

Ready, steady, grow

A guide to successfully
growing your business



your gateway to business expertise

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You're up and running, and your business is growing. Great! To succeed, you have to plan for growth. Business Gateway has helped literally thousands of businesses to grow successfully.

This guide highlights the opportunities as well as the potential pitfalls and how to avoid them.



Business Gateway Growth Advisers have considerable expertise and can assist in many areas of business development. Additionally, we have a wide range of products to support various aspects of business growth and a network of experts to call on for specialist advice. Assessing the next stage for your business growth is our main aim and we will work with you to plan accordingly.



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Business Growth

When you're developing a strategy for growth, it's good to know exactly why you're doing this. Growth has its risks, but it's not as dangerous as standing still while your competitors expand and take market share from you. Growth, when it's managed properly, brings security, stability and long-term profits.

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Business consolidation

The sky may be the limit for your business, but you need a firm base. So, before you pursue your strategy for growth, make sure your business is in good shape, especially your existing customer base since it's this that underpins your growth and provides the necessary cashflow.

If all is well and good, do you have the time and resources to devote to developing the business, without neglecting those all-important existing customers? Or to make it possible, will you need additional staff, training to develop new skills, bigger premises, better production processes and equipment or to outsource some tasks? Will your IT and existing customer service systems cope?

Marketing and sales are also fundamental to your growth strategy. Does your current marketing strategy fit with your plans and ambitions? Either way, you'll need to update your business plan and work with it as the business develops.

Increasing your market share

Growing your business might mean increasing your market share, either by winning customers from your competitors or attracting new ones.

If it's the former, revisit or do a SWOT (strengths, weaknesses, opportunities and threats) analysis to work out your respective strengths and how you can get customers to switch from them to you. That might mean changing your pricing, marketing, distribution or service levels. How might this affect your existing customers and your employees' motivation for that matter? If you've lost customers in the past, can you woo them back? Or what about generating a new customer base?

Expert Tip

With a little lateral thinking, you might discover an unexpected use – and brand new market – for your product or service.

Diversification is crucial

Keeping all your eggs in one basket can be risky. But by diversifying into new products or services and/or markets, you can cushion your business against falls in any one area.

Weigh up the potential risks and rewards though, since costly delays and mistakes can creep in when you're working in unfamiliar territory.

Expert Tip

Research new markets and customers first, try a new line or service for a test period and secure some orders or commitments up front if you can.

Collaborations, mergers and acquisitions

Joining forces with another business through a partnership, joint venture, merger or acquisition can provide more skills, people, equipment and contacts, as well as a sharing of the managerial load.

If it's with a complementary, non-competitive business, you may also be able to open new markets or improve your offering to existing ones.

Expert Tip

For partnerships and joint ventures, it's essential to have a formal agreement in place, and further legal protection is advisable. Mergers and acquisitions are more suited to established enterprises and typically involve commercial lawyers and lots of legal work.

Making it pay

Whatever you're planning, it has to be financially worthwhile.

One of the best ways of gauging that is by working out your Return on Investment (ROI). Here's how: take the total invested; work out the sales it will generate over, typically, three years and the resulting net profit; then calculate that as a percentage of the investment.

Expert Tip

Try to be realistic with your targets. Development problems, delays or sales and marketing issues can all conspire to lower your sales in the early stages.

Financials

Work out how much you need to fund your growth plans, when you'll need it, when it'll be available and how soon you'll be able to repay the capital. Detailed forecasts of your cashflow and sales, working capital and sources of seed funding – and even second round funding – are all essential.

Businesses looking for capital investment other than bank loans have three main sources – equity finance from yourself, your friends or family, venture capital (also known as private equity finance) and business angels. You might also want to read our guides on [Grants](#), [Support for Innovation](#) and [Research & Development](#).

Expert Tip

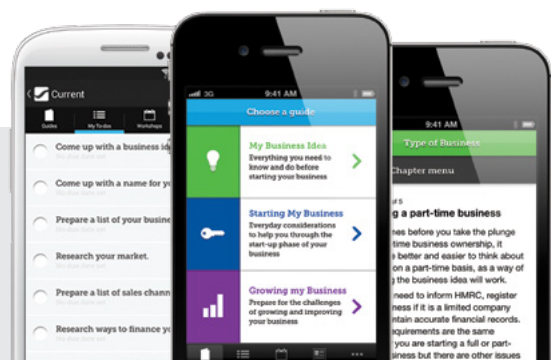
Don't worry if that sounds like a lot. Your local Business Gateway Business Adviser can help.

Exactly the help you want, when and where you want it

Whether you're planning to grow your business by increasing market share, diversifying into other areas, joining forces with another company or all three, Business Gateway is here to help.

**0845 609 6611 info@bgateway.com
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The MyBusiness app is for all businesses in Scotland, whether you're already established or just thinking about starting up.



Download it for FREE from Google play or the App Store.



Next step...

For expert one-to-one advice on growing your business and a host of other services, contact your local Business Gateway team.

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