Managing Small Business Growth

A couple of weeks ago, our SCORE Chapter got a request that said, “I need to have help to plan and manage future growth for my business”. That gave me the idea for today’s business column.

According to the latest United States Census Bureau employment data, of the 6,795,015 small businesses with employees, 2,894,288 have four or less employees. Some stay that small by design, while others may not have grown because they don’t know how to expand their businesses effectively. Growth, if not managed properly, can lead to lack of control over core aspects of a business and decreased quality in products, services, and customer care.

If you are starting and/or planning to grow your small business, here are some key considerations that might help you do it successfully:

1. **Think about scalability from the start.**

   While managing your small business may be easy when it’s just you taking care of all administrative and operational tasks, adding employees adds complexity. Consider creating an organizational chart and job descriptions so roles and responsibilities are well defined and expectations are clear. Having that visual representation of your company’s structure will also help you identify any gaps in management and execution that you’ll need to address.

   According to SCORE mentor and business development expert Wilson Chu, “Your business plan serves as a road map for the growth of your business, and it should include the organizational structure needed to achieve that growth. It is important to define the key roles and responsibilities to achieve a cohesive and smooth functioning organization. The job positions and functions as outlined in the business plan must be reviewed from time to time to determine that the plan is still valid based on current business conditions.”

2. **Create processes and systems.**

   According to the Merriam Webster dictionary, a process is “a series of actions that produce something or that lead to a particular result,” and a system is a “a group of related parts that move or work together.” You’ll benefit by having both as you grow your business.
• **Processes**
By documenting functions and activities in a step-by-step format, you’ll have clear instructions for the employees to whom you entrust responsibilities. A small sampling of processes most small businesses might consider include: fielding and qualifying leads, prospecting for new business, creating proposals and estimates, creating products, invoicing clients, receiving client payments, etc.

• **Systems**
A small business’s systems are the platforms and tools that enable it to carry out its processes. A few examples might include: your accounting software, email platform, website content management platform, social media management apps, productivity apps, customer relationship management systems, etc.

“Well thought-through processes and systems will allow your organization to grow and expand to accommodate future requirements. They give your organization the flexibility to change,” explains Chu.

Much of what works or doesn’t work in a small business can often be traced back to the success or failure within its processes and systems, so it’s critical to regularly review their effectiveness.

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