

Beyond the Core

Growth Through Capability You Already Own

How businesses and individuals create value beyond the traditional roles, sectors and operating models.

A BOARD-LEVEL BUSINESS REPORT

GOVERNANCE · GROWTH · SUCCESSION · STEWARDSHIP · LEGACY

Growth Pillar · Abridged Edition · October 2026

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We use AI tools to analyse information faster, explore a broader range of scenarios, and refine recommendations more efficiently. But technology never replaces professional judgement: every piece of advice is developed, reviewed, and owned by experienced advisers.

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BEFORE YOU BEGIN

How to Use This Report

This is the abridged edition of Beyond the Core, the companion report to the presentation of the same name. It is written for founders, CEOs, boards and senior leadership teams who have built a strong core business and now need to decide where the next source of growth will come from.

It follows the presentation in three parts. Read it straight through before a strategy day, or go directly to the part that matches the decision in front of you.

PART	WHAT IT COVERS	USE IT WHEN
Part One: The Case for Looking Further	The core as a trap, the evidence on sustained growth, and the three ways a business can grow	The board is debating whether growth beyond the core is needed at all
Part Two: The Discipline	The adjacency principle, the Right-to-Win Test and the Rolls-Royce case study	Specific opportunities are on the table and need testing
Part Three: From Decision to Action	Build, buy or partner, the four-stage Growth Map and five board questions	An opportunity has passed the test and the route must be chosen

THREE WARNINGS

- **An attractive market is not a reason to enter it.** Most failed growth moves were sound markets entered without an advantage.
- **Adjacency is not diversification.** If the advantage the business brings cannot be named, the move is diversification and should be priced as such.
- **Frameworks do not make decisions.** The tools here structure the board's judgement. They do not replace it.

ABOUT THIS EDITION

This abridged edition is a free preview of the Acumen Partners on-demand library. The full pack includes the extended presentation, the complete written report, a right-to-win scoring guide, a second UK case study and governance stage-gates for funding a new venture. Available at acumen-partners.co.uk.

PART ONE

The Case for Looking Further

Why success in the core becomes the reason not to look elsewhere, and what the evidence says.

IN THIS PART

Chapter 1 The Assumption Worth Revisiting

Chapter 2 The Uncomfortable Numbers

Chapter 3 Three Ways to Grow

The Assumption Worth Revisiting

The core is an asset. Given enough time and enough success, it can also become a trap.

Every core business was, once, somebody's bold new idea. A founder saw a gap, took a risk and built something customers valued. Over time that idea became a product line, then an organisation, then a set of assumptions so familiar that nobody thinks to question them.

This is where the trap sets in. The thing that made a company matter becomes the thing that is defended rather than examined. The business does not decide to stop looking for the next opportunity. It simply arranges itself, decision by decision, so that looking becomes harder.

How the trap forms

- Investment decisions are made to protect what exists, not to test what could exist.
- The organisation chart, incentives and reporting lines are built around today's business, not tomorrow's.
- Performance measures track how well the core is run. Few track whether it will still matter.
- Senior attention is consumed by running the business, leaving little for shaping it.

None of these is a failure of management. Each is a sensible response to the pressures of running a successful business. Together they produce an organisation that is very good at doing what it already does, and poorly equipped to notice when that is no longer enough.

PROPOSITION A

The core is an asset, but it can become a trap. Success in the core becomes the reason not to look elsewhere.

The Uncomfortable Numbers

Growth beyond the core is rare, and rarer still when it succeeds.

Ambition is common. Sustained, profitable growth is not. The research on this is consistent and sobering, and it is worth putting in front of any board that believes its growth plan is a formality.

FIGURE	WHAT IT MEANS	SOURCE
11%	of companies achieved sustained, profitable growth: 5.5% or more annual growth in revenue and profit over ten years, while earning back their cost of capital	Bain & Company, Profit from the Core
About 1 in 5	moves beyond a company's core business succeed. Bain separately estimates that one in four adjacency initiatives succeed	C. Zook, Harvard Business Review (2016); Bain & Company
18 of 25	of the largest business disasters in the five years Bain studied stemmed from failed moves into adjacent territory	Bain & Company, "Hard-core growth"

The point is not that growth beyond the core should be avoided. The businesses that do sustain growth almost always find it there eventually, because the core matures. The point is that most attempts fail for predictable reasons, and those reasons can be tested for in advance.

What the numbers say to a board

- A growth plan that relies on optimism is betting against the odds.
- The difference between the successful minority and the rest is rarely the quality of the idea. It is the discipline of the method.
- Innovation is a long-term habit, not a project. 3M's "15% time" policy has run since 1948, outlasting every product it has helped to launch.

CHAPTER 3 · FRAMING

Three Ways to Grow

Only one of them builds directly on what the business already owns.

Every growth strategy falls into one of three broad routes. Naming them clearly helps a board see which conversation it is actually having.

ROUTE	WHAT IT MEANS	ASSESSMENT
Defend and extend the core	Push the existing business further: market share, efficiency and price	Necessary, but a shrinking source of new value once the core matures
Grow through closeness	Move into spaces close enough to existing capability to be credible, far enough away to create new value	The subject of this report, and where most realistic growth sits
Redefine the core	Change what the business fundamentally is	High reward and high risk. Usually forced by industry turbulence rather than chosen

Most boards spend the majority of their time on the first route because it is measurable, familiar and urgent. The third route tends to arrive as a crisis. The second route, growth through closeness, is where deliberate strategy makes the greatest difference, and where this report concentrates.

PART TWO

The Discipline

Growing through capability the business already owns, and testing every move before it is funded.

IN THIS PART

Chapter 4 The Adjacency Principle

Chapter 5 The Right-to-Win Test

Chapter 6 UK Case Study: Rolls-Royce

The Adjacency Principle

The next opportunity often sits close enough to be credible, but far enough away to create new value.

Picture the business as three rings. At the centre is the core: the customers, products and capabilities that generate today's returns. Around it is the adjacent ring: spaces the business can reach by extending something it already does well. Beyond that lies breakthrough territory: genuinely new ground, where the business has no inherent advantage.

The adjacency principle says that the most reliable growth comes from the middle ring. It extends capability the business already owns into a new product, customer group, channel or business model.

What can be extended

- **A customer relationship:** a customer relationship: trust that allows the business to sell something new to people who already buy from it
- **A channel:** a route to market that can carry additional products or services
- **A technology:** know-how, systems or data that can be applied to a different problem
- **A process:** an operating discipline that can be repeated in a new setting

Adjacency is not diversification

QUESTION	DIVERSIFICATION	ADJACENCY
Starting point	An attractive market	An existing advantage
What crosses over	Capital	Capability
Source of confidence	Market forecasts	Evidence from the core
Typical risk	No reason to win once inside	Over-stretching a real strength

PROPOSITION B

Growth travels best along capability, not ambition. If the advantage cannot be named, the move is diversification.

CHAPTER 5 · PROPRIETARY FRAMEWORK

The Right-to-Win Test

Growth beyond the core requires a right to win, not merely an attractive market.

A right to win is a defensible reason why this business will succeed in a market where others would not. It is the single most useful test a board can apply to a growth proposal. The Acumen Partners Right-to-Win Test breaks it into four questions.

TEST	THE QUESTION	WARNING SIGN
Distinctive capability	Do we bring something to this market that most entrants cannot easily replicate?	The case rests on effort and enthusiasm rather than an asset
Customer credibility	Will the customer believe we belong here, based on what they already trust us to do?	The proposal assumes customers will make a leap they have not been asked about
Economic logic	Does the opportunity share cost base, data or distribution with what we already run?	The new venture needs entirely new infrastructure to work
Sustainable advantage	Can we defend the position once competitors notice it is working?	Success would be easy for a larger competitor to copy

A proposal does not need a perfect answer to all four. It does need a convincing answer to the first. Without distinctive capability, the other three tend to collapse under competitive pressure.

IN THE FULL PACK

The complete report includes a scoring guide for the Right-to-Win Test, with thresholds, evidence prompts and a worked example.

PROPOSITION C

An attractive market without a right to win is a bet, not a strategy.

CHAPTER 6 · UK CASE STUDY

UK Case Study: Rolls-Royce

From engines to outcomes: the same capability, extended into a new business model.

Rolls-Royce's civil aerospace business built its core around designing and manufacturing jet engines. Its most significant move beyond that core was not a new product. It was a new way of being paid for the product it already made.

The move

Under TotalCare, airlines pay a fee for every hour an engine flies, often described as “power by the hour”. In return, Rolls-Royce takes responsibility for maintenance and availability, using data from engines in service to plan work before failure occurs. By 2013, more than 1,100 aircraft in service were covered by TotalCare.

Why it passed the Right-to-Win Test

- **Distinctive capability:** decades of engineering knowledge of how its own engines perform and fail
- **Customer credibility:** airlines already trusted Rolls-Royce with the engines themselves
- **Economic logic:** the service drew on the same engineering base, data and customer relationships
- **Sustainable advantage:** no new entrant could replicate the in-service engine data built up over decades

The result

Recurring service revenue replaced reliance on one-off equipment sales, and aligned Rolls-Royce's incentives with the airline's: both want the engine flying, not in the workshop. In 2013, services accounted for £3.6bn of Civil Aerospace's £6.7bn underlying revenue.

54%

**of Civil Aerospace revenue came from services rather than equipment in 2013.
The adjacency had become a core earnings stream in its own right.**

Source: Rolls-Royce plc, 2013 Annual Report and Accounts (Civil Aerospace segment).

PART THREE

From Decision to Action

Choosing the route, following a repeatable method, and putting the right questions to the board.

IN THIS PART

Chapter 7 Build, Buy or Partner?

Chapter 8 The Beyond the Core Business Growth Map

Chapter 9 Board Questions for Future Growth

Chapter 10 The Final Message

CHAPTER 7 · DECISION FRAMEWORK

Build, Buy or Partner?

The three routes into an adjacency, and the question that decides between them.

Once an opportunity has passed the Right-to-Win Test, the next decision is how to get there. The deciding question is simple: what does the business lack, and how quickly does it need it?

ROUTE	CHOOSE WHEN	MAIN RISK
Build	You already own the underlying capability, and time is on your side	Slowest route; risk of under-resourcing against an established incumbent
Partner	Someone else owns the capability, and speed matters more than control	Fastest route; risk of dependency and diluted differentiation
Buy	The capability exists, is scarce, and would take too long to replicate	Highest cost and integration risk; fastest way to acquire a genuine right to win

The routes are not exclusive, and the right one can change over time. A business may partner to learn a market, then buy once the capability is proven and scarce. What matters is that the route is chosen against the gap, not against preference or habit.

Boards often default to the route they used last time. A useful discipline is to ask the executive team to argue the case for each route before one is chosen.

CHAPTER 8 · PROPRIETARY FRAMEWORK

The Beyond the Core Business Growth Map

A repeatable four-stage sequence, not a one-off workshop output.

Growth beyond the core is most reliable when it follows the same sequence every time. The Acumen Partners Growth Map sets out four stages, each of which must be completed before the next begins.

- 1. Audit the core.** Identify the capabilities, relationships and data that are genuinely distinctive, not merely familiar.
- 2. Map adjacencies.** List the spaces those capabilities could credibly extend into, before judging whether any of them are attractive.
- 3. Apply the Right-to-Win Test.** Score each adjacency against distinctiveness, credibility, economics and defensibility.
- 4. Choose the route.** Decide to build, buy or partner, and set the decision points before funding begins.

The order matters. Most failed growth strategies start at stage two with an attractive market and work backwards to justify it. Starting with an honest audit of the core changes which opportunities appear on the list in the first place.

IN THE FULL PACK

The complete report adds governance stage-gates: how to release funding against evidence, set exit criteria in advance and report the new venture separately from the core.

CHAPTER 9 · FOR THE BOARDROOM

Board Questions for Future Growth

Questions to raise at the next board or advisory meeting, before the next budget cycle is set.

1. What percentage of this year's investment is protecting the core business, and what percentage is testing something beyond it?
2. Which of our current growth initiatives could genuinely pass the Right-to-Win Test, and which are hopeful bets on an attractive market?
3. Who on this board is personally responsible for asking about relevance, not just performance?
4. If a competitor licensed or copied our core capability tomorrow, what would still be ours?
5. What did our own people notice about the market this quarter that never reached this table?

A board that can answer all five clearly is already managing growth beyond the core. A board that cannot has found its next agenda.

CHAPTER 10 · CONCLUSION

The Final Message

Tomorrow's success demands the courage to grow and evolve.

THE FINAL MESSAGE

"The strengths that built your business will not, by themselves, secure its future. Tomorrow's success demands the courage to grow and evolve."

Beyond the core is not a licence to chase every attractive market. It is a discipline: know precisely what you are good at, extend it deliberately, govern it honestly, and let the best people in the business ask the better questions before the market forces them on you.

Next steps

- Put the five board questions on the agenda for the next board or advisory meeting.
- Apply the Right-to-Win Test to every growth initiative currently in the plan.
- Download the full pack, or request a strategic conversation, at acumen-partners.co.uk.

Sources

Growth research

- Bain & Company, Profit from the Core (C. Zook with J. Allen): bain.com/insights/books/profit-from-the-core
- Bain & Company, “Hard-core growth: Bain research shows how smart companies profit from their core business and beyond”: bain.com/insights
- C. Zook, “The New Rules for Growing Outside Your Core”, Harvard Business Review (2016), via bain.com
- 3M, “15% time” policy, introduced 1948

UK case study

- Rolls-Royce plc, 2013 Annual Report and Accounts: Civil Aerospace segment, underlying revenue £6,655m, of which services £3,620m; TotalCare coverage

Scope, Limitations and Disclaimer

Abridged edition. This is a shortened preview of the full Beyond the Core report. It does not include the scoring guide, governance stage-gates or second case study contained in the full pack.

Figures. Statistics are drawn from published sources and were checked in October 2026. Figures relate to the periods stated and may since have changed.

Case studies. Rolls-Royce is described from its public reporting. No commercial relationship is implied, and the analysis is Acumen Partners’ own.

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