



Conquering the Seven Barriers to Business Growth

by Nick Hughes

Successfully growing a business is much more than just selling more. You must also prepare yourself and your business for a larger more complex world. We have been working with small businesses for over 25 years and through this work, we have identified seven key barriers that stop business growth in its tracks.

The Owner

You have to devote time to plan and manage the growth of your business. Growth management is a lot of work and yet you are already extremely busy running your business. Your first step is to delegate some of your work. This is always a painful process but it must be done. Identify activities you should delegate and assign names and hand over dates to them.

The 45 Minute Solution is a great time finder. Set aside 45 minutes each day devoted to growth activities. You have just “found” half a day a week. Block the time in your daytimer. Let everyone know that only a disaster of major proportions will cause you to change. If it is difficult to block time during normal work hours, start work 45 minutes early; or stay 45 minutes later.

People

You cannot grow your business without the help of other people. This is well understood and yet business owners have the recurring problem of not getting the right people into the right positions at the right time. Or, when they do find the people, they find the results are less than satisfactory.

You can minimize these problems with some careful preparation. Spend time defining the job that you want done. The definition must include the job responsibility, the authority, the job duties and, most importantly, your expectations. This is not just for employees. Do this for anyone who does work for you; try it on your accountant!

Money

Growth needs money; in fact, growth devours money. It does not matter how good a financial manager you are, the growth expenses will always climb before the growth revenue! Nevertheless, where do you find the money? First, determine how much money you need!

Do your annual budget, detailing your monthly revenue expectations and expenses. Convert the budget into a monthly cash flow analysis; you might sell \$1,000 in January but not get paid until February. The cash flow will tell you two very important things; how much extra funding you will need each month, and what will be the total funding requirements. Now you are ready to talk to your banker, family and friends, private investors, or consider funding the growth yourself.

Customers

If you do not sell more stuff, your company will not grow. You will need to acquire new customers but the most cost-effective target is your existing client base; we call this harvesting the ‘Diamonds in Your Backyard’. Keep your existing customers by providing the products and services they need *and* by providing consistent superior customer service.

Superior means that customer service is a core function of your business. You have formalized it, documented it, and everyone working in your company knows that customer service is the number one priority. You lead by example; you walk the talk.

Information Chaos

Information chaos causes great confusion; complete disorder. As you grow, the chaos grows exponentially. Good information equals good decisions. Bad information equals bad decisions. Information chaos halts growth.

The Source of all your information is the individual pieces of data that you have in your systems. For the information to be good, the source data must be correct, current, and consistent.

- Correct means that the data has been checked and verified before it goes into your systems.
- Current means the data is up to date.
- Consistent means that the data is stored in only one place.

Processes

Processes are the engines of the business and if they are not documented, you will be constantly reinventing the wheel and/or the results will be error prone. If they are not documented, how will you delegate? Documenting the processes should not be a major writing project. Keep it simple. Choose a consistent format. For example: Purpose of the process; General description; Sequence of steps; Examples.

Planning

Philip Orsini, entrepreneur and writer, wrote in his book *Successful Business Expansion*, “Companies don’t fail because they grow. They fail because they don’t plan their growth.” The Strategic Plans are your road map to growth. They contain measurable three-year objectives, each of which are broken down into one-year strategies and detailed Action Plans. Now you can track your growth on a week-by-week basis, implementing corrective action before a crisis halts your growth. You are proactive!

Your business can be everything you want it to be and more ... if you plan for it! **E**

Nick Hughes is President of Your Planning Partners, which has created the Strategic Focus Program helping established business owners focus their attention on developing successful growth plans. They also conduct a quarterly seminar called: Conquering the Barriers to Successful Business Growth. For information, call 416 429-2415.