



5 KEYS TO A GROWTH MINDSET

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WHAT IS A GROWTH MINDSET?

Everyone is hungry for advice to grow revenue and profitability. But so much of the advice floating around is largely tactical in nature. And tactics without strategy are pointless. And even when you have tactics, informed by strategy, what is still needed is a growth mindset.

So what exactly is a growth mindset? It is a philosophy of sorts, an approach to everything that we've used at ScaleHouse to grow hundreds of businesses (including our own!). And it's how we think, holistically, about both innovation and efficiency, instead of pitting the two against each other.

This is the decade to think differently about your business in good times and bad - especially as it relates to sales and marketing. Pandemic or not, your business will face challenges and the difference between those who fold and those who rise to the occasion largely has to do with the ability of leadership to maintain a growth mindset no matter the situation.

Behold, we offer you 5 Keys to a Growth Mindset!





1

PRACTICE OPTIMISM

Business trends ebb and flow, but communication that focuses on positive outcomes breeds hope, allows for resiliency, and sets the stage for thriving even when faced with adversity. The point becomes not simply getting through challenges but seeing business crisis as a necessary part of a cycle that produces both learning and innovation.

It is hard, for even the steeliest of executives, to stay positive when faced with serious pressure. Consider Airbnb. After being the darling success story for many years, they nearly shut down completely within 14 days of the pandemic hitting. Optimism ultimately enabled their massive pivot. They moved from offline to online experiences. They began using celebrity campaigns with Tony Hawk and Jackie Joyner Kersey, to redefine what it means to “get away.”

With this clever twist and a sharp focus on destinations closer to home, they created a much brighter future for the company and their partners. As a result, they completed 2020 as the most successful IPO of the year....in the middle of a pandemic.

KEY LEARNING:

When a company hunkers down in survival mode, that's probably the most they can expect. We have seen many businesses close or hover near death because they simply can't get out of a defensive or preservation mode. Even in the face of adversity, having a **growth mindset means making big bold moves**, not standing in place.





2

PIVOT QUICKLY

Preservation mode is dangerous. The larger companies become the more they have to lose and the more tightly they tend to hang on to resources during tough times, thinking they're protecting shareholder interests. But shareholders (whether publicly or privately held) need companies to grow.

While it is natural to be concerned when revenues drop (sometimes suddenly), that feeling can easily get amplified when the going gets really tough.... often leading to analysis paralysis from the leadership team in a time when failing to act quickly can cost companies everything.

Growth is vital to company success.

Growth requires innovative thinking and ACTION.

KEY LEARNING:

Businesses with a growth mindset can easily hurdle preservation mode to incorporate new ways to engage their customers and accelerate growth. A growth mindset not only **embraces change but sees challenges as opportunities** for new ideas and inspiration.



3

FOCUS ON WHAT YOU CAN CONTROL

Thriving firms focus on what they can control. Rather than trying to quickly drive new sales or attempting to ride out a downturn with a “business as usual” attitude, firms that are thriving are quick to adjust by focusing on existing customer growth and cutting expenses.

The economic environment may not be right for an uptick in generating new business, but radically cutting unnecessary expenses (and by unnecessary we don’t mean sales and marketing budget) can provide the room needed to keep the core business intact and ride out a downturn.





3

FOCUS ON WHAT YOU CAN CONTROL

With expenses managed the team should be freed up to focus on three important goals:

Focus on your existing client base.

Giving special attention to the needs of current clients goes a long way to developing deeper, and more profitable relationships. Instead of growth through “adding logos”, most opportunities (even in prosperous times) lie in monetizing an existing client base. Oftentimes, companies have all the clients they ever need to scale their business, but they are often overlooked in pursuit of new clients. Focusing on increasing share of wallet and satisfaction from within an existing book of business mitigates any risk they may search for competitive products and services.

Look at your profit margins.

Pinpointing profitability for product optimization opportunities is essential to growth. Before investing in research, development and marketing of new products or services, consider opportunities to make existing products and services more profitable.

Look for collaboration & partnership opportunities.

Traditionally, companies have taken defensive positioning when it comes to partnering, particularly with competitors. But success stories in business show time and time again that collaboration is the new competition. Consider these examples:

- Siemens opening their additive manufacturing network to anyone who needed help in medical device design.
- Ford, United Auto Workers, GE Healthcare and 3M working together to build ventilators.

Collaboration drove much of the innovation we saw in 2020.

KEY LEARNING:

Great business leaders understand that making more money is not the same as keeping more money and that collaboration (even with competitors) can be an unexpected source of new avenues for growth.

A growth mindset is expansive in its search for multiple ways to make a venture more profitable.





4

WHEN OTHERS GO QUIET, GO LOUD

When trying to control spending, frequently, marketing is the first to go. But marketing and sales are the first line of defense against falling revenues, so that action is short-sighted. If you have a mature marketing practice that drives demand generation, our recommendation is to double down on this spend rather than cutting it. When others go quiet, companies with a growth mindset go loud, and this is incredibly important. To double down on marketing, a firm should multiply time, talent, and resources to spotlight the company's strengths.

While you may find opportunities to cut marketing spend, it is not wise to cut marketing activity. Firms can replace certain types of spend with increased activity on low or no cost channels for significant return. For instance, when cutting online advertising expenses, bump up the frequency of blog posts, or increase activity on social media. If a big face-to-face conference is cut for budgetary concerns, repurpose that budget for smaller more focused events, then double down on webinars or other low-cost or no-cost marketing activities.



4

WHEN OTHERS GO QUIET, GO LOUD

The worst decision leaders make when faced with a challenging business atmosphere is to stop marketing entirely. Why?

When whatever crisis they're dealing with has passed, they struggle to catch up because they haven't done any marketing for the past year. Boosting sales and marketing inputs has both immediate (performance marketing) and long-term (brand building) benefits. Specifically, many of the low-cost or no-cost marketing strategies are long-game brand building strategies.

It should also be noted that many of the most **successful marketing efforts come from a place of helping**. For example, during the pandemic, Harris Poll provided multiple FREE studies on COVID, business trends and changing consumer opinions. In a time of uncertainty, businesses were looking for helpful guidance and Harris provided it at no cost.

Not only do activities like this build significant rapport but giving without expecting to receive goes a long way toward helping struggling leaders turn a profit, and maybe even grow during a crisis.

That help is not quickly forgotten.

KEY LEARNING:

Cutting sales and marketing spend is not wise, but if it needs to be cut, marketing ACTIVITY needs to increase. Firms who quickly reallocate funds and double down on marketing activity in any form not only weather a crisis better, but are positioned for growth when the storm has passed.



A group of people are sitting around a round table in a meeting room, working on laptops. The room has large glass windows and a whiteboard in the background. The scene is dimly lit, suggesting an evening or indoor lighting. The people are engaged in a discussion, with one woman smiling. There are several laptops open on the table, and some papers and a water bottle are also visible. The overall atmosphere is professional and collaborative.

5

COMMUNICATE FREQUENTLY & TRANSPARENTLY


Companies should ensure their communication, particularly internal communication, is frequent and highly transparent. When executives fail to communicate with transparency, employees tend to make up their own stories... and those stories are rarely positive.

The first to tell the story is generally the most understood and widely circulated. When that story starts outside of the boardroom, it snowballs in fractals of fiction that create unnecessary stress and disruption.

KEY LEARNING:

In times of business volatility, upfront and honest leadership are paramount. Transparency brings a team together in times of uncertainty.





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WHY DOES A GROWTH MINDSET MATTER?

The world is changing at an ever-increasing pace. To continue to thrive in 2022 and beyond we must look ahead, understand the trends and forces that will shape our business in the future and move swiftly, with a growth mindset, to prepare for what's to come.

To sustain growth, there must not only be a continuous pipeline of growth initiatives that represent new sources of revenue and profit, but also a mindset that growth is not just possible but imperative.

IS YOUR BUSINESS ON THE VERGE OF GREATNESS?

Are you running a startup and ready to go beyond bootstrapping? Or is your business in crisis mode and you need help turning things around? Or maybe it's just time to scale for acquisition and exit. We've been there, and there, and there too. We can help.

REACH OUT TO US

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