

worksheet



Expanding your business

Growing a business ultimately requires some sort of expansion. But just because you've got your business to this point, doesn't mean adding in new products to the line or opening a second site will be plain sailing. Follow these 7 steps to prepare for a smooth expansion.



1. Get your cash flow in order

Cash flow problems in a small business will only become greater as the business expands and operating costs get higher. To get ready for expanding tomorrow, you need to be managing your cash flow well today.

Write it down

Look at the last six months of accounts for your business, noting when money is coming in and when it is going out. Do you have enough revenue coming in regularly to pay staff and suppliers on time? If not, highlight the problem areas – do you have some clients who don't pay their invoices on time? Consider changing your payment model, charging clients a large percentage upfront to secure the business, employing a contractor to manage your credit control, or using a business credit card to consolidate your outgoings. Remember, cash flow needs to be sorted before you start expanding.



2. Do your market research

Whether you're launching a new product into your portfolio or opening a new branch of your business in a different location, you need to be sure customers want what you're selling. It's as important to research the market for new parts of the business as it was when you first launched.

Write it down

Start by asking your existing customers what they think. Would they like to see this new product you have in mind? Consider organising a focus group, offering existing customers a discount incentive to take part and share their opinion. If you're expanding a bricks-and-mortar business into a new location, look at the area you're considering: which businesses do well there? What generates most of their revenue?



3. Check your supply chain

It doesn't necessarily follow that your future, larger business will run in exactly the same way as your current business on a greater scale. Expansion can mean outgrowing your existing partners, or working with a larger number of suppliers.

Write it down

Make a list of what your suppliers will need to deliver in order to meet your expansion needs, such as different products, or a higher volume of existing products. Is it realistic for your existing suppliers to meet your increased needs? Look at their client base: do they already work with larger business fulfilling big orders on time? Are they running at capacity? You may decide you need to look to other suppliers, which will add complexity to managing the supply chain.





4. Review your skill set and capacity

You play a key role in your business. But there is only so much you have the skills and capacity to handle to the high level your growing business needs.

Write it down

Write a description of your job in the company, including the tasks that take up your day-to-day and anything you are solely responsible for. Then on a separate sheet, write down how those tasks and responsibilities will expand as the business grows. Chances are, it won't be possible for you to manage all of that yourself. Make a list of things that you can delegate to other members of the team. Then make a separate list of things that are outside your skill set. Be critical here, and go through it with a mentor.



7. Start Today!

Is there something you've always wanted to do, but keep putting off and finding reasons to wait? Barclaycard are passionate about helping people to get started. Decide on that one thing you need to get going, and start today.

5. Review the rest of your team

Repeat the process from step 4, but for the rest of your staff.

Write it down

Ask everyone in the company to write down a description of their role – ask them to be honest and include what takes up most of their time day-to-day in practice. Back in Module 01, you reviewed your team and how it will need to develop to meet your growth goals, so refer back to this. Write down what each department of your business will need to deliver to meet your growth plans. This should help you identify exactly where you need to expand your team, or offer training to existing members of staff.



6. Work out your non-negotiables

You have your growth plan. But as every business owner knows, things never go according to the plan. It's highly unlikely you'll get everything your own way, so have an idea of where you can afford to compromise.

Write it down

Take one of the non-financial resources you've identified you need in order to expand. Let's say, property. Write a list of everything you're looking for in a site for the next branch of your business, such as footfall, size, rent costs, or access. Then re-order the list with the most essential things at the top.

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