



## **THE ROLE OF GROWTH ADVISORY BOARDS IN ACCELERATING A REBOUND OUT OF THE COVID-19 CRISIS**

Most Covid business thinking, and leadership approaches have focused on simply managing the insidious Covid-19 crisis. What we need now is greater attention on how to successfully ramp up after the crisis and coming out of its economic doldrums.

When you scan the entire gamut of financial and investment forecasts, whether from Goldman Sachs, Moody's, or the IMF, looking ahead post-Covid, they all point in a similar direction: Up; Dramatically upwards.<sup>1</sup>

The V shape recovery may not be uniform across all industries or all countries, but the economic engine driving growth is apparent for all eyes to see.<sup>2</sup> The GDP, production, capacity utilization, inventory and employment numbers make it clear that this was not a business cycle recession.<sup>3</sup> Rather, it was a deep exogenous virus-based shutdown that took a heavy toll in both human lives and economic costs. Estimates on the later were recently suggested to be as high as \$82 trillion, globally.<sup>4</sup>

That is a lot of ground to make up. But with IPOs, M&A, investment, and employment bouncing back the next two quarters are likely to set an all-time record for economic growth. Third Quarter growth in the US for instance set a record high at 33.1 %. Stock market performance is already an indicator of the economy ahead and all the charts suggest an unparalleled period of growth.<sup>5</sup> But those results are never evenly spread. Some companies excel while others will falter.

One has rightfully to ask then: are companies of all sizes and backgrounds, everywhere, prepared for the coming trajectory? Are they poised for take-off and at high energy, fast pace and hyper growth? What are they doing to make sure they will succeed? In this 'winner take all economy' those who seize the day, are nimble and quick and will beat their competitors. How precisely are they preparing?

Strategy matters, talent and bench strength are key, and access to deal flow, new supply chains and new/emergent markets will determine best results. We are in the fourth industrial revolution, so AI, robotization, digitalization and data analytics are unquestionably part of any growth formula.

As F. Skip Weitzen, the noted author said, "I spent a decade analyzing 15 diverse start-up companies that achieved \$1 billion in sales within a decade for my book, *Hyper-growth: How to Perform Like America's Fastest Growing Companies* [John



Wiley & Sons). These were not small companies hoping to grow large. They were viewed as large companies in their formative stages. They all had advisory boards or councils who focused on ways to generate profitable growth. The members of these boards were specialists in various aspects of corporate fast growth. It was their secret sauce."

This article addresses the opportunity to leverage Growth Advisory Boards to accelerate the Covid 19 re-bounce for sustained value creation.

John Chambers, the founder and CEO of JC2 Ventures, has helped disruptive startups from around the world build and scale effectively. He sees Growth Advisory Boards as perhaps the best way to move a company forward. Prior to founding his new venture company, Chambers served as the CEO and executive chairman at Cisco Systems, where he helped grow the company's revenues from \$70 million to \$47 billion during his 20+ years leading the global technology giant and employed them to propel that growth.

### ***All Crises Come To An End***

Most projections predict that the Covid-19 crisis will come to an end in 2021 and that in 2022 recovery will be achieved.<sup>6</sup> With therapeutics and vaccines coming or underway the world will be able to put the terrible virus-based plague behind it, albeit at severe costs.

Research from previous crises such as the Financial Crisis of 2008, the Com Bubble of 2001 show that the rebound can be both significant and incredibly fast. This does not discount the loss encountered or the tragedy in these and other crises, it simply implores us to consider the track and pace of economic recovery coming out of such dire events.

Research on Covid-19 suggests that the rebound can be both stronger and faster than previous crises. Roger Bootle, head of Capital Economics has put this case most forcibly. He described the current situation as unique in history: "The damage to the global economy has not come from the virus itself but from the reaction to it - the lockdown measures. While many have compared the situation to a war, in a war you would see a massive destruction of physical assets and a massive loss of human assets - people. Although coronavirus will claim a significant number of lives, the majority of them will be elderly so not particularly economically active - the vast majority of assets that were in place before the pandemic are still there." <sup>8</sup> The opportunity looking immediately ahead may be without parallel.



### ***What Makes the Covid-19 Crisis Unique***

This crisis was truly global in nature and financially heavily supported by all governments and central banks. At no point in time has access to cheap capital and stand-by resources been more available. The response in terms of relief has been unprecedented around the globe.

The availability of Digital/Emerging Technologies have never been faster and more disruptive, and it is only the beginning. In many ways the shutdown actually forced companies to rapidly adjust and adapt using mobility and zoom related interactions that would otherwise have taken many years to implement.

The world learned to operate virtually at a speed never seen before. The supply has been constrained but the demand has not gone away, and if anything, we have an enormous backlog in lagged demand. Some sectors have undoubtedly been hit very hard, but the reality is also that many 'consumers' have lagged in spending and have actually accumulated savings ready to be spent.

Many world leaders (both in business and politics) see this crisis being part of a required big 're-set' to focus on sustainability in its broader sense and to jump start the future using technological innovation. In that sense it can be seen as an opportunity as much as a calamity.

### ***The Rebound Opportunity***

Whilst some businesses will have collapsed, most businesses will re-bound at various speeds. Few Management and Supervisory Boards have proven experience ramping up a business post global crisis with the current portfolio of enablers.

A best-in-class rebound will require the leveraging of capabilities beyond the traditional strategy definition and those of day-to-day operations. It is not business as usual or just muddle through. There will be winners and losers, and hardly any limit to the value creation upside for— the winners. These companies, both new and old, snowflakes and icons, will distinguish themselves and rebound more quickly and hurdle over others in a race to the top.



## ***Reimagined Growth Advisory Boards As Enabler and Catalyst***

An established, but not necessarily widely used option for enterprise-wide initiatives is what have come in recent years to be termed, Growth Advisory Boards.

Typically, these are used for a single purpose of opening doors and driving revenues, including new market entries. More recently they have been used to address the technology revolution by bringing in know-how that does not exist in the enterprise.

A reimagined Growth Advisory Board can be an opportunity to bring in experience and expertise that complements and inspires both Management and the Board of Directors, by driving aspirations, innovation and disruption in terms of value creation. They often bring in unique and diverse competencies (rapid growth/scaling, disruptive business models, M&A, partnership models beyond standard Joint Ventures, knowledge of digital/emerging technologies, including the next generation of collaboration tools, entrepreneurial mindsets, risk management, cultural change, rapid organizational design, sustainability, and execution.

Tied to revenue generation these advisory bodies are lean and focused on one thing: *facilitating growth*. They are not bogged down by other concerns, have no corporate governance responsibilities or typical Board functions. They work with the Chief Executive Officer, Chief Financial Officer and Chief Revenue Officer to make things happen and speed things up.

At Insight Partners, they specialize in providing funding and transformational functional support for software ScaleUps.

A ScaleUp is a fast-growing company that has graduated from the “product market fit StartUp phase,” and “is now on a rocket ship trajectory.” Even at this stage, Growth Advisory Boards have been found to be extremely effective as the founding teams are ramping up their messaging and positioning and product, acquisition, go-to-market, and business development strategies. According to Emmett O’Keefe III, Operating Partner at Insight, a large private equity firm, “because they have already achieved product market fit, they can greatly benefit from well networked growth advisory board members who can help open doors at global companies at scale.”

RSTOR, a software defined cloud platform provider that enables enterprises to manage data across hybrid and multi-cloud infrastructure environments, recently



announced the formation of an RSTOR Growth Advisory Board and is illustrative. The board's mission is to provide guidance in the identification and development of use cases and applications that will enable the company to continue simplifying and strengthening enterprise technology modernization initiatives.

The Growth Advisory Board is made up of world-renowned senior technology executives. They have been advising RSTOR to assist in the firm's ability to deliver virtualized cloud solutions to market," according to Paul Buttle, Chief Revenue Officer for RSTOR.

The group includes chief technology officers (CTOs) and chief information officers (CIOs) from such industries as: telecommunications, media and entertainment, semiconductor manufacturing and design, life sciences, healthcare, sports, automotive, banking, and financial services and technology.

"The members are well-respected industry leaders in their respective markets. Each has been recognized by peers for introducing innovations that have successfully transformed organizations to achieve mission-critical business objectives," said RStor CEO, Gio Coglitore.

"Having been directly involved with nearly every chapter in the history of enterprise computing -- including mainframes, mini-computers, client server, web and mobile applications -- I believe cloud is not a new chapter, but an entirely new book. I would like to continue to help enterprises realize the potential. I agreed to join RSTOR's Growth Advisory Board to have a direct impact on the present and future of enterprise data management in hybrid, multi-cloud environments.," said Mark Sunday, former CIO for Oracle, Siebel, Motorola.

"Orchestrating multiple infrastructures is always difficult. The nature of cloud environments makes working across different providers even tougher. The addition of significantly growing workloads and data in these environments create a great deal of complexity and cost. RSTOR is the first company I have seen in a long while that is significantly improving storage performance, while also greatly reducing the cost of storage," relayed Norm Fjeldheim, former CIO for Illumina and Qualcomm.

These examples and many more like them in companies that are attempting fast growth to be fully aligned with existing governance (Management and Supervisory Boards) seek to accelerate enterprise-wide value creation.



1 Veritas Partners has been helping launch these Growth Advisory Boards in a number of industries and sees an unparalleled

opportunity for companies positioned to take advantage of both the opportunity and the post-Covid environment. 1 Veritas Partners is a new breed of consulting advisory about growth engines that built and orchestrated the GAB for RStor and has created a niche in driving this new growth strategy for emerging tech unicorns and that “ we believe coming out of Covid that access to power through trusted partnerships will become paramount in the new normal in accelerating adoption of cutting edge technologies and cost optimization strategies, ”said Paul Burak, Managing Partner at 1 Veritas Partners.

Quantum Metric, a SaaS platform that helps organizations build better digital products faster, announced recently that top executives from across the retail, healthcare and software technology industries is one of the companies that has formed a new Growth Advisory Board to guide them through new growth as it develops global business.

According to their CEO, Mario Ciabarra, the Growth Advisory Board “will help identify opportunities and leverage experience with a particular focus on Quantum Metric's leading agile approach to the product life cycle, Continuous Product Design, a data-driven and customer defined approach to building, and rapidly iterating, digital products that helps companies overcome organizational silos, streamline prioritizes, and deliver products that customers actually want.

## ***A 10 Step Framework for the Design, Build and Governance of Growth Advisory Boards Is Necessary***

There is no ‘silver bullet’ solution for Growth Advisory Boards (GAB) but this framework will be a helpful to get your initiative off to a good start.

- 1.Be clear on purpose.** As much as a GAB will be seen as a positive by people appreciating change it can also be met by invisible resistance across the organization. There is no fixed or commonly accepted definition of a GAB and the three words in isolation can have multiple meanings. The purpose must be clearly defined and fully aligned with all stakeholders both inside and outside the organization, as well as with the GAB members themselves.
- 2.Be clear on scope and priorities.** We all learned that Rome was not built in one day, and equally, organizations will not rebound in one day. Having clarity on scope and



priorities is truly fundamental for the sustained success. If at all possible, consider 'low-hanging fruit' opportunities which will build confidence and momentum early on.

- 3. Think projects, not functions.** Most organizations are 'hung up' on hierarchical and functional capabilities to get things done. As you focus on business opportunities to rebound you are more likely to be successful if you think of projects and teams. Few Directors and CIO's would in 2019 have thought that all Board Meetings would be held virtually in 2020. What ended up being one of the fastest digital transformation initiatives to date was not always led by the IT function.
- 4. Work with, not for.** Do not fall into the trap of defining the GAB as an overhead to Management or the Board of Directors or an isolated 'lab'. The GAB is not part of a hierarchy and has no fiduciary responsibilities. The GAB should work in a way that yields most value to the business, and the 'Extended Growth Advisory Board' should include all employees.
- 5. Think credentials, not trophies.** It is an easy path to appoint high profile executives who have been successful in the past, yet the real importance is to assign people with a recent and current track-record of delivering what you are looking to achieve in the rebound.
- 6. Capture value of diversity.** This is not about managing diversity. On the contrary, this is about getting value of diversity, and diversity in its broader sense. Five Chief Marketing Officers from both genders are hardly representing diversity. Rather think of expertise across your entire value chain and capture true diversity beyond gender or categories.
- 7. Be clear on engagement and commitment.** A GAB is not about regular quarterly meetings, and you will value members who will deliver beyond expectations. Be clear upfront on expected engagement and get assurance that existing commitments will not interfere. This also implies that you must think of remunerating members on value rather than simply time spent.
- 8. Pace is King.** Time kills all deals, and nothing is truer for this rebound. This will also be a once-upon-a-lifetime opportunity to see your company as a start-up. It is therefore important to include talent that fully appreciate the need for pace as you build and rebuild organizational capabilities.
- 9. Break Eggs not laws.** Given all of the above, it is clear that you will break some eggs by operating at pace across established functions, hierarchies and borders. That is not the same though as getting into the grey zone of dodgy business practices. On the contrary, this is also an opportunity to ensure that ethics and values are reinforced in the way you do business.





## Communicate, communicate, communicate.

With very few, if any, exceptions, successful transformation leaders always credit first and foremost the communication strategy to the successful outcome (and lack of it, if failure). The GAB is certainly not an exception.

Growth Advisory Boards may be the best way to fuel rapid and sustained corporate growth now.

**Dr. Theodore Roosevelt Malloch** is CEO of The Roosevelt Group and was on the business faculty at Yale, Oxford and Henley Business Schools. His latest book, *Common Sense Business* was co-authored with the former Chairman and CEO of Cargill, the world's largest privately owned company.

**Olof Pripp** is the Founder and CEO of Board & Technology, a purpose led international high-end Executive Search firm focusing on C-Level recruiting and Board Services. He was previously a Vice Chairman at a large search firm and led PwC Consulting's Global Technology Sector Practice earlier in his career.

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## Notes

### #1 See:

<https://www.imf.org/en/Publications/WEO>

<https://www.economy.com>

<https://www.goldmansachs.com/insights/pages/macro-outlook-2021.html>

<https://www.marketwatch.com/story/today-in-scary-numbers-pandemic-could-cost-global-economy-82-trillion-2020-05-19><https://www.wsj.com/articles/trump-advisers-still-touting-v-shaped-economic-recovery-11595778992>

#3 <https://www.jpmorgan.com/commercial-banking/insights/how-covid-19-is-breaking-typical-business-cycle>

#4 <https://www.marketwatch.com/story/today-in-scary-numbers-pandemic-could-cost-global-economy-82-trillion-2020-05-19>

#5 <https://www.usnews.com/news/economy/articles/2020-10-29/economy-roars-back-in-third-quarter-with-331-growth-in-gdp>

#6 <https://www.advisory.com/daily-briefing/2020/09/22/coronavirus-end>

#7 <https://www.crforum.co.uk/research-and-resources/the-economic-impact-of-covid-19-roger-bootle-slides>