

# What Truly Grows a Company?

What truly makes a company grow? What made my previous company, NuVo Technologies, achieve a compounded annual growth rate of 59 percent over five years? While the work of growth may not be easy, the answer of how to grow is remarkably simple: *Growth happens because of great people with a strong plan.*

## **Yes, It Really IS the People**

Julie Jacobson, the respected editor of [CE Pro](#) (a consumer electronics magazine), once asked me, “David, what’s the key reason for the growth of your business?”

Without hesitation, I answered, “People!

“O come on, that’s so cliché,” she said.

Perhaps. But it’s the only true answer I could give her.

To become strong (and stay strong) a company needs motivated, aligned, and diverse people who bring the strength of many disciplines. Engage those people through a positive and transparent culture, and it’s like high-octane fuel. The way you build that culture is to communicate the company’s goals and vision. And then back it up with strong values and consistent behavior.

People are your most important raw material. You also need a strong foundation. That comes in the form of a *clear plan*.

## **A Plan Provides Path and Purpose**

Early in my career, I worked for Thornton Environmental Services, a creative and exciting small business that sold landscape architectural services and contracting. The owner, Gary Thornton, embraced Walt Disney’s creative thinking

methods and, consequently, innovated one of the most successful commercial and residential design build firms in the region. Creative thinking is like brainstorming on steroids. But you don't stop there. You then hammer those creative thoughts with realism and filter the ideas into actionable detailed plans for achievement.

As I moved forward in my career, I continued to learn about the importance of planning. At Loth MBI, an interior design and office furnishings company that grew to over \$45MM, I got hooked on strategic planning. We participated in "Strategic Eight" planning, facilitated by Bill Menke in association with the Greater Cincinnati Chamber of Commerce. This provided a process that allowed us to:

- Engage different disciplines within the organization to assess externally and internally.
- Plan through creative team brainstorming.
- Convert ideas to defensive and offensive plans to minimize risk and exploit opportunities.
- Measure our actions as we moved forward to our desired results.

By the time I became CEO of NuVo, I knew that strategic planning was a non-negotiable part of growth. That's why I engaged one of the best strategic planners in the community to facilitate our process. Even though we were small (under \$5M and 18 people), our team fully embraced the approach. It was *their* plan, and consequently, they began to use phrases like "our plan," "we need to," and "I'll help you."

When new employees came on, we gave them a fully transparent review of the long-term strategy and short-term action plans. Team members made decisions . . . and good ones at that. They knew the values and principles of the company as well as the vision and short-term goals. My team confidently made

decisions because they KNEW the direction of the business and how to align accordingly.

The organization's annual cycle of planning encouraged team members to observe outside changes in the business—such as emerging competitors, new technologies, risks on the horizon—and bring them confidently forward to leadership. In fact, employees on the front line often said, “We need to review this situation in our strategy session.” That was music to my ears because, at that point, I knew I was on the right course for growth.

Are you interested in growing your company on a continuous compounded growth rate above industry norm and distance yourself from your competition? It's really a simple concept:

- (1) Hire great people, then involve them in your strategy, and
- (2) Provide unwavering support and turn them loose.