



Growing Your Business: Steps to Success



Keeping up to speed with your business and its market will help position you for success. © Jupiterimages/Brand X Pictures/Thinkstock

After all the hard work of writing a business plan, securing funding, hiring employees and purchasing inventory, you are finally open for business. Now what? The following steps will put you on a path toward success.

Revisit Your Plan

The first step to grow your business is to understand it, and the best way to understand it is to revisit your business plan. What is your business's mission? What are its core values? What are its short- and long-term goals? Do

they align with the mission? To be successful, your business's mission must guide its growth.

What is your business's current financial and market position? How do your products or services differ from others on the market? What are your profit or loss margins? Do they trigger cash-flow problems? What cycles does your market exhibit, and what kind of growth can you expect? Are there any major trends in customer behavior? Keeping up to speed with your business and its market will help position you for success.

Know Your Competition

Identify the best businesses in your field. What makes them excel? How does your business compare? By examining competitors' strengths, you can pinpoint what sets them apart. Look for ways to incorporate their best practices.

You should also look at competitors' weaknesses. Are they ignoring markets or neglecting customer needs? Find opportunities they are overlooking and take advantage of them.

Create a Positive Culture

To attract both customers and employees, cultivate a passion for your business in others. For example, demonstrate that your business is a responsible member of the community by donating proceeds to charity or manufacturing environmentally friendly products. If your business is committed to serving the community beyond just providing a product or service, your customers and employees will become committed to your business. Just make sure your social agenda aligns with your mission.

Continually surround yourself with talent and encourage them to innovate. Ask for their input and act on their suggestions. Define specific goals for growth — not only for the whole business but also for individual employees. This increases accountability, encourages employees to develop their skills and highlights individual achievement. Establish a regular schedule for monitoring progress toward both your company's overall goals and those of individual employees to make sure everyone stays on track. Reward achievement when goals are achieved.

Cultivate Customer Loyalty

Because the easiest customer to convince is the one you already have, the next step to grow your business is to enhance customer experience.

Treat your customers as your most important asset. Listen to them. If they are making a purchase in the store or over the phone, ask them to rate their

Listen to your customers. If they are making a purchase in the store or on the phone, ask them to rate their experience. © Jupiterimages/Goodshoot/Thinkstock



experience. Not only will it provide valuable feedback, it will also help the customer feel heard.

Finally, give customers incentives to remain loyal. Provide discounts, free merchandise or rewards programs. If you run a cafe, for example, give your customers every 10th cup of coffee for free. This simple gesture will keep them coming back — and increase the likelihood they will tell their friends about your business.

Nurture Business Relationships

Growing your business is all about nurturing relationships. Being on good terms with your vendors makes it easier to obtain advantageous payment terms. You can ask for extensions, shortened timeframes or discounts on bulk purchases. Each of these improves cash flow and frees up capital for expansion. Positive vendor relationships can also give you inside access to market knowledge. Talk to your vendors about your product or service mix, discuss industry and market trends, and ask where opportunities lie.

Relationships with investors are also critical. Establish solid relationships with multiple financial sources, such as lenders, private investors and private equity firms. Meet with them before you need money to talk about your mission, your goals and your timeframe. Ask for input and update them on your progress. This builds a foundation of trust you can call on when your business needs capital to grow.

Expand Your Horizons

Once you have built strong relationships, consider expanding.

Can you add a product or service that complements what you currently provide? Will it appeal to current customers? Can you use current revenue and resources to make or offer it? Will it require little capital or financial risk? If the answer is yes, expanding your products or services may be right for you.

If there is a different market segment or customer need you can address, exploring a new niche may be your path toward growth. You could also expand your distribution channels with a website, a new location or an alliance with a complementary business.

Remember that expansion puts you back into startup mode; it is better to pursue only one expansion opportunity at a time. Be sure to make your current customers aware of your new product or service while you also work to attract new customers.

Raise Awareness

Now that you have everything in place, raise awareness through promotions, advertising and networking.

Before running a promotion or advertisement, clearly define your goals. Are you trying to create better brand awareness or to boost quarterly sales? Are you focusing on new customers or current ones? What is the best way to reach them? Answering these questions can help you craft better promotions and select the best media and messages for advertisements.

You are the best ambassador for your business, so try networking — a low-cost, high-impact way to raise awareness. Host or attend events and join organizations with people inside and outside your industry. Are there people in your community who know everyone, are the first to know about everything or always have the latest gadget? Cultivate relationships with these people and let them know about your expansion into a new niche. But remember to do your homework if you want to impress them with your expertise.

Engage Your Community

Social media offer a variety of tools to help you inform and connect with new and existing customers. To extend your business's reach,



Use social media to engage customers. For example, try running a contest to name a new menu item. © iStockphoto/Thinkstock

engage your community online through social media.

Which social networks are most popular with your target audience? Do they provide access to populations you hadn't considered before? Each platform is different; familiarize yourself with their benefits and drawbacks before diving in.

Finally, remember that social media is about engaging customers in a conversation about your business and its products. Reply to messages and comments. Don't be afraid of criticism — acknowledge it and if it is appropriate, take steps to address it. Involve followers by asking questions, running contests and offering exclusive promotions. For example, if you own a sandwich shop, try running a contest to name a new menu item. Use images and videos to catch the most attention, and don't forget to include links to your website.

Work Smart

You have built solid relationships with your employees, customers, vendors, investors and community members. Use these relationships to boost revenues. Call on their expertise to streamline your business processes. Encourage current customers to upgrade to a better product or purchase a complementary one. Convince business partners to add your product or service to their sales pitch.

Another way to work more efficiently is to adopt new technology. Talk to vendors and others in your community to find out whether there are tools that can help you streamline your operations. For example, maybe there is software to help you keep track of your inventory or to track customers' buying habits. Weigh the cost of the new technology against the possible gain in productivity. While it may be costly to adopt new technology in the beginning, it could pay off in the long run.

