

Stages of Business Growth & Development

Stage	Revenue	Focus	Challenges	Activities	Skills
I. Core Business Development	<i>Service Industry:</i> \$0 – \$500,000 <i>Manufacturing Industry:</i> \$0 – \$1.5 million	<ul style="list-style-type: none"> • Client acquisition 	<ul style="list-style-type: none"> • Underpricing/underearning • Lack of funding • Poor cash flow • Absent/inadequate systems • Owner burnout • Adhoc planning • Missed opportunities 	<ul style="list-style-type: none"> • Define market niche including competitive advantage • Develop services/products • Manage cash flow • Deliver exceptional value 	<ul style="list-style-type: none"> • Financial (pricing, budget, cash flow analysis) • Business planning (mission, vision, strategy) • Marketing (branding, networking) • Selling
II. Expansion	<i>Service Industry:</i> \$500,000 – \$5 million <i>Manufacturing Industry:</i> \$1.5 – \$15 million	<ul style="list-style-type: none"> • Resources • Operational systems 	<ul style="list-style-type: none"> • Resources stretched • Operations overwhelmed • Micromanaging owner • High employee turnover • Poor service • Space requirements change 	<ul style="list-style-type: none"> • Manage cash flow • Acquire the necessary physical, financial, technical, and human resources • Formalize operational systems 	<ul style="list-style-type: none"> • Operational • Leadership • Coaching • Delegation • Communication • Strategic planning
III. Professionally Managed Enterprise	<i>Service Industry:</i> \$5 – \$40 million <i>Manufacturing Industry:</i> \$15 – \$125 million	<ul style="list-style-type: none"> • Profits • Service/product expansion 	<ul style="list-style-type: none"> • Few good managers • Poor planning and execution • Sales grow but profits don't • Organizational inefficiencies 	<ul style="list-style-type: none"> • Management development • Planning and organizational structure • Formalize activities of the organization 	<ul style="list-style-type: none"> • Strategic planning and development • Performance management
IV. Organizational Maturity	<i>Service Industry:</i> \$40 – \$175 million <i>Manufacturing Industry:</i> \$125 – \$500 million	<ul style="list-style-type: none"> • Culture • Management 	<ul style="list-style-type: none"> • Owner bored/ready to retire, resign, or sell • Employees self interest vs. company interest 	<ul style="list-style-type: none"> • Promote shared vision • Manage employee commitment and customer perception 	<ul style="list-style-type: none"> • Organizational development • Visionary leadership