

# BusinessPlus+ Newsletter

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## How to Manage the Growth of Your Business

“ You have brains in your head. You have feet in your shoes.  
You can steer yourself in any direction you choose. You're on  
your own, and you know what you know. And you are the guy  
who'll decide where to go.

Dr Seuss

### Introduction

Growing a business is one of the most exciting—yet nerve-racking—experiences that you can have as a CEO, owner or senior leader within the business. It's exhilarating to see your business expand, but it also comes with a lot of pressure and new challenges. You may find yourself struggling under the weight of new responsibilities or worrying about maintaining your company culture as you hire more people. But there are some things you can do to make growing pains less painful, so your company can continue to develop in a healthy way.

### Business Growth Risks

As a business owner or senior leader, it is important that you have a plan in place to help manage the risks associated with your company's growth. While revenue growth can be a positive thing, there are also several potential drawbacks that need to be considered and accounted for as well.

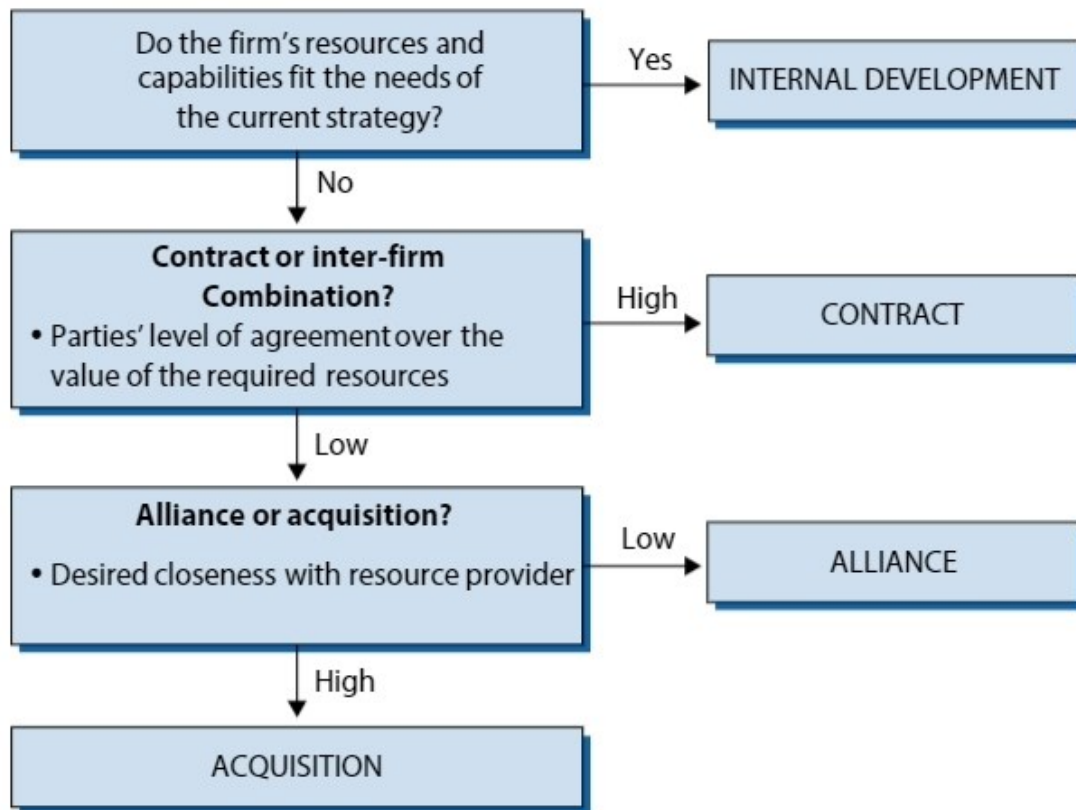
The biggest risk of all is simply not having enough cash flow to sustain the increased sales volume brought on by your business' expansion efforts. An increase in expenses and hiring new employees may also pose challenges if additional funding isn't secured or expanded operations aren't properly planned for.

### Manage Internal Business Growth

The first step to managing internal business growth is to map out your current business and determine where you want to go.

It's important to note that not every type of growth is good for your company, so it's vital that you think about how each change will affect the future of your organisation. Some types of expansion are more likely than others to lead to success; others might be detrimental. If you're considering a new product or service, analyse whether there is enough market demand for it—if not, then perhaps it isn't worth investing in at this time (or ever).

## Manage External Business Growth



### Choosing the Right Growth Path

Source: "Finding the Right Path" Capron & Mitchell, Harvard Business Review - September-October 2010

When your business is growing, you have four main reasons: acquisition, merger, organic growth and licensing.

Acquisition is the process of buying a company or a subsidiary of another firm in order to expand your business' operations. This can be done through bidding on companies that are up for sale or purchasing them outright.

Mergers happen when two similar firms join forces to further their mutual goals and increase market share within an existing industry; both parties need to agree on whether they want to merge as equals or one will buy out the other.

Organic growth is basically what it sounds like: You're growing organically by building up sales organically (i.e., without making any purchases).

Franchising is when you license out your brand name so other people can use it as part of their own businesses.

### Business Growth Effect on Finances

Now that you've determined how your business is growing, it's time to look at how this growth will affect the finances of your business. The first step in managing finances during growth is setting financial goals. Financial goals are quantifiable targets, such as increasing revenue by 10% or reducing expenses by 2%. This can be done using a simple percentage increase or dollar amount increase for each month/quarter/year until you hit your target goal. Once you have determined what goals are most important to meet, it's time to figure out what kind of money management strategies need to be put into place in order to reach these goals without losing control of operations or sacrificing profit margins.

### Business Growth Effect on Staffing

The most important thing to remember when planning for business growth is that you absolutely must have a plan for staffing. Your business has its own unique staffing requirements, so it's important to carefully think about what those are and how they might change as your business grows.

The first step in this process is conducting an internal analysis of your current staffing needs. You should assess whether or not there are any areas where you need more staff or if there's room to expand existing positions by hiring new people or shifting responsibilities around within the company. This can help inform decisions about how much space to allocate for office space, equipment maintenance and other needs that will be impacted by increasing employee headcounts as well as how much money will be spent on them over time.

### Business Growth Effect on Marketing

Marketing is a key component of business growth. As your business grows, you must ensure that marketing continues to be integrated into every aspect of your organisation's operations. This means that marketing should be a continual process and not just something you do when things are slow or if you need to release some information about your company.

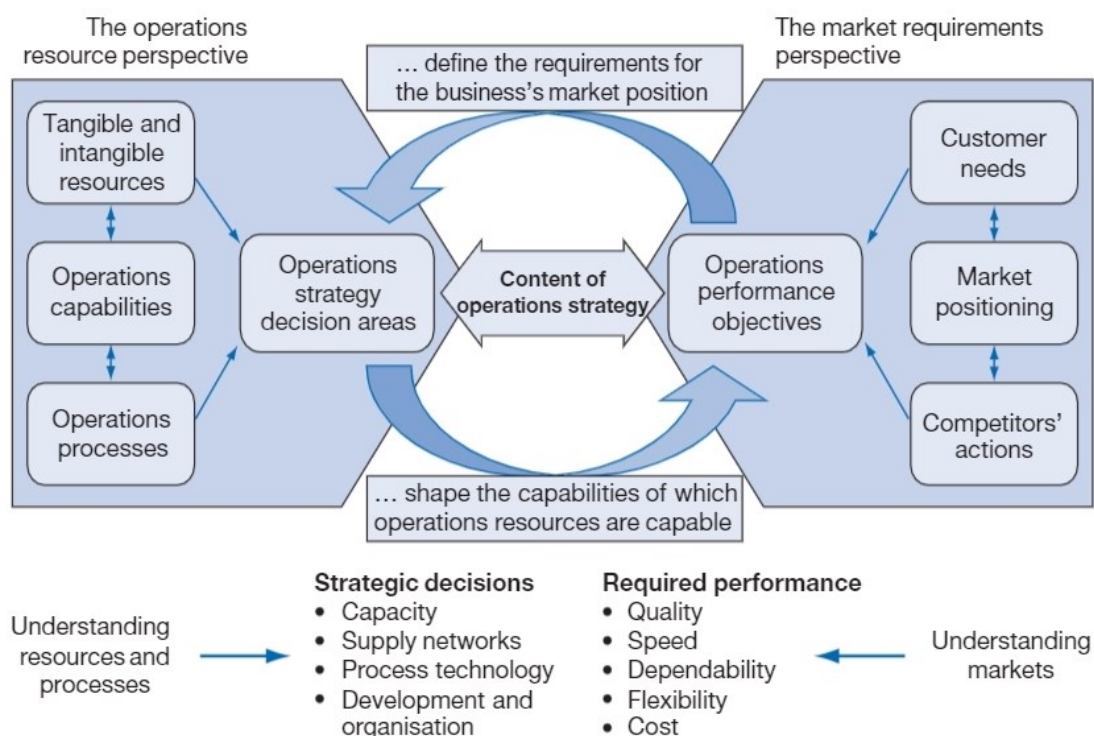
Marketing can help you reach the right kind of customer and tell them what makes your product or service stand out from the competition. It will also help you maintain relationships with customers after they have made their initial purchase, which is essential for loyalty programs like rewards cards or frequent flyer programs (these types of programs reward customers for spending more money).

### Business Growth Effect on Sales

Sales are a key component of business growth. If you want to make sure that your business keeps growing, sales are a crucial part of the process. You should be constantly focused on ways to increase your sales and bring in more revenue. This might seem like an obvious statement, but many small businesses don't consider this aspect of their operations until they start running into problems with cash flow or lack the resources they need to stay competitive.

Sales should be integrated with everything else you do as a business owner or manager. You should never see sales as being separate from marketing, accounting or human resources; instead, all these departments need to work together so that they support each other's objectives and goals at every stage of the company's development.

### Business Growth Effect on Operations



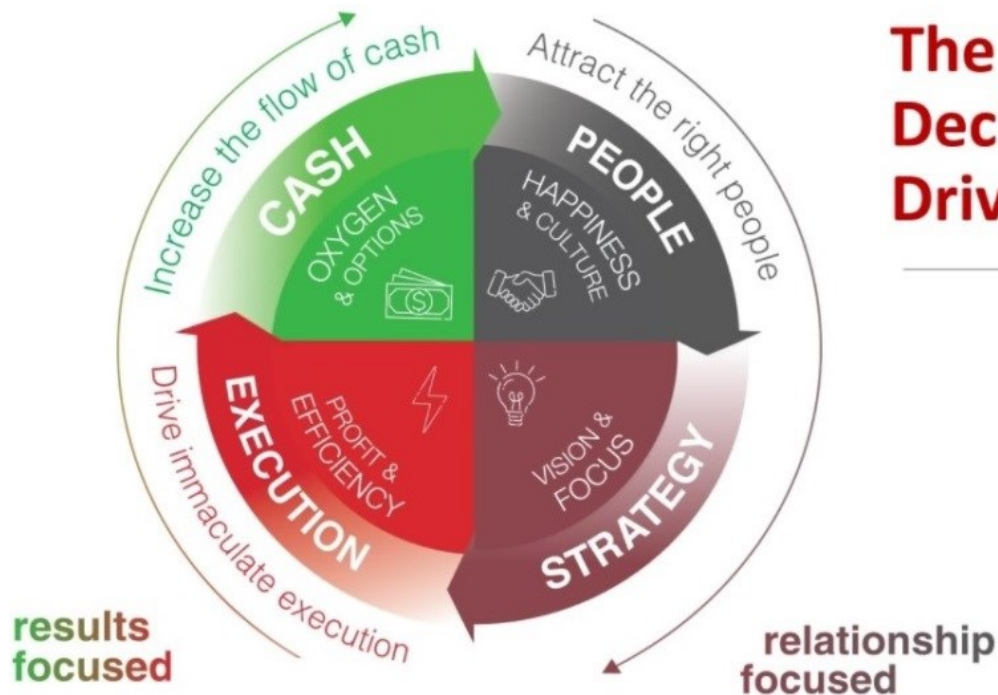
### Operations Strategy – The strategic reconciliation of Market Requirements with Operational Resources

Source: "Operations Strategy" Sixth Edition 2020 Nigel Slack & Michael Lewis

Operations are a key component of the growth of your business. It's not just about making sure you have enough stock on hand or managing customer service, but also making sure your operations work well with the rest of the business.

For example, if you are trying to grow into other markets and expand internationally, then you will need to look at things like translation and localisation costs for new languages as well as costs related to shipping products internationally (like customs duties). Operations can help you determine what those costs might be before they happen so that they don't surprise you later on down the road.

Operations can also help you understand how much it would cost if an unexpected event happens such as an increase in demand or decrease in supply. This way when this happens there won't be any surprises, because everyone knows what their responsibilities are going forward and how much money needs to be allocated towards each area respectively.



## The Four Decisions that Drive Growth

### Conclusion

Hopefully, this article has shown that proper management of growth is critical to the success of any business.

It's not just something you do when you have enough money to hire employees and move into a new office space; it's an ongoing process and one that should be taken seriously. As we've discussed here, proper management means having clear goals in mind from the beginning so you know what direction your business is headed in at any given time.

Proper management also involves giving yourself room for flexibility as circumstances change over time or unexpected events crop up along the way—and it means taking care to delegate tasks properly, even if it feels difficult sometimes. We hope this article has given you a better understanding of what makes up good growth management and how you can apply these principles to your own business.

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