

Marketing & Sales

# Driving toward growth: Making difficult decisions and placing the customer first

The key to above-market growth at Aliaxis is a mind-set that keeps the customer first.



***Aliaxis is a global leader** in the manufacture and distribution of piping. It posted revenues of €3.1 billion in 2018 and has grown at 4 percent over the last four years. Aliaxis executive-committee member Lars Boetje spoke with McKinsey's Biljana Cvetanovski about how the company captures such exceptional results. The following is an edited version of their discussion.*

### **What is your formula for growth?**

I think people need to understand that growth is a difficult and tough job. The Aliaxis formula doesn't necessarily work for another company. Each company, each situation, warrants a different formula, so you need to dig in and understand what is required.

For me there are always three growth horizons: it's about tomorrow, next month, and next year. For Aliaxis, it was more important first to start on delivering growth, to focus on tangible initiatives by going where the growth is, and on sales-force excellence. Then, once we were in the journey and had proven some of the capabilities we wanted to deliver, we could rebrand. But we could rebrand only when we had something to back that up. If we'd started the rebranding with nothing there, it would have been an empty proposition for the customer.

### **How do you think about organic growth at Aliaxis?**

For me, there are three elements of organic growth. The first one, which doesn't apply only to big businesses, is to go where the growth can be found. We decided to invest in India because it's a growing market, so it has a tailwind. A tailwind

is always easier than headwind. You can even outgrow that market. The second element is growing existing businesses, which is built more around commercial actions. That's also the need to go where the growth is, but on a more granular level. Then the third element, very specific for Aliaxis, is that we're one of the few global companies in our space. We have therefore defined growth platforms on a global basis where there is a preferential chance for growth, and also a certain customer need. A good example is high-rise buildings. Obviously, through urbanization, there is much more demand for high-rise buildings, but their piping systems are also much more complex, with different requirements.

### **What is the key to a growth leadership mind-set?**

I think the core of the growth leadership mind-set is placing the customer first in your mind. If you understand what the customer wants and needs, then in the end you can grow. This requires the leadership team to also understand what the key problems are for the customer. This is not always easy, because you're far away and removed from the customer, yet you need to understand so you can also empower the rest of the organization, especially the sales or marketing organization, to make the right choices in order to grow.

Personally, I myself joined a plumber for a day, following him from early morning from his doorstep to the end of the day when he came home. I think that gave me so much insight in terms of what he wanted, what he needed, what he feared, and what we could therefore do as Aliaxis.

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