly, all of the hard work that we invest in developing innovation goes to waste if we can't get people to take action. Unfortunately, new strategies compete with our existing lines of business and are starved for attention. Make sure people aren't simply nodding their heads, but that they're fired up to move out of the pilot stage. Teams need clarity on how they'll execute and accountability that their success is linked to the success of the new strategy. **Be the person to step forward and make sure that the strategy doesn't lose momentum right before it hits its stride. Focus on bold action.** ▶

## Example of Envision + Expand:

The book 'From Stuck to Scale' includes a case study of a company called Intergráficas that was really stuck. They were the producers of music CDs, a field that was literally dying because of Spotify, Apple Music and other online listening platforms. They'd tried to invent a new strategy with 'paper models' – spreadsheets and financial projections that were designed to uncover profits in the music industry. Then they took a shot at repurposing their compact disc manufacturing plant into a 3D printing facility, but it wasn't working. The team decided to apply the 'From Stuck to Scale' tools to Envision a market that could thrive and grow by repurposing their manufacturing expertise and decided to explore food packaging. When they worked through the Expand tools, they uncovered a chance to leverage a big brand – KFC – to establish a foothold in the food industry. It worked. Intergráficas didn't have to lay off employees and succeeded in capturing a new and growing market that shifted them from music to food, leading to six times growth over three years.

**“Traditional strategy tools weren't helping us transition from being a CD music factory toward another industry. We needed to read market trends in a different way to see the path from music to food packaging.”**

*Nicolas Cortázar, Director, Intergráficas*

## Example of Build + Engage:

In 2016, a group from a young startup was giving away doughnuts to anyone who would download their sandwich delivery app. Eight years later, Rappi is an omnichannel company worth 5.2 billion dollars. Their strategic secret lies with their talents in tapping into something I call Emerging Available Markets (EAM)—the ability to establish deep trust with today's customers and read the data on what those customers are looking for next.

Every company can benefit from strong skills in translating insights from emerging trends into strong lines of business. Rappi's success in food delivery led to RappiPay (so that people could pay for their sandwich even if they didn't have cash), which led Guido Becher to build and test a model for 'add-ons'. For example, he discovered that people who ordered ceviche for lunch for eight dollars were actually eager to go on a trip to Peru, which gave rise to a new division called RappiTravel. RappiFavor was born to accommodate a trend they saw for customers to have errands and small services taken care of. Ultimately, people valued Rappi's ability to anticipate and provide for needs beyond the sandwich and the payment services so much that Rappi expanded to become licensed as an actual bank called RappiBank, and now they have ventured into the entertainment industry. The company also applied the Engage secrets so well that they attracted a large ecosystem of partners to accelerate market penetration and product innovation.

**“The superpower for strategic growth in today's market comes from customer insights combined with trust with our ecosystem partners. That's how we've expanded from sandwich delivery into an omnichannel platform that supplies travel, entertainment and financial services. Of course, AI brings analytics to the next level.”**

*Guido Becher, Global Head of Travel, Rappi*

# Example of Activate:

Copenhagen Fintech is a global ecosystem based in Denmark that points to their ability to activate a large ecosystem of business leaders, startup founders, government officials and global advisors as the fuel behind their success. They began less than a decade ago with a single focus to their strategy: Develop expertise in an emerging industry that could position Denmark as a global leader.

Had the leaders begun with traditional tools, they might have built centers of excellence around Denmark's existing industries. But instead, working with Startup Genome, they tapped into a promising opportunity: fintech innovation.

At the time, the world of banking, payments and financial services was run by traditional banks. But the leaders of what would become Copenhagen Fintech + the researchers from Startup Genome envisioned a future of innovative products and services where they could establish a powerful hub.

With Thomas Krogh Jensen at the helm, they embraced the spirit of Activation, recognising that for a small country to earn their place as a global leader, they'd have to be great at getting an entire ecosystem excited and involved. Here are the guiding principles they used to activate their strategy, that every leader can learn from:

- 1. Create a magnetic vision. Finding a purpose to unite behind.**
- 2. Define what makes a success. Setting goals and taking action.**
- 3. Become the natural epicenter. Supplying what the ecosystem demands.**
- 4. Get commitment through funding. Co-financing to create engagement.**
- 5. Become a moderator and broker. Understanding how to make matches.**
- 6. Build your community and followership. Managing relationships with trust.**
- 7. Build a versatile and small team. Leveraging the team and community to create a large impact.**
- 8. Make communication a strategic priority. Becoming the authority.**
- 9. Think and go global from the start. Becoming the Nordic portal to the world.**

Today, Copenhagen Fintech has had more than 120 startups through their labs and has given birth to global leaders like Chainalysis and Lunar. Their annual conference convenes leaders from over 60 countries and they partner with global leaders like Visa and Citi.

**“Right from the start, Copenhagen Fintech knew we had to get everyone to do more, take more dramatic action, proactively bring the rest of the community to new levels, and make sure that everyone felt like they were part of the collective success... 100 percent of the time.”**

*Thomas Krogh Jensen, CEO, Copenhagen Fintech*



<b>STRATEGIC STAGE</b>	<b>DESCRIPTION</b>	<b>SETBACKS</b>	<b>SECRET TO SCALING</b>
<b>ENVISION</b>	At the early stage of strategy design, a team is challenged to think non-incrementally.	Too often, we sit with who we're comfortable with, limiting the ability to stretch into new territory.	Explore without asking "how". Involve experts in logistics, finance, sales, marketing, product, regulatory and technology up front.
<b>EXPAND</b>	A disciplined application of perspectives focused on untapped opportunities and paths to growth.	We drift back into what's familiar if we don't discover emerging options.	Uncover the unmet customer needs and apply insights in technology, customer impact, cross-industry partnering and product design. Enhance your thinking with AI tools.
<b>BUILD</b>	High-impact experiments that address blind spots and make the project ready to market at scale.	The effort gets stuck as a 'pilot' but doesn't have the potential to serve a large market.	Gather a team focused only on what it will take to build it bigger.
<b>ENGAGE</b>	Leaders enlist support and commitment from internal and external ecosystem partners.	Leaders 'pitch' without actually getting other people to commit.	Make sure to have champions with the resources to fuel success and fund the initiative.
<b>ACTIVATE</b>	Moves people toward action.	The new initiative is never integrated into the company's strategic roadmap.	Become the epicenter of action.

# FROM STUCK TO SCALE

## A fresh approach to strategy

### 1 Envision

#### STRATEGY FOCUS:

Zoom out on trends to uncover business opportunities with staying power

- Meet with a diverse team of talent
- Start with rough sketches of the future
- Don't worry about the 'how'

### 2 Expand

#### STRATEGY FOCUS:

Apply fresh lenses: technology, cross-industry, business models to go bolder

- Challenge the limits of what might be possible
- Apply AI to stretch the range of possibilities
- Explore incremental as well as transformational options

### 3 Build

#### STRATEGY FOCUS:

Make it real: experiment, learn and modify

- Test alternative strategies with rigor
- Check your biases
- Build in opportunities to scale

### 4 Engage

#### STRATEGY FOCUS:

Bring others into the execution. Internal + external ecosystem

- Map your potential ecosystem
- Appeal to what they care about
- Enlist partners who can multiply success

### 5 Activate

#### STRATEGY FOCUS:

Make it bolder. Focus on action. Create wins for everyone

- Make sure everyone executes
- Stay ahead of changing trends
- Celebrate wins





## Example #1:

# Expanding revenue growth

*'From Stuck to Scale' offers tools you can use to explore non-incremental opportunities.*

## Tool: Opportunity Aperture

Let's imagine you're Intergráficas, the company that was stuck in an industry with poor prospects for future growth – running a music compact disc factory. If your strategy starts with a look at the music industry, you'll likely stay stuck in a revenue rut.

That's where the Opportunity Aperture tool can help you expand your thinking about growth. Instead of starting your strategic planning with 'music' and trying to build incremental revenues, start by writing down a new customer segment that might be growing and emerging trends you think might fuel growth for your business.

In the case of Intergráficas, Nicolas Cortázar thought that food delivery might be a potential source of new revenues, even though he wasn't sure how he'd make the leap from music to food. So, he wrote down 'food industry' and his team started brainstorming. Which core capabilities might be important to successfully enter the food business? They jotted down core capabilities like 'great packaging design', 'health safety', 'easy to deliver' in the center of the diagram. Then, to inspire the team to explore what it would take to expand revenue growth in the food delivery business, they listed companies that did a great job in each of those core capabilities.

**For great packaging design, they listed P&G.**

**In the case of health safety, they listed Ecolab.**

**In the category of easy to deliver, they listed J&J.**

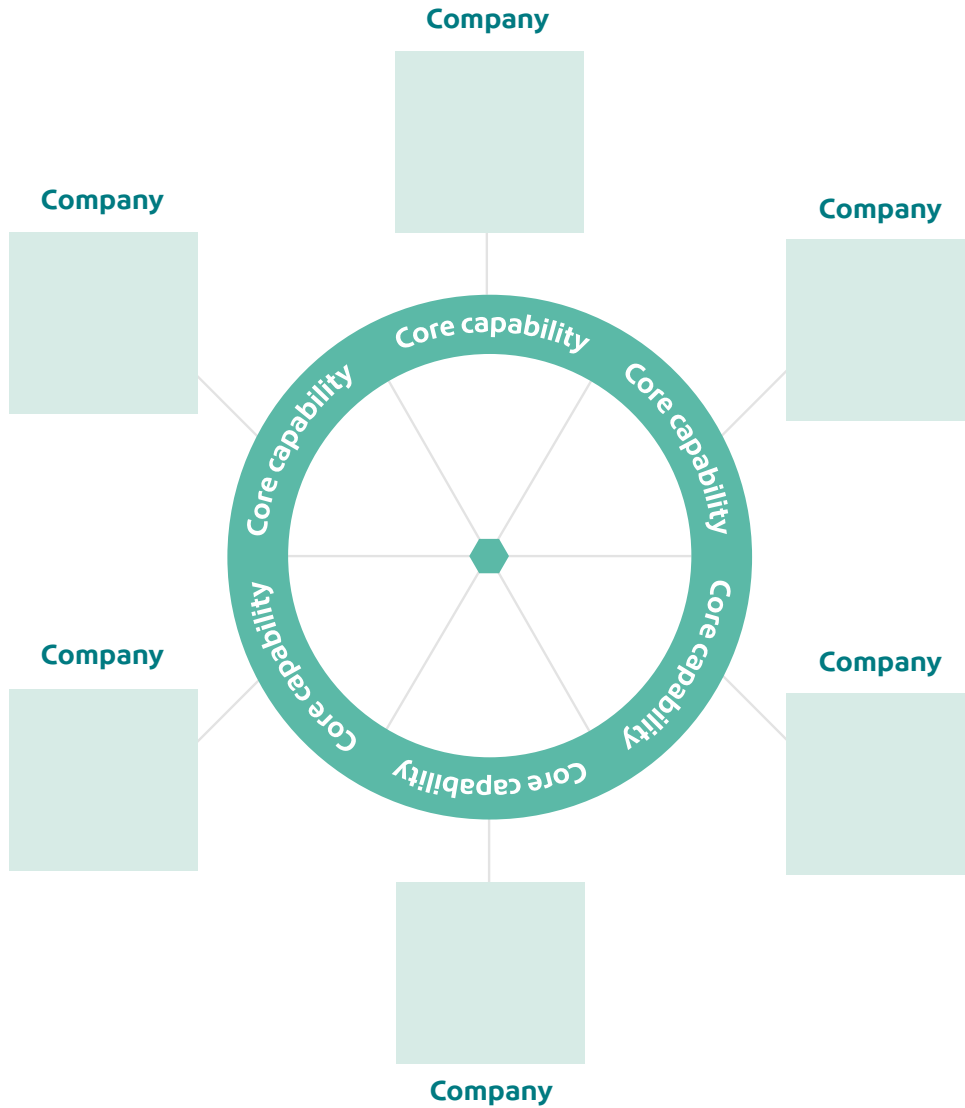
Using the inspiration of those companies, the Intergráficas team pieced together a sketch of what their own offering might look like in the food delivery industry.

## Your turn:

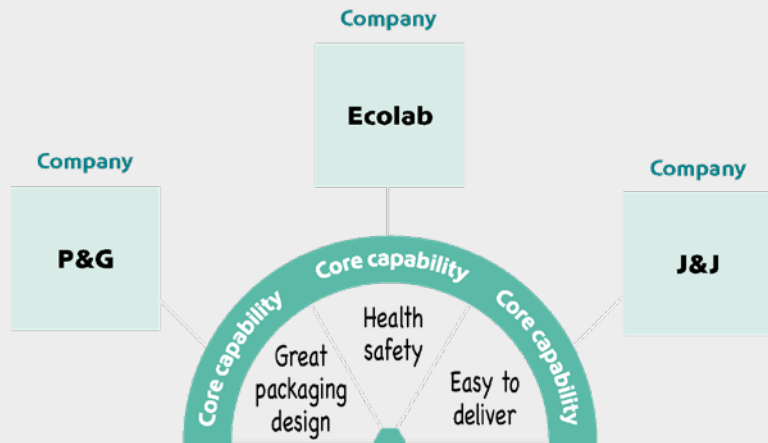
**What about you? What might your Opportunity Aperture look like? What customer group do you believe you might serve to expand your revenues? Which trends do you think your team could build on to drive revenue growth?**

## Expand tool

# OPPORTUNITY APERTURE



*This is an example of how you can fill in the core capabilities and examples of companies with those core capabilities.*



**Example #2:**

# Figuring out where and how to innovate

*‘From Stuck to Scale’ offers tools you can use to figure out where and how to innovate.*

**Tool: Ideaboard**

Remember Rappi, the company that started out delivering sandwiches and ended up expanding to RappiPay, RappiBank, RappiFavor and RappiTravel – and becoming a 5.2-billion-dollar company in less than a decade? There’s a strategy tool in ‘From Stuck to Scale’ that allows you and your team to systematically explore options for where and how to innovate.

CATEGORY FOR EXPLORATION	RAPPI'S EXAMPLE	YOUR TURN
Emerging shifts: customers, market	Customers are logging onto travel blogs	
Trends you'll build on	Growing travel spend	
Technologies to explore	Ticketing and travel planning	
Burning questions	Might customers with curiosity about foreign foods might be interested in foreign travel?	
Idea	Extend our offerings from sandwiches to travel	
Business model examples	Travelocity, Trivago	
Cross-model elements	Airbnb Experiences	

## Expand tool

# IDEABOARD

### Emergine shifts: customers, market

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### Idea

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### Trends you will build on

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### Business model elements

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### Technologies to explore

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### Cross-model elements

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### Burning questions

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### Notes

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### Example #3:

## Turning early-stage initiatives into successful lines of business

*'From Stuck to Scale' helps leaders map their future ecosystems – with partners, collaborators, customers and suppliers who can drive bold action.*

### Tool: Ecosystem Mapper

To illustrate the power of this strategic tool – Ecosystem Mapper – let's remember Copenhagen Fintech. They started from scratch trying to imagine how they might establish a hub for growth in an industry with staying power. In their case, they began with insights into emerging trends and identified financial services as an industry that might fit their profile.

The data they collected and the initial mapping they did with Startup Genome began the process of developing a fintech strategy centered in Denmark. They took to heart Startup Genome's metric of global connectedness as a driver of success and mapped a step-by-step approach to building a highly-active and extended community to fuel growth. Here are some of the questions they asked themselves to fill in their ecosystem map with people and companies who would benefit from a global finance hub based in Denmark:

**In the category of Profit:** Which existing banks might benefit from improvements in customer service? How might payments companies benefit? How might we motivate incumbents to be part of our community?

**In the category of Platform:** How might innovative companies specialising in cross-border transactions grow as a result of a fintech innovation hub?

**In the category of Purpose:** Which other regional hubs might value a strong community of startups and corporations focused on innovation? Might organisations like the Monetary Authority of Singapore and others be interested in participation and collaboration?

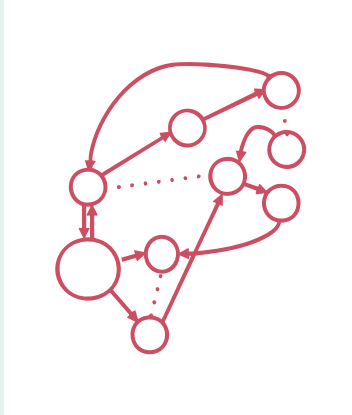
### Your turn:

**What about your strategy? How might you build a true ecosystem with suppliers, customers, government, universities, collaborators, leaders in other regions? Sit down with your team and brainstorm your strategy using the Ecosystem Mapper to zoom out and build your strategy even bigger.**

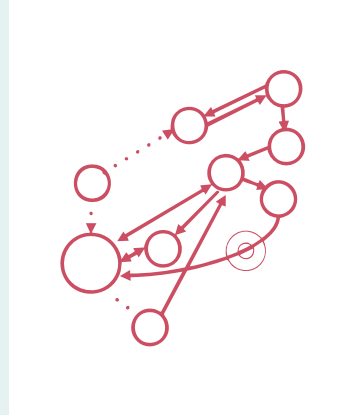
## Engage tool

# ECOSYSTEM MAPPER

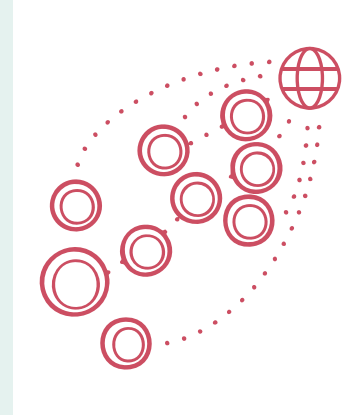
Optimise  
for profit



Optimise for  
platform



Optimise for  
purpose



Your ecosystem

A large, empty white rectangular box intended for users to draw or map their own ecosystem.

Notes

A white rectangular box containing five horizontal lines, intended for users to write notes.

### Conclusion

In a world that's changing so fast, we know our current strategy tools aren't sufficient to keep us growing. To stay relevant and plant the seeds for new lines of business, look at the five stages that leaders need to navigate to move from the early stages of exploration all the way to steady upticks in revenues: Envision, Expand, Build, Engage and Activate. And clear obstacles that get in the way to truly drive innovative strategy. »

*A new strategic blueprint for business growth highlights the need for fresh tools beyond traditional models. Five key stages – Envision, Expand, Build, Engage and Activate – can help businesses move from stagnation to scale. With this approach, companies can overcome roadblocks and successfully innovate in today's fast-changing market.*

**IN BRIEF**