

Will These Turn of Events Help Us Grow?

Last week, after my team's long awaited turn around, we all rejoiced until we scrolled through the advisor on MikesBikes and found that we had been taken over. My initial thoughts were that of confusion. I questioned why we had been taken over when we had been labelled unsuitable for it. The thought of this take-over made me feel apprehensive about what this would mean for my team, who have worked so hard to get back on track and it made me question to what extent we would be working with the team that took over. The most important thing for my team was that this would not hinder our growth. Our CEO's arranged for a meeting on Tuesday in order for both teams to meet and discuss what exactly this take-over entailed. After spending an hour getting to know each other, we were assured that this would be more of a partnership than a take-over. However I still had my reservations about how this would work. The rest of the week was spent making decisions about the next rollover, separately from the team that took over. I noticed that this week, for the first time in a long time, my team was more comfortable making decisions since our performance had improved the previous week. That said, we were still quite cautious to not go overboard as we feared that our shareholder value (SHV) would drop back to what it was, or worse. We continued to evaluate every decision we made through careful consideration of what their impact would be and this seemed to have paid off in the form of an improved SHV.

The readings this week significantly applied to my MikesBikes experience in this class. Baghai, Smit & Viguerie (2009) argue that the best growth opportunities for a firm lie in the finer details. That businesses need to identify their market segments and allocate resources towards them in order to meet each one's specific needs. They say that this generates a more truthful representation of the business' performance as taking results at face value may not be. I found that this is the exact approach my team takes. When we experienced significant drops in our SHV in the first few rollovers, my team's first thoughts were that we were doing something very wrong. However when we looked further into the details, we found that we were in fact doing quite well in terms of sales it was just that our costs were too high which made it difficult to convert the revenue into profit and therefore higher SHV. Just like the readings suggest, looking at the finer details helps to identify where the business' strengths and weaknesses lie (Baghai, Smit & Viguerie, 2009). Because of this we are now much more aware of what to look for and understand that while the SHV can tell you one thing, the reports can tell you another. The readings also outline three ways in which companies can grow: increasing market share; operating in expanding markets; and acquiring or merging with another business (Baghai, Smit & Viguerie, 2009). Gaining market share is something my team has been working towards since day one. However it has been proven to be a challenge as we are operating in a market that is dominated by two businesses that have shown rapid growth in the first few rollovers. I am glad the readings say that acquisition or merging can lead to growth as this puts my mind at ease slightly about the take-over.

After experiencing this week I am glad that my team is back on track. Now that we are no longer in survival mode I am hoping that we can achieve big things. However I do think we will remain cautious so that we do not take a turn for the worse again. In terms of the take-over, while I still feel unsure about how this would benefit my team, I think it would be interesting to see how things would work if we worked more closely with the team that took over, for instance working alongside them to make decisions. Would we both benefit from the take-over by helping each other grow, will both teams adjust well to working together? I think that both teams would need to meet again and discuss to what extent we would like to work with each other and how each of us would benefit from this. The next few weeks will be crucial in seeing how this plays out.

Baghai, M., Smit, S., & Viguerie, P. (2009). Is your growth strategy flying blind? *Harvard Business Review*, 87(5), 86--96.