



Five Strategies for Growing Successfully

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Do you want to grow your business? If so, do you know how you are going to grow the business? And are you aware of the difference between good growth and bad growth.

People often want to grow for growth's own sake. This is more about taking on risk than taking on growth.

Strategy 1: Control Your Growth

You need to manage growth, not have it manage you. I suspect more companies have failed through poorly managed and unplanned growth than any other reason. At times you will also want to slow growth to allow you to "catch up" with yourself. Fast and successful growth is rare. You need to be able to absorb the lessons you learn as you grow and incorporate them into your next steps. In doing this you also need to consider some of the risks that are associated with poorly controlled growth, these include:

- *Cash flow risks* – growth consumes cash, and rapid growth consumes cash rapidly. If you are not careful you can find yourself with insufficient cash to cover your operating costs; you also run the risk of trading whilst insolvent. It only requires one unexpected cost, or one delayed customer payment to push you over the edge.
- *Operational crunch* – to produce the volume required to support your growth can be difficult. Equipment and/or people have to operate beyond what is practical, and things start to come apart at the seams with increasing inefficiencies and attendant risks.
- *Poor customer service* - you have more customers to look after and not always the available people or resources to do so.
- *Rapid expenditure* – with more orders coming in you may be tempted to spend more on people, infrastructure and resources. You want to invest, but not over-invest or leave yourself exposed.
- *People risks* – existing people will be worried about the rapid changes, stressed by an increasing workload, exhausted by an expanded role for which they may not be suitable or experienced, and worried if you will be able to pay them each month. St



the time you need them most you may find your best people, who are the most marketable, may leave.

- *Decision-making changes* – with rapid growth people need to step back from an operational focus to a leadership role. There is a risk that leaders can become disconnected from what is happening at the front-line and make decisions based on incomplete or inaccurate information.
- *Leadership shortfalls* – people who may be operationally adept may lack the necessary leadership skills, business acumen or interpersonal skills to lead effectively. This can cause problems and compound existing risks.

Strategy 2: Go for Good Growth, Avoid Bad Growth

Good growth is aligned with your purpose and what you are trying to achieve. Bad growth is not aligned. Often the problem of bad growth is that you are prepared to take a short-term gain but sacrifice the long-term future. For example, taking on a big client who has a poor reputation for paying on time leads to serious cash flow issues later and takes a disproportionate amount of your precious time in managing the relationship and fire-fighting. This can also impact your team, lowering morale and creating stress and pressure.

Make sure that what you do, who you partner with, and who you sell to are aligned. Good growth is about servicing the need of selected and targeted clients – not any client with a chequebook. For good growth you need to say no to opportunities to keep focused and aligned.

Strategy 3: Growth Means Letting Go

If you want to grow you need to prune back. As the demands and needs of your business change so you need to let go of people, clients, relationships, ways of working and ways of thinking. You and your business need to evolve to meet the changes and that means letting go.



I remember, as a child, playing on the monkey bars. The only way you can forward on the monkey bars is to let go with one hand, swing forward, and grasp the next rung. So you need to repeat it to get to the other end. Business is just the same. Let go to grow.

Strategy 4: Lead Your Growth

Growth is about change, and change is about leadership not management. You need to lead your people and share with them the answers to three questions:

- What are we changing from and why?
- What are we changing to and why?
- How are we going to do this?

Doing this remove any vagueness or information vacuums which can cause stress and rumors and stories (often inaccurate) in an attempt to fill the gap.

Strategy 5: Go Slowly

Business is not a sprint, it is a marathon. Paradoxically, by going slower you will get there faster – and with your risks better managed, and you being better prepared for them.

"An organization becomes bewildered rather than energized when it's asked to do too much at once."

- Michael Hammer & James Champy, Reengineering The Corporation

To grow, and to grow profitably, control your growth, go for good growth, let go to move forward, lead your people to growth and to grow well grow slow.

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