

IS YOUR BUSINESS READY FOR GROWTH?



All business owners want growth. For some lucky businesses – those with new technologies or trendy products--growth seems to “just happen”, at least for a while. In most cases, however, owners try every trick in the book to get more revenue, often with erratic and even frustrating results.

The truth is, despite owners desiring it, *most businesses are not ready for growth*. Company systems and process have either not been designed, built, or updated for growth. And many businesses experiencing rapid “lucky” growth don’t have the corporate infrastructure to support it for the long-term.

At its essential core, any business -- regardless of size or industry -- is a collection of systems and processes. Those being: Business model, strategy, sales, people and culture, accounting and finance, and operations.

These processes often do their basic jobs well. The accounting processes get invoices sent and taxes filed. HR handles payroll and assures compliance with employment laws. But neither system is functioning to create and enable business growth.

Owners seeking to achieve dependable growth need to look inward, and devote attention to their company’s growth readiness. If done right, it does not have to take long -- or require great investment -- to weaponize a company’s systems and processes, making them tools for growth.

Business growth depends on more than just the selling process. Way more. Here’s what companies ready for growth look like:

Reliable, timely management accounting information: There is no excuse for even the smallest of businesses to not produce timely, accurate management accounting. It is surprisingly simple and inexpensive. The biggest value is avoidance of problems that cause owners and managers from wasting time cleaning up messes, rather than working on growing the business.

Forecasts and budgets: Consistent growth does not just happen. It is planned. And forecasts and budgets assure things stay on track. Without them, growth is a matter of luck. No owner can claim to be serious about growth unless he or she has an effective forecast and budget process.

Sufficient capital base to fund growth: The old saying is right: It takes money to make money. Too often owners take too long to realize what level of growth is realistic given their capital base. Or to build and position for appropriate financing in time.

Dashboard of key operating metrics: For each business, there are a core handful of activities that are drivers of growth. Identifying and tracking these is essential. And an important way of getting everyone on the team on the same page and moving in the same direction.

Marketing, business development, and sales process aligned with each other and with company strategy: Owners often blur the lines between marketing, business development, and sales processes. The result can be not having the right people in the right chairs. Or missed opportunities. Clearly defining the expectations, roles, and responsibilities for those in all aspects of marketing, business development, and sales goes a long way to assuring an effective sales process.

Performance expectations aligned with rewards and incentives: People do what you pay them to do. And they don't do what they don't know they are expected to do. Companies ready for growth don't leave performance expectations to be assumed. And they reward results in appropriate ways.

Documented operations and training to assure consistency, sustainability, and quality: Walk into any Starbucks in any city in the world, you almost always get the same service and the same cup of coffee. That's a result of process, documentation, and training. Starbucks didn't grow because people like coffee. It grew because it had growth-ready operating processes.

Understanding of growth constraints: There are natural limitations or constraints on how much any business can grow. Understanding where these lines are drawn is important for understanding how to allocate investments and resources, and how to expand into other areas beyond the reach of those constraints.

Planning and building process: Last but most important is the ongoing planning and iterative building process. Strategy, business model, and all the other business systems and processes need to be properly aligned and supporting each other. A business growth plan assures that it all holds together.

So, ask yourself: How ready for growth is your company? If it's not ready, expecting the impossible will only be a source of frustration and stress for you and your employees. But if you make your company growth ready, you will ask yourself what took you so long, and why all owners don't do it.

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At **RKG Business Growth Advisors**, our driving mission is bringing value to every interaction we have with clients, potential clients, and the business community. To that end, we are always happy to hear from you if you have questions, comments, or ideas. Feel free to contact Bob Greisman at bob@rkgconsultinginc.com, or 847.902.0258.