

10 Ways to Grow Your Business

Have you been in business now for 20 years or are you just starting up?

Regardless of whether they operate a business start-up or a mature business, many business owners I talk to often say, 'I want to grow my business!'

There are many ways to grow a business - hundreds even, according to Peter Switzer, small business editor of *The Australian*, in his book *350 ways to grow your small business*.

So, if you're a small business owner keen to grow your business, here are 10 ideas, ranging from inexpensive and relatively easy to implement, to more costly and requiring good due diligence and professional advice to get them right:

1. Write down your business expansion plans:

Before you start taking any action to grow your business, invest some time in exploring your growth options. Write down and then flesh out all of the possibilities. Consider each option individually and draw out the consequences of taking each course of action in terms of how big you'd like to get, what your ongoing involvement and ownership share will be, financing required, staffing, locations, etc. This can also be a good time to consider your exit or succession plans for the business.

2. Prepare cash flow projections:

Once you've identified various courses of action, get clear on the financial consequences of each one. Play out each scenario in detail so you can see the cash flow implications. This might be a good time to get your accountant involved too, to review your assumptions and provide some objective feedback. A cash flow projection will highlight if and when you might need additional finance and will help you plan for where and how you can obtain it. If you'll be requiring additional finance, whether from a bank or equity partner, or you decide to seek grant funding, all of these parties will want to see well thought-out, documented expansion plans and cash flow projections.

3. Delegate your responsibilities:

As the business owner, you'll probably need to reduce the time you invest in the day-to-day activities of the business to focus on your expansion plans. Determine which functions you're currently involved in and which of these you can delegate to others - either existing staff, new staff, or you might choose to outsource specific tasks, such as IT, marketing, bookkeeping or administration. For example, in my previous life as a chartered accountant, I acted in the role of financial controller for several weeks for a publicly listed company, while their financial controller carried out a due diligence assignment on a business their company was considering acquiring. More about mergers and acquisitions later!

4. Get the right people in the right jobs:

Be clear on the roles required to service your business as it grows and have written job descriptions in place for each role. If you've read Michael Gerber's *E-Myth revisited*, you'll recall how, although there might be many roles within your business, to begin with, as the business owner, you might be the person doing most if not all, of them. Once you pass on a role, however, as the business owner it's your responsibility to make clear to your employees or contractors what this role entails and what your expectations are. Hiring the right people and investing in their training and development is critical to the success of your business. A good on-line behavioural assessment tool I highly recommend to small business owners, when hiring new staff is MyProfile, see www.myprofile.com.au.

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5. Diversify your products or services:

By diversifying your product or service lines you'll provide your customers with a wider selection of options which offer more opportunities for your customers to increase the size or frequency of their purchases. For example, if you're running a fitness centre, in addition to providing a pool for members' use, you might offer learn-to-swim classes, aquarobics classes for expectant mums and stock a range of funky swimwear, goggles and caps for adults and kids. Diversification of products or services can also be a way to fill seasonal lows in sales.

6. Reward loyal customers and grow your customer base:

Another way to increase sales is to reward your loyal customers with a free or bonus product or service. Many cafes do this, for example, by providing their patrons with a card entitling them to a free coffee or donut for every ten purchases they make. If you're a service business, you could create a refer-a-friend program such as the one I have where the referrer receives a gift certificate and my new client receives their first coaching session free.

7. Tap into government grants and assistance programs:

There are various government grants and programs available that can be very helpful in growing your business. In Australia, Biz Help is computer software that can help you access more than 500 free government assistance and grants programs and has been designed for small-to-medium businesses. It sets out what you need to do to qualify for funding and who to contact and costs \$200 for 12 months. For details visit www.business.gov.au.

8. Expand on-line:

Having a strong web presence is another effective strategy for growing your small business and tapping into customers all over the world. Great content that attracts visitors to your site and makes them want to stay as well as a good search engine ranking, are both essential.

9. Open a new location:

Moving to larger premises or opening another outlet can be a successful strategy if it's well researched and planned. To do this successfully, you must have great systems and staff already in place. When choosing a location, remember the old adage, 'location, location, location!' Don't be tempted to sign a bargain lease or purchase cheap real estate unless it 100% fits with what's best for your business. It's good practice to prepare a separate business plan for a new location or at least do a break-even analysis on it, so you are clear exactly how much money the business needs to make just to cover costs of opening the doors.

10. Merge with or acquire another business:

What might seem a quick way to potentially double the size of a business is to combine it with another one. Mergers and acquisitions, however, are anything but quick and should never be rushed in to! If you're considering a merger or acquisition, invest a lot of time into researching exactly what it is you're buying in to, to ensure a good fit between the businesses that are to be combined. Many issues need to be addressed at every stage of the merger process to ensure it goes smoothly and benefits everyone involved, so ensure that you get as much expert advice and assistance as possible along the way to avoid paying too much or making a bad fit.

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