

Unlocking Better Growth

The Key to Long-Term Profit
and Value Creation

In business, growth isn't just an aspiration; it's a necessity. The growth mantra for companies aiming for longevity isn't only about increasing numbers. It's about achieving 'better' growth.

Let's dive into why unlocking Better Growth is crucial for driving long-term profit and value creation.

First, let's define what we mean by 'better' growth. It's not just about increasing sales, introducing innovations, or entering new markets. 'Better' growth means creating sustainable business expansion. And that requires growth that is, above all, profitable. Done right, it's growth that elevates a brand, finds a balance between all stakeholders – from shareholders to the all-important customer, and underwrites the investment needed to ensure a long-standing market presence.



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The five pillars of Better Growth:

- 1. Value to customer:** Better Growth is based on a revenue model built around a deep understanding of customers' needs, aspirations and willingness to pay. It involves selling the right product to the right customer at the right time for the right price. This can only be achieved by obsessively optimizing every lever of your business's commercial strategy – product, price, marketing, and sales.
- 2. Profit-first mindset:** Better Growth isn't just about maximizing sales but maximizing profitable sales. This requires a business to think not only about value "creation" through innovation and marketing but also about value "extraction" through smart pricing strategy. It also requires discipline in sales, accepting that selling at higher margins may mean accepting a slightly lower market share.
- 3. Long-term perspective:** Better Growth is fundamentally about the creation of long-term business value. It is the catalyst for a cycle of investment and "earned growth" underpinned by profitable business economics. Only long-term profitable businesses have the ability to invest in the future: to build brand equity through consistent quality, innovation, and ethical practices and to ensure ongoing stakeholder loyalty.
- 4. Stakeholder balance:** Companies have to consider the needs and wants of a broad set of stakeholders – from customers to suppliers to staff and shareholders. Better Growth is based on deliberate and calculated trade-offs between market shares, margins, salaries, customer satisfaction and shareholder returns. Typically, the more diverse the commercial offer and the more segmented the customer strategy, the smaller those trade-offs become.
- 5. Customer-driven technology:** Too many businesses view technology primarily through an automation, cost savings, and efficiency lens rather than (re)connecting with customers and creating greater value for them. At the heart of Better Growth is understanding the wants and needs of the customer, so technology strategy must start with the customer.

Summary: Growth is a journey, not a destination. Focusing on long-term profitable growth and value creation ensures your business survives and thrives in competitive markets. Ultimately, it's not just about growing bigger but growing better. At Simon-Kucher, we're devoted to guiding our clients on this path, leveraging our vast experience in pricing and commercial growth.

This is Better Growth

A dynamic, relentless pursuit of sustainable, profitable, and value-driven expansion.

It's more than just boosting sales, innovating products, or exploring new markets. It's about fostering a growth that clearly aligns with customer needs and desires.

At the heart of Better Growth is the strategic alignment of revenue streams with customer preferences. This approach leads to long-term profits which underwrite investment in the business, the customer and society.

Key to unlocking these commercial opportunities are robust pricing, marketing, digital and sales strategies tailored to deeply understand and address the customer journey and needs.

The true measure of a business's success, its long-term value, is deeply rooted in Better Growth. This is reflected in unwavering stakeholder loyalty, a constant adaptation to market shifts, and robust brand equity.

The proof of Better Growth is in the numbers – a company that consistently surpasses its peers in revenue and margin growth year after year, evidenced by superior share price performance.

Products Customers Love and Are Willing to Pay For:

Apple – iPhone: Revolutionized the smartphone market with its user-friendly interface, sleek design, and wide range of apps.

Tesla – Electric Vehicles: Transformed the electric vehicle market with cars offering long-range electric power, high performance, and cutting-edge technology.

Netflix – Streaming Service: Changed media consumption with a vast library and original content like 'Stranger Things' and 'The Crown.'

Amazon Prime: Offers convenience with features like free two-day shipping and exclusive deals, proving popular among customers.

Dyson – Vacuum Cleaners and Hair Dryers: Known for their innovative design and efficiency, appealing to customers despite higher price tags.

Nespresso – Coffee System: Provides a consistent, easy-to-use method for brewing espresso, attracting customers seeking a quality, quick alternative.

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About Simon-Kucher

Simon-Kucher is a global consultancy with more than 2,000 employees in 30 countries. Our sole focus is on unlocking Better Growth that drives measurable revenue and profit for our clients. We achieve this by optimizing every lever of their commercial strategy – product, price, innovation, marketing, and sales – based on deep insights into what customers want and value. With nearly 40 years of experience in monetization topics of all kinds, we are regarded as the world's leading pricing and growth specialist.

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