

FAST COMPANY

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HOW TO PREPARE YOUR BUSINESS FOR GROWTH

YOU MAY DREAM OF YOUR BUSINESS TAKING OFF QUICKLY, BUT NOT SO FAST. ARE YOU PREPARED FOR THIS?

BY GEORGE PYNE

Every business starts out with the best of intentions and unlimited potential. Timing is everything, and when you hit the market at the perfect time, it feels almost pre-destined. Your branding is cohesive, and there is an audience for whatever it is you have to offer. When you launch, sales are instantaneous, and there is more demand than supply.

This is every business owner's dream, right?

At least until the orders are backlogged and you are suddenly short-staffed and unable to keep up.

If the success of a business outpaces the ability to maintain it, there is a danger that rapid growth will lead to failure. This is why you need to think beyond the initial start-up business plan and include a solid growth plan.

A REALISTIC SCENARIO

Let's say you launch a product that is well received by your target audience, they begin to buy, and you're encouraged by the support. When you start to see a profit, you increase the business, diversifying the products or services you offer in order to make more money. The growth cycle continues, attracting an international clientele and leading to the exploration of new markets.

Then, one day, accounting tells you that the business is losing money. Not enough to worry yet, but a slow, steady bleed where expenses are beginning to exceed monthly revenues. This doesn't

make sense, and now you have new products scheduled to rollout. If revenue doubled in one year, shouldn't it theoretically triple next year?

Not necessarily. As any accountant will tell you, "Numbers never lie," and they are always an indicator of what's to come.

It is easy to focus so deeply on bringing the product to market and selling it that you forget to grow all aspects of the business in equal measure. This happens to some of the biggest companies in the world, which is why it's imperative to create an infrastructure that will adapt to an accelerated work-pace while keeping quality control intact and retaining customer advocacy.

So how can a business grow at a rate that will match increasing international demand and keep everyone satisfied?

CREATE STRUCTURE

As a customer, it is frustrating to be passed around various departments to get answers to a specific question. Even worse is when company structure has not kept up with growth and internal responsibilities, leading to confusion as to who is in charge of what.

The solution to this is to create structure early on and be willing to adapt to increased business. Define roles, and make sure that everyone knows whom those responsibilities are assigned to. Implement a management structure to make sure that there is a tangible level of accountability whenever there are new business benchmarks. This will ensure that the quality of your products and services remain consistent.

It's a good idea to create an organizational chart so that responsibilities and who reports to whom are clear. Usually this visually ends up resembling a pyramid, with the CEO/president at the top and ever-widening rows of employees with specifically designated roles trickling down from there. You will be surprised by how many employees refer to the chart as a guide as to who they need to ask for approval on important company decisions, especially new staff.

BE CONSISTENT

At the beginning of a business, there is usually a small team in place, and it's easy to make sure that everyone understands their responsibilities and delivers great service on all levels. But as you grow, it can become less clear as to who is in charge of what.

Inconsistency is detrimental on a variety of levels, ranging from customer service to advertising messages to production output. As your business increases, it's imperative to make sure that the quality of your product or services is consistent.

One of the best examples of quality assurance is in the publishing world, where the term "QA" is part of the day-to-day terminology. Articles go through multiple edits to ensure that the facts are properly checked and that there are no grammatical or spelling errors. This extreme attention to detail can be applied to all business acumens. If core elements are established and maintenance responsibilities assigned to various departments, your internal alignment will grow at the same rate as the rest of your business.

NUMBERS DON'T LIE

As much as we sometimes wish we could argue with mathematics, the fact remains that numbers are the most consistent way of measuring success because they never lie. They can alert you to any business weaknesses before things become detrimental. If analyzed properly, numbers will reflect growth and diminishing returns, which you can then use to adapt procedures within your business to increase sales, efficiency, and quality control.

By using numbers to determine where any problems may exist, you can quickly create internal systems to improve your business. If everything is run to perfection, it will continue to grow.

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