

TWO WISE MEN

Growth strategy vital for survival in business

Q: *What are the 10 key steps to business survival?*

A: It is often said that a business not growing is dying. So while your first reaction when struggling to survive feels like you should batten down the hatches, this is usually only a short-term fix. A growth strategy is needed to ensure long-term survival.

Keep sight of your vision for your business and review the current and near future prospects for your business.

A considered Swot (strengths, weaknesses, opportunities, threats) analysis is helpful in understanding where your business is positioned.

Be dispassionate; like cheating at solitaire, fudging the facts in your own Swot analysis only harms yourself.

Follow the principles below to put in place a strategy to survive, and thrive.

Veteran entrepreneur Ken Morse uses a strange acronym CFIMITYM to make the point "Cash flow is more important than your mother".

The remaining principles are adapted from Tony Seba's e-book *Winners take all*.

Manage cashflow. Reduce fixed costs and switch to variable costs where possible (eg use outsourcing or contract services where you don't need a fulltime staff member). Minimise capital spending and use lease services where possible to preserve cashflow. Build a sales pipeline to increase confidence in future income.

Understand your customers. Feel their pain and needs and adapt your product or service to suit.

Focus on strengths. Identify what is your core business strength and reduce or drop anything else.

Focus on value: Measure every business decision on the merits of value added to your customers (and business). Have a message and communicate clearly.

Sell confidently. If you are genuinely

adding value, your customers will see this. Build champions for your product/service/business rather than "deals". People who are delighted want to tell other people.

Select good partners that contribute to value delivery. Understand and manage the value exchange.

Build products/services that are easy to adopt.

Now you have survived and are thriving, change to continually improve – the world doesn't stand still! – **Steve O'Connor, GM of Creative HQ business incubator.**

A: Have clarity in how you add value to your clients – focus on that. Build on your point of difference.

Identify your target beachhead market – the people who you can make the most money from, in the easiest possible way.

Ensure your business model is robust and sustainable – ie you make money.

Create a one page business plan.

Employ the smartest people you can afford – ideally smarter than you – always hire based on values and personality first and skills second.

Define your culture and brand identity and stick to it – this is not a logo! Adapt fast and act on failure – including firing non-performing staff and killing projects that will not deliver a return to the business.

Set up an independent advisory group that will challenge the thinking from day one.

Engage your clients and have fun – perhaps explore social media marketing.

Have a goal, and exit plan, from day one. – **Mark Robotham — GM Escalator Investment Ready Service — building investment ready businesses blog: www.succinct.co.nz**

If you want to ask a question of either of our two wise men, email businessday@dompost.co.nz