

Marketing & Sales

Mind-set: The key to growth in the digital age

To maximize growth, leaders need a growth-focused mind-set and a willingness to place bets on the future.



In this interview, Unilever's Peter ter Kulve , president of the company's home-care division and its former chief digital and growth officer, discusses the importance of a companywide growth mind-set with McKinsey's Biljana Cvetanovski. The following is an edited version of their conversation.

How important is growth for Unilever?

Growth is the number-one, -two, and -three priority. Obviously, we work on margin expansion as well, and some of the margin expansion gets unlocked by growth. When you look at the valuation of businesses like ours, growth basically is the most important factor, and therefore the mind-set and the culture of everyone in the business needs to be around growth acceleration—and that is *good* growth. You can always buy growth, but ultimately it doesn't work—that's *bad* growth.

What does a company organized for growth look like?

The most important thing is that you get the mind-set right. There are many different demands on companies—obviously, large margin requirements, sustainability requirements—the world wants many things, and our shareholders want many things. The most important thing is making sure that all the people in the business believe that their first priority is to drive growth for the company, so that this mind-set around growth is absolutely the starting point.

Then, we need different approaches and capabilities to unlock growth in different parts of the business. In an emerging market, it's about being very disciplined in market development. In a developed market, it's much more about identifying and capturing the growth segments of the future, then balancing people and funding between current business, where there's always immediate performance pressure, and future business. That means incentivizing the business to focus not only on the now but also on the medium and long term.

Where do you think the future of growth will come from?

Imagining where the citizens of the world will be and what their friction points will be, making a bet on those and developing solutions—that's the essence of growth strategy. It's also what makes it very complex, because we have an indication of where people will be five years out, but we don't know it for sure, so we need to make bets. That's the exciting part of the growth role. You set up a portfolio of bets that each have a different risk profile, and you try to manage the predictability of each outcome five and ten years out.

The challenge is that you could get your bets wrong. When you get too many bets wrong, people don't want to take more risk, and you fall back to the worst possible option: not taking any risk at all. When you add to this leaders who are risk averse, then you get safety on safety on safety, and you get no growth.

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