

What Turns a Growth Target into a Strategy?

A growth target tells a business where it wants to go, not how it will get there. What a credible growth strategy needs to explain, and how to test it.

by Samet Kasik



KEY POINTS

- A growth target sets an intended result. A strategy explains the business situation, the choices being made, and why those choices could produce that result.
- Two businesses can pursue the same revenue increase through different customers, offerings, and delivery models. Each route requires its own economic and competitive case.
- Strategic choices become credible through resource commitments and actions that reinforce one another. Priorities should also make clear which opportunities will receive less attention.
- Review the assumptions behind the strategy alongside financial results. Progress matters, and so does understanding whether the proposed route is working.

A business decides to increase revenue by 20 percent next year. The team agrees on sales targets, assigns responsibilities, and prepares a calendar of campaigns and projects.

There is now a number to pursue and work to do. One question still needs an answer: why should this particular set of activities produce the intended growth?

The answer might involve serving a different customer, improving an existing offering, entering a new market, or changing how the business delivers its work. Each possibility depends on different conditions and requires different commitments.

I find a growth target useful when it opens that discussion. The strategic work is in developing a credible explanation of how the business can move from its current position toward the result it wants.

Explain the situation behind the target

A target gives direction and creates a basis for planning. It can help a business estimate staffing needs, assess financing requirements, and decide whether its ambitions justify the investment involved.

It tells us much less about the situation the business faces.

Revenue might be constrained by limited demand, weak access to suitable customers, or an offering that customers struggle to distinguish from alternatives. A business could also have strong demand and too little capacity to deliver profitably.

These situations call for different responses. More marketing could help a business that has a valuable offering and insufficient visibility. It could make matters worse for one already struggling to fulfill its commitments.

Richard Rumelt's *Good Strategy/Bad Strategy* describes a strategy's core as a diagnosis, a guiding policy, and coherent action.¹ The diagnosis explains the challenge; the guiding policy establishes an approach to dealing with it; the actions put that approach into effect.

For a growth decision, I would begin by asking what the available evidence suggests about the opportunity and the obstacles. Customer behavior, lost sales, delivery costs, and competitor offerings can all change the explanation.

That explanation will involve judgment. Making it explicit allows the team to question it and recognize when it needs to change.

The same target can support different choices

Consider two hypothetical training companies. Each wants to increase revenue by 20 percent.

The first sells public courses to individuals. Its most popular course receives strong participant feedback, but several scheduled sessions have empty seats. Customer research suggests that suitable buyers struggle to find it.

This company might choose to concentrate on that course, improve distribution through relevant professional associations, and make booking easier. Its growth case depends on reaching more suitable buyers and filling existing capacity at an acceptable acquisition cost.

The second company delivers workshops to employers. Its customers value the sessions, but some ask for help applying what employees have learned. The company sees a possible opportunity to develop a longer program for a specific group of employers.

Its growth case might involve fewer, larger contracts that combine training, practice, and follow-up. That route requires stronger account relationships, program design, and facilitators who can work with company-specific situations.

Both routes could be reasonable. Neither follows from the revenue target alone.

In *Playing to Win*, A.G. Lafley and Roger L. Martin connect strategic ambition with choices about where to compete, how to win, and the capabilities and management systems required.² The important relationship is between those choices: the customer selected affects the offering, the way it is delivered, and the resources it needs.

The first training company should examine whether it can reach buyers economically through the proposed channels. The second needs to establish whether employers value the additional support enough to pay for it.

Choosing a segment or adding a service begins the argument. Evidence about customers, alternatives, and economics gives that argument substance.

Make the commitments reinforce one another

A strategic choice becomes more credible when it changes how the business uses its time and money.

For the public-course provider, the proposed route could mean improving one established course, supporting association partnerships, and protecting a reliable schedule. Spending heavily on unrelated new topics would compete with that effort.

For the employer-focused provider, it could mean allocating time to customer interviews, developing a repeatable program, and preparing additional facilitators. Accepting every request for an unrelated workshop might leave too little capacity to build the new offering.

Those decisions have costs. A narrower focus may mean passing up immediate revenue. Developing a program can absorb money before contracts arrive. Maintaining some existing work may be necessary to fund the transition.

The point is to make those consequences visible. A stated priority carries more weight when the budget, calendar, and allocation of skilled people support it.

Coherence also requires examining whether actions conflict. An offering built around extensive customization may struggle if sales incentives reward volume while delivery budgets assume standardized work. Each department could meet its own target while weakening the business's overall economics.

A growth strategy needs to explain how the important activities will work together.

Give the route a competitive and economic case

The proposed customer must have a reason to choose the business.

For the first training company, that might be a course with a strong reputation, useful specialist content, and convenient access through a trusted association. For the second, it might be the ability to connect training with the employer's actual work and support its application afterward.

These possibilities need comparison with the customer's alternatives, including other providers, internal training, or postponing the purchase.

A promise such as "higher quality" is difficult to assess until the business explains what improves for a particular customer. The same applies to a claim that growth will improve profitability.

Filling an existing class and designing a customized employer program have different cost structures. Sales effort, preparation, delivery, follow-up, and payment timing all affect what remains from the additional revenue.

This is where the distinction between a **bigger business** and a **more valuable one** becomes useful. The growth target needs an explanation of how the chosen route strengthens the business, including the costs and risks it introduces.

Review the assumptions as well as the results

Even a carefully reasoned strategy can be wrong.

Lafley and Martin's approach to considering strategic possibilities includes identifying the conditions that would need to hold and testing the most doubtful ones.² This gives a team something more useful to investigate than whether everyone feels confident about the plan.

For the public-course provider, a critical assumption might be that association members will book at a cost the course economics can support. For the employer-focused provider, it might be that buyers will commit to a longer program and that other facilitators can deliver it consistently.

The appropriate next step could be a limited channel trial or a paid initial program. The test should examine the uncertain condition before the business makes commitments that depend heavily on it.

Revenue remains important, but it may arrive too late to explain what is happening. Booking patterns, acquisition costs, preparation time, and buyer commitments can provide earlier evidence.

Reviews should also allow for timing. A longer program may take more time to sell. A promising channel may need refinement. The team should distinguish a delayed result from evidence that the underlying approach is unsound.

Before approving the next growth target, ask for a plain-language explanation of the route: the situation being addressed, the customers the business will prioritize, why they should choose it, and the commitments required.

Then make clear which assumptions deserve testing and what would prompt a change.

A useful strategy gives people a basis for making decisions before the final revenue figure is known.

REFERENCES

1. Rumelt, Richard P. *Good Strategy/Bad Strategy: The Difference and Why It Matters*. Profile Books, 2011. Chapter 5, "The Kernel of Good Strategy." Publisher information <https://profilebooks.com/work/good-strategy-bad-strategy/>.
2. Lafley, A.G., and Roger L. Martin. *Playing to Win: How Strategy Really Works*. Harvard Business Review Press, 2013. Chapter 1, "Strategy Is Choice," and Chapter 8, "Shorten Your Odds." Author's book information <https://rogerlmartin.com/lets-read/playing-to-win>.

Samet Kasik is Co-Founder and Business & Digital Strategy Lead at Acumen Business Consulting Inc. in London, Ontario. More essays, and a short note by email when new ones are published, at sametkasik.ca.

Copyright © 2026 Samet Kasik. All rights reserved.