

STRETCHONOMICS™
BY **MANGROVE**

**STRETCHONOMICS: FULFILLING YOUR
GROWTH POTENTIAL BY LIVING LIFE IN THE
STRETCH ZONE**

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Stretchonomics – a new dynamic for growth

Why do some people seem capable of achieving anything they set their mind to whilst others fall short of their goals or fail to fulfil their potential?

Why do some sports teams achieve consistently high performance over a long period whilst others only manage to raise their game occasionally?

Why do some companies achieve significant and sustainable growth whilst others under-deliver against their high expectations?

There is one answer to these questions: those that experience sustained success are able to embrace life in the Stretch Zone by continually matching their commitment with their ambition. As a consequence, they enjoy personal or professional growth and move towards fulfilling their potential in the process.

Life in the Stretch Zone is always exhilarating, sometimes uncomfortable and never easy. To get there, individuals and organizations need to develop the ability to STRETCH – to set and align appropriate goals, resources, behaviours and mindsets. The more you STRETCH, the easier it becomes and the more you can achieve. Equally, you can lose the ability or motivation to Stretch causing you to drop out of the Stretch Zone, hindering your performance, growth and progression.

Based on decades of creating step-change growth for some of the world's biggest companies and best known brands, we have identified why some people and businesses are 'stretchier' than others. Our theory of STRETCHONOMICS is rooted in the disciplines of economics, innovation and psychology and involves 7 basic principles that can be applied to discover higher levels of personal fulfilment and business growth.

Our forthcoming book outlines and illustrates the STRETCHONOMICS approach to growth by drawing on examples from business, sport and real-life! It demonstrates the power of successfully addressing each of the 7 principles of STRETCH and the collective impact they have on performance. Each of these principles lead to practical advice on how to improve your ability to enter and stay in the STRETCH ZONE.

Here we share some of the key principles ahead of the book publication.

Life in the Stretch Zone

In 2016, Leicester City FC won the English Premier League. The club's first top-flight championship in their 132-year history was sealed with two games left to play. At the start of the season, Leicester were 5000/1 outsiders to become champions after flirting with relegation for most of the previous season. Former England striker Alan

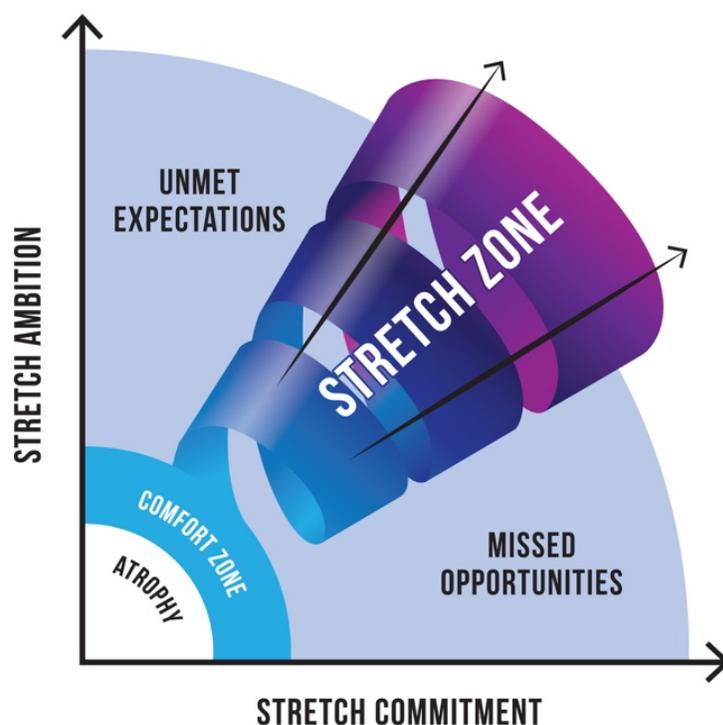
Shearer hailed the magnitude of the achievement: "For a team like Leicester to come and take the giants on with their wealth and experience -- I think it's the biggest thing to happen in football," he said.

The unlikely hero of this success was City's quietly-spoken and cerebral manager Claudio Ranieri, who had far fewer resources at his disposal than his wealthier rivals, and a playing squad that lacked depth and star names. Ranieri had not operated in English football since his departure from Chelsea in 2004, enduring a miserable experience in his last post before Leicester as manager of the Greece national team. There are a multitude of theories of how this unlikely success was achieved; his ability to create a powerful team spirit, counter-attacking tactics, prudent use of sport science, his players' motivation to prove a point about themselves, and even team pizza nights. Indeed, the success was not a result of any single factor but a combination of many.

What is perhaps most impressive about the Leicester City story is how Ranieri managed to keep his team performing at their peak for the duration of the season. Their achievement was possible because the manager was able to play down the Club's ambition (he only openly admitted his side would target the title with just four games remaining

and with a five-point lead) whilst simultaneously squeezing the most out of the resources available to him. In our terms, Ranieri got his team into the Stretch Zone and kept them there for 38 league matches. He successfully aligned the ambitions of the club, team and supporters with the resources the club and team were willing and able to commit in pursuit of those ambitions.

Fig 1. Stretch Zone



BrewDog has been one of the fastest growing food and drinks companies in the UK for the last six years and is the UK's leading craft brewer, owning 2 breweries; one in Ellon, Scotland and one in Columbus, Ohio. BrewDog has 50 craft beer bars, and flagship beer Punk IPA is the no.1 craft beer in the UK

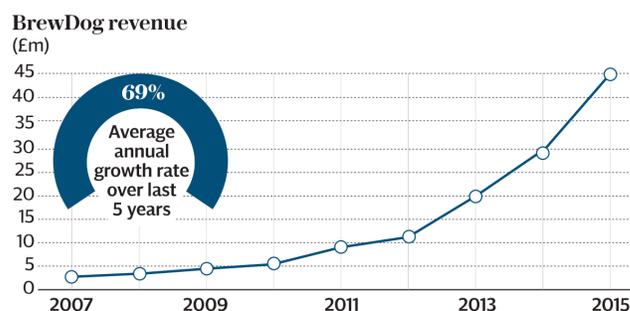
supermarkets. It achieved reported sales of around £17 million last year and has posted average annual growth of 167 per cent since it started trading in 2007. At the time of writing, the business had just announced plans to open the world's first crowdfunded craft beer hotel in Columbus, Ohio. This is a business that is squarely in the Stretch Zone.

Their Stretch Ambition is unquestionably aggressive. Their purpose is “to make other people as passionate about great craft beer as we are” and to do that, they need to grow – fast. They have been profitable every year since 2008, delivered EBITDA of approximately £6m in 2016 and aim to grow at an even more accelerated pace over 2017 – seeking to grow revenue by over 80%.

This impressive ambition is matched by an equally uncompromising commitment and passion to make it happen. It requires a lot of investment; investment in people, investment in equipment, investment in infrastructure and investment in working capital. To achieve this, the business has always challenged traditional business models and looked for alternatives that fit better with its philosophy. Through its Equity For Punks crowd funding scheme it has raised £26m over four rounds and attracted over 50,000 investors worldwide. In December 2016, they launched a mini-bond on Crowdcube

and successfully secured £10m in less than one month.

Fig. 2 – BrewDog’s ongoing growth in the Stretch Zone



We believe the Stretch Zone is a special place where magic can happen. In some ways, it’s akin to what others may call ‘flow’ or being ‘in the zone’, but those are shorter bursts of peak performance rather than sustained periods of successful endeavor. They are also largely sub-conscious – a mental and physical state that one enters without fully appreciating it until after the event. They are also concepts typically associated with extraordinary levels of performance rather than simply better or improved levels of performance.

Conversely, being in the Stretch Zone is fully conscious, sustained and typically involves a degree of discomfort associated with the continuous effort and ‘flexing’ required to maintain the desired level of performance. The Stretch Zone can also accommodate

levels of performance ranging from slightly elevated to exceptional.

Individuals, teams or businesses that get themselves into the Stretch Zone enjoy greater success, a concept, which importantly, is always relative to the ambition and expectation. This is the place you need to be if you have any desire to Stretch yourself, your team or your business. Stretch-ing is what's needed to get out of your comfort zone and strive to realise your potential. Others talk of 'growth' but this is a passive concept given that a degree of growth can be achieved by doing little, if anything, to promote it. Stretch, on the other hand, takes you beyond the security of the Comfort Zone and opens up a new world of possibilities.

The fragility of the Stretch Zone

On the 23rd February 2017, just nine months after guiding Leicester City to the greatest success in the Club's history, Claudio Ranieri was sacked. The move followed a creditable 2-1 defeat to Seville in the Champions League first leg, but with Leicester languishing just a point off the Premier League's relegation zone and in serious danger. The team had struggled all season to rediscover the form that won them the title the previous year, and with the mood in the dressing room reported to be "totally flat", some players had

accepted that relegation was inevitable unless Ranieri left the club.

Having spent a remarkable season squarely in the Stretch Zone, Leicester City subsequently fell out of it in spectacular fashion. For many commentators, their inability to sustain that level of performance for another season came as no surprise, even if the harsh treatment of their now legendary manager did surprise many. Many reasons were cited for these concerns before the 2016/2017 season even began: questions about the resources available to boost the squad, the Club's ability to retain their key players (pivotal midfielder N'Golo Kante was indeed sold to Chelsea), competition working out how to negate Leicester's fast paced counter-attacking style, hunger fade in the players, the impact of success on mindset and team unity, and just the sheer difficulty of getting the maximum out of players for another sustained period.

In Stretchonomic terms, what really happened was that they simply failed to align their Stretch ambition with their Stretch commitment for a second consecutive season. Effectively, two factors changed: the Club's ambition was reigned in and they failed to align the necessary resources and hunger to that more modest target.

At the beginning of the 2016/2017 season, Ranieri announced that the team's target was the 40 points required to secure Premier League survival (they had accumulated 81 points in winning the title the previous season). "Forty points [is the target]," Ranieri said, "Don't laugh! I restart with the same philosophy, the same humility, that is it. What we achieved was fantastic, but now, 40 points. Then, we'll see." Well, we did see, and what we witnessed was how setting such a modest target impacted the hunger and desire of players, directors and supporters. Why would a team of Champions adopt such a defeatist mindset from day one? Why not target Champions League qualification or even the successful defence of their Premier League title? Alarm bells should have been ringing right from the very beginning of the season.

One assumes that Claudio Ranieri's objective with this statement of modest intent was to lift the weight of expectation that his players may have felt and that may have negatively impacted their performance. Instead, it tempered their hunger and denied them any unifying sense of commitment to a challenging goal – to prove to the world that last season was not due to luck. As one frustrated Foxes fan eloquently put it: "We weren't ambitious enough as a club. Ranieri said that 40 points was the target. That he'd be happy with 17th

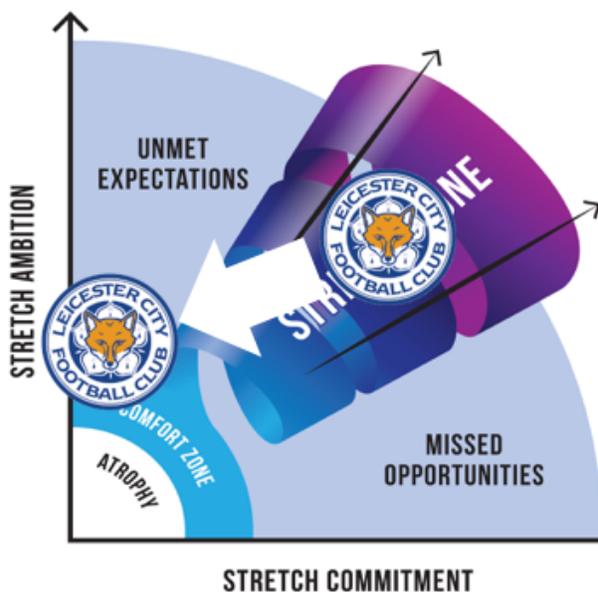
position. But we'd just won the league by 10 points! We'd been playing out of our skin, with great confidence and then the players are told to go out and get half of what they got the season before. That must have been demoralising and made it more difficult for Ranieri to motivate them to go out and play well."

Indeed, the commitment levels of key players had been questioned all season. The senior players, Jamie Vardy, Wes Morgan, Robert Huth and Christian Fuchs, all failed to reach the vertiginous heights of performance they had achieved previously, and seemed to lack hunger and energy. Ranieri tolerated this for longer than he might and compounded the issue by recruiting unproven talent such as Ahmed Musa and Luis Hernandez. They failed to demonstrate the necessary commitment to deliver an un-motivating ambition and as a consequence, were never in the Stretch Zone from the very start of the new season. Whilst the Stretch Zone is an exhilarating place it is also a perilous place to dwell, and success is one of the biggest challenges to remaining there.

Interestingly, since Ranieri's departure, his deputy and successor Craig Shakespeare has managed to revive the team's form, winning his first 5 matches in charge and steering Leicester City to the Champions League quarter-finals in the process. Through his clarity of tactics and ability to motivate the players,

Shakespeare has dragged his team back into the Stretch Zone.

Fig 3. Leicester City's Contrasting Seasons



The 7 dimensions of Stretchonomics

Success and failure are both complex beasts. Rarely is there a single factor responsible for either, despite the shelves of bookshops being awash with one dimensional theories for success that relate to concepts such as; grit, creativity, strategic thinking or the power of practice. Whilst there is merit in simplification, analysis of any depth will find multiple reasons to account for the performance of the likes of Leicester City and BrewDog.

From our 20+ years of experience helping big businesses and brands to

Stretch, we have identified 7 dimensions that need to be addressed and aligned to get into the Stretch Zone and stay there.

Fig 4. 7 dimensions of Stretchonomics

SCOPE	Exploring and defining the growth challenge
TARGET	Setting & measuring appropriate goals
RESOURCE	Availability of right resources to achieve goals
EXECUTION	Original thinking with agile & rigorous action
TECHNIQUES	Developing the necessary skills & processes
COURAGE	Fortitude & ability - discomfort & risk
HUNGER	Motivation to achieve the stated targets

Scope is essentially defining the direction in which you intend to Stretch. Should BrewDog expand their brewing efforts into the US, focus on extending their network of bars or enter the hotel business? For your New Year's get fit resolution should you target a 10km run, a triathlon or attend regular pilates classes? Choices should be made to give focus and a realistic ambition.

Defining the **Target** states how stretching you intend to be. Was 40 points a stretching enough target for Leicester City to aspire to – given their 81 point tally previously? Do you want to run 10km in under an hour or will you be happy to just finish? The Target sets the expectations and defines what success looks like, and in combination with Scope, creates the Stretch ambition. Too stretching a Target sets unrealistic expectation and too modest

a Target fails to motivate and push you out of the Comfort Zone.

Once the ambition is set, then the necessary **Resources** need to be found or made available. How do BrewDog find the people and the money to drive their growth plans? How do you find the time and energy to train for your 10km run? This is an instant sense check to determine if your scope and target are realistic. If a business wants to double its turnover in 5 years then there are huge implications for resourcing. If the necessary resources cannot be found then the Scope and Target may need redefining.

To have any real chance of achieving the ambition and goals, then the **Execution** of delivering it should be driven by a mix of original thinking and rigour. How should Leicester City play in order to maximize the strengths of resources available? Their high pace counter-attacking tactics not only suited the talents of their players, it was also a style of play not being employed by any other Premier League team. BrewDog have been successful largely thanks to their style, attitude and the character of their beers – in other words, the way they have executed their plan has been creative and original. However, whilst everything about the business is original, their creativity is not chaotic - it is focused and extremely disciplined and ruthless.

A key aspect of people performance is ensuring you are employing the very best **Techniques** to improve your chances of success. The ‘flair myth’ widely discussed by Malcolm Gladwell and Matthew Syed means you cannot rely on raw talent alone to achieve your ambition. Leicester City put in place an innovative sports science and medical team harnessing the very latest thinking and ensured it was carefully integrated into the decision-making process. Given how their counter-attacking style relies on pace, they placed great emphasis on sprint training and building hamstring strength. As a consequence, the Foxes suffered the fewest injuries in the League during their table-topping season.

Attempting to achieve something stretching is not easy and at times, the resilience of teams or individuals will come under severe scrutiny. Success requires **Courage** in the face of adversity – the ability to not give up and to continue to take appropriate risks in pursuit of the goal. When your 10km training plan is interrupted by a minor injury do you give up or find another way to train until you are fully fit? When BrewDog was struggling to secure investment during the early years, they chose not to give up and restrict their growth, but instead opted to set up their own crowd sourced funding scheme.

The final ingredient for success is Hunger – establishing and maintaining the appropriate levels of motivation. The key is to keep an appropriate distance from your goal. If you get too close then complacency can set in, if you are too far away, then the end point can seem too daunting and too unrealistic. Ranieri managed the hunger of his players brilliantly throughout Leicester’s triumphant season by gradually stretching the Target for his team. This built confidence and belief and avoided any unrealistic expectations early in the campaign. Similarly, the regular weigh-ins that are a key feature of weight loss programs provide a key motivation by marking progress towards the goal and allow for targets to be recalibrated or behaviours to be changed appropriately.

Application of Stretchonomics to improve chances of successful Stretch

The central tenet of Stretchonomics is that it only takes one of these dimensions to be overlooked or to become misaligned to miss out on the Stretch Zone and fall short of your ambition and potential. As Ranieri demonstrated at Leicester City, all 7 dimensions must be constantly monitored and adjusted to sustain performance levels, and when that doesn’t happen, the impact can be both dramatic and sudden.

In our forthcoming book, we dive deeper into the 7 dimensions of

Stretchonomics to understand how they impact performance and success across a range of disciplines from business to sport and beyond. Importantly, we identify some key principles and beliefs behind each that can be used to shape your own Stretch endeavours – whether in a work or personal context. Whilst we cannot guarantee future success, we are confident that applying our simple framework will help to identify and avoid any potential pitfalls as you strive to Stretch yourself, your team or your business and unlock potential in the process. Each dimension is illustrated with a mix of engaging case studies, scientific theory and thought-provoking personal anecdotes from our own experiences of Stretching our clients and ourselves. We also demonstrate the importance of how the 7 dimensions need to work in combination to propel you into the excitement of the Stretch Zone.

“Stretchonomics”- Nick Pye & Justin Wright. Available soon....

Follow us on Twitter to hear about the upcoming book release date:

<https://twitter.com/stretchonomics>

Nick Pye and Justin Wright are founders of the Mangrove , where we help businesses grow, innovate and Stretch.

Founded in 2005, we have a track record of helping some of the world's biggest businesses and best know brands to define and achieve their growth ambitions.

We apply original thinking and our Stretchonomics framework to get businesses into the Stretch Zone, where they can unlock their true growth potential.

Outside of the day job we have launched several other marketing services businesses and our own booze and lifestyle brand.