

**GROW YOUR  
BUSINESS**

# How To Grow Your Business Properly

PRESENTATION



**RKFISCHER**  
AND ASSOCIATES

# Goal Setting

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- You need to define both personal and business goals
  - Personal
    - ✓ How much money do you want to make?
    - ✓ Is this a source of your retirement?
    - ✓ Are you going to hand your business down to your family or sell at the end?
    - ✓ Do you have work/life balance?
  - Business
    - ✓ How large do you want to be / what time frame?
    - ✓ What are your revenue/profit targets?
    - ✓ Are you in a growth industry or a declining one?
    - ✓ Is this a hobby or a sustainable business?



# 2 Ways To Grow a Business

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- Organic Growth – expanding your customer base or increasing sales per customer
  - Focused internally on productivity improvements and cost reductions
    - ✓ Investing in sales and marketing
    - ✓ Adding a new geography
    - ✓ Hiring more people
    - ✓ Increasing your product line
    - ✓ Buying more space due to customer growth
- Inorganic Growth
  - Focused externally
    - ✓ Merging with another business
    - ✓ Acquiring another business
    - ✓ Partnerships



# What is Holding You Back?

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- It is important to understand what is holding you back from growing
  - No Working Capital or Cash Flow?
  - Lack of Investment?
  - Hobby Versus Real Business?
  - Wrong Channels?
  - Pricing Too High?
  - Saturated Market?
  - Too Many Competitors?
  - Too Risk Adverse?
  - Poor Customer Service?
  - Too Focused on Current Customers versus New Customers?



# Do You Have Risk In Your Business?

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- As the owner are you over involved in the day to day of the business?
  - If so you are taking value away from your business and are not focusing on managing and working on your business.
  - Is your business not able to function if you are not there?
- Do you have too much revenue coming from 2-3 clients?
  - If you lost a client would it devastate your financials and keep you from making payroll?
- Are you choosing to spend money by what is in your bank account?
  - Instead of planning and working off a budget?



# Do You Have Risk In Your Business?

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- Is your business reliant on single sourcing of suppliers?
  - What happens if that supplier goes out of business?
  - What happens if the supplier stops making the product you need?
  - What happens if they cannot deliver on time or to quality or increase their prices significantly?
- Are you not investing in marketing & sales to grow your business?
  - Are you too reliant on word of mouth referrals?
- Is your business too reliant on an employee?
  - If a key employee left would it hurt your business?



# Do You Understand the 5 Key Areas of Your Business?

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## ■ Finance & Accounting

- Do you have working capital?
  - ✓ (Cash + Receivables) – Payables (debt within the next 12 months)
- Do you have a handle on your cash flow?
  - ✓ Do you know where your revenue is coming from and when?
  - ✓ Do you know all of your expenses and when they are due?
  - ✓ Do you have enough cash on hand to fund your growth?
- Do you know how you are going to fund your growth?
  - ✓ Externally (Investment or Bank Loans)
  - ✓ Internally (From Your Profit) □ Personal (From Your Own Finances)
- Do you have a handle on your receivables and payables?
- Do you have a strategic plan and business plan in place?



# Do You Understand the 5 Key Areas of Your Business?

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## ■ Sales

- Do you have the right sales channels in place for your business?
- Do you have the right internal sales management to support your sales force (internal or external) ?
- Do you have developed sales processes in place?
- Do you have annual forecasts that are updated on a monthly basis?
- Do you have sales KPIs in place?
- Are you tracking/ reporting your sales metrics?
- Are you holding your salespeople accountable?





# Do You Understand the 5 Key Areas of Your Business?

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- Marketing
  - Do you understand what marketing works for your target market, industry, demographics?
  - Do you have a marketing plan and budget in place each year based on your forecast?
  - Do you know if you are getting value / sales from your current marketing efforts?
  - Are you measuring the effectiveness of your marketing?



# Do You Understand the 5 Key Areas of Your Business?

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## ■ Human Resources

- Do you have the right skills in your business?
- Do you have employees that possess the skills you need in place or do you need to hire?
- Do your employees have job descriptions and objectives that map to the company goals and objectives?
- Do you measure/monitor effectiveness and productivity of your employees?
- Do you have the right number of employees and are you able to afford their salaries as well benefits/ other requirements paid by employer?



# Do You Understand the 5 Key Areas of Your Business?

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- Operations
  - Do you have effective and efficient delivery of your products and services?
  - Do you measure the quality of your products and services?
  - Do you do proper inventory of your materials and assets annually?
  - Do you measure the business overall effectiveness and productivity?
  - Do you know your customer retention and satisfaction rates?
  - Do you have technology in place to manage your business: ERP, CRM, Accounting....etc?



# How to Measure Success and Growth

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- Finance & Accounting
  - Profit and Increased Revenue
  - Increased Retained Earnings
- Sales
  - Increased Number of Customers
  - Increased Revenue Per Customer
- Marketing
  - Return on Investment for Your Marketing Spend
  - Market Share & Awareness in the Market



# How to Measure Success and Growth

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- Human Resources
  - Avg. Revenue per Employee Increase
  - Increased Employee Retention
  - Increased Employee Engagement
- Operations
  - Increased Customer Retention
  - Increase Customer Satisfaction Rating
  - Improved Delivery Capabilities (Quality/Time\_
  - Cost Containment (Cost per Customer Decrease)



# Case Studies – Issues that Will Affect Growth

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- Company Case Study A – Start-up Growth
  - Existing Job / Starting Repair Business But Not Working 100% in the Business
    - ✓ Will not get an investment from outside as is not taking 100% risk himself and is hard to grow a business when working another full-time job.
- Company Case Study B – Want to Expand
  - Spending 6% on Marketing without knowing results
    - ✓ Needs to set-up measurements and understand returns before continuing to spend on marketing
  - Too much time working “in” business versus “on”
    - ✓ Does not have a handle on the numbers and what is needed to grow. Needs to work on setting up goals, objectives, and measurements and understand what the financials are telling them.

# Case Studies – Issues that Will Affect Growth

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- Company Case Study C- Wanting to Sell Business But Increase Value First
  - Taking Money Out of Business in Dividends
    - ✓ Business owner is depleting value of the business as well as the current cash flow and working capital
- Company Case Study D – Poor Sales Growth
  - Unfocused sales employee due to lack of processes / sales cycle reporting or metrics
    - ✓ Hired 1st sales rep without preparation, so did not see growth, just increased expenses.

# Growth Plan for Success

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- Set Goals & Objectives for Your Growth
- Develop the Strategy and then the Plan to Achieve Growth
- Make Sure You Understand How Growth will Affect Each Area of Your Business
- Set-up Measurements to Track Success
- Report on Your Measurements
- Make Changes as Needed to Your Strategy to Meet Your Goals

**Before Undertaking Growth – Make Sure You Have the Cash Flow to Support It**



# Contact Us

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