

Executive and Team Coaching

**Coaching Training** 

Systemic Thinking

Systemic Audit

## ROI COACHING SOLUTIONS

ROI coaching works with banks and financial institutions to provide value to their customers, shareholders and the wider society.

ROI coaching works with financial institutions for sustainable growth and conscious business.

We do this through made to measure coaching and training.

We work for multilevel results and measurable effects.

#### CONTACT ROI COACHING

Highlands House 165 The Broadway Winbledon, London SW19 1NE Phone: 020 8544 8084 Fax: 020 8544 8081 info@roicoaching.co.uk www.roicoaching.co.uk

### SUSTAINABLE GROWTH



Sustainable growth is an important political, economic and environmental issue and now it is at the forefront of business thinking.

For many years, the dominant business paradigm could be expressed very simply: 'growth is good'. The twentieth century ended with a surge of optimism; there seemed no end to the possibilities. The benefits of scale were huge and economic growth seemed unstoppable. Technology expanded. Moore's law seemed to apply to everything, not just computer chips. (Moore's Law says that the number of transistors that can be placed inexpensively on a computer chip doubles every two years, so making computing more and more powerful).

And there was an interesting side effect. People built businesses and institutions that grew, but....also many of these businesses could not survive without growing. They had to run ever faster in order not to collapse.

Systems thinking has taught us that something cannot go on expanding forever. Sooner or later, (often sooner rather than later) a balancing factor comes in and slows it down, or causes a crash. Any business built on a model that needs to expand in order to survive will not survive except in the short term. And we know there is no such thing as a free lunch, something too good to be true is not true, however much we would like it to be so, and expansion has many unforeseen effects. Because a business is a living system, these unforeseen effects are neither predictable, nor trivial.

Now, the paradigm is changing. Business is looking for ways to grow in ways that are sustainable – ways that do not carry the seeds of their own destruction within them and do not badly impact people, the environment or society, (which will also stop the growth and often destroy the business).

### Exponential growth

The dominant assumption has been that growth was good, easy, even inevitable. Exponential growth was the best thing that could happen. And yet, exponential growth is one of the most destructive, unpredictable and damaging factors possible.

Exponential growth is non linear and by the time you see what it is happening, it is too late. Here is a puzzle to illustrate.





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Imagine a drop of water on the ground in the middle of Wembley stadium.

Imagine that the amount of water doubles every minute. How long before the whole stadium, high seats and all, would be completely under water, like a vast bucket?

Take a moment to guess.

The answer is at the bottom of the article.

Surprised?

Now another question.

How many minutes before the stadium is half full? (and people start to get worried).

Yes that's right – one minute before. One minute to find a plan and stop the water. Exponential growth can bring you from a reasonable situation to an impossible one very quickly with no time for adjustments. And the threshold where you have to act usually seems to be quite safe, so you do continue to do nothing. Exponential growth can lead to exponential collapse, and this was one aspect of the banking collapse in 2008-09. Exponential collapse follows the same principles – one day everything seems OK, the next it is swept away.

## Growth is good?

The idea that growth is always good is an attractive one, but it does not work. It is often paired with the idea that speed is always good, so growth as fast as possible is the best. Fast growth can work if the circumstances are favourable, but usually it is difficult and not sustainable.

What do businesses want to grow? Profit or size? Number of people or number of departments or number of regional offices? Happiness? Sometimes business can scale down and make more profit. Sustainable growth in business means that all the important parts of the business grow together and support each other, like a human body, there needs to be a balance, certain parts must support other parts.

A common situation is for a business to grow too fast, so it cannot keep up with the excellent customer orientation and service that marked out its start, (which was the reason it grew so fast in the first place). The growth destroys the very thing that fuelled the growth. The strategy that gets you to one place will not get you beyond it. Uncontrolled growth often leads to overworked and burned out executives.

Unless growth is sustainable it will INEVITABLY lead to balancing feedback that stops or reverses the growth, or collapse.

## Working for sustainable change

So how to change? Many businesses try to change, but do not make it sustainable. Short term thinking will not work. It needs long term thinking. Short term fixes often in the form of training or other management initiatives do not work unless they are followed up. They are the beginning of change not the end. The lack of



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change is then blamed on the training initiative and the whole process starts again. The rest of the organisation stays the same, and soon the changed part is squeezed back into the shape it was. Training may be well received at the time, but the effects will wear off very soon unless it is followed up by coaching and work based learning in the business itself. All sustainable change has to be followed up by work based learning. Learning is not learning unless it is contextualised. Changes in one part of the organisation do not 'take' if they are done in isolation.

Here is the beauty of coaching. Whatever the skills people learn, coaching helps to embed them in the organisation. Coaches help the people to use their skills where it matters – at work.

Using coaching in a business can make the changes sustainable.

This also means that the business is not dependent on the coach coming and fixing things that go wrong, the people can do that themselves, especially if there is a coaching culture in the business.

A good coach works to make themselves redundant.

A coaching or consultancy intervention that depends on the continued presence of the coach or consultant is not sustainable.

## How does coaching make for sustainable change?

- Working with managers on a one to one basis so they can coach themselves, and keep growing in skills and confidence.
- Coaching teams to become self sustaining high performance teams, with good communication, trust and shared commitment to common goals. The expertise stays in the business. A team coach can use their expertise in any team; it does not depend on a particular configuration of team.
- Working with executives to improve their decision making and help them to be authentic leaders in the business.
- Evaluating the impact of coaching so it always aligns with business objectives.

# How do you know you are on track to sustainable growth?

This is not an easy question, because the answer is based on the kind of assumptions that drive the organisation.

What we can do is to see if there are blocks to sustainable growth.

The following questions can be helpful.

- do you believe your organisation should grow next year?
- does it have to grow next year to avoid problems?
- is there a bottle neck in your organisation where things tend to stick?

This could be a department, procedure or person.

-do you experience 'boom and bust' scenarios where profits are very good, then suddenly dwindle very quickly?

A systemic audit (see articles) can help you answer these questions and look at



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the conditions for sustainable growth. Unlike many needs analysis, it also looks at the mental models that are driving the organisation.

### Summary

Sustainable growth requires a balance of people, process, product, principles, tailored to a supportive environment. A business is part of the society that creates it and supports it. This means that sustainable business helps the community in which it is part and in turn is helped by that community. A business needs to think about the social value of their operations as well as the value within the business.

Answer: 47 Minutes