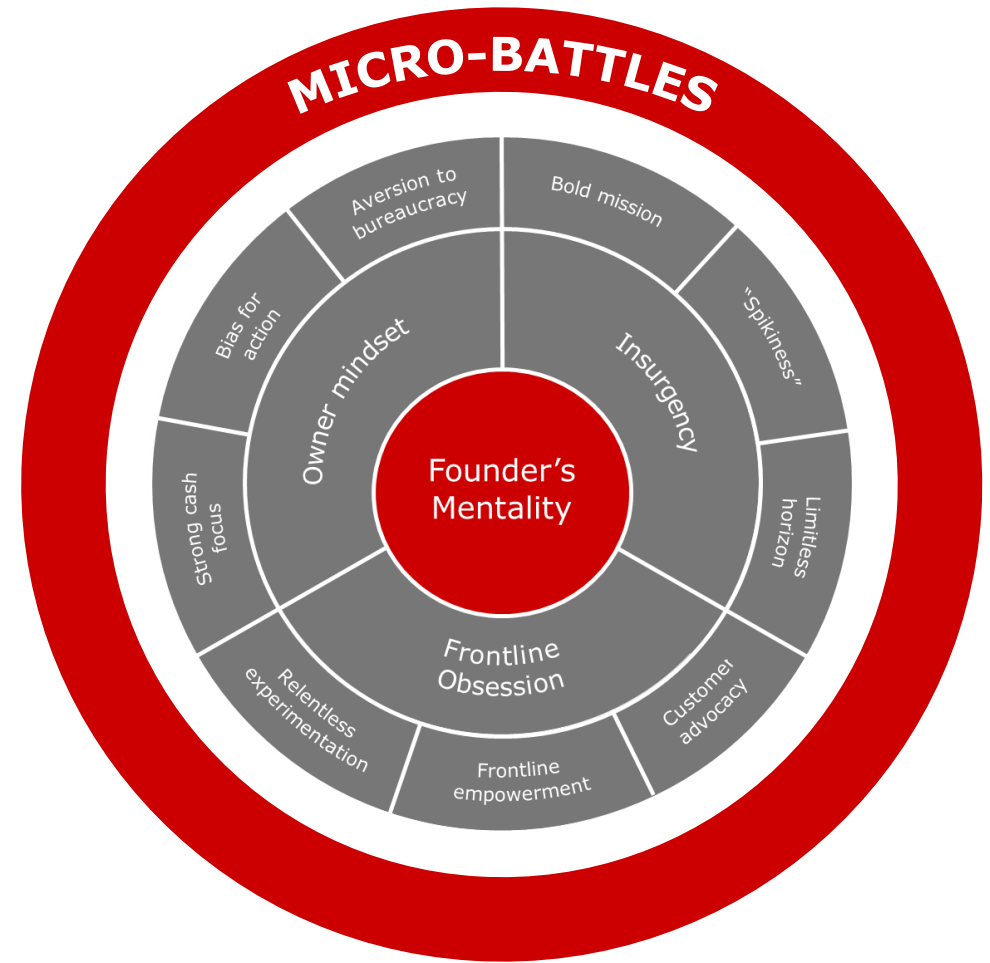


Founder's Mentality®

Competitive advantage in a world of faster change

Business Agility Conference
March 2018

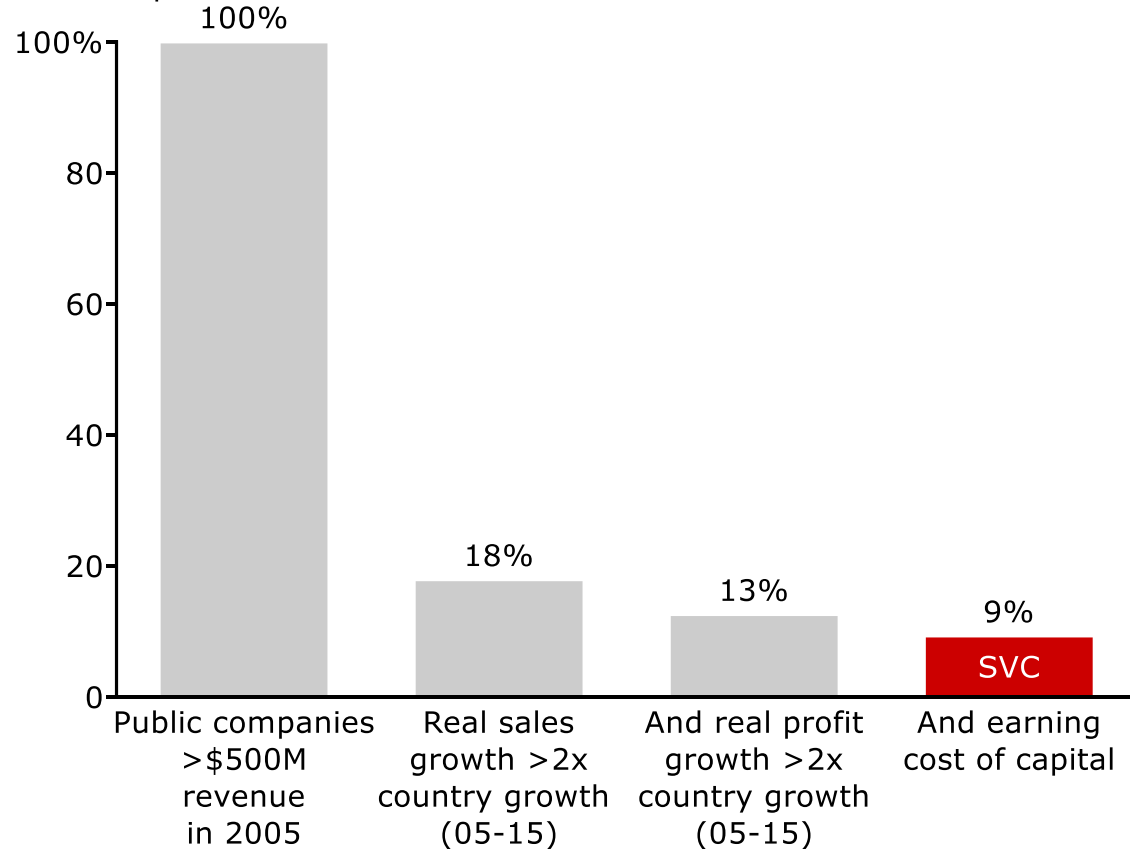


Only 1 in 11 companies grow sustainably – and yet in only 15% of cases do those that fail to grow blame the market

ONLY ~9% OF THE COMPANIES GREW TO BE SUSTAINED VALUE CREATORS

Growth performance 2005-2015

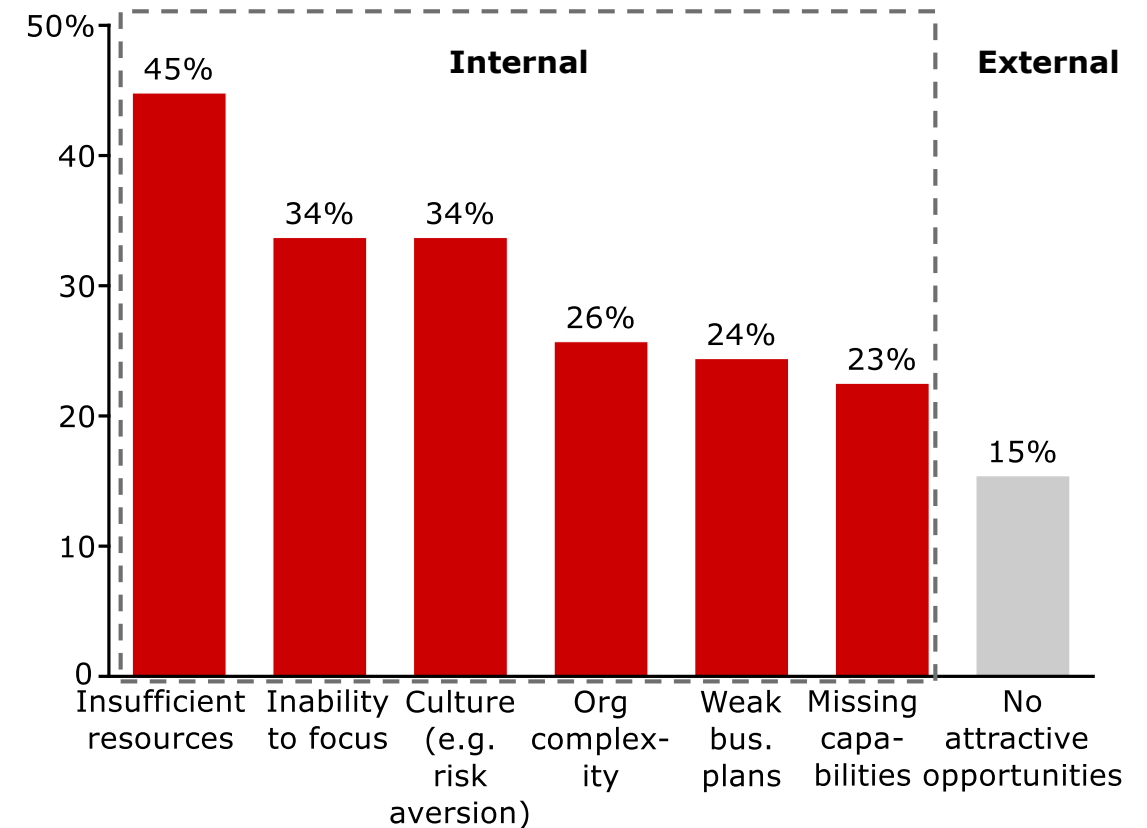
% of companies



~85% OF THOSE THAT FAIL BLAME THEIR OWN INTERNAL COMPLEXITY

Barriers to growth

% of respondents

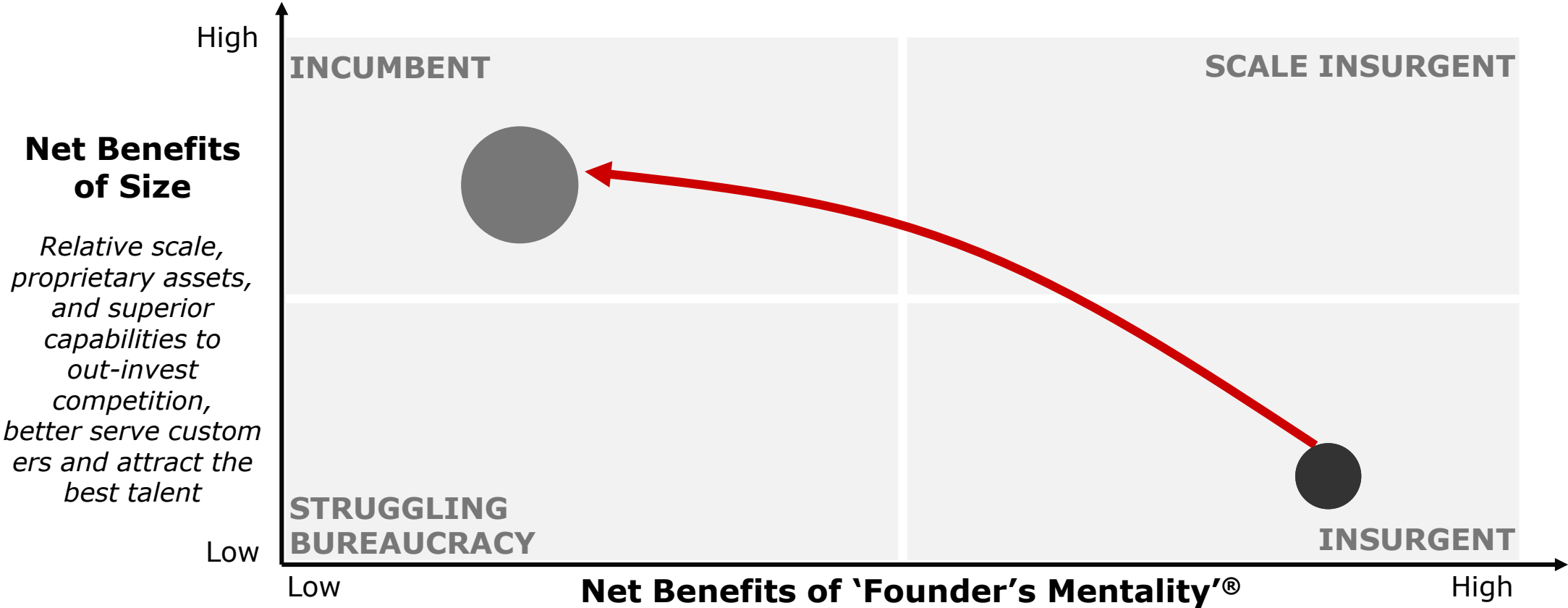


Note: Growth benchmark is >2x of country's real GDP growth (i.e. after correction for inflation) with a minimum of 5.5%; Earning cost of capital defined as above average total shareholder return; Analysis of 3,000+ companies in 43 advanced and developing economies

Source: Capital IQ; Bain Analysis; Survey of 377 executives in North-America, Western Europe and Asia conducted jointly by Bain & EIU, March 2011



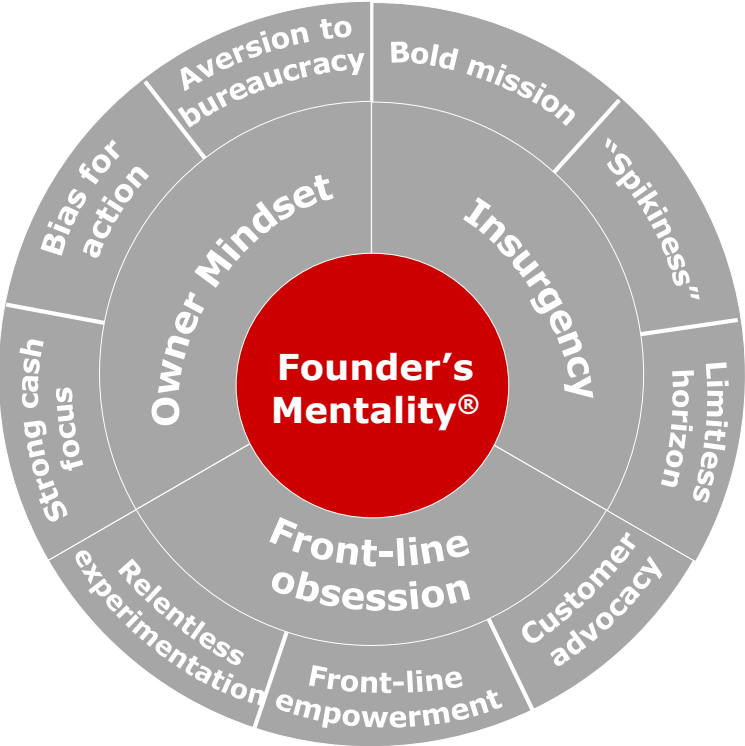
One of the barriers to growth is the perceived trade-off between the benefits of size and 'Founder's Mentality'®



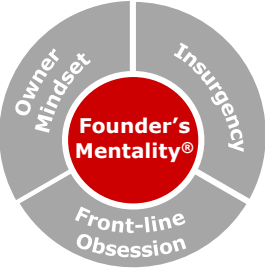
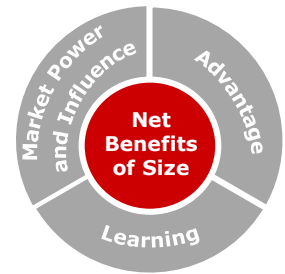
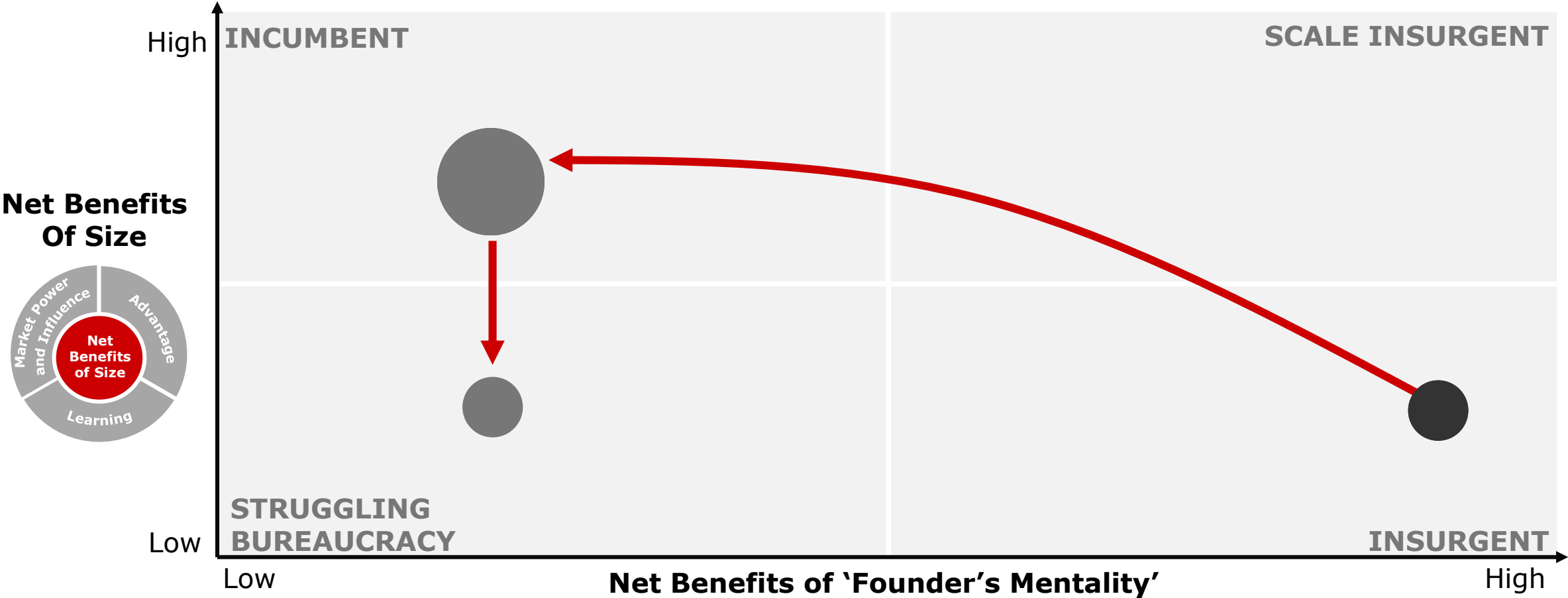
Leaders and the front line share a bold mission, a focus on the needs of their core customers, and a commitment to develop the routines, behaviors and talent that transform industries



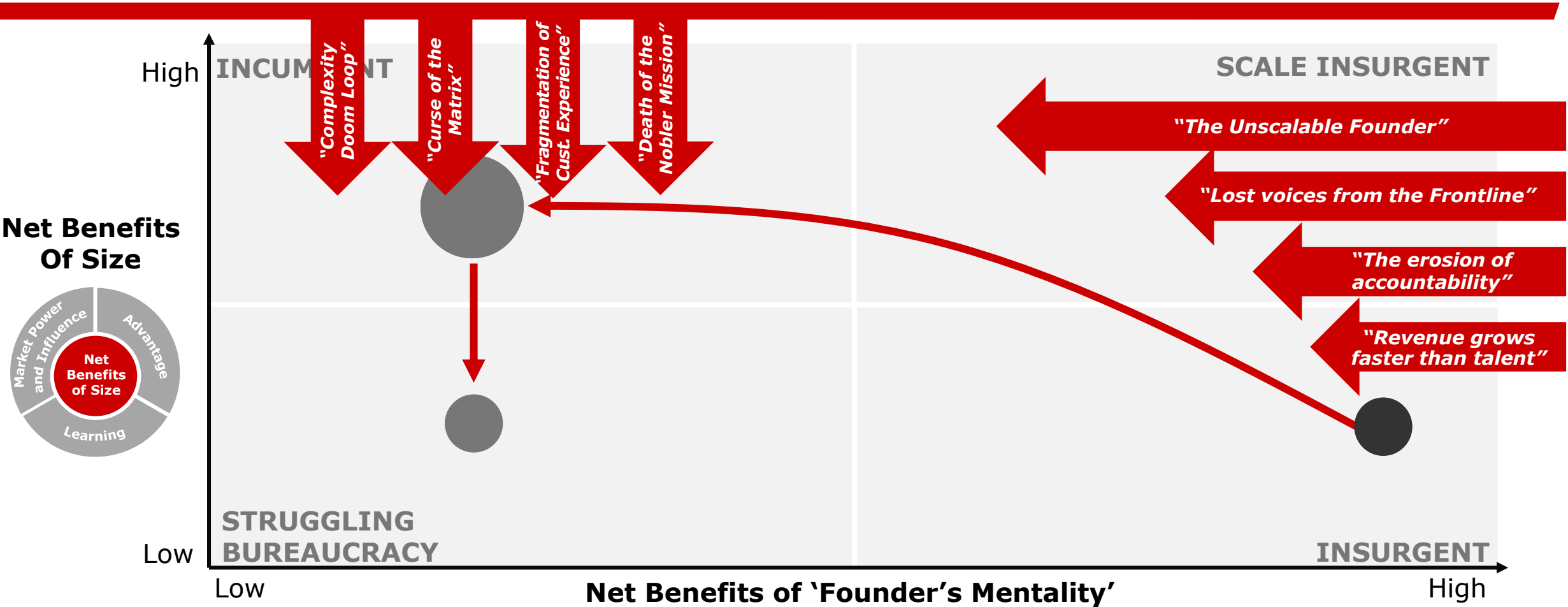
Elements of 'The Founder's Mentality'®



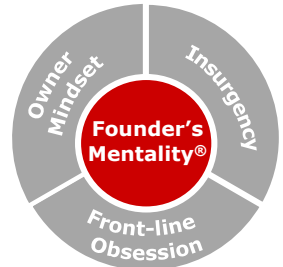
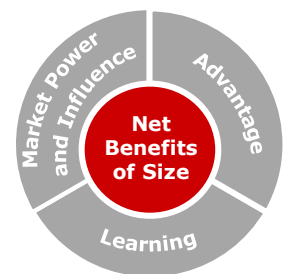
The **Default Path**: Absent management intervention, most successful companies lose their 'Founder's Mentality'[®]



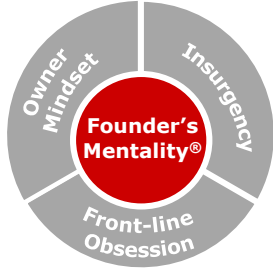
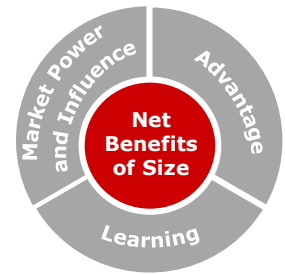
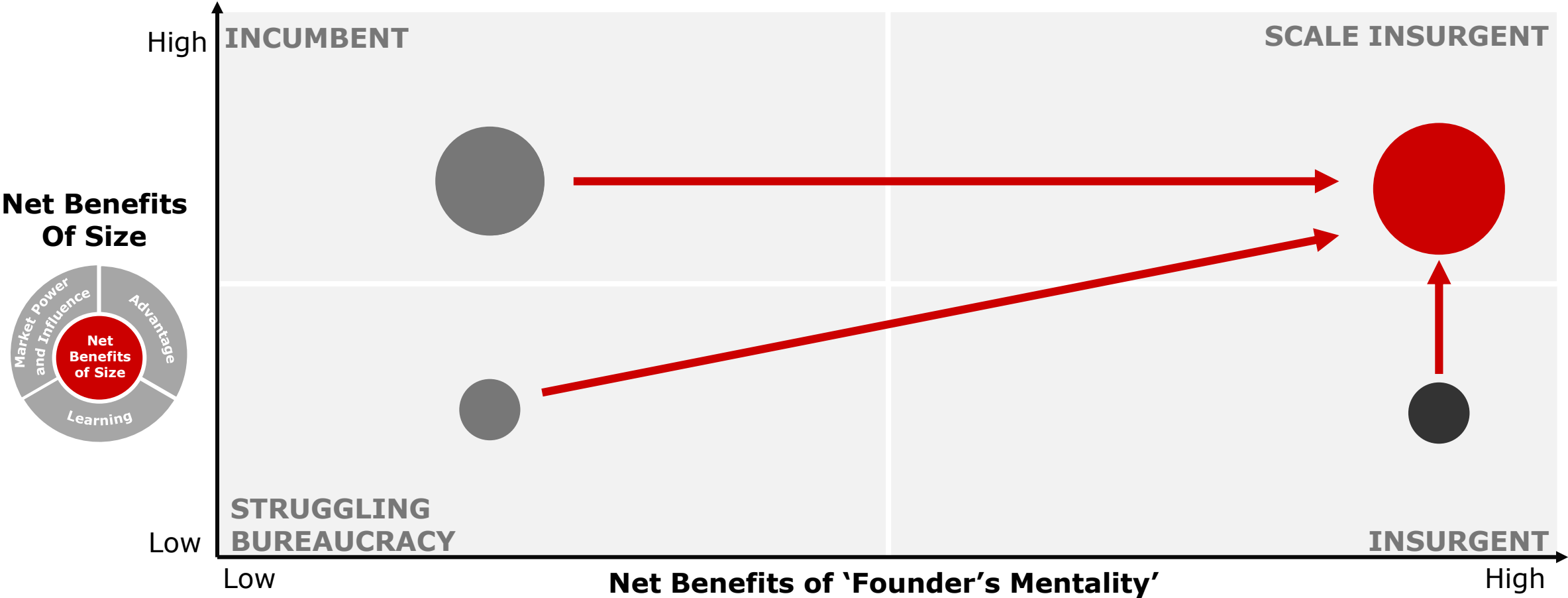
The *forces* that work *against* you ("Westward and Southward winds")



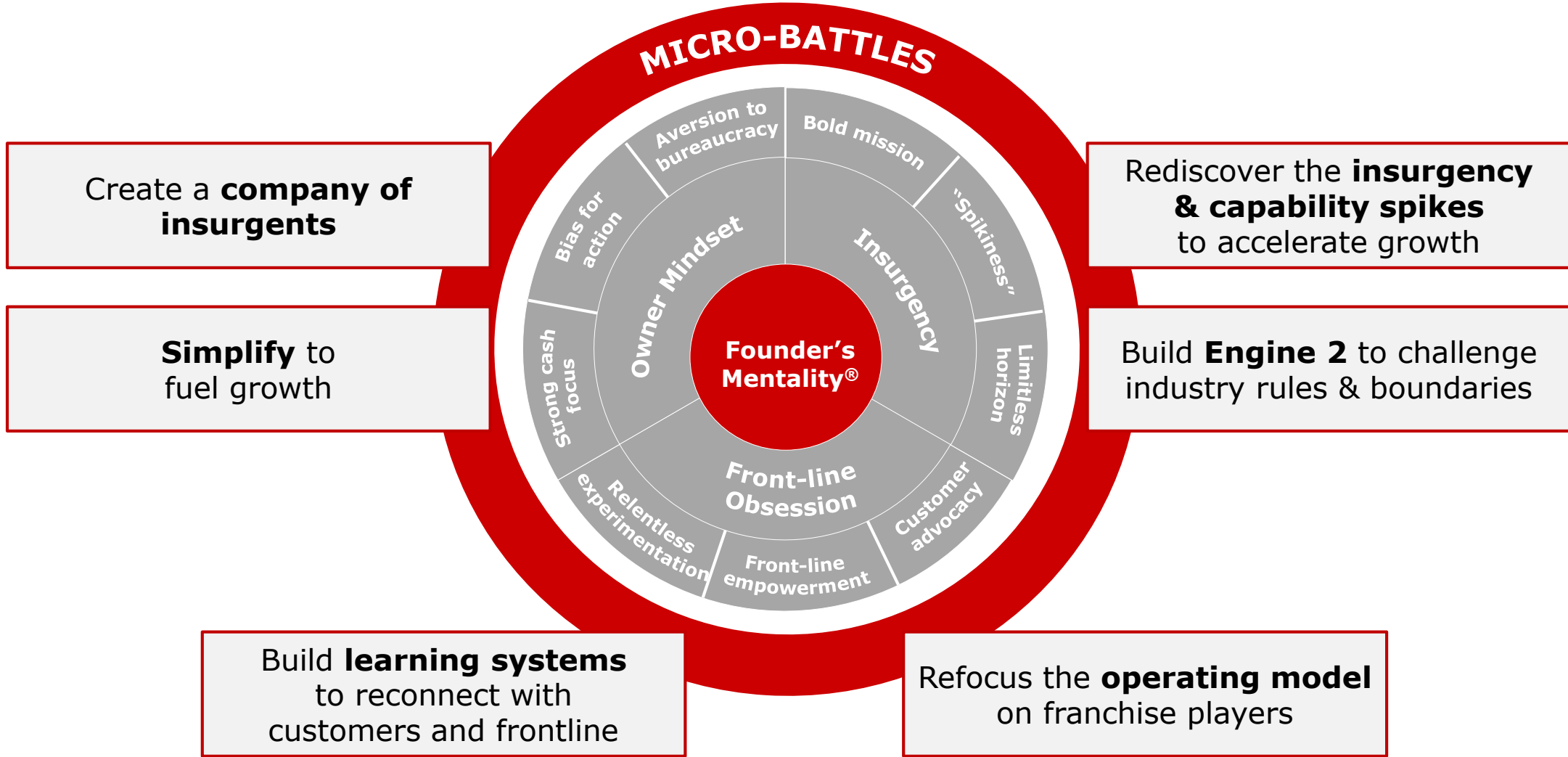
Net Benefits Of Size



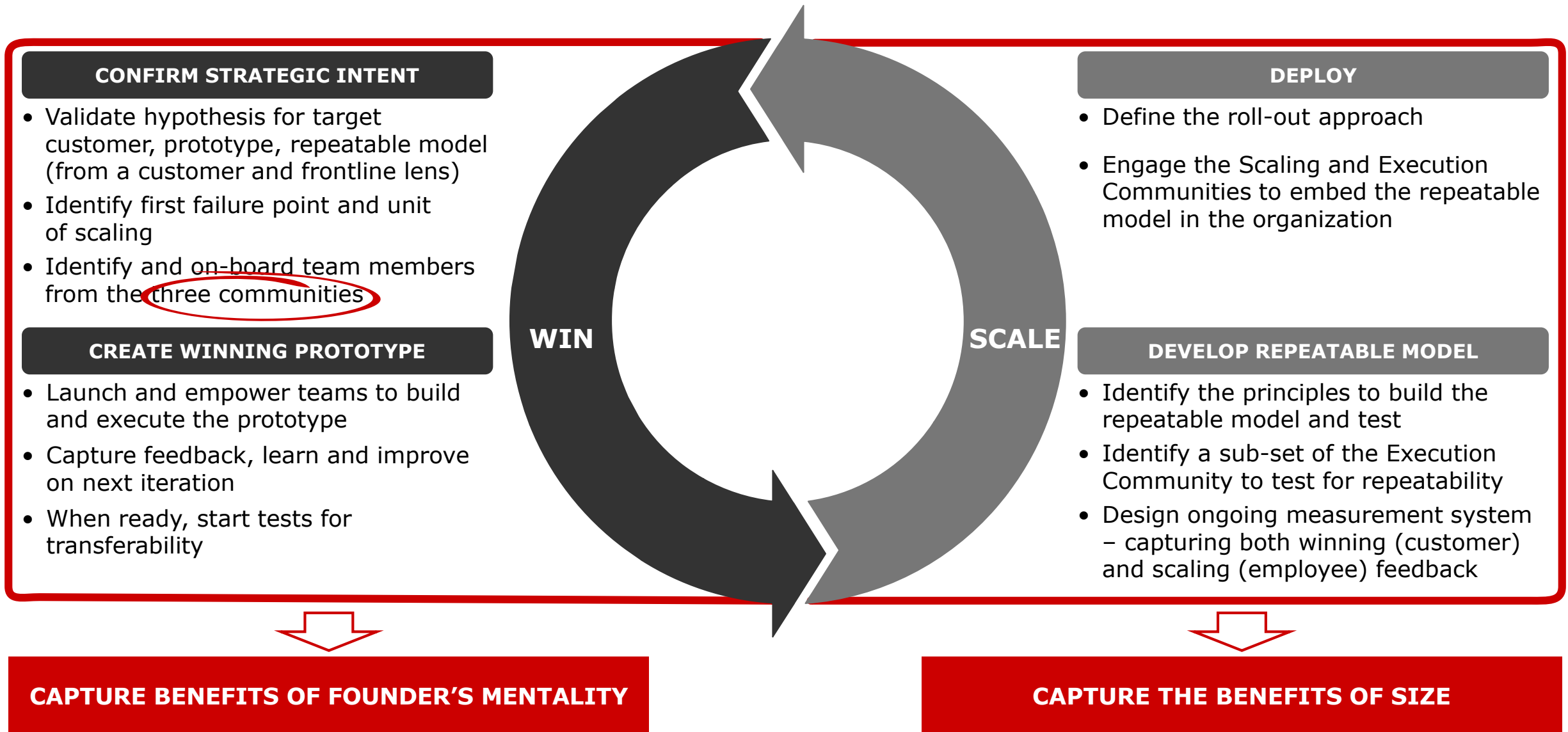
The goal is *scale insurgency*



There are **six 'building blocks'** to restore Founder's Mentality ...and ***one distinct approach***



The **Micro-battles system** builds the “Win & Scale” capabilities of a scale insurgent



Three communities required to deploy a winning repeatable model



ALL THREE COMMUNITIES LEARN FROM AND SUPPORT EACH OTHER IN DEPLOYING A WINNING REPEATABLE MODEL



Scaling as a capability: 10 lessons from the Masters

- ✓ Recognize that scaling will be critical to your success; demand that your leaders **remain in balance** (between winning and scaling)
- ✓ Winning repeatable models demand an **iterative process**; don't declare victory after a good prototype
- ✓ **Don't jump to playbooks**; there are different scaling models depending on the degree of tailoring needed
- ✓ The best scaling models consider the "**unit of scaling**" to identify resource bottlenecks early
- ✓ Address bottlenecks and "**Everyone wants Brent**" problem from Day 1
- ✓ **Don't underestimate behavioral change** required especially across functional hierarchies
- ✓ Understand the role of the **three communities**; especially the Scaling Community which acts as a bridge
- ✓ Scaling well demands **dynamic resource allocation**; shift resources fast behind a "winner"
- ✓ Eventually scaling will demand **changes** to your **operating model**
- ✓ Use **Engine 2** to build specific capabilities



Founder's Mentality® resources available to you

www.foundersmentality.com

The screenshot displays the Founders Mentality website interface with several key sections highlighted in red boxes:

- FM Book page (for orders):** Features the book cover for "THE FOUNDER'S MENTALITY" by Chris Zook & James Allen, with the subtitle "HOW TO OVERCOME THE PREDICTABLE CRISES OF GROWTH".
- Core IP and Briefs:** Includes "Bain briefs" (The journey north, Founder's Mentality®, Insurgency, Strategic principles of repeat), "Harvard Business Review" coverage, and a "Founders Mentality Defined" diagram showing the growth paradox and paths to growth.
- Blogs & Videos:** Lists "Recent Posts" such as "Reversing Stall-Out", "Using Five Lenses to Restore Disruption-Led Growth", and "How Micro Battles Can Restore the Customer-Led Growth Engine". It also features a "Featured video" player.
- BAIN FOUNDER'S MENTALITY 100:** Promotes a series of forums where over 1,000 Founders/CEOs shared their experiences, with a "MONDAY MORNING ACTIONS" graphic.



Micro-Battles supplement

The cover of the "Micro-Battles supplement" features a spiral-bound notebook design on the left. The central image shows a small green seedling growing out of a mound of dark soil. Below the image, the text reads:

THE BAIN MICRO-BATTLES SYSTEMSM
Restoring your Founder's Mentality® by creating microcosms of the company you want to become

BAIN & COMPANY



BAIN & COMPANY 