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# ROOM TO GROW

Nick Pollit explores how businesses can effectively manage rapid growth

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In modern business circles, advice groups and seminars, having a growth mindset is lauded as a vital part of doing business. It's even become a way of life for some entrepreneurs - the maxim of all those who dare to dream they could be the next Steve Jobs, Mark Zuckerberg or Arianna Huffington.

But is it really that simple? Nick Pollitt, managing director of office design specialists Diamond Interiors, thinks not.

"We work with a lot of businesses that are looking for a space that's better designed to meet their current needs," he says. "But what we often find is that some businesses grow so quickly that by the time they've found a location that suits them, they've already outgrown it. Sometimes that inability to manage rapid growth can be detrimental to profit and can even put a company under if they're not careful."

In this article, we outline five ways to ensure you stay in control without having to sacrifice that positive growth mindset.

## OUTLINE YOUR GAME PLAN

Lightning-fast growth is rarely accounted for in an entrepreneur's initial game plan (unless you're particularly optimistic). If you've already flown past all your original projections, the coming months are practically a blank canvas to you. And that can be scary. Here are some steps to counteract this:

- **Set aside some time to outline your game plan.** This will require you to resist all of those reactive requests you've become accustomed to jumping on. Plan ahead by booking out an afternoon or even a full day and sticking to that. Remove yourself from the office if you have to.
- **Plan for the medium-term.** Your long-term strategy probably looks a little redundant now because rapid growth has changed the goal posts or sent you in a different direction. Short-term goals feel almost pointless - they could change day to day. Focus on your medium-term goals and stick to them.



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For example, you might sketch out a 12-month business strategy instead of the five-year projection you put together originally. This brings direction without losing focus.

- **Get buy-in from your senior team.** Are your projections realistic? What obstacles haven’t you factored in? Before committing to your strategy, get plenty of feedback and buy-in from your senior team. This will require headspace for them too, so encourage them to set aside time, even if it might mean getting a little less done in the short term.

### CRUNCH THE NUMBERS

Looking at the commercials will probably give you mixed feelings at this point. On the one hand, look at all that revenue! On the other... Well, those overheads are making your stomach turn.

Poor cash flow management is toxic to a rapidly growing business. As your operational costs increase, you need to ensure you have enough money in the bank to keep things moving.

You can ensure that you have enough cash into your business account to make your growth financially sustainable by:

- **Automating invoice follow-ups.** Some accounting software will allow you to schedule automatic follow-ups so you spend less time chasing invoices. That way, you get more payments in without having to find any more time to do so.
- **Migrating clients to direct debit.** Moving any regular payments into your business over to direct debit is easier for both parties – all it requires is that conversation. Some clients may object on the basis of their own cash flow requirements, but even migrating a small share of your client base can give you enough financial breathing room to get you through the next few months without sinking into debt.
- **Liquidating spare assets.** If you’ve got any assets that you could turn into cash without

hurting your future prospects, now might be the time to do it. If you have a plentiful supply, map out how much you’d need to liquidate each month to make up any cash deficit. Planning monthly means you don’t cash in more assets than you need to, which is especially important if you expect them to increase in value over time.

### GET THE RIGHT PEOPLE

“No matter how strong your product or service may be, the wrong team could stunt your growth and send potential customers over to the competition,” says Zoe Morris, president at Frank Recruitment Group.

Many employers know the dangers of making bad hires, or worse – keeping them. But when under pressure that comes from fast growth, those decisions don’t seem so clear cut.

The problem is that if someone isn’t pulling their weight or your team is understaffed, it can cause burnout or employee dissatisfaction, which stops your business in its tracks.

Here are some measures you can take to ensure that doesn’t happen:

- **Promote from within.** Upskilling staff is a great way to increase retention and staff satisfaction because you’re rewarding them for their hard work. Plus, existing staff are likely to have played a key part in your growth in the first place, so giving them more responsibility will help your business.
- **Alleviate pressure with short-term outsourcing.** Recruitment can take a long time, especially if you’re working in a niche industry. You can buy yourself some time to make the best decision and prevent staff burnout by outsourcing some work to freelancers in the short term. Be selective about the work you send out, though: hiring a bad freelancer can damage your reputation if the proper quality control measures aren’t in place.
- **Focus on quality in recruitment over quantity.** If you’ve outsourced work, you’ll have breathing room to recruit the best people rather than going for the best of a bad bunch. It’s better to wait four months to make the right hire for that crucial position than hire in the first week and have them leave four months later with your company in worse shape than it was before they arrived.

### STAY FOCUSED ON THE CORE PRODUCT

A lot of businesses that grow too fast do so because they’re so busy expanding into new areas that they don’t take the time to refine their core offering – the one that’s creating all that growth in the first place.

How much of your focus goes toward improving your core offering? If it’s less than half of your resource, chances are your product or service will be redundant in a few years. All it takes is for someone to take your idea and do it better.



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If you’re not sure how to improve, listen to your customers. Make the most of review sites and ask for honest feedback in the form of anonymous surveys. Honest customers are incredibly valuable because they’ll identify the flaws or restrictions of your product that you didn’t know were there.

Build your refinement strategy around feedback, and prioritise it over those exciting expansions into new markets you’ve got in mind.

**UPGRADE YOUR OFFICE SPACE**

If you’re hiring lots of new staff to help sustain your business growth, chances are you’ll quickly run out of space in your current location.

Ruby Raut, CEO and co-founder of sustainable menstrual product company WUKA, experienced this problem first-hand. Her business grew so quickly that she was forced to change her base of operations.

“In just one year, we had to move from my

living room to a huge warehouse with an office,” she says.

“Hiring a space gave us a sense of responsibility and achievement. Now, we have room to hit our targets and hire more staff so we can continue to grow.”

Businesses that are outgrowing their current space have two options:

- **Move to a bigger office.** Locate the ideal space for you, one that suits your needs and your budget alike. A third party may also be able to plan out a transition process to minimise any disruptions to your business.
- **Change the way you use your space.** The problem may not be a lack of space but a failure to fully utilise the space available. You can hire a workplace consultant to take a quick survey of your existing office and plan a new layout that takes into consideration your current and future needs, saving you spending any more on rent than you need to.

**KEEPING UP THE PACE**

Rapid growth is a testing time for any company but by being kind to your staff, focusing on your product and ensuring you have enough resources to see you through, it can take you to incredible new heights. By following these tips, you can fortify your business so that it’s designed to handle fast growth in the future - meaning there’s no limit on what you can achieve. ●