The challenges of growth

Map your success: how to navigate the obstacles of business growth
Growth is a sign of success for any type of business. And it’s exciting! It means you’ve done your homework. Your products or services are desired and well liked. Your customers are happy, they’re coming back and maybe even telling their friends about you.

Many times it all happens so fast. The processes that brought you success are quickly outgrown. Your business may not be able to keep up with increasing demand. How can you maintain quality and control, especially if growth happens quickly?

As a growing business, you have to work smart—and not get bogged down with the short-term view. It’s critical to find ways to effectively manage and adapt to change in order to overcome the challenges of growth and thrive. In this e-book, we’ll share tips and best practices to help you:

• Recognize the warning signs of uncontrolled growth.
• Effectively manage growth across your business.
• Beat the obstacles of growth.

“I think the biggest single thing that causes difficulty in the business world is the short-term view. We become obsessed with it. But it forces bad decisions.”
— James Sinegal, cofounder and CEO of Costco
What growth challenges will your business face?

It would be great if we could all take out our crystal ball to see the future and prepare for what’s ahead. But seriously, with the tools available today, your business can genuinely look ahead to understand what might happen and take appropriate actions to prepare for different possibilities and scenarios.

Growth, by definition, involves change. It requires more processes, people, and resources to keep it going. And it demands control to move it in the right direction. If you don’t adapt to change, you expose your business to unnecessary risk that can stunt growth—or worse, stop it in its tracks.

**Five warning signs your business is being overwhelmed by growth**

1. You have difficulty managing cash flow and capital.
2. Procedures aren’t adequate to meet business needs.
3. You spend too much time putting out fires because your business lacks focus.
4. You can’t plan ahead.
5. Your work environment is chaotic due to inefficient processes and staffing issues.

“Risk comes from not knowing what you’re doing.”

— Warren Buffett, businessman, investor, and philanthropist

**Red flags of uncontrolled growth**

Source: National Federation of Independent Business (NFIB)

- Your systems can’t keep up.
- You start choosing quantity over quality.
- Clients feel underserved.
- Vendors and partners are overwhelmed.
- You experience cash flow problems.
Five ways to effectively manage growth

It’s common for businesses to get carried away with just increasing sales and profits. But believe it or not, there’s more to successful growth than that! As Inc. contributor Matthew Swyers notes, “We become so focused on bringing the product to market, advertising the product, and selling the same that we fail to grow all aspects of the business in unison. As a result, while the business attains its ever-increasing benchmarks in sales, it is growing upon an infrastructure that is not keeping pace with the growth of the business.”

Here are five tips to ensure that your business can support and maintain solid growth:

1. **Have a clear vision.** It’s impossible to have vision when you’re in the weeds with the day-to-day tasks of your business. Make sure you take the time to establish a clear vision for your business. It will serve as a framework for what’s important—and what’s not. A clear vision also provides much-needed focus that helps you plan for scenarios that could have been avoided or better managed.

“If you have a clear vision, you will eventually attract the right strategy.”
— Michael Hyatt, author

“You cannot climb the ladder of success dressed in a costume of failure.”
— Zig Ziglar, author, salesman, and motivational speaker
2. **Develop a growth plan.** It’s important to establish a road map for your business that supports your vision. Determine what makes the most sense for your business—will you go after market penetration before exploring new markets? Will you invent new products that appeal to current customers? How will your processes support these efforts? Do you have enough staff? Spelling out goals ahead of time can help keep your business on course and reduce risk.

3. **Optimize cash flow and improve financial management and control.** This seems obvious, but it’s an area that can easily spiral out of control during periods of rapid growth. Watch common expenses like payroll and occupancy costs as your company grows to make sure they don’t take a big bite out of your profits. Also make sure you consistently review operational expenses and plan for future cash expenditures.

4. **Ensure the right systems are in place.** Growth means continual change. In order to make sure tasks are completed efficiently and that your business consistently maintains quality, it’s important to automate key processes. It also means you need to upgrade systems and processes to adapt to your changing conditions. With the right systems in place, you’ll empower your workforce and provide a superior customer experience.

5. **Promote staffing excellence.** When you’re growing a successful business, you need to hire smart, support a high-performing team environment, and provide strong leadership. You need the right employees to do the job—so don’t just fill your open positions with anyone as you grow. Take the time to hire the right candidate, with the right skills, so you build a culture of high performance and innovation.

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**Beating the obstacles to growth**

“Through the course of business experience, people tend to develop a set of assumptions that solidify into the way in which they frame their business,” says author Tom Searcy. But these absolutes can cause you to miss out on some important opportunities.

Searcy’s article in *Inc. magazine* suggests asking yourself these questions:

1. What was true about the market a year or two ago that is no longer true?
2. Why are new competitors in my market getting traction?
3. When are my customers most vulnerable to offers from my competitors?
4. How do prospects find us now compared with a year or two ago?
5. Which new market opportunities am I failing to take advantage of?
6. Who is my new buyer?
As you navigate the hurdles of business growth, Sage can help. We offer solutions that help you increase sales, effectively tell your organization’s story, and stay on top of buying and selling trends. Sage helps you understand the numbers that are most important for your overall health and enables you to build a superior customer experience. Let us help you drive your business forward with solutions that support:

- Business intelligence and reporting.
- Inventory optimization.
- Integrated payment systems.

We can help your business overcome the challenges of growth by automating the key processes across your business so you can focus on vision and planning. Sage helps you put best practices to work so you can confidently grow and adapt to change—and ensure success now and into the future.