Tips for Growing Your Business

The old saying that in business if you are not moving forward you are moving backward, is even truer during times of economic stagnation. The dangers are twofold – perhaps you are losing your market to a competitor who is not slowing down, or perhaps the perception of critical need for your product is being diminished as customers start making do without you. Either way, the hard times not withstanding, you always need to be working toward growing your company.

How can you grow your company even when resources are limited? Tudog has ten suggestions. They are:

1. Know Your Customers & Treat Them Well

The competitive environment increases as companies struggle through hard times. Competitors are likely to try to mine your customer base, offering price incentives and appearing to be more accommodating and service oriented. You can minimize their success in stealing away your customers by making sure you have a complete understanding of who they are and what they need from you. Then you take their expectations and you exceed them – each and every time.

2. Communicate Benefits of Product

Too often we communicate features as opposed to benefits. In a less competitive environments it may be something we can get away with (although its still less effective marketing). In tougher times you need to deliver on benefit, your product needs to have purpose. By communicating that benefit you are reinforcing your purpose.

3. Think Forward

Engaging in forward thinking is not typically something we engage in while struggling to maintain our business. More likely we are thinking more of the here and now, trying to make sure we are doing whatever we can to stay afloat. In other words, we tread water. Yet, by using the downtime to position yourself for a few years forward will most likely give you momentum, position your company as trendsetting, and provide you with invaluable competitive positioning.

4. Stay Informed

There is power in information because it is the foundation upon which all strategic and tactical decisions should be made. Make sure you are leveraging the power of information by staying informed about all developments in your sector. Now is not the time, when seeking to cut costs, to cancel your subscriptions to industry publications. Read everything you can on your sector (and business in general) and then use the knowledge you gain to create an advantage for your company.

5. Market Creatively

Another typical casualty of tough times is the marketing budget. It always fascinates Tudog that prospective clients complain about slow sales when in fact they imposed the situation upon themselves by cutting back on the bulk of their marketing activity. You can cut marketing costs, but not marketing activity or the degree to which you seek exposure and communicate with your market. You may need to find some creative new ways to market, but as long as you don't reduce the intensity of your activity, the low cost methods won't hurt you.

6. Price Wisely

A temptation during slow times is to raise prices in an effort to maintain certain levels of revenue even with fewer people buying. The raising of prices may or may not be a wise thing to do, depending on whether or not it is consistent with your market position (for example; are you generally a discount product or an exclusive product?) and whether or not you offer some sort of added value to offset the price increase. If you simply raise your prices you may be shooting yourself in the foot, as consumers may see this as an unnecessary increase at a time when everyone is looking to stretch the dollar. On the other hand, if you increase the value, consumers may be willing to accept the increased price. Value, by the way, could come, for example, in terms of service, warranty, enhanced environment, or additional product.

7. Create Partnerships

One way to deliver added value and expand market share is through the formation of alliances. Alliances allow you to gain access to new competencies, new markets, additional offerings, and perhaps even shared costs (for example joint marketing expenses). In tough times companies are often receptive to alliance overtures. Check to see which parallel companies you should be aligned with, and then go out and structure a mutually beneficial arrangement.

8. Retain Good Employees

Good employees are hard to find at any time. There may indeed be a lot of unemployed folks eager to work for you. And you may even be able to get them at a cost lower than some of your current employees. Still, add the cost of training, the shaky operations until they are up to speed, the cost of turnover (not all of them will stay), the need to build loyalty with new employees, and the possible backlash of dismissed employees (taking customer with them, badmouthing the company, etc.), and the savings on salary could wind up costing you. Your good employees deserve your loyalty. It's what keeps them dedicated, and in the end, saves you money.

9. Hire Right

Even though you are cutting back, you may find that you are in need of a new employee from time to time, If so, you should make sure that you have a very well defined set of criteria for your new hire. You need to make the hire work because, as explained above, the cost of absorbing your new employee can be significant. Also, and this is obvious, you want the best, most suitable people in your organization. Make sure your hire not only has the skill sets you seek, but also fits in with your company's culture and vision.

10. Keep on Top of Trends

Just because the economy has slowed doesn't mean that things aren't moving fast, or that there aren't new opportunities out there. You need to be on top of the trends by going back to your market regularly to measure mood, change and activity.

Growing your company in hard times or times of prosperity requires dedication, investment, creativity, and support. The ten points discussed in this article focus on making sure you don’t stand still when times are tough. They are, however, points to ponder even while you are flourishing.