



How to grow your business

10 STEPS TO HELP YOU TAKE YOUR BUSINESS
TO THE NEXT LEVEL

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If you're ready to grow your business, this guide will help. It offers ten strategies you can use to take your business to the next level.



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Step 1: Offer new products/services

One way to grow your business is to offer a new product or service that your existing customers will buy or that will bring in new clients.

Identify potential products or services that enhance what you have and that your customers have indicated they'd be interested in buying from you. Any new product needs to complement what you already sell, not be a substitute, otherwise there will be no growth in sales.

Many businesses need new products and services to keep ahead of the competition and to keep up with the evolving market. In addition, technology is moving so fast that often there are opportunities to add to your sales growth by identifying how you can change what you sell through the internet. For example, most major grocery chains now offer online ordering and delivery, which means some customers may never actually set foot in a store.

Before committing to a new product or service

Check financial feasibility

Make sure there's a market for the product and that you can actually create it. Diversifying into new products is a medium- to high- risk growth strategy because new products and services cost time and money to source or develop.

Develop a prototype

Invest time and money in research and development to create a prototype product (or a template service) to present to your customers.

Test with customers

Test your product with your target market and record and analyse the results. You'll be able to determine if the demand exists and if there are changes you could make to the product before taking it to market.

Protect intellectual property

Be sure to protect your intellectual property (IP) for any new product you develop. IP is a valuable asset and worth protecting by registering it with the Intellectual Property Office. Work with a qualified lawyer to protect your IP properly – and to make sure you're not breaching anyone else's.

Step 2: Nurture customer relationships

Growing your business requires you to maintain your current customer relationships while also appealing to new customers. It doesn't help you to focus solely on one group at the expense of the other. Find a way to sell more to your existing clients while bringing in new customers.

Sell more to your existing customers

Your existing customers already know and trust your business. You don't have to convince them again of the reasons to buy from you – you've already established your reputation. They're also predisposed to buy from you as they would likely rather buy from someone they know than go through the process of shopping around for someone new.

It doesn't take a lot to sell to existing customers. You could:

- Implement new ways for customers to buy from you, such as online ordering
- Introduce your existing customers to products or services they haven't yet purchased (known as cross-sell)
- Promote a more expensive version of the product or service they have purchased (known as up-sell)
- Offer them a complementary product or service
- Determine when customers need to re-order from you and send reminders
- Encourage them to book multiple appointments ahead of time
- Offer a slight discount for paying in full up-front for a set amount of services.

Ways to engage existing customers

Connect using your database

Good customer relationship management software (CRM) enables you to keep track of customer interactions and manage customer communications. Use your database to add value to your customer relationships, by sending a monthly or quarterly high-value newsletter filled with the latest news, tips and industry events. Advise customers of special offers or share product and service profiles.

Spot opportunities using accounting software

Your accounting software can identify your best customers. Generated reports show you which customers spend the most money, which customers haven't bought for six months, and which ones are the most profitable. Tailor your sales campaigns to engage those customers with specific, customised offers.

Ask your customers what they want

Find out what customers are interested in buying from your business.

Ask questions like:

- What will make you buy more often?
- What will make you spend more?
- What can we do to keep your business?
- What else would you like us to offer?

Anticipate customer needs

Imagine knowing exactly when a customer is going to run out of your product – and being right there to sell it to them again. Use your accounting software to analyse customer purchase transactions – for example, you may discover that one customer places an order every six weeks, while another customer buys every three weeks. Use this information to send reminders or offer special deals.

Run a loyalty programme

Customers today expect more attention and increased benefits – you can give them both with a customer loyalty programme. There are many different types of programmes: some reward with points or travel miles, some reward with discounts on future purchases, and others offer free products or services based on spending thresholds. You can even offer unique experiences as part of your loyalty programme, such as a VIP event or weekend getaway package.

You'll find numerous loyalty programme providers online. You can create your own custom loyalty programme or select a turnkey solution to implement immediately.

Nurture your social media channels

If you're not already on social media, it's time to start. Social media is an inexpensive method of engaging your customers. Ask your customers which channels they prefer (Facebook, LinkedIn, Twitter, Instagram) and share interesting, engaging content on those channels.

Get really good at cross-sell and upsell

Learn the fine art of cross-sell, which involves suggesting to customers an item or service to complement their current purchase. For example, if you're selling website design, offer to write the copy for the website for an additional charge. An upsell is when you suggest a more expensive version of the product or service they're buying, such as selling a website with more pages. Whatever you offer clients, make sure it fits their needs.

Grow by finding new customers

Once you've exhausted your existing customer base, look for new customers with a similar profile to your existing ones.

The first step is to build a profile of your ideal customer. If you already have regular customers, it should be easy to build a customer profile. If not, base your customer profile on your business plan research while taking into account your competitors' customers.

Once you have your ideal customer profile, make a plan to find more customers just like them. You have many options including:

- Generating referrals from existing customers
- Making your website search engine friendly
- Engaging on social media channels
- Writing a blog
- Using lead generators such as white papers and case studies
- Traditional advertising using newspaper, radio, direct mail, TV and flyers
- Attending or exhibiting at trade shows or conferences
- Building your own profile by speaking at events, attending conferences, or writing thought leadership articles.

Step 3: Update your business model

Your business model is how you receive income. You may find growth opportunities by changing the way you do business, especially if current demand shifts. For example, if you own an education company, one business model is running workshops and charging a fee for each workshop. A different business model is to place the training online and ask participants to subscribe to access content.

Examples of business models:

- Moving your business online
- Licensing your design or product to other manufacturers rather than manufacturing yourself
- Selling your intellectual property for royalties
- Allowing buyers to pay monthly through a subscription service
- Opening an offshore branch to get a foothold in an export market
- Acquiring competitors to expand your customer database
- Developing a strategic alliance to gain shared market advantages.

Other ways of amending your business model include:

- Selling unused capacity
- Contract manufacturing for other businesses to fill your capacity, increase profitability, and offer leverage to get better buying prices
- Producing your goods under different brands (for instance, a premium brand and a 'house brand') and letting other distributors sell them to the market
- Hiring out your facilities to others
- Offering prepaid services.

If you provide services, you could introduce fixed-rate service agreements rather than charging fees by the hour. The fixed-rate business model aims for predictable cash flow in advance.

Investigate franchising

One of the best and most effective ways to grow your business and see a major increase in profits is to turn your business into a franchise.

The main factor to identify is whether your business can be replicated. It's also important that there's a demand for what you're selling – is it popular enough that it can be sold in different locations, by other business owners?

Businesses that successfully become franchises are those that have robust and efficient systems in place. If your business runs like a well-oiled machine with great systems and streamlined processes, including well-trained staff, then there's a good chance it could become a franchise.

Offer new distribution channels

A distribution channel is simply the way that you get things to your customers. Is there another channel or way of selling to your market that would open up growth opportunities?

There are many ways that any business can reach their potential customers. For example, if you manufacture tables, you could sell:

- Direct to the public by opening a showroom
- From a company website direct to the public
- Wholesale to retailers
- At home shows and trade fairs
- Through a sales agent or distributor who sells your tables to retailers for you
- From online trade portals
- Through a strategic alliance with a similar business that operates in a different market.

Make sure any new business model is substantial in that it creates more revenue than your older way of doing business, and sustainable in that the revenue it creates is long-term.

Research the competition for business model ideas

Spend time on researching the competition (the internet and trade directories are a good place to start).

While keeping up-to-date on your direct competition is always good business practice, try digging deeper into their affairs to see what they're up to next.

Subscribe to their newsletter, read their promotional literature and even become a customer. Go online to read their annual reports, monitor key moves in human resources and pay attention to strategic alliances. That information could give you clues as to what you should consider for your business.

Step 4: Increase your profit margin

Your profit margin is the total revenue that remains after all costs, fees, taxes and other expenses have been deducted. If you can lower your expenses, you can increase your profit margin.

Many businesses focus on increasing sales to improve their profit, which, as long as it doesn't have any major cost increases, should work.

Some ideas to help you increase sales include:

- Adding new markets and distribution channels to your sales strategy by determining where else you can sell and how you can get in front of potential customers
- Increasing your prices where it makes sense
- Reviewing your digital strategy and making the best use of the internet through online sales or digital marketplaces
- Forming strategic alliances with complementary businesses or joint ventures to tackle work you don't have the resources to handle on your own
- Increasing the value of your sales by providing a premium product or service
- Adding features to your products or services if the perceived value to customers is greater than the cost to you
- Keeping your products or services up-to-date by extending your product range or working to ensure it stays ahead of your competition
- Focusing your sales efforts on your most profitable customers – those who place large or frequent orders, pay their bills on time, and are low maintenance.

Categorise your customers

Divide your customers into four categories and allocate different effort and resources based on their value. For example customers that have:

- High percentage of sales and high profit margins – nurture these clients and put most of your sales effort into them
- High percentage of sales but low profit margins – consider a price increase and examine how you can cut costs to increase your profit margins
- Low percentage of sales but high profit margins – consider a sales push to try and get them to buy more regularly
- Low percentage of sales and low profit margins – eliminate these where possible.

Decrease your costs

If possible, reduce your costs to increase your profitability.

Identify the steps you can take such as:

- Negotiating lower prices with your suppliers
- Reviewing processes and systems to improve efficiency
- Reducing waste
- Implementing security to reduce the chance of theft
- Putting systems in place to ensure invoices are sent, tracked and paid promptly
- Reviewing fixed business costs to see if there are cheaper providers available
- Checking any on-going subscription services in case they're no longer being used or you're paying for more than you need.

Improve efficiencies

There are numerous ways to improve efficiency and reduce costs. Often, technology can play a big part. Review your systems and look for opportunities to improve efficiencies:

Tighten up operations

- Track outstanding debts and tighten up your credit processes
- Use technology to streamline processes and become more efficient
- Manage your workload, so tasks are effectively ordered and delegated
- Identify employees that you might need to make redundant or change their role to contribute to output
- Identify third party contractors or other companies that could take up duties to increase your capacity at any time.

Improve skills

- Review staff skills and experience, identify areas for improvement
- Check that you have the right mix of employees for your needs
- Identify appropriate training courses and enrol staff
- Run in-house training sessions
- Hire new staff with specialised knowledge if necessary.

Improve performance

- Eliminate unnecessary and time-consuming jobs
- Encourage staff to evaluate their work quality and make improvements
- Check that progress matches your business goals.

Review equipment

- Lease key equipment or machinery needed to increase capacity.
- Investigate technology that removes redundant processes or replaces manual tasks
- Talk to businesses in your industry to find out how they run their systems
- Invest in new equipment that will increase your competitive advantage by getting products to market quicker than your competition.

Step 5: Grow staff expertise and management leadership abilities

Staff expertise and team leadership are vital to successful growth.

When you lead your business into a period of growth, it's important to:

- Know what your leadership qualities are and which skills you may lack
- Identify areas for improvement, set a budget and create a leadership development programme both for you and your key staff
- Find a mentor with experience in larger businesses who you can share your business challenges with
- Read books about great business leaders and learn from them
- Learn to speak in public as it will develop your communication skills and help you be viewed as a leader
- Form a board of advisors you can turn to for advice and guidance
- Ultimately trust your instinct and be decisive.

Investigate training courses your staff can attend

As your business grows, so should your staff expertise. If you're developing new products and/or services, it's important that your employees are well trained in how to use them. Aside from in-house training, look at online training to find what's right for your business.

Step 6: Amplify your capability

Do you have the capability to run a business that is two, three or ten times bigger than you are now? Does your business have the capability to cope with a much larger operation? Take stock of your situation now and plan to increase capability and handle your inevitable growth.

To make this easier consider:

- Having key staff in place to manage a larger operation
- Delegating duties so you can manage the business
- Planning a training schedule ahead of time
- Conducting a skills analysis to identify any gaps.

As you grow you will find that productivity is increasingly important. Small improvements in how you accept orders, process work and deliver to the final customer can result in extra profit.

This is especially important if you need additional equipment or space. Capability building is about increasing your business's ability to do more internally – such as speeding up production or improving your systems and processes.

You may have to invest in new technology and new ways of working to maintain your margins. Create a workflow plan to identify any possible bottlenecks that may occur in the future so you can plan to minimise them. Be sure to:

- Calculate how quickly you can scale
- Determine whether you need more people, more equipment, more room or more supplies
- Have contingency plans to respond if demand exceeds your ability to supply, such as outsourcing to other businesses, employing contractors or sub-contracting work
- Make sure any growth you achieve is sustainable, including having any necessary long-term orders, guaranteed contracts or agreements in place that allow you to increase your capacity with confidence.

What you can add to increase capacity

While it's important to maximise your internal resources, scaling your business for growth almost always means adding to your operations in terms of staff, equipment, facilities and finance.

The right staff

The right staff is critical for your business to grow. If there are vital gaps in skills among your staff, look at training them or hiring someone with the knowledge and experience you need.

It's also important to have the staff you need to meet increased demand. If you're selling orders online and the fulfilment team can't keep up, then it's definitely worth hiring more.

Equipment and facilities

You don't want your business growth to be hampered by not having the right equipment to do the job or the facilities to do it in. If you want to increase production or services, it's likely that the location you're in and the facilities you're using now won't be adequate to meet the new demand.

- Location – move to a new, larger location or open another branch of your business
- Equipment – to increase production on a scalable level, you'll need the equipment
- Suppliers – if you're going to need more raw materials to produce what you're selling, look at changing to suppliers you know can meet the increased demand.

Speak to us if you'd like to discuss the best business structure for your growing operation.

Business structure

Your business structure is often the first thing to change when your business grows, particularly if you start as a sole trader and then want to take on a partner or register as a company.

Choosing the right business structure is an important decision, so you need to investigate each option carefully to decide which best suits your needs.

Step 7: Increase your cash reserves

You'll need money to grow your business – possibly a lot of money. Explore your options to get the money you need to fund expansion.

Free up internal cash

If possible, avoid seeking a loan or outside investment. Reduce your withdrawals or consider leasing equipment when it's needed, instead of buying it. If you can achieve growth without borrowing to do it, so much the better.

Balance the risks and rewards of a loan

It could be that there's no other option than to borrow money to finance your business growth, but you should be certain that it's worth it in the long run. Speak to your banker and your accountant to discuss the pros and cons of borrowing money.

Set up a crowdfunding venture

Not only is this a great way to raise funds, but you can grow your customer database and get people who are interested in your products and services to provide capital. They'll be even more engaged in your success.

Consider angel investors or venture capital

If you can get investors on board, you can take advantage of their expertise as well as use their financial resources to grow your business and increase your cash reserves.

Take advantage of government grants

This is especially true if you're considering exporting. Too often businesses aren't aware of what the government offers to support and help them grow.

There are also ways you can grow your cash reserves from within your business.

Reduce expenses

Review your costs to spot areas you can save money. You may find opportunities where a small investment in technology (for example, subscribing to software instead of buying it) will free up cash.

Ask your accountant to review your books and make recommendations that will reduce expenses.

Free up cash from your inventory

Unsold stock is cash you can't use. To preserve your cash and avoid getting it tied up in stock, try:

- Introducing lower minimum stock levels
- Putting a just in time (JIT) policy in place rather than ordering large, bulk orders
- Holding a stocktake sale to reduce levels of older stock and to free up some cash
- The per unit savings associated with larger orders can be tempting, but always be aware of the impact on your cash position.

Improve your debtor management

Inspecting customers' credit history before you extend credit terms is an important step in minimizing the chances of having cash tied up in debtors.

Excellent debtor management can be achieved by:

- Asking all your credit customers to fill out and sign a credit application form showing your terms and conditions
- Adding your credit terms to quotes and invoices
- Applying credit limits to each customer – and asking for deposits for larger orders or prepayments for work being carried out
- Checking for a history of bad debts.

Investigate internal efficiencies

There are many ways to generate cash reserves by working in your business to create spare cash. Often it's easy to forget some of the more simple tactics to build up cash.

Conduct a review of your business to see if you can cut any costs, without compromising on quality. If you're paying monthly fees for any services, review them to identify if any can be reduced by switching to a new plan. Saving a few hundred dollars a month may not seem much but combined with all the things you pay for, and then multiplied by a number of years, it adds up.

Improving cash flow is the most effective and fundamental way to find more money. Tighten up your debt collection practices, chase slow or non-payers, and investigate mobile payment options to reduce customer invoicing activities.

Develop a cash flow forecast to predict the cash flowing in and out to better prepare for any shortfalls.

Sell unused assets

It's almost inevitable that over time as your business grows and changes, you'll have some assets that aren't put to full use. Perhaps you have idle printers that aren't really used anymore, a company vehicle that's past its use-by date, or aging computer equipment.

Now's the time to scrutinise your business for assets that aren't really being used – and to sell them.

Step 8: Buy another business

Growth can be achieved through purchasing other businesses. Acquisitions are usually a:

- Similar type of business, either a competitor in the same market or a similar business in a new market
- Key supplier, to guarantee raw materials or exclusive supply, or to reduce your costs
- Customer, to guarantee the sales channel and take advantage of new business models
- Complementary business to form a strategic partnership that will be more competitive and able to enter new markets
- Different business altogether in a market you are looking to diversify into.

Either use existing cash or ensure the new business has enough cash flow to assist the financing of the purchase cost. Also seek professional advice and talk to your banker to discuss the wider implications of buying another business. One of the most difficult aspects you will face is focusing on two businesses at once. Once you have more than one business both will make demands on your time, so delegation, time management and prioritisation become critical.

Checklist for buying a business

If you do decide to invest in another business, then consider the following:

- Check all legal and accounting disputes have been resolved
- Make sure any legal or tax issues are settled
- Have leases formalised in a way that's acceptable to you.

Assess the financials

- Be certain that the accounts are in order, accurately reflect the business's value and give a true presentation of profits
- Double-check to make sure the seller has included all the information you need.
- Get access to the last three years of financial records, particularly sales and profit figures, so you can examine business performance. You'll also want to know if the business is turning over stock quickly and showing future profitability.

Highlight any unusual items

- Investigate any unusual items such as discontinued operations (like recently shutting down a unit) or a change in accounting principles so everything is out in the open. Make sure your accountant reviews any unusual items on the books for the seller to explain.

Reduce the risk of buying

- Speak with staff about your sale plans and find out if the owner intends to release all the current staff
- Discuss the sale and transitional period with your key staff members in your current business
- Your professional advisors are critical before, during and after the purchase of a new business
- Prepare confidentiality agreements
- Speak with your accountant about how to structure the purchase.

Make sure to retain value of the business

- Consolidate any contracts with long term customers.
- Firm up any supplier or distributor agreements. Document any favourable terms with their supplier(s) so you can lock them in for your future benefit.
- Don't buy any redundant assets. Depending on the condition or age of certain assets, you may not need to pay for old or obsolete assets and inventory if you don't want or need them.
- Review the expenses to see what can be tightened up. Speak with your accountant, lawyer, broker, banker and other advisors to form a plan.
- Identify any intellectual property rights that you will inherit: the name or logo as a trademark, a patent on a new product or process, or any trade secrets.
- Document copies of licenses or permits that the business needs licenses to operate legally.

Step 9: Export your goods or services

Growth by expanding into overseas markets can mean bigger profits, but it can also mean bigger risks. Successful exporting doesn't happen by accident – it needs careful planning and commitment.

If your product is doing well locally, determine if there's a market for it overseas. Exporting is a great way to maximize your profits and bring in new customers.

Are you ready to export?

It's crucial to understand and prepare for the risks associated with exporting before getting started. These risks include foreign exchange, and political, shipping and legal issues. Integrating risks into your business or export plan will help you mitigate them.

Follow the steps to successful exporting

Weigh the cost of entering an export market against the returns. First determine potential market size and then test market your product or service before you go ahead.

Growing in a new market offers high potential for growth as you may be able to take your successful business model and duplicate it in another area. This is why franchises can do so well; if you've established that your business model appeals to a certain market type (consumer or business) then all you need to do is find more of this market type somewhere else. To increase your chance of success in a new market:

- Conduct an extensive financial analysis to ensure the move is viable
- Use your existing business information such as demand compared to population to assess the potential
- Research the competition
- Investigate reducing the risk (but also the margin) by partnering or creating alliances with existing businesses/distributors in the new area first
- Talk to other business owners who have already entered your targeted markets and ask them what to watch out for.

Step 10: Expand online

The internet is another important distribution channel for your business that can connect you to a much wider market. It also offers you many ways to speed up business and lower your costs; these two results will help increase the competitiveness of your business.

Look for opportunities to add to your sales growth by identifying how you can change what you sell through the internet.

- For example, a printed book can now be sold as an ebook.
- Physical workshops that teach certain skills can be transformed into online learning modules
- Services can be sold and delivered completely online
- Subscriptions for automatic purchase of goods or services can be offered
- A service-based business can offer goods sold online that complement the services offered.

You could also have products that can be sold online as well as in a physical location. It's worth investigating how you could add an online store to your website.

Driving online traffic

There are three steps to digital marketing; driving qualified traffic, generating leads and converting those leads to customers.

The best way to drive traffic to your website is to optimise your online activity to appeal to your ideal customer. Your website is the command centre of any plan for online traffic generation, and you should start with fresh, readable, and easily searchable content. This content serves two primary purposes. First, you want to appear for the most relevant search phrases at the top of people's search results. Second, you want the people who find you to stay on your site so they can eventually become qualified leads and then customers.

- Add searchable content to your website
- Implement social media

- Create an email campaign
- Use paid media
- Ensure your website is mobile friendly
- Conduct keyword research to find out what your customers are searching for, use their words and phrases in your main content pages, titles and headings.

Getting more prospects or leads

After step one, driving traffic to your website, you should have increased the number of prospective customers visiting your website. Now you can turn them into a lead. Not all leads will be equal. The best leads are those that become a customer quickly, buy high-margin products or services, pay immediately, and recommend your business to others.

To draw in more prospects or leads, you must understand the buyer process. What do prospects need to know about you, your products or services before they buy from you? The more expensive your product or service is, the more information they'll need before they make a decision.

Once you know what information prospects need from you, you can create lead magnets. Lead magnets are things you offer that encourage prospects to give you their contact details, you can follow up with them and move them along the buyer process. These include free downloads, e-books, white papers, trials, samples, webinars and anything else you can put online that someone would share their contact information with you to access.

You can also automate your lead magnets so you don't have to manage them manually, which can be time-consuming. This includes using email automation, CRM software and sales navigators that enable you to see who has visited your website, what their activity is, and follow up with them.

Set up triggers that encourage the buying process. Triggers are events that happen automatically based on an action the lead takes. For example, a box announcing a special deal might pop up whenever someone lands on your home page, or an email alert might be sent to someone who abandoned an online shopping cart letting them know their products are still available for them.

Converting online leads into customers

Not everyone who visits your website is ready to make a purchase, but there are things you can do to improve the chances that an online lead becomes a customer.

The first step is to consider what's worked in the past. Previous sales success should paint a picture of what works for your business – and what doesn't. Look over your data to see what lead generators resulted in more visits to your website, where most of your online traffic came from and what triggers resulted in more purchases.

Next, assess which leads are most likely to make a purchase. If 35% of the leads who request a demo and 5% of the leads who download a free e-book buy something, the demo lead is a better qualified lead. Focus more attention on the people who book demos and see if there are ways to encourage people who get the e-book to move to the demo next.

It's important to act fast on any leads, by contacting them directly, directing them to your sales team, automating an email sequence to move them along the buyer journey, or determining if they need additional information.

Don't forget to ask for the sale. Have strong call to action buttons on your website inviting the customer to make a purchase. If the lead is a highly profitable one, consider talking to them over the phone or face-to-face.

Next Steps: Chat to us

If you need a hand working out a plan to grow your business, please get in touch with us today.

APPENDIX

Sources of capital to support your growth

Every growth plan requires resources. True, some businesses grow organically and over time they get bigger on their own. But if you're reading this then we assume you are looking for faster growth and that will take your time, money and focus—with money often being the stumbling block.

Don't underestimate how much it will cost to get your growth plans underway. Make sure you have enough reserves to implement your growth strategy successfully.

The most common sources of capital for small businesses are:

- Your own business, such as cash reserves in the business earmarked for growth
- Your own, personal cash
- Friends and family
- Loans of various types.

Do you know where to obtain additional financing for growth?

Obtaining financing is often a crucial step in business growth. An up-to-date business plan supporting your new goals will also ensure you're well prepared when seeking finance. Additional sources of business finance to those listed above include:

- Share ownership or equity. A private part-ownership arrangement that shares the business profits with these investors. Similar schemes exist with employees to encourage increased productivity.
- Floating on the stock exchange. Companies can sell shares publicly on the stock market to raise money. Shareholders receive dividends or payments in return for ownership.
- Government funding. National and local governments provide funding and incentive

schemes for various activities such as research and development, innovation and exporting.

Equity investment

Another option for capital is selling equity or ownership in your business in return for the cash to help you grow.

The most common sources of equity finance are:

- Angel investors. High net worth individuals who have funds to invest and are interested in your sector. They usually live in your area and are active investors that want to see their region grow and get a good return on their funds.
- Venture capitalists. Private companies that have a portfolio of businesses that they invest in if they see high growth potential. They are seldom interested in smaller deals.
- Corporate investors. Often large businesses have funds to buy into smaller businesses if the industry sector is complementary and they see potential for your business beyond the current customer/supplier relationship.
- A stock market listing. A possible option to look forward to when you have successfully grown your business past a certain size.

If you decide to accept equity finance, remember that often it is not the cash that makes the difference. Ask the investor what skills, contacts, knowledge, experience and assistance they can bring to your business over and above the money. Get expert advice from your lawyer, banker and accountant.

Develop your growth opportunity

Deciding to grow your business is one thing. Choosing a specific course of action – and successfully implementing it – is another. As a business owner, spend some time researching the best course of action. Avoid pursuing any strategy without careful consideration of the pros and cons.

Use the growth chart below to assess the advantages and disadvantages of each growth opportunity.

Don't try and develop the final strategy on your own. Before you decide:

- Meet with key staff, business advisors or board members to brainstorm growth ideas
- Research businesses similar to yours to see if they offer different products or target different markets
- Subscribe to trade journals and magazines to spot trends and new technology
- Visit international trade shows and conferences to see first-hand what other businesses are doing.

Set growth targets

Set goals for your growth. The more specific the targets, the better placed you'll be to measure them. For instance, "we're aiming for 15% growth in our consumables section within the next 90 days" is better than "we're aiming for significant growth in the next quarter."

Seek advice

If you find your business has slowed down or is faltering, it's time to seek advice about possible growth strategies. Some methods include:

- Obtaining advice from your trusted advisors, such as your lawyer, accountant, banker, or mentor
- Getting market research feedback from your customers, your suppliers and other stakeholders
- Speaking to business owners at business network meetings
- Meeting regularly with your business advisors and mentors
- Making sure you are regularly getting up-to-date information on your industry, research and development breakthroughs and particularly on what your competitors are doing.

Issues to watch

Growth, especially rapid growth, can bring challenges. For instance, you could run out of working capital, experience a cash-flow crisis or see your profits eroded by unexpected costs. Here are some of the traps and issues to consider:

- Overtrading (being undercapitalised or doing too much business too quickly and therefore extending the business beyond its working capital).
- Trading for turnover at the expense of profits. Your aim is to increase your net profit, rather than concentrate on increasing turnover. This means making sure your goods and services are correctly priced and that you are keeping a watchful eye on costs and overheads that could erode profits.
- Outgrowing your own capabilities, the capacity of your staff and your suppliers.

Final summary

If you do commit to a growth strategy, include a plan to sell more products or services to existing customers because it's an easy place to begin to generate more cash.

And give your growth strategy sufficient time. Any changes in your business should be gradual as you transition from one customer, market or business model to the next.

Finally, if you are committed to growth, it helps to understand the implications of:

- Capability
- Capacity
- Finance and sources of capital
- Leadership.

Stay focused and gather enough resources to see your growth phase through to completion. With some careful research, proper planning and sound advice, you can confidently move ahead to achieve the growth your business deserves.