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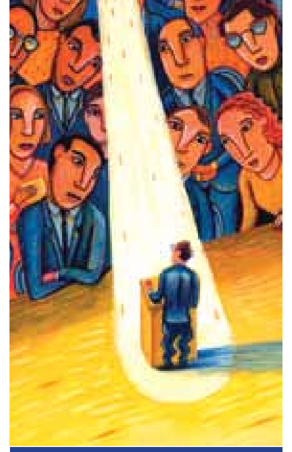
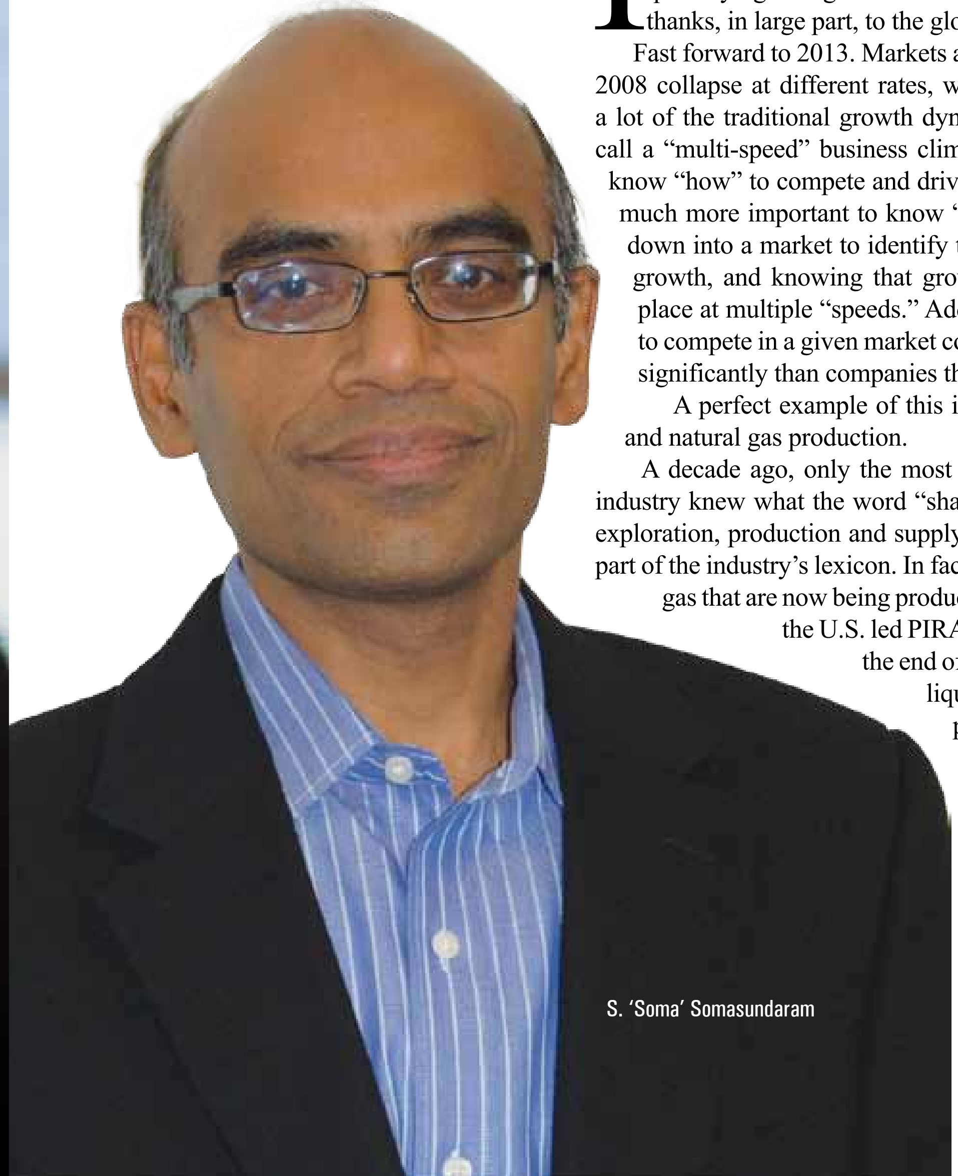


in my opinion

Driving Profitable Growth in a "Multi-Speed" World

By S. 'Soma' Somasundaram, President & CEO, Dover Energy

Dover Energy provides highly-engineered solutions for the safe and efficient extraction and handling of critical fluids worldwide in the drilling, production and downstream markets. The company is a segment of $8 billion diversified global manufacturer Dover Corporation (NYSE:DOV)



S. 'Soma' Somasundaram

It's a well-acknowledged aphorism that the only constant in the business world is change. However, in recent years our ways of looking at and quantifying change as it relates to market growth have been modified, thanks, in large part, to the global economic crisis that hit in late 2008.

Fast forward to 2013. Markets around the globe have recovered from the 2008 collapse at different rates, while the collapse itself strongly affected a lot of the traditional growth dynamics, leading to the creation of what I call a "multi-speed" business climate. In the past, it was often enough to know "how" to compete and drive market growth. In today's climate, it is much more important to know "where" to compete. This means drilling down into a market to identify the areas that have the most potential for growth, and knowing that growth within the overall market will take place at multiple "speeds." Additionally, companies that know "where" to compete in a given market consistently are shown to grow much more significantly than companies that simply know "how" to compete.

A perfect example of this is the recent "boom" in United States oil and natural gas production.

A decade ago, only the most astute members of the U.S. oil and gas industry knew what the word "shale" portended for the future of domestic exploration, production and supply. Now, "shale" has become a permanent part of the industry's lexicon. In fact, the historically high amounts of oil and gas that are now being produced in unconventional shale formations in the U.S. led PIRA Energy Group to recently predict that by the end of 2013, the U.S. will be the world's largest liquids (oil, natural gas liquids, condensates) producer, a status that would have been unthinkable as little as five years ago.

In other words, companies operating in the oil and gas industry now know "where" to compete. The challenge, then, for leaders in all industries is to develop a focused plan that will drive profitable growth from that knowledge in a still-tricky economic environment.

Get Granular

Knowing "where" to compete is only half the battle. To maximize your growth potential, you need to take more than just a macro view of an industry. The historic ways of planning for growth do not work anymore; you now need to implement a more granular approach. Going back to our previous example, it is insufficient just to know the overall growth rate of the U.S. oil & gas market, because within the market you have different regions of the country that are producing oil and gas at much different rates, and through the use of much different drilling and recovery technologies. There are multiple basins within a market and not all basins are growing at the same rate; some may even be declining.

And while all of this is happening domestically, an eye must be kept on the wider global market, identifying the areas like Central Europe or China that might be poised to experience a similar shale boom, and other areas, like Europe, where the potential for growth might be adversely affected by excessive regulation and other political realities.

In other words, deeper analytics are required to take a micro view, break down markets by sub-segments, applications, geography (regions, countries, states, districts, counties, cities) and customers. Using the power of data and analytics will help you develop a deeper understanding of what it takes to win in each sub-segment of the market, which will enable you to more effectively capitalize on a multitude of growth opportunities.

Aligning Talent With The Task

In the end, a growth strategy will only work if the right people and the right number of people are in place to execute it. This requires new thinking. Traditionally, a large emphasis of the sales person's job was on social networking, going out to meet people and building relationships that ideally lead to an increase in equipment sales. That's not good enough anymore. It's not about social skills alone, it is about having the innate drive and passion to make an impact, then understanding where the opportunities lie and capitalizing on them.

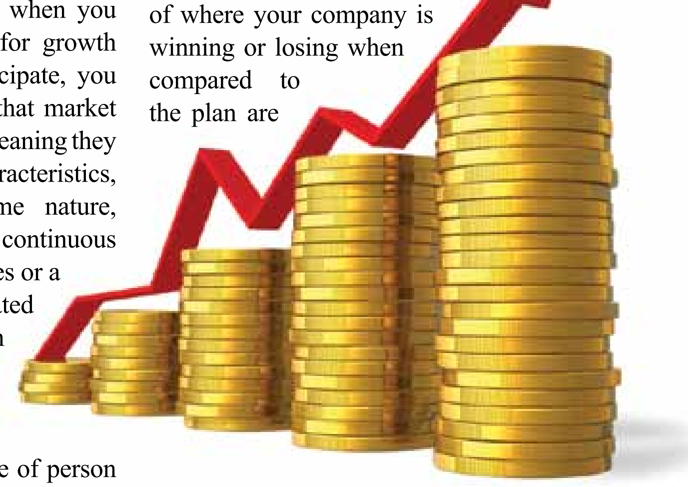
In other words, growth is a behavioral thing, a type of mindset and orientation. Therefore, when you identify a market primed for growth and develop plans to participate, you need to insert people into that market who are "growth" people, meaning they possess a specific set of characteristics, such as an adventuresome nature, willing to experiment, continuous learning, adapting to changes or a willingness to take a calculated risk. You need to align growth leaders with your growth areas. Somebody who only follows a strict process may not be the type of person for a high-growth environment, you want somebody who can think 'outside the box.'

Keeping that in mind, it is important to hire people who naturally possess significant elements of the growth mindset. For many years, hiring has been more of an art than a science, but to drive growth in the current economic climate you have to identify a potential employee's personal behaviors—What motivates them? What drives them? — and whether or not they possess that growth mindset. Much like analytics can help determine areas of market growth, assessing and collecting as much data as possible can help create a more scientific and effective hiring process.

Aligning your resources is a continuous process; those who have shown the ability to perform well in a high-growth environment should be reassigned to the next high-growth environment. High performers must also be rewarded and recognized appropriately to keep them motivated.

Review And Follow-Up

So, you've identified your areas for growth, developed the plans and have the right people in place. Now, it is time to plan for the unexpected, as even the best-laid plans can fall victim to the vagaries of the market. That is why monitoring progress through frequent reviews of where your company is winning or losing when compared to the plan are required. Countermeasures that have the ability to get the plan back on track must also be created and deployed when the progress falls short.



Knowing "where" to compete is only half the battle, to maximize your growth potential, you need to take more than just a macro view of an industry

In the final analysis, growth does not happen by itself. It is through active and focused leadership that companies will be able to drive growth, successfully and profitably through the new realities of the multi-speed business world.