

This **Insight** is 485 Words.

Reading time: < 3 minutes.

Value: Priceless

## Avoiding the Icarus Plunge

"Unless management is able to diagnose the causes of a stall and get the company back on track quickly, the odds are against it ever returning to healthy top-line growth," pronounce the authors of "Why Growth Stalls" in this month's *Harvard Business Review*. Alarmingly, this calamitous fate befell almost 90% of the 500 leading companies they analyzed; and lest recent performance lull rapidly growing firms into complacency the authors add this unwelcome tidbit: "Most organizations actually accelerate into a stall, experiencing unprecedented progress along key measures just before growth rates tumble."

## Our Take

This almost-brilliant article is well worth the read and so full of important takeaways (some unintentional) that I've written a longer **Insight** with many more excerpts, accompanying commentary and links to good resources. You can find the extended **Insight** [here](#).

Alas, after piquing us with evidence that high-flying firms are poised for an unexpected fall and lackluster growth may be a permanent affliction, the authors offer four startlingly useless coping strategies. For instance, they promote the idea of a "shadow cabinet" while admitting that most executives flatly reject it. Can you say Ivory Tower?

For those of us on terra firma, it's good to know there are practical steps that companies can take to avert a plunge in growth. Moreover, there is actually enormous opportunity for mature companies willing to take a new approach to an old business. Here are a few exercises for staying in (or returning to) the rare air of high growth:

1. Invest in better understanding of your customers' decision making process. The *HBR* article underscores many times that stalls occur when a company starts disconnecting from the customer. Winning customer choices is the backbone of your long-term success, and understanding is your starting point for those victories.
2. Forge a more powerful link between customer understanding and tactical initiatives. Excepting the sales force, most of your employees are measured and rewarded on something other than



