

GROWING BUSINESS

WAYS TO GROW, DEVELOP AND EXPAND YOUR BUSINESS

As an entrepreneur, you do not go into business to remain static. So once you are over the first hurdle of setting up your business and the first phase of operation can be viewed as successful, you will want to expand your business.

Well, how would you go about it?

More targets and diversification

Probably a first obvious route is to continue what you are doing, but in **different markets**. You therefore need to embark on another scout around of potential target markets, draw up the profile of those that appear promising and finally making a decision on which market/s should be targeted. Markets can be expanded locally and internationally.

The result of finding new markets may be the need to **open a new branch**. This must only be done after careful research; while the business may have been successful in one geographical area, it may not necessarily mean the new branch will be successful. Different socio-economic factors will come into play. Ensure that your decision is based on what is best for the business and not the fact that you have the funds to open another branch. Another version of a branch can be the offering of products or services online through the **Internet**.

The second logical way of expanding your business is simply to **expand your product or service range**. It requires investigation in terms of whether it will suit the target markets that you are already familiar with, but if you are known in the target market, you have a better chance of introducing a new product or service. Diversification gives you an advantage in your business. It means that all your eggs are not in one basket and it allows you to have multiple revenue streams. However, there is a fine balance that has to be maintained: too much diversification, especially if the products are totally unrelated, can confuse your target market.

Annuity-based contracts

Any entrepreneur will be happy to have annuity-based contracts because it brings in regular revenue streams, making it possible for you to plan ahead with much more confidence. It also provides you with a platform on which you can build a more stable and sustainable business. Initially, the amounts appear small but in time, as income builds up, you will appreciate the advantages of regular strong revenue streams.

Strategic alliances

In order to capture bigger markets or offer a holistic product range or service, a strategic alliance may be a powerful way to expand. These alliances also are used to expand a footprint, product suite or address black empowerment challenges. The advantages of alliances leverage on the scale of economies in a number of areas within your businesses such as human resources, administration, delivery, skills transfer, infrastructure, to name a few.

Franchising and licensing

Information is already provided separately on franchising. Franchising may be a very suitable strategy to invoke growth. It also presents an opportunity for a black empowerment initiative in that a proven business model supports the business decision.

For a service-orientated business, licencing provides an attractive path to follow. This means that the franchisers can receive upfront money and royalties from the continued production of services or use of the business solution and brand. Licencing minimises risk and is low in comparison to the other forms of funding expansion. It also adds credibility and comfort for the customer.