



REDEFINING THE RULES OF COMPETITIVENESS IN THE DIGITAL AGE

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Since the recession and the recovery, many companies have tweaked their strategy and business operations, scraping for 1% growth, reducing costs, expanding geographically. But redefining competitiveness and winning in the new requires much more radical changes. Business playbooks need to be rewritten based on an interdependent strategy that gives companies a GPS to succeed in the digital era.

Three keys to redefining competitiveness and winning in the new

- 1. GROWTH**
- 2. PROFITABILITY**
- 3. SUSTAINABILITY AND TRUST**

First, it's all about growth and customer. Companies need to understand where future growth is coming from and develop a strategy that combines brilliant basics with pathways for growth, placing informed bets on where customers are going next, informed by deep understanding of customers and their behaviors, all while keeping bread and butter business on track and pivoting towards a future version of themselves.

Second, it's about profitability and a relentless focus on enterprise cost reduction using zero-based techniques to identify which activities, processes and resources are adding value and which are not, then reinvesting that savings into growth. Interestingly, our research found that less than a third of companies are aligning their savings programs with their overall corporate business strategy. And in my own experience, I can tell you that connected strategy, where profit improvement becomes fuel for growth is the only way to do it. Cost cutting on its own is not a strategy.

Third, it's about sustainability and trust. Thanks to digital, the world has a front row seat into your business operations. That is why business value today is created by building trust and transparency with customers, employees, shareholders and society. Both growth and profitability are hardwired in trust, and leading CEOs quantify the value of sustainability right down to the P&L. In today's day and age, there are no high-growth organizations who have not prioritized trust and transparency.

What's key for these three strategies to be successful?

Finally, it's critical that companies understand the interdependencies between the three strategies. Our research found that in almost two-thirds of companies they believe in the importance of an interdependent strategy, yet only one-third are actually doing anything about it. There cannot be an either/or. You can no longer win by choosing growth or profit. Only by driving growth, profit, sustainability and trust as an integrated strategy can companies redefine competitiveness and win in the digital age.

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