

How to scale your business for growth

Growing a business is one of the most fundamental goals for all small business owners. Successful businesses are those that are always looking for opportunities to grow and making the most of them.

What is scalable growth?

Scalable growth involves balancing the increase of your profits against the increasing costs of manufacturing your products or delivering your service.

If you can ensure the most efficient systems and processes for what you're selling, the more profits you'll see and the more scalable your business will be.

Can you scale what you already have?

If you can improve your business's ability to do more internally, such as speeding up production and increasing the efficiency of your systems and processes, you're going to reap the rewards in terms of manageable growth.

Conduct a review of your current operation and decide how you're going to improve it. Think about:

- Contractors – getting a third party on board can increase your capacity in the short term.
- Equipment – can you extend the operational hours of existing equipment by running double shifts?
- Staff – make sure your employees are working efficiently. If they don't have the necessary skills they'll need for upcoming growth, look at training.
- Pricing – if you're seeing an increased demand for what you're selling, can you scale profits by increasing prices where appropriate?

Increasing your capacity, while improving the efficiency of your systems and processes, means you're successfully scaling your business for growth – and you're going to notice it in your profit margins.

How can you increase capacity?

While it's important to maximize your internal resources, scaling your business for growth almost always involves adding to your operations in terms of staff, equipment, facilities and finance.

The right staff

Making sure you have the right staff is critical for the growth of any business. If there are vital skills missing amongst your staff, look at upskilling them through training, or hiring someone with the knowledge and experience you need.

It's also crucial to have the staff you need to meet increased demand. If you're manufacturing coffee tables and your orders are increasing to the point where your current staff can't keep up, then it's worth hiring another staff member.

Equipment and facilities

You don't want your business growth to be hampered by not having the right equipment on hand to do the job or the facilities to do it in.

If you're looking to increase production of 50 coffee tables per week to 500, it's likely that the location you're in and the facilities you're using won't be adequate to meet the new demand. Consider:

- Location – look at moving to a new, larger location, or opening another branch of your business.
- More equipment – to increase production on a scalable level, you'll need the equipment. It's worth investing in newer machinery to increase output.
- Suppliers – if you're going to need more raw materials to produce what you're selling, make sure suppliers can meet the increased demand. If not, find one that can.

Tracking customers, building relationships

Your customer experience must also be able to scale. Doubling sales will double customer queries, complaints, calls, web traffic, and demands on your time.

Review your customer relationship system, possibly upgrading so you can track buying patterns and preferences, maintain contact, and develop customer loyalty programs.

Remember, your customers are the most vital component of your business and to its growth, so engaging with them, listening to them and rewarding them is essential, no matter how large your business grows.

Funding for scalable growth

When it comes to increasing capacity for scalable business growth, you'll almost always need additional financing.

Even if your business is enjoying a healthy cash flow, financing options for expansion are worthwhile to explore if you don't want to use up all your working capital on long-term assets.

A smart idea is to get advice from a financial expert – one who's had a lot of experience in business growth and expansion and will help you decide what funding options would suit your business best.

It comes down to two main points:

- What you can do with what you've already got.
- What you'll need to add to achieve scalable business growth.

Don't forget that 'scalable' means increasing all parts of your business to cope with extra demand, and ideally, it's 'manageable' growth.

Reviewing your internal system and processes to ensure maximum efficiency is important, but even more, so is making sure you have what you need in terms of staff, facilities, equipment and capital to achieve that growth.

If you're planning to increase output or offer expanded services, then making sure you have the capacity to deliver is essential.