

How companies can deliver radically greater value in fast-changing markets

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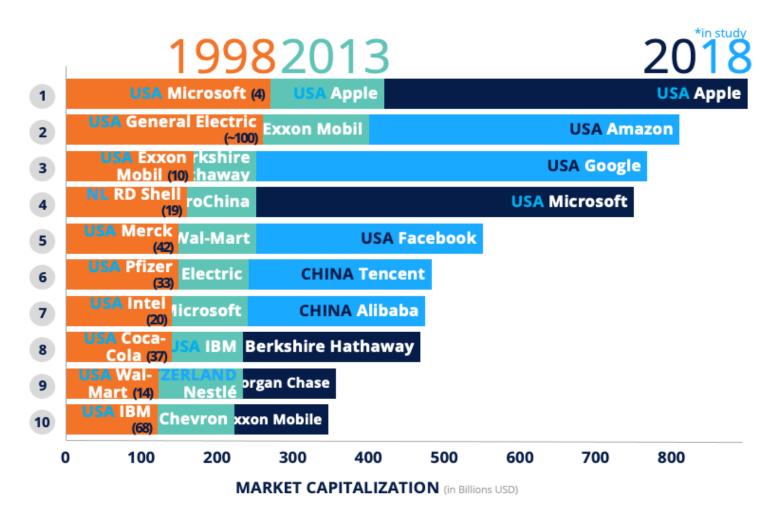
### True reinvention brings compelling results that matter to customers and investors

- A <u>Global Hotel Company</u> completed a wholesale restructure and deliberate design of lean and agile business units, which drove turnaround and growth. Their stock price rose by 71% in less than a year, and operating costs were reduced by more than \$100 million/year at the same time that employee surveys showed a dramatic increase in engagement and confidence in company leadership.
- **Supercell**, an on-line fantasy game company, was founded in 2010, and developed one mega hit game each year winning hundreds of millions of loyal customers. By 2019, Supercell had a market value of more than \$10 billion and revenue of more than \$2 billion. For a company with only 240 employees that means average revenue per employee reaching \$10 million.
- An **Energy Company** reinvented itself, driving cost reductions of greater than 20% while experiencing 15% production increases in an industry downturn while also significantly improving engagement and commitment across the organization.
- **Amazon's** culture of customer obsession, failing quickly, and doubling down when a product resonates with customers has led it to be the fastest company ever to reach \$100 billion in sales.

## More traditional organizations are scrambling to learn how to build the agility that seems built-in to new age organizations

RBL research into new age economy companies vividly captures the way that some organizations have been able to rapidly adapt and grow, delivering superior customer and investor results in the last decade.

Their market valuations have doubled and tripled over the last five years, displacing more traditional companies like Intel and GE.

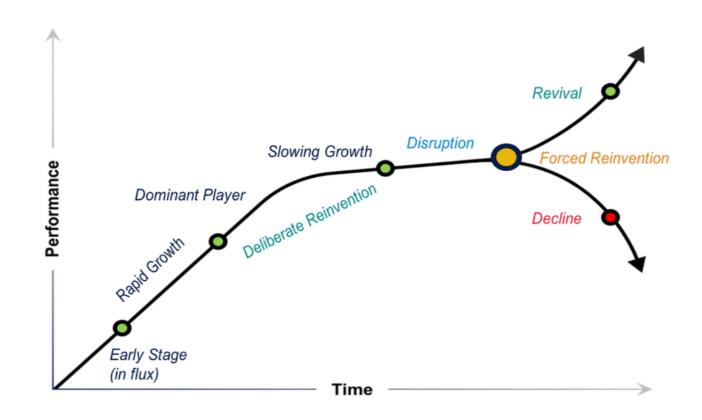


# As the market has driven shorter and shorter business life cycles, has your organization adapted and reinvented at the same speed?

Is your organization solving the challenges of today and laying the groundwork for tomorrow? "Agility," "speed," and "digital" are great buzzwords but without more fundamental reinvention, you risk becoming disrupted by more agile upstarts like AirBnB, Netflix, or Uber.

Where is your company in your business life cycle today?

Where will you be in 5 years without radical reinvention?



## New economy organizations have commonalities that enable rapid adaptation, growth and profitability

Even though they operate in different industries and are different in many ways, there are some commonalities in new economy organizations that enable their rapid adaptation, growth, and profitability. For example:

- 1. Governance is focused on strategic enablement not risk avoidance
- 2. Structure is designed to kill bureaucracy and speed up decisions
- 3. Central support functions as a strategic hub for gathering and sharing key insights and capabilities

Each of these is further illustrated on the next three pages.

### 1. Governance as strategic enablement not risk avoidance

Product and business development is structured to encourage experimentation and aggressively incubating multiple opportunities simultaneously.

#### **Traditional Companies**

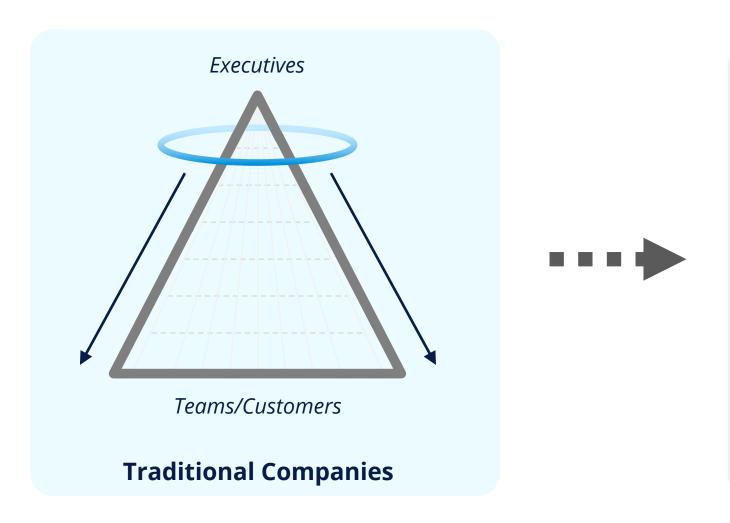
- Worried about failure, not success
- Once initiated, they're tough to stop
- High control in early stages
- Talent is highly constrained around existing structure

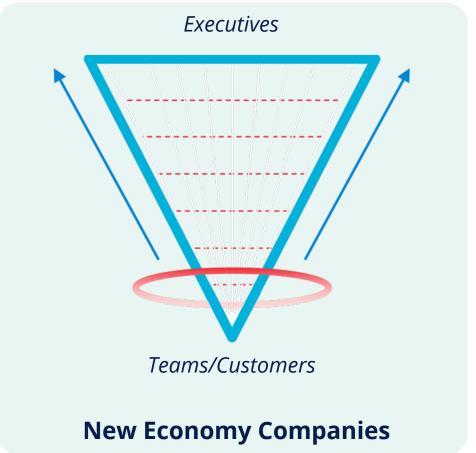
#### **New Economy Companies**

- Worried about success, not failure
- Have to get to proof of concept quickly
- High control in late stages
- Fluid talent movement around the opportunities

### 2. Kill bureaucracy and speed up decisions

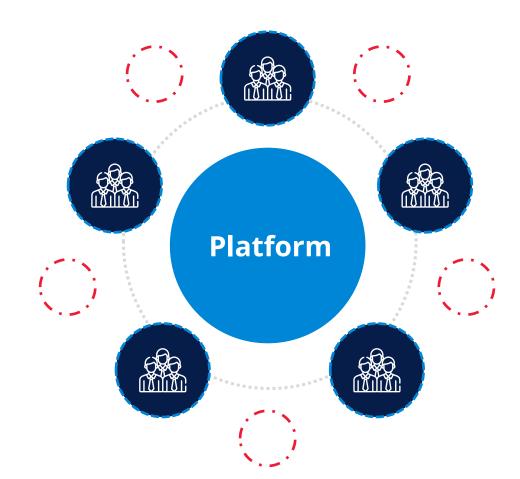
Structure is flipped to put teams, capabilities, and decision-making closer to the customer





### 3. Central support functions as a strategic hub

The platform's role is to develop a vibrant ecosystem to leverage capabilities and insights across business units, partners, and other stakeholders.



## Even the most traditional companies can learn from new economy companies about how to lead, organize, and deliver on customer needs.

As organizations reinvent themselves, they are able to create the infrastructure for continuous adaptation and reinvention.

The buzzwords become reality.

