

CBDC Business Start-Up Course

Lesson Sixteen – Managing Business Growth

**Presented by Community Business Development Corporations and
Women in Business New Brunswick**



Community Business Development Corporation
Corporation au bénéfice du développement communautaire



Women in Business
Femmes en affaires
New Brunswick | Nouveau-Brunswick

Managing Business Growth

Challenges to Managing Your Business Growth

As you grow your business, different problems and challenges will present themselves. You will need to find a solution for each situation. As a business grows, different problems and opportunities demand different solutions - what worked a year ago may no longer be the best approach.

Recognizing potential challenges and advance planning will help you stay on the path of business growth. You will face challenges in many business aspects. Here we mention a few categories with some tips on advance planning to help find solutions.

Finances:

Before you consider growing your business you need to build a solid foundation. You should understand what your numbers are telling you. Don't wait till the end of the year to look at your financial situation. Your financial statement will guide you in your decision-making process. You will also need your financial statements to be in good order if you require a loan from a financial institution.

Build your credit with your lender and your suppliers (pay your payments on time, build credit by making utility and cell phone payments, keep balances low on credit cards...)

If you are thinking of growing your business, you will need to know how you will finance that growth.

You will need to generate enough revenues to justify the cost of the growth. Have you prepared your projected cash flow?

You may need to work with a consultant that will help you understand your financial statements. Women in Business NB can help you connect to the proper resources.

Keep Your Administration Process Lean:

If you want to reduce inefficiencies and waste, it will require changes. Implementing changes in a business is always a challenge in itself. Review how you'll implement changes in your

business, how you communicate these changes and how they are received by your staff and your clients.

Ask yourself if your current system serving you well. Question what is and not working and the reasons behind it.

Ask yourself if it would make sense from an organizational, quality and financial perspective, to outsource more of your administrative services or to delegate them.

Adapt to the Market:

In today's society, competition is huge. You need to fully understand your niche market. Embrace new technologies. Look at how you can add value to your existing product or service. Set clear benchmarks.

Ask yourself what you know about changes that are coming. Can you foresee any events (political, social or economic) that could alter the demand for your products or services? Please see following examples:

- Political (New government rules or regulations)
- Social (Food/diet trends for restaurants or ecology (green) trends overall)
- Economic (Layoffs at the local plant, overall reduced buying power by your clients)

Are you still meeting a need and will that need continue to be felt by your clients? Do you need to adapt to the market need?

Human Resources:

As your business grows, you will need to adapt your human resources.

- Senior Leadership: Are you the best person to be doing a given task or would it make sense to delegate it so you can concentrate on growth? Will the quality be the same? Delegation means giving the responsibility but also the power and decision-making.

When an organization first starts, people wear many hats and communication is informal; the founders run the company. However, as the company grows entrepreneurs struggle with the burden of managing the company (paperwork and administration). Are you ready to give decision-making power to others?

- Changes to Business Structure: If your business continues to grow you will need to modify your business structure, providing an additional level of management.

Present Production/Service/Retail Process:

Is your present process serving you well? How can you improve the process? Have you looked at the floor layout of your production line? Have you spoken with your staff on how to improve? (This is just as important in the service industry.) Are you working in a cluttered environment? Is it clear to everyone what needs to be done and why?

Questions to ask yourself when growing your business:

- a) Are my financial statements in order?
- b) How can I use my financial statements to facilitate my decision-making process?
- c) How will I finance my business growth?
- d) Can I generate enough revenues to justify the cost associated with the growth project?
- e) Can I do more to build my credit?
- f) Am I doing everything I can, to reduce inefficiencies?
- g) Are my current systems serving you well?
- h) Would it make sense to outsource or delegate certain administrative services?
- i) Am I listening to what my employees have to say about the changes I already implemented? Should I change the way I communicate with others?
- j) Can I foresee any events that would change the lifecycle of my product or service?
- k) Am I fully aware of my competitors? Am I continuously looking at new ways to have an innovative product or service? Should I specialize more in a specific product or market?
- l) Do I need to delegate more or maybe take on more responsibilities?
- m) Am I planning for what changes may be coming?

Lesson Sixteen of the CBDC Business Start-Up Course has covered the topic *Managing Business Growth* and touched on the subjects of: properly managing your finances for growth, keeping your administration lean, adapting your HR process and optimizing your business processes. This is the final lesson in the CBDC Business Start-Up Course.