

Are you and your business growth ready? (Part II)

In Part I, we discussed you, as the business owner, being growth ready. This article is about how to determine if your business is growth ready.

So, how do you determine if your business is growth ready? Growth ready means your business is in good enough shape to be able to be used as a springboard for growth.

To decide this, you will need to answer a key question.

Key Question - Can your business grow?

The reality is that some businesses cannot be grown regardless of how focused, energetic or motivated the business owner is. Remember Video/DVD rental stores?

Replaced now with vending kiosks or streaming via the internet. You will only

find these stores in regional areas with no shopping centres and poor internet coverage and even these are struggling. There is a strong trend running against these outlets, a trend that cannot be fought successfully as it is driven by what the consumer wants!



The key component to be answered to determine if your business can grow is; are there trends running against your business that you simply cannot fight?

Businesses that have some serious trends running against them include newsagent's (reducing relevance), post offices (substituted by online communications) and traditional shoe retailing (move to online).



This does not mean these businesses are going to disappear, it means the trends are against these businesses and, before you invest for growth, think carefully!

Remember back a few years, bookshops were all doom and gloom as e-books were growing very strongly. Many business commentators predicted the demise of the “bricks & mortar” bookstore. Borders disappeared, some franchised chains closed outlets, it was looking bad. Today, e-books are flat or declining and paper books are growing. Your analysis must be carefully balanced...do not be fooled by the biases of others.

It is hard if not impossible to grow a business where the business is up against consumer or market trends. Understanding what the trends are for your business is crucial before you invest for growth. Make sure you understand if the trends in your business are headwinds or tailwinds (or even neutral). If the trends are headwinds, consider this carefully to ascertain if your business is truly growth ready.

Recap

Growing a small or medium sized business requires 1) focus from the business owner/manager and 2) a business that can grow. Ensure you are able to focus and make sure you are confident that your business can grow before you invest for growth.

Do this and you go a long way to being growth ready. (See Part III for determining if your business model is growth ready)