

# What is your best source of growth?

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## “Aspiring to be an expert in all needs of all clients will be increasingly unrealistic and unprofitable.”

(“Hypercompetition” series of papers published by Credit Suisse) Shifting misconceptions about business growth is important, as there are many ways to grow your business. A simple way to measure and amend business practice is by analysing and segmenting your clients.

Most business owners believe that sufficient customer demand exists to enable them to grow. However, business owners need to analyse whether they are operating at current capacity to adequately service additional growth in client numbers. For these businesses, the number one restricting factor to their growth is not demand, but supply, and having sufficient staff to service their clients. Surplus clients represent significant opportunities for proactive businesses to generate some growth.

“A lack of suitably qualified and experienced staff” is often quoted as a cause of restricted growth, owner stress and staff stress. It is important to identify strategies to reduce the impact of this staff shortage. Examples of strategies that are currently being implemented include:

- Outsourcing of non core activities
- Becoming an Employer of Choice

Certain tasks can be outsourced easier than others. However, today’s technology means that outsourcing has never been easier and outsourcing will continue to become easier. Outsourcing of the more routine tasks allows you and your staff to focus on ‘higher level’ tasks which generate higher income (and which are personally more rewarding). Most businesses shy away from this as they don’t like paying fees to the outsourced party. Business owners need to realise that as long as they replace these outsourced clients with fee paying clients (and as long as quality control is assured) then they cannot fail to be better off.

Another form of outsourcing is where a business identifies services complementary to those that it provides but which it is not currently providing. By forming an alliance with a firm that provides these services and outsourcing that work to the alliance partner, you expand your service offering to your clients whilst still focusing on your core activities. This is an effective strategy for growing and expanding your client base. It enables you to retain your existing clients in an increasingly competitive environment, and attract new clients. For example, a service station forming an alliance with a mechanic. In this situation the client base is maintained and possibly expanded and a wider range of services is being offered to the customer.

Becoming an Employer of Choice makes it easier for you to attract and retain staff. Strategies that underpin being an Employer of Choice include rewarding performance so that your staff will be more productive, which is a key driver for sustaining growth.

## Next step

Contact us to discuss how we can help identify Growth strategies that work for your practice.