

PLANNING FOR GROWTH



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SRJWW

Growing Business Growing People

- **Who are we?**
- **About Dianne Brown**
 - Chartered Accountant
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 - Business Blogger
 - Strategic Business Planning
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Growth

Planning, Funding, Other Challenges

- 4 key ways to grow your business
- Maximise your revenue base by finding your zebras
- Barriers to growth
- Action plans
- Alternative funding sources

Growth Strategy

Initial Review

- Where has your business growth come from?
 - Decreased margins (lower prices but higher turnover)
 - Increased margins
 - Increased/Revised credit terms
 - New products and services
- Where do you think it should come from?
- What's the impact on your cashflow of these strategies?

Growth Strategy

- Growth \neq Profit
- Growth Strategy is one component of Profit Strategy
- Profit \neq Cash
- Sustainable growth \geq cash flow neutral
- Budgeting for Growth is critical

First Step = Growth Audit GAP Analysis

Growth Audit: Where are you NOW?

Factor	Lo -5	Avge 0	High +5	Score Now	Target Score	GAP
1. Understanding why people buy from you	-- -- -- -- -- -- -- -- --					
2. Impact of current marketing activities	-- -- -- -- -- -- -- -- --					
3. Selling skills	-- -- -- -- -- -- -- -- --					
4. Clarity of your target market	-- -- -- -- -- -- -- -- --					
5. Understanding your competitive advantage	-- -- -- -- -- -- -- -- --					
6. Clarity of your internet strategy	-- -- -- -- -- -- -- -- --					
7. Track record in growing a business	-- -- -- -- -- -- -- -- --					
8. Ability to price products & services	-- -- -- -- -- -- -- -- --					
9. Knowledge of competitors	-- -- -- -- -- -- -- -- --					

Full Growth Strategy

Step 1: Audit your current marketing activities

- determine how they are performing – GAP Analysis

Step 2: Examine your Buyer Behaviour

- how do your customers make decisions?

Step 3: Segment your Market

- gain clarity on how to position your marketing approach and spend (location, size etc)

Step 4: Survey your customers

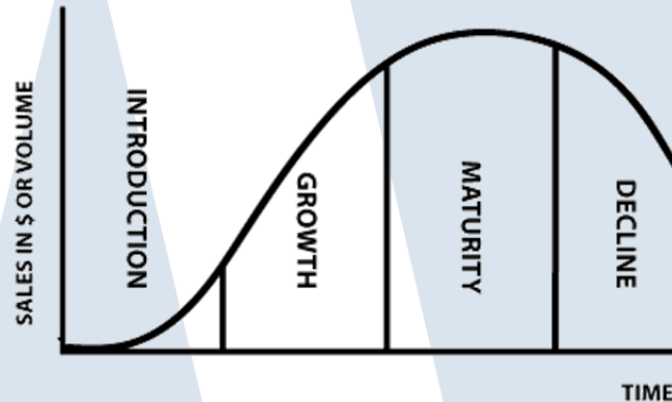
- What do they want from you and how are you delivering on this?

Step 5: Competitor Analysis

- Who are they and why would your customers buy from them?
- Benchmark yourself against them

Full Growth Strategy

Step 6: Conduct Product Benefit/Portfolio Analysis



- Introduction = Wildcats
- **Growth = Star**
- **Maturity = Cash Cow**
- Decline = Dog

Full Growth Strategy

Step 7: Evaluate your Pricing Strategy

1. **Cost Plus = Materials + Labour + Overhead + Profit = Price**
2. **Competitor Pricing = what are your competitors charging?**
3. **Demand Based = What will people pay for your product?**
4. Government Regulated = Does the Govt set your price range?
5. Marketing/Business Plan = Are you targeting margins, growth or both?

Step 8: Develop your growth strategies

- Consider product range, pricing and overall business

Step 9 : Summarise in a One Page Plan

Growth Strategy

1. Market Penetration

Existing Products into Existing Markets

2. Market Expansion

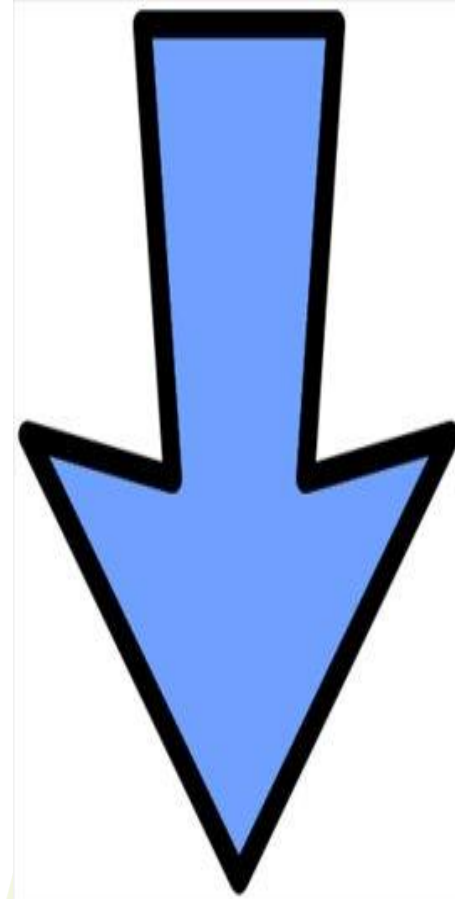
Existing Products into New Markets

3. Product Expansion

New Products into Existing Markets

4. Diversification

New Products into New Markets



Maximising Your Revenue

- Clients/Customers
 - Who, What, Where?
- So who's who in your Lion Pride?



Maximising Your Revenue

Who's in your Lion Pride?

- Black bull = continuity and security
- Senior lionesses = planning and execution
- Junior lionesses = execution and ambush
- Cubs = succession plan

Finding Your Zebras

- Pride
 - Common goal and vision
 - Plan, hunt and feed
- Zebras
 - Less energy, more return
 - Less risk
 - High value customer



Who, What, Where is your Zebra?

Competitor Analysis

- Who are your competitors?
 - Offer same product or service now
 - Offer similar products or services now
 - Could offer the same or similar products or services in the future
 - Could remove the need for your products or services in the future

Competitor Analysis

- Why is this important?
 - Customers know the differences
 - Know Company A is more expensive than you
 - Know Company B have a better reputation for after-sales service
 - What can you do about this?

Competitor Analysis

Factors	Weighting	US	Comp A	Comp B	Comp C
Price					
Purchasing Experience (Ease, Location, Online etc)					
Response Time					
Product/Service Quality					
After-Sales Service					
Reputation					
	100	50			

Barriers to Growth

- What are some common barriers?
 - Lack of Sustainable Competitive Advantage
 - Lack of Clear Customer Base (Zebras)
 - Lack of Clear Product and Pricing Strategies
 - Inability to identify and compete with Competitors
 - Lack of targeted marketing activities

Planning for Growth

Ideas on how to structure growth to ensure it's:

- Managed
- Achievable
- Cash flow neutral or better

So What Now?

- Identify your Growth Strategies
- Identify your Zebras
- Identify your Barriers to Growth
- Develop your one-page growth plan
- Start working on your Action Items
- Consider Cash Flow & Funding Options
- Come along to our Business, Moreton Bay Region Growth Workshop - 2021