



Introduction

**GROWTH
MODULE**

Introduction

“The minute you’re satisfied with where you are, you aren’t there anymore”

Tony Gwynn, Hall of Fame, Baseball player

Expansion is exciting, but with growth often comes growing pains. If you’re at a crossroads deciding whether to grow your business or not, you’ll no doubt understand that it’s both an emotional and practical question. Of course you know to consider whether growth is viable, whether you have the infrastructure to cope and whether it’s the best thing for your business, but you also have to think carefully about what you want from your lifestyle and what your personal threshold for risk is.

Going for growth can have far-reaching implications for you, your family and your employees along with the impact on the business itself. It’s therefore important to ask yourself some tough questions, and to come up with some honest answers. While there is no right or wrong answer – after all, every business and every owner is different – this guide will help you weigh things up and move towards a decision that is right for you.

Reasons For Growing Your Business

Most businesses pass through stages of growth occurring for a number of reasons; changes in the commercial market, increased customer demand for services and products, higher numbers of customers etc. Growth usually occurs when the management wish to actively expand the business. Some plan to grow their businesses indefinitely whilst others prefer to limit growth to maintain control and involvement in the day-to-day processes of running the business. You must be aware of the implications of growth and integrate its management into the overall approach of your business.

Barriers to Growth

There are many barriers to business growth and reasons why business owners may struggle to grow their businesses. You may want to grow your business but are finding the reality quite different. Every business is unique, but to help you consider where your barriers to growth are, here are the top 10:

- Increased competition
- Availability and cost of finance for expansion
- Marketing and sales skills
- Availability and cost of overdraft finance
- Growth of market demand
- Management skills
- Skilled labour
- Acquisition and/or difficulty implementing new technology
- Difficulty implementing new technology
- Access to overseas markets

Consider the Impact of Growth

Before making a decision on whether to grow your business, you need to think about why you want to and the impact expansion might have on your life. How will it change your business? What impact will it have on your lifestyle? What does your family want? Is the timing right?

For example, growth can mean working longer hours, which may not be conducive if you have young children, but the picture may be different in a few years when they're a little older. Above all, don't talk yourself into launching a growth strategy simply because you think it's something you ought to be doing. Your decision needs to be based on sound strategic, financial and personal reasons, not emotional ones.

Being honest and realistic with yourself is crucial. Growing a business is tough and requires 100% commitment. It may not be the right option just now – though it may be in the future. If, after careful thought, you do opt for growth, make sure you are in a position to give it your all.

Rye Connect Growth will examine various elements of your business to help you understand what steps you need to grow your business. This, in turn, will help you prepare your growth plan.

Follow Rye Connect's Four Steps to Growth:

1. Examine the core values of your business. This will help you understand what your core business is to make sure all growth is in line with the reason your business exists.
2. Consider the strategy for growth – these are the elements that will impact on the success of your growth. For example, what is the environment for your business, are there any markets emerging due to changing regulations?
3. Plan your method of growth – building on what you know now, how are you going to grow the business? Do you plan to grow organically or through franchising your business model? Not all methods are applicable to all business, but considering several methods will assist you in selecting the best method.
4. Finally, get ready to write your plan – getting the plan formally in writing clarifies what actions you will take and why and gives you a road map to growth.

The information contained in this document is for guidance only and should not be relied on without obtaining appropriate advice. The information is not intended to render legal advice and is general information only.