



To BCG's network around the world,

I spent much of my own consulting career focused on helping successful companies transform their businesses to get to the next level. And as CEO, one of the things I've enjoyed most is seeing how dramatically we've expanded the art and science of transformation and the hundreds of successful efforts we've engaged in with CEOs and their teams around the world.

A couple years ago, my colleagues consolidated that knowledge. And now, with the much greater role of digital and technology, as well as lessons learned from the pandemic, they've updated that work in a terrific article I'd really recommend to you: "[How Transformative CEOs Lead in a Crisis.](#)" Their work is relevant to so many companies right now—a short read that illuminates the five basic qualities of transformative CEOs:

1. **They move fast to launch a programmatic transformation.** By bringing piecemeal initiatives together into a comprehensive program with coordinated targets, actions, and milestones, they increase their chances of short- and long-term success.
2. **They push for early wins.** Unlocking quick success will serve to fund the journey, boost support, and increase leadership credibility, inside and outside the organization. Focusing on core areas such as procurement and pricing, and leveraging new technologies like machine learning and AI, can often provide opportunities for rapid value creation.
3. **They emphasize the need to boost growth and increase vitality.** Cost reductions are part of the story, but revenue growth

has a crucial impact on transformation success long term, responsible for half of value creation over five years.

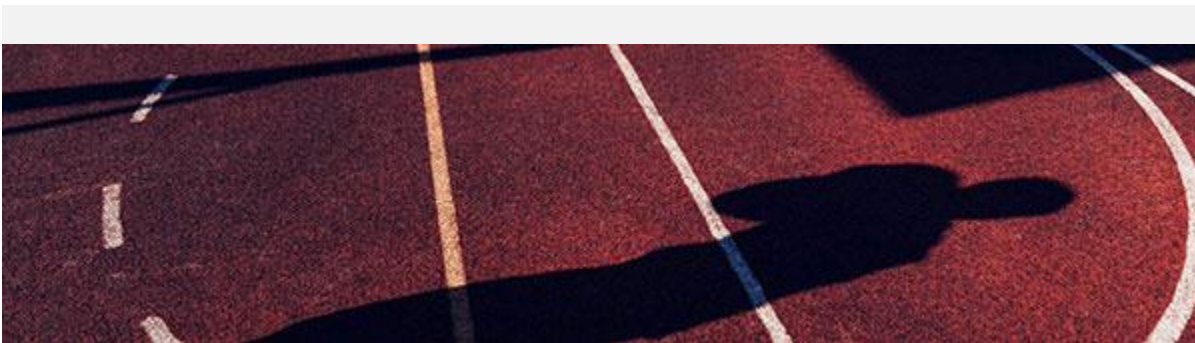
4. **They think like a new CEO.** Analysis shows that new CEOs have better odds of guiding successful transformation. Why? Because they see the business with fresh eyes. Incumbent leaders can do the same: observe the organization with an outsider's perspective and seriously question the status quo.
5. **They see transformation as a race without a finish line.** This should be written into their job description. Keep expanding goals, making bold choices, and finding new ways to breathe life into the organization.

All five of these are absolutely essential, but the third is the one I keep coming back to. Growth, not just cost cutting, is key to transformation. Investing in digital and R&D is the secret weapon here. In their research, the authors found that such investments increase the chance of success by 29 percentage points, versus 11 percentage points in transformations fueled mainly by high capex spending.

I think you'll find this article highly relevant, and if you're interested in diving deeper, I've included additional thinking below. Looking forward to reconnecting next week.



Rich Lesser
Chief Executive Officer



Transforming for Growth: An Evidence-Based Guide

To address disruption from COVID-19, companies need to reimagine their business models with transformation that both sustainably accelerates growth and generates shareholder value.



Crisis Can Spark Transformation and Renewal

Many companies were lucky to survive the global financial crisis, but some seized the opportunity to make needed changes. Here are lessons from the top performers.



What Does It Take to Be a Great Leader

In this TED@BCG talk, Roselinde Torres describes 25 years observing truly great leaders at work, and shares the three simple but crucial questions would-be company chiefs need to ask to thrive in the future.