



# A Healthy B2B Growth Equation

---

6 Issues that You Need to Overcome  
to Organically Scale Your Business

By Nilakantasrinivasan J  
Canopus Business Management Group



# Contents

- ❖ What is Healthy Growth?
- ❖ 6 Issues that You Need to Overcome to Organically Scale Your Business
- ❖ Conclusion



# Healthy Growth



# Healthy growth isn't a sprint; it's a marathon



Mere rapid expansion in numbers is not a healthy sign. Sustainable progress is healthy growth and only such a growth contributes to long-term success.

History has lot of lessons to teach us. Let's look at few examples.

Enron, once a leading energy company, collapsed in 2001 due to fraudulent accounting practices, inflated financial statements, and unethical behavior. But the underlying root cause was their aggressive growth strategy, lack of transparency, and unsustainable practices that led to bankruptcy.

# Enron

# Byju's

Byju's, once a celebrated edtech startup, has faced its share of challenges. Rapid growth and expansion in a very short duration propelled its valuation to an unprecedented \$22 billion, making it the world's most expensive ed-tech startup. But as of 2024, its valuation has dropped by 75% and it is stuck in a cash crunch and survival mode.

WeWork, initially known as a provider of shared office spaces, expanded rapidly into various businesses, including co-living and education. However, it faced challenges due to its aggressive expansion strategy, high operating costs, and corporate governance issues. The company's valuation plummeted and, once a \$47bn firm, now has filed for bankruptcy after accruing \$2.9bn debt, though the flexible workspace industry is valued at USD 26 billion globally.



# WeWork

# They tried everything before failing....

- ❖ Introduce new products/services
- ❖ New pricing strategies
- ❖ Attractive customer offering
- ❖ Innovation with new technology
- ❖ Attracting more investments
- ❖ Cost management tactics

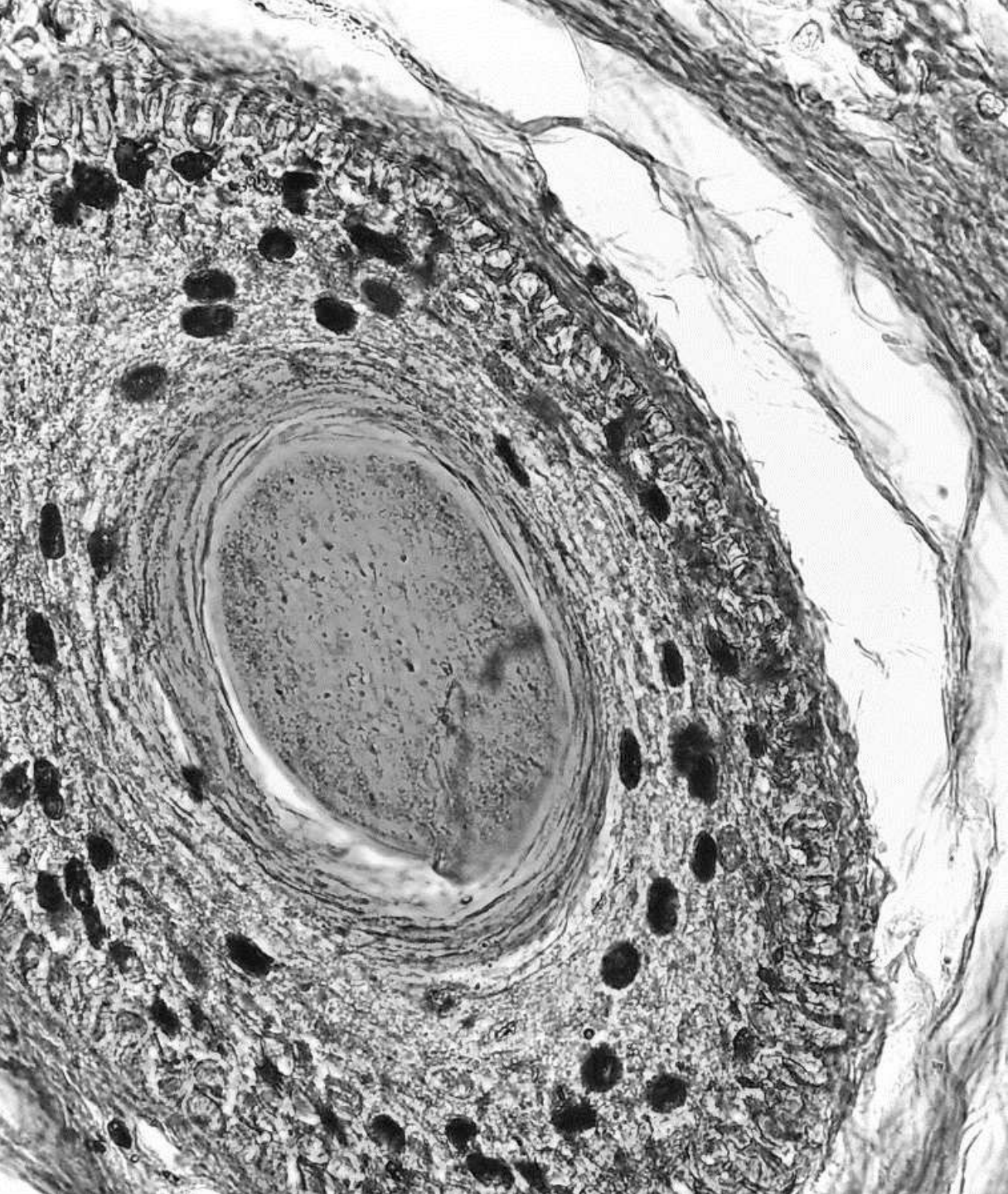




# **So why do big & well-managed organizations fail in spite of stupendous growth?**

---

And what lessons can we learn in our  
growth journey?



# Unmanaged business growth is like cancer for the organization.

---

Without supporting systems & practices, it's just a ticking time bomb.



# **Good News is...**

**most B2B organizations face  
certain common issues in  
their growth cycle.**

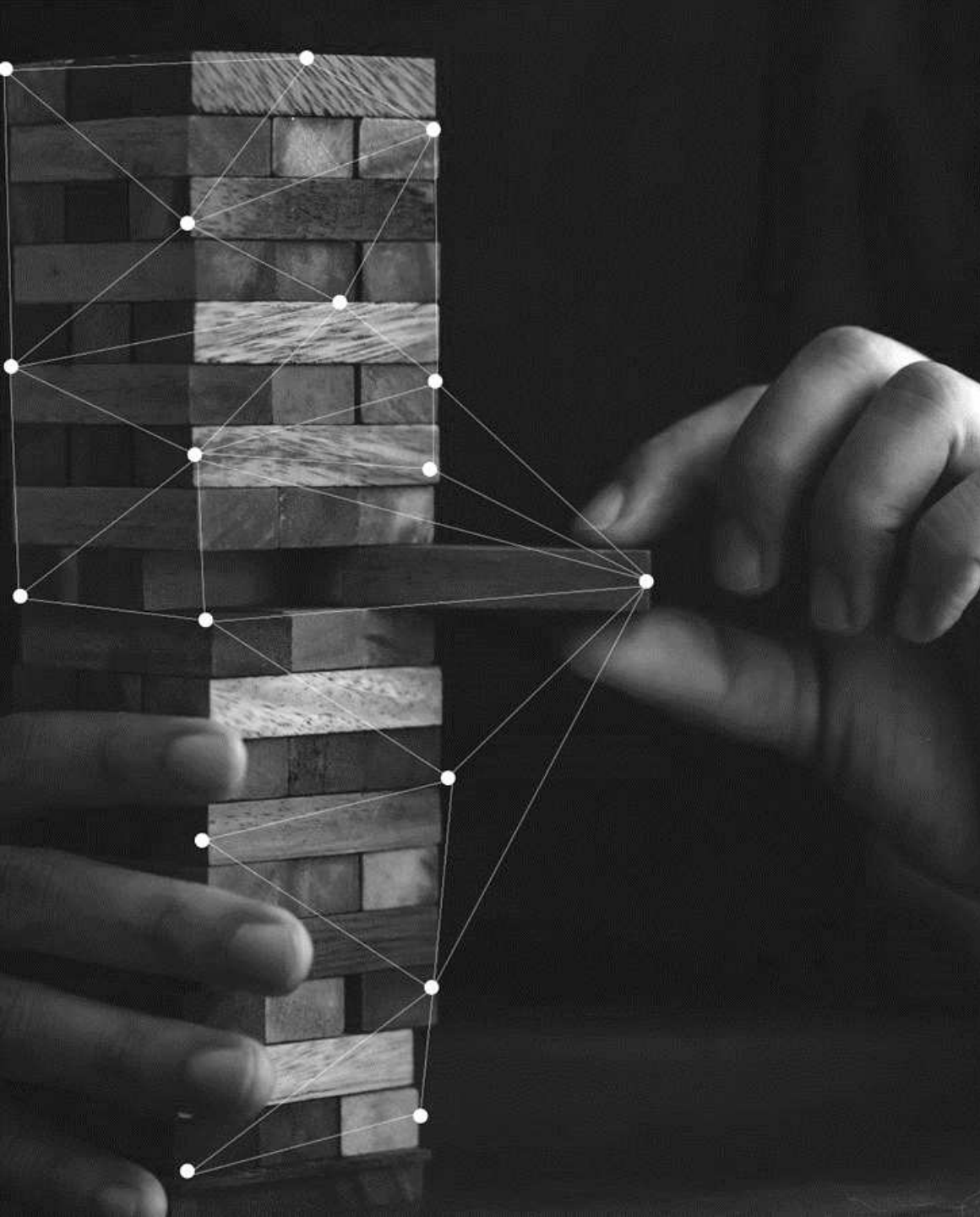


# Six Issues

# That You Need To Overcome To Consistently Scale Your B2B Business

---





1

# Acute Focus on Acquisition

---

## Acute Focus on Acquisition

Many B2B businesses prioritize new client acquisition over existing clients and account management. This leads to a large and diverse client base but with small revenue contribution from each client.

Ultimately, this impacts service levels and client satisfaction, leading to high churn rates, stagnant client revenues and over stressed employees.

Existing clients often contribute a significant portion of a B2B organization's revenue through recurring contracts, subscriptions, or repeat purchases. These clients provide a steady income stream and may require less effort to serve compared to acquiring new clients. For example, many of its successful business units of IBM have more than 80% as annuity income.

Moreover retaining existing clients is typically more cost-effective than acquiring new ones. According to HBR, acquiring a new customer can be anywhere from 5 to 25 times more expensive than retaining an existing one.

Therefore, while acquisition is important, businesses must also focus on account management and penetration in existing customers as a key business goal to achieve sustainable growth.

Check if existing client or account mining strategy of your organization is effective enough, then target to have more than 60% of revenue coming for existing relationships.



2

# Unable to differentiate in marketplace

---

## Unable to differentiate in marketplace

In a crowded B2B landscape, differentiation is crucial for standing out from competitors and attracting clients.

B2B companies mostly 'make to specs' or 'serve to requirement', thereby the opportunities for creating a differentiation seems very limited. Only organizations holding IPs stand to gain but remaining have to differentiate through pricing leading to lower margins.

On the other hand, as per Salesforce, 67% of clients in B2B are willing to switch vendors for consumer like experience (ex: Amazon ecommerce experience). Like wise, the provider's ability to solve the pain points during execution is also considered a significant criteria by B2B buyers in evaluation.

If an organization has real differentiation, poorly articulated and insignificantly deployed value proposition contribute to significant part of the problem on differentiation. At the first place, the company has to be clear about its value proposition and it has to be seamlessly integrate it into various processes including marketing, sales, commercials, delivery, supply chain, tech and HR.

Creating an unique value proposition needs deep understanding of the target customers. In B2B, this includes end users, buyers, decision makers, influencers, regulators and society. But according to McKinsey, limited understanding of the clients is a big contributor that is holding management back. But with deep client insights any organization can refine their value proposition, adapt products/services to meet the changing needs and competitive strategies.

**Consider putting in robust & continuous framework to gain client insights and use that to effectively articulate and communicate the value proposition – internally and externally.**





3

**Not able to  
become clients'  
strategic partner**

## Not able to become clients' strategic partner

There are three common mis-conceptions among executives about strategic partnership with clients. One, they assume that delivering consistently against the agreed terms of contract (SLAs) is more than enough to achieve the stature of strategic partner, two doing business for a long time equates to being a strategic partner and three, a high customer satisfaction or NPS score means, they are already there.

The strategic partnership of IBM and Intel started during the 1980's for the development of IBM PCs during the troubled days of IBM. Till date, they are joined at the hip. For example, at Rio Olympics, IBM was a technical solution provider for the entire event with Intel's collaboration. Strategic partnerships aren't transactional, rather relationships are deep and aligned towards fulfilling the goals of the end user (customer of the client). At this stage, B2B companies no more run from quarter to quarter chasing orders. How to become a strategic partner? There is a structured process to move up the ladder from a status of a mere vendor to that of a strategic partner or even an industry benchmark. Refer to the book 3L Client Centricity Model of [“The Client Centric Protagonist”](#).

Build and execute a plan to systematically move from a 'vendor' tag to a 'strategic partner' using 3L Client Centricity Model and you will notice consistent growth as an outcome.

[www.collaborat.com](http://www.collaborat.com) | Exclusively for your use, not for distribution without permission

# **“You succeed when your client succeeds.”**

—‘The Client Centric Protagonist’ Book





4

# Insufficient Operational Prudence

## Insufficient Operational Prudence

Operational prudence in scaling up a B2B business involves making sound & cautious decisions regarding operations to ensure sustainable growth. This includes efficiently managing resources, optimizing processes, controlling costs, and minimizing risks.

Complex supply chains, rapidly changing technologies, market volatility creating imbalance in demand-supply equilibrium, varying customer expectations, and VUCA events create constant pressure on operations and delivery management teams and inhibit them from delivering consistent quality and service experience to their clients.

But, by developing apt capabilities such as basing key decisions on data, optimizing supply chain, improving service and product quality, problem resolution skills, etc., maintaining operational prudence is possible in B2B businesses.

Concentrate on utilizing data and digital capabilities to develop an agile and efficient operations that provides seamless 'retail-like' experience to B2B clients. Ultimately it can support in scaling effectively without sacrificing quality or stability.





5

**Not able to get things done**

## Not able to get things done

According to a study by McKinsey & Company, only 20% of executives believe their organizations excel at execution.

Leaders develop air tight plans. But they remain on paper and typically execution is flawed. Sometimes it is about the objectives or the goals. When there is ambiguity regarding goals, roles, and responsibilities, employees may struggle to understand what needs to be done and how their efforts contribute to the organization's objectives.

Misalignment between departments or teams often lead to conflicting priorities and duplication of efforts in another significant factor for poor execution. From Clients' perspective, this flares up a false promises, poor responsiveness, lack of interest in their relationship or capability issue.

Third reason is organizations bite off more than they can chew and this leads to many other issues.

Focus on building agility, strategic alignment and cross-functional ownership. Open and frequent communication is one simple solution. But using a structured strategy deployment and execution framework is Hoshin Kanri or OKR can provide long term solution.



6

# Employees are holding back growth



## Employees are holding back growth

Employee attrition in India is one of the highest in the world and it is around 15%. Though these numbers can vary across sectors, the problem it poses to business sustenance, customer service, delivery and quality are humongous. In an knowledge economy, attrition is a great threat to the every existence of the organization. When it comes to organically growing the business, building relationship based trust is pivotal and it takes time and continuity to do that. But with high attrition it becomes very difficult.

On the other hand, hybrid work which combines remote and in-office work, has significant implications for company growth. According to McKinsey, a majority of global workers agree that hybrid work has boosted productivity, improved diversity and inclusion initiatives and led to greater employee engagement. Further, a study by Flex Index revealed that companies offering remote and hybrid work policies are growing faster than their in-office counterparts across various company sizes and time periods. However, there needs to be a strong technology and culture alignment for successfully benefiting from hybrid work.

Customer centric culture has a direct impact on business growth. These key elements of organizational culture stand out when it comes to driving business growth in B2B and they are client orientation, customer empathy, demonstrating ownership for customer needs, proactiveness, delivering against promises.

*contd*

## Employees are holding back growth

Leaders face significant challenges in driving these employees behaviors due to strong attrition, hybrid work, functional silos, disconnected data, ineffective tools and processes and employee mindset.

Employees who don't embrace a growth mindset are a liability. Growth mindset is about a belief in continuous learning, embracing challenges, persistence, learning from mistakes, willingness to encourage experiments that in term inculcate curiosity, exploration and innovation, openness to feedback, collaborative attitude towards outcomes.

Further, lack of alignment to all the above aspects in talent acquisition, talent management, and organizational design and development can lead persistent and incorrigible impact on overall growth trajectory of any B2B organization.

To ensure employees don't inadvertently hold back the growth of your organization, develop a plan to institutionalize client centric culture & growth mindset, embrace [7 Acts of Client Centricity](#) and review talent management practices for client centricity.

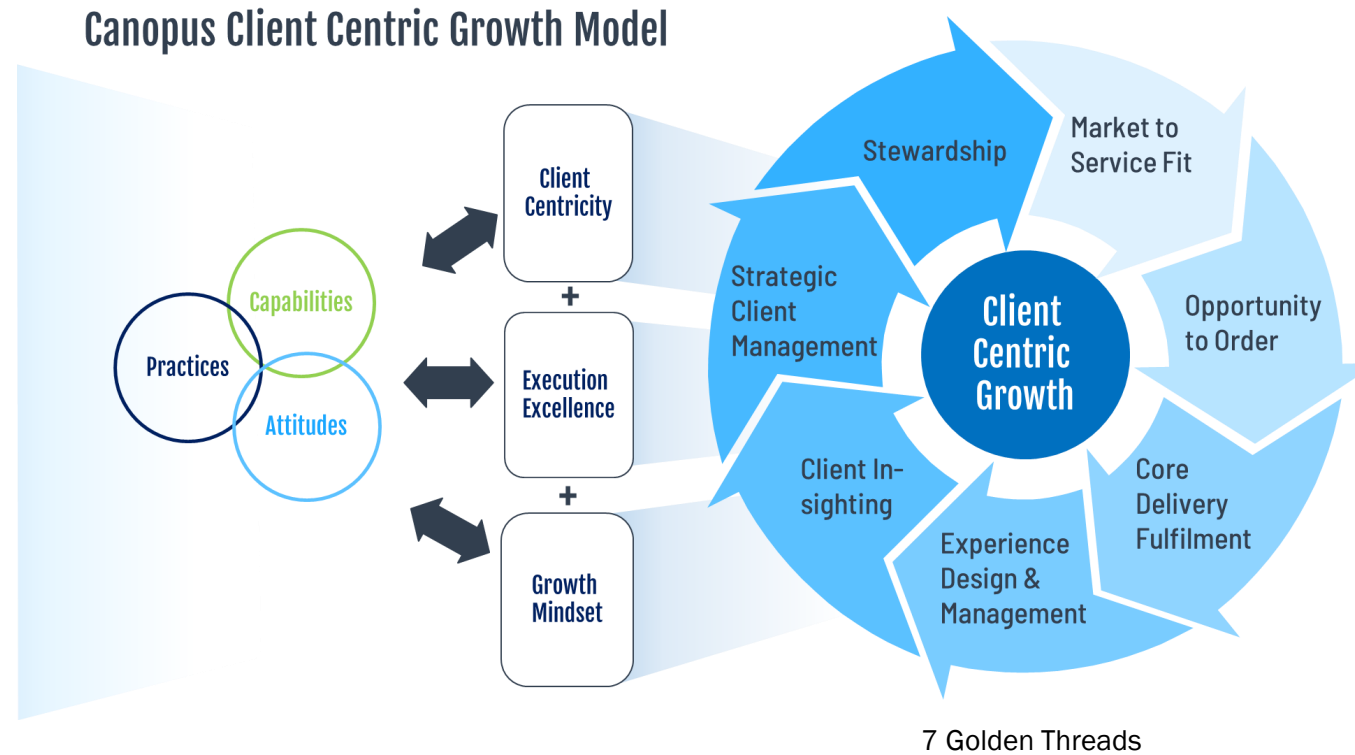
Check out sample interactive assessment report of [“Client Centric Organizational Culture”](#)

# Client-Centric Growth Strategy

Client-Centric Growth Strategy is a comprehensive approach to grow any business by understanding and constantly re-aligning to the changing needs of the clients. At the heart of the approach is an attitude to succeed by making the client successful.

Building a B2B Client-Centric Growth Model requires a comprehensive enhancement of the 7 golden threads in the entire organization as illustrated in the image here.

Learn more about Client Centric Growth [here](#).



# What is your chances of achieving long term consistent growth?



**Reactive**

< 25% Chances



**Operational**

25 ~ 50% Chances



**Managed**

50 ~ 80% Chances



**Sustainable**

> 80% Chances

Instantly get your company's Growth Score now. You will also get a detailed action report.

**Self Assess Now**



# Nilakantasrinivasan (Neil)

**Nilakantasrinivasan J**, in short Neil, is the author of 3 books, The Client Centric Protagonist, The Master Book for Lean Six Sigma & A Little Book for Customer Experience.

As a guide and consultant, he is engaged by Fortune 100 companies for their most important business priorities and to bring in renewed focus on customer centricity, strategy execution & performance enhancement.

His last formal employment was with HSBC as SVP & Head of Customer Experience & Transformation. In his 25 years of experience, he has also worked for Bank of America, Standard Chartered Bank, Whirlpool and TVS Motors.

"You succeed when your client succeeds"



[Learn more](#)



## More Free Resources

- [Client Centric Growth – Free Video Course](#)
- [Hearts & Minds Client Centric Strategy E-book](#)
- [Business Growth with Client-Centric Strategies – Fortnightly Editorial](#)
- [7 Acts of Client Centric Professional](#)
- [Hoshin Kanri Ebook](#)
- [Why OKR E-book](#)



Inception : 2009 | HQ : Chennai, India



# Your partner in achieving Consistent **Client Centric** Business Growth

**BFSI | Services | IT & ITES | Tech &  
Telecom | Industrial & Manufacturing**

[www.collaborat.com](http://www.collaborat.com)



# Thank you

Contact Us

suba@collaborat.com

+91 9176615766

Collaborat.com