

Rules for Business Growth

Tudog has been around for a long time and we often get the sense that when it comes to business we have seen it all. Certainly the mere number of companies we have worked with (approaching 200) from varying industries (approaching 30) from different countries (currently 18) leaves us with some understanding of the fundamentals of business.

At least we think so.

True enough that we have been able to come up with systems and processes that generate certain results, And our tagline “original thinking” announces to the world that we pride ourselves on doing things our way. Yet by way of confession, our approach to business is no different than an artist’s approach to a new painting or a composers approach to a new song. You start with what already exists.

So, when Tudog sets out to codify the rules for business growth we begin with what we already know, the fundamentals we know to be true across industries and across borders. They are:

1. Growth is Not Optional – for a business to sustain itself and justify its existence it must generate profits and demonstrate its market relevancy by showing growth in its revenues.
2. Businesses are Living Things – some people view businesses as inanimate vehicles competing against other inanimate vehicles. Tudog disagrees. Businesses are comprised of people and the dynamics of these people form a community that then comes together for the purpose of meeting the objectives of the company. If the community can’t function, neither can the company. This makes the business an extension of its people. Moreover, change in business is inevitable, and therefore in this sense too a business is alive. A company must be alive to the changes around it and acting diligently to respond, as well as making certain to cause a bit of change itself.
3. Your Competitors Hate You – sure we are in an era of competitors cooperating, but this is only because, up to a certain point, there are benefits to all sides in combining resources. At some point the nature of business will take over and those same people cooperating with you will decide the time has come to compete and their objective will become overcoming you, and if possible, eliminating you. Your job is to make sure you never become so seduced by the sweetness of the cooperation that you are caught off guard or completely unprepared when the competition begins.
4. If You Don’t Plan It, It Most Likely Won’t Happen – there most likely are times during the course of a business’s existence that the company stumbles upon an opportunity and has the good sense to run with it. Often a byproduct of an R&D process will yield something unexpected and fabulous. Sometimes the market applies a different use for a product than originally intended. All of these are unplanned acts a company takes, sometimes to great advantage. Most of the time, however, you need to plan. Planning allows you to allocate resources, put timetables on events, and approach the market (including competitors) in an organized manner. Without plans, much of what you hope to accomplish simply won’t occur, because you lack the infrastructure – driven by the plan – to make it happen.

5. Growth Doesn't Come Free – the cost of growth extends beyond the resources you need to dedicate to the implementation of your growth plan. There are the costs of mistakes you will inevitably make, as well as the cost of missed opportunities lost as you focus on the growth path you have selected. The trick is to calculate the losses to mistakes ahead of time, so they do not sidetrack your attention. As for the missed opportunities, work hard to make your chosen growth path work and they won't matter so much. Some you will be able to go back to, and some will be overshadowed by existing growth.

With these strategic truths come some tactics options. Driving growth can be achieved by adhering to these 10 Rules for Growth:

1. Build Upon Your Existing Customer Base – the customers you already have are always a great place to start when looking to grow. You have already undergone the process (and cost) of acquiring them as customers. They are familiar with your company and (hopefully) satisfied with your products and services. You should be able to look to them for additional purchases, provided what you are trying to sell is consistent with your core offer and is on the same level of value and quality they have come to expect from you.

2. Find New Uses for Old Products - a great way to find a new market (new customers) is to find a new way to use your existing products. New markets are all about getting an additional group of people to see value in what you are selling. Sometimes this means pointing out that your existing product can be useful in additional ways. For example, the anti cholesterol ads popular these days, plugging existing products as a way to also lower cholesterol are finding new markets for their existing products.

3. Introduce New Products – new products are an essential part of growth because they not only give you an opportunity to introduce your company to new customers, but they provide existing customers with a reason to buy from you again. Your new products need not be a “new and improved” version of your existing product, but rather can be something that is consistent with your existing products – something that a buyer of your existing products would have the same motivation or reason to purchase.

4. Refresh Your Offering – nothing goes stale as quickly as an offering. You need to refresh your offering every now and then to renew interest and draw in the people who were not sufficiently impressed with it the first time out. This does not mean that you need to have constant sales or need to drive people crazy with different offers (ala the cell phone companies). It only means that you need to mix it up a bit and make sure you are offering something of value at all times.

5. Be Service Oriented – if you think anything other than service is king you need to change your court advisors because you are being sorely misled. The only thing more important than service, is better service. You need to make sure you are meeting the needs of your customers – always, on time, hassle free, and with a great big smile.

6. Ask How You're Doing – there is nothing worse than thinking your customers are happy with your company only to realize, as they move to your competitors, that something is wrong. The best way to keep on top of what your customers need from you and what they think of you is to ask. Make sure you are going back to them periodically

and asking them how you're doing. Take their criticisms seriously and make efforts to correct whatever shortcomings they point out.

7. Be Creative- there is nothing worse than a business that appears to be standing still. Your company may be healthy, but if you aren't showing the market sparks of enthusiasm and innovation nobody will know. The danger of appearing standing still is that you soon might find yourself actually stuck in the mud, as customers act on the perceptions and move to competitors who give the appearance of innovation and motion.

8. Be True to Your Brand – your customers are confused enough by the competing claims of your competitors, the varying price points, and differences in quality and value. Perhaps the only thing they can rely on is what your brand stands for. If you start playing with your brand by being inconsistent, introducing incompatible products, or becoming lazy, you will let your customers down, and they will punish you with diminished loyalty. Make sure you treat your brand like it is something important, because to your customers, it is.

9. Leverage the Internet – if you do not yet have a competent website consider yourself admonished. The web is no longer a luxury or just one more tool for your marketing. It is now a business imperative. Look into all the opportunities the web offers and begin to leverage the ones that make the most sense for you. You will find it to be a channel for significant growth.

10. Know When to Move On - not everything lasts forever, and business has its ups and downs. One of the most important growth tactics you can use is knowing when to move on. When something is not working, it isn't a sign to throw more money at it, or wait to see what happens. When something is not working it is time to move on, write it off, and go on to the next thing in your plan.

Growth is the engine that drives your business. Too often businesses try to take the easy way around growth by creating unnatural revenue streams from either services that were previously free or products that are inconsistent with their core concept. These either confuse or annoy customers. There is no reason to substitute poor growth actions for genuine growth tactics. The initiation and implementation of true growth policies will lead to sustained growth, which, unlike activities designed to cause spikes in sales, creates value. The worth of your company, in more ways than one, is demonstrated by how you approach and execute your quest for growth.