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Leading Organizations through Rapid Growth



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When an organization experiences rapid growth—driven by successful products, increasing customer demand, and strong revenue—it's natural for leadership to focus primarily on the drivers of that growth. However, the most critical areas requiring attention are often the other aspects of the business: organizational structure, talent acquisition, and leadership development. These elements require constant renewal and adjustment to support sustainable growth.

In such an environment, what worked last month may already be obsolete this month; new positions emerge, different skill sets are needed, and organizational structures require frequent reassessment. This continuous state of evolution demands transformational leadership capable of scaling the organization effectively while managing persistent ambiguity. Below are several actionable areas boards and management teams can address that will help advance successful growth-stage leadership.

Align the Leadership Group

It’s natural that rapid growth will create tension among senior executives as reporting structures shift, accountabilities evolve, and resource allocation is often ad hoc. Success requires achieving a common sense of purpose and collective responsibility across the leadership team. This alignment depends on the following three key actions from management, with support from the board:

1. Build a stable, unified executive team. The team should transition from being simply a group of diverse subject matter experts to the organization's leadership engine. Each member should prioritize organizational success over departmental interests and contribute to enterprise-wide decision-making and strategy.
2. Develop the extended leadership group. Effective collaboration and good working relationships among the broader leadership group cannot be mandated but should be actively cultivated. Leaders who work together constructively and collegially are more likely to drive successful outcomes, and external guidance and coaching may be required to achieve this level of collaboration.
3. Create an evolving strategic narrative. While not everyone needs to be consulted on strategy, widening the circle of contributors increases buy-in and understanding. The extended leadership group should align behind decision-making constructs and key strategic choices. Consistent communication can ensure there are no gaps in understanding that could be exploited.

Build a Flexible Organization

Companies experiencing rapid growth require a systematic approach to organizational design. Updates to structure, decision-making processes, and roles and responsibilities can get unwieldy and are best undertaken in a holistic manner, avoiding ad hoc or siloed changes. While there may be pressure to take shortcuts, leadership should resist any "back of the napkin" solutions in favor of a rigorous, structured approach.

While the CEO should lead the design process and base the design on what is required by the organization’s strategy, involving other senior leaders is key. It minimizes politics and staff anxiety, and helps build consensus as the design develops. This team should address the decision-making process and role definition, in addition to the organizational structure itself. Clear communication throughout the company is imperative for maintaining focus and alleviating uncertainty. Finally, this is not a one-and-done exercise. During rapid growth, the organizational structure may need to evolve frequently.

The board’s involvement is typically advisory, especially for public companies, but at the outset, it should be involved in early discussions with the CEO about their view of the organization model and how it will evolve over time. As the company changes, directors will want to pay particular attention to the aspects of the design that will directly impact strategy execution and the ability of the company to scale quickly. For privately held or investor-backed companies, there is often considerably more upfront engagement of the

board in the design process itself.

Ensure a High-Quality Leadership Pipeline

Creating a robust leadership pipeline—one that neither relies on the opinions of a small group nor is too cumbersome in terms of process—requires the following three essential components.

1. Talent assessment. The specific capabilities required of leaders in organizations experiencing rapid growth go far beyond those required in stable organizations. Leaders who will succeed in this environment are fundamentally adaptable and flexible. These individuals have the capacity to identify and develop innovative solutions and they welcome the potential for increasing responsibility. The character aspects are equally important; they are well aligned with the organization's values and behavior norms.
2. Continuous development. A shortage of great leadership talent will stall growth, so developing leaders should be an ongoing endeavor. Thankfully, a high-growth environment is one that offers numerous learning opportunities and frequently requires operating outside of one's comfort zone. It often demands tackling unfamiliar tasks and confronting new dilemmas, which refine a leader in real time.
3. Strategic succession planning. More than a document or a simplified "just-in-case" process, effective succession planning should be an active priority among boards and management teams. Having regular talent discussions that include the identification of critical organizational positions and multiple viable candidates for each key role can help the organization avoid a setback when the inevitable change in key team leaders takes place.

Think Holistically

As the organization evolves to align its leadership, create flexibility, and build its talent bench, directors can be in a position to provide feedback and broadly evaluate the results. The expectation is that the company will move from an early or static state of rigidity (i.e., operating at status quo) to one of relative strength, able to pivot and maximize opportunities. Characteristics of companies as they move along this continuum are described in the chart below:

Evaluating Organizational Strength for Rapid Growth					
Weak		Moderate		Strong	
Rigid	Firm	Yielding	Changeable	Flexible	Adaptable
• Change happens to us, not something we prompt • Consistency with the past is the preferred mode of action • Some are frustrated with a lack of progress	• Lack of focus on developing leadership talent • Inflexible organizational models • Slow response to challenges and/or growth opportunities	• Some leadership development is talking place • The future needs of the organization are sometimes taken into account in planning for talent • Changes to organizational design are considered, but often belatedly	• Leaders are identified and/or hired more quickly • Leadership development works to ensure relevant capability exists • Organizational structure can be changed when it is clearly needed	• Alternative structure and talent scenarios are considered when planning for growth • Leadership development is embedded to ensure flow of talent • The organization can move quickly to add and/or replace leaders in response to changing conditions	• The consequences of growth are anticipated • The talent pipeline produces multiple candidates for each new or open role • The organizational structure is flexible and adjusted regularly

Leading through rapid growth demands unusual flexibility across multiple dimensions: executive team composition, individual leadership deployment, information management, business process development, and organizational systems. Success depends on the board's ability and willingness to guide their management team toward these key points of internal optimization at a time when business growth is demanding outsize time and attention.

About the Authors

Lisa specializes in leadership assessment and coaching, organizational design, and CEO/executive succession. She supports executive team development, change management, and talent processes to strengthen organizational effectiveness.

Peter brings 30+ years supporting CEOs and leadership teams through organizational change, including CEO succession, executive development, and integration challenges.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.