

Thinking Bigger. Reynolds Consulting, LLC has developed a number of tools and processes that help managers lead the strategic implementation of growth. These tools are easy to use, but powerful in achieving success!

(**Smart Strategies** by Margaret Reynolds)

The Challenges Faced by Companies with Rapid Growth

Not too many of us feel sorry for the business that is taking off like a meteor, especially in this environment. However, lists of fast growing companies are still being assembled and published. Maybe you were listed in the top 10/50/100 of the fastest growing businesses in your city or maybe even Inc.'s list of the top 500. Kudo's to Northern Capital Insurance for growing 19,812.2% and being Inc.'s #1. But fast growth creates its own challenges.

First, let's hope that part of the reason growth is happening at such a rapid rate is that the company was built for scalability. If not, there are continually resource and system issues. A client of mine had a tremendous reputation in their industry and was attracting all kinds of business but on the promise of customizing the solution. After a while, they began to drop too many balls as they strove to create a new system for each and every customer. They had to take a step back to create a model that allowed for scalability before they lost their newly found success.

Another concern might be talent. As the size of your business grows so does the need for talent with experience at a higher level. If you aspire to double in size in two years and it is not just wishful thinking, hire talent that works at that level now so they can help prepare you for reaching your goal.

When you are the neighborhood vendor a brand may not matter much—you may personally be the

brand. But if you are expanding quickly, and reaching a broader audience, it will be important for the company to be known consistently whether you are personally there to shake everyone's hand or not. You must be sure to have defined your brand, its attributes and operationalized it into all that you do.

If you are growing at a rapid pace it is likely you are ready to extend distribution by adding channels or geography or both. These may require new resources, new relationships, new systems, and new alliances. Requirements like that need to be anticipated and capitalized.

Finally, systems themselves must support growth, connect functions, and serve the customer, all in an accurate and timely way. Too often systems are designed for the size we are today. How many times have you seen a new school built and the next year there are four trailers in the parking lot because the school is not large enough for the enrollment? Don't let that happen to you.

Some might say those with this kind of growth rate (the 500th company on Inc.'s list is Spinnaker at 528.5%) don't need to do any planning. But in fact, the opposite is true.

Growth at that pace is rarely sustainable so in order to keep the value of the company up, a fast growing company needs a strong leadership team, and a plan. Here are some things they need to consider in that plan.

• How do we manage expectations

for our future growth?

- How can we capitalize on our strengths and continue to find new opportunities to fuel growth?
- How can we create barriers of entry for competitors so we don't have to fight fast followers or bigger companies that see the value in this business and have more resources?
- How can we continually make sure all of us are on the same page and have a structured process for timely but effective decision making?
- How do we make sure we get continual feedback from the marketplace so we ensure we are always maintaining satisfaction with current customers while growing?
- How do we continually develop employees and ensure they feel valued so we can retain the best talent while attracting the right new skills.

A company dealing with rapid growth needs to stay ahead of the game and put systems, talent, resources, and plans in place to support their growth and enable it to continue. Achieving growth is a challenge. Sustaining it even more so.



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