



William W. Rutherford
Chairman and CEO

Revenue Growth Building Premier Top-Line Performance

Growth does wonderful things for a leader's strategic options. In fact, when we look at corporate leaders who have created the greatest market value improvement for their companies, we find in each case that they have pulled the *revenue growth* lever far more vigorously than most -- and with celebrated success. Of particular interest is where this "growth" came from and "how" it was achieved, as most companies' development prospects have few obvious sources of expansion. Let's take a look:

Leader's strategic intent: Growth companies always seem to have significant stretch goals. They pursue "double-digit growth" and seem to fail against this target as often as everyone else. However, when they do fall short, the result is merely a smaller double-digit growth number, with occasional years of substantial over-performance. What is quite clear is that these leaders do not set out to make small inconsequential amounts of progress.

Clearly defined strategies for growth: Growth strategies take time and effort to build. To make them work, the "strategic thinking" component is far more important than the "annual budgeting" thought process often applied. Here, leaders must go far beyond "wishful thinking" and actually "design," in detail, how they will achieve their higher levels of performance. There appears

U.S. GDP growth has averaged just 3.0% per year over the past 30 years.

Source: U.S. Department of Commerce

to be a rather linear relationship between the time an organization spends on *growing its future* and their *pace of achievement* toward that target. Successful leaders also have a knack for avoiding the most common forecasting mistake we see: the annual expecta-

tion that "more things will go right and fewer things will go wrong this year," when the reverse is more historically typical. These leaders are excellent at planning for the eminent "revenue shortfall" which their growth strategy must compensate for.

Strategic execution in detail: Sound like an oxymoron? Yes, measuring "growth execution success" should be a daily routine taken seriously. Revenue growth is an organizational battle of inches -- a little opportunity gained each day builds to a very successful answer at the end of the quarter and year. Allow the progress to slip and it never fully recovers.

to expand our ability to generate revenue, greater efficiency means more projects for the same number of dollars, i.e. a highly controllable metric for creating more top-line growth.

Value proposition improvement: For companies with discerning customers, improvements here tend to yield the next greatest revenue growth improvement. The most significant insights for value-creation come from your best, most profitable customers. "What are the needs of these customers?" and "Why is the profitability so great?" are questions with fruitful answers. Although it may be a bit counter intuitive, greater gains are typically achieved from

these "best customers" than are the rewards found from further penetration into those customers who buy little from you.

Getting "more creative" with your value-propositions is yet another good source of revenue growth. We regularly find innovative ideas regarding improvements deep inside the organization that should be harvested. As your company gains more from these opportunities, profitable top-line growth is accelerated and your confidence improved.

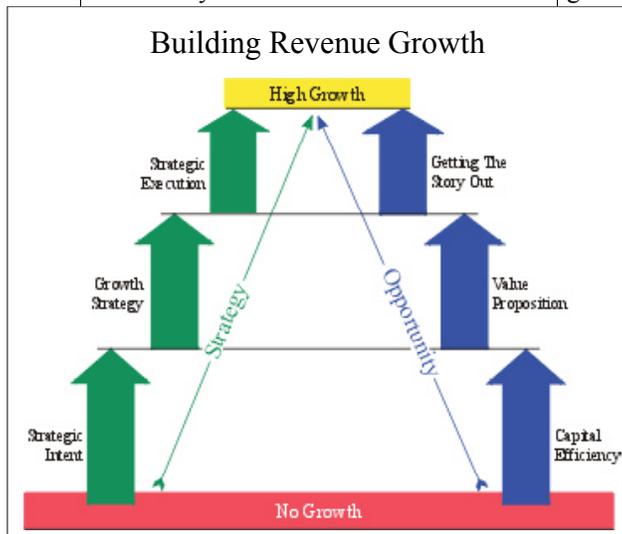
Getting the good story out! It is surprising to see how reticent most companies are about telling

their customers how great they really are. Our customers need to hear what we think we do best and how they can make the

Most companies are not growing at a rate fast enough to matter. This measure alone promises them an uncertain future.

most from what we offer. This is as valuable a "business-process" as any we have.

Planning, scheduling and achieving substantially higher levels of "revenue growth" brings excitement and commitment to all parts of our organizations. Leadership starts the process with exceptional expectations.



Capital efficiency: This is not commonly considered a "growth engine," yet, its improvement typically yields top and bottom line results greater than most other investments that leaders can influence. Most capital projects and working capital allocations we review offer 10% to 30% (and more) improvement when more carefully planned and scheduled, and inefficiencies targeted for elimination. In fact, the higher the expected ROI a project offers, the greater the level of inefficiency we usually identify. *Human-nature* appears to play a powerful role in creating *waste*. Because capital tends

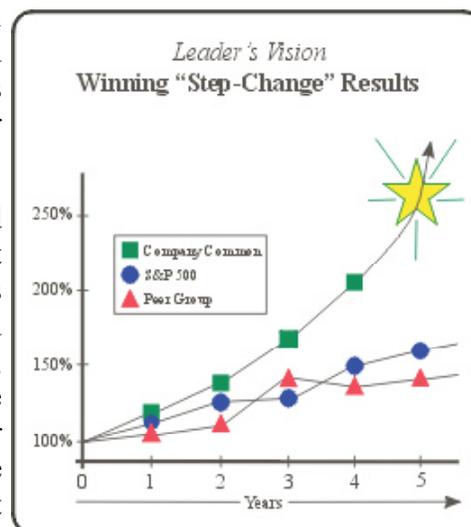
William W. Rutherford and Associates

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William W. Rutherford and Associates helps successful leaders of well-managed companies achieve a “step-change” improvement in their competitive position. Many factors make “winning” increasingly difficult in the world ahead: global competition, maturing products and services, rapidly changing customers and suppliers, and the growing impact of technology. Company performance options that we only began to consider yesterday are becoming a basic requirement for tomorrow’s success.

The Leader’s Challenge: Leaders know those areas critical to their success and want to do what is required to significantly improve their organization’s performance and effect cultural change. Past efforts to design and implement strategies to realize this vision have often been less successful than expected. Internal organizational issues, personal agendas and inadequate skills and capabilities have been problematic. Stakeholder’s lack of varied industry and “outside-their-function” experience further contribute to the challenge of making meaningful “step-change” progress.

Our “Step-Change” Approach: We start with the leader’s required *improvement* and build a specific approach to achieve it. Leaders tell us that with our assistance they make faster, more significant progress in today’s increasingly competitive world. “Step-change results and improved competitive position are a must” is a frequent comment. “We needed a new, more robust approach” and “we needed to double-the-value of our core business” is another. Yet other leaders say that we have “energized their organizations for achievement” and “substantially reduced the time required to successfully attain these results” and “created the environment for accelerated growth and learning.” Effective “step-change” improvement initiatives are a lasting and rewarding leadership decision.



*Measurable and Sustainable Results
For Best-In-The-World Companies*

William W. Rutherford and Associates provides leaders with:

- Step-change results improvement.
- The attainment of significant measurable and sustainable goals.
- Strategic and operational achievements leading to core-business performance breakthroughs.
- Organizational learning, tools, skills, measures and the confidence to accelerate future gains in competitiveness.
- A lasting legacy of success for their businesses and stakeholders.

William W. Rutherford and Associates works together with leaders to make otherwise unreasonable company, industry and market demands achievable. Experience has shown that both tangible and intangible step-change benefits are needed to accomplish the new level of business performance needed to “win” in this environment.

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Helping Leaders Improve Their Company’s Performance