

10 Inside Secrets to Grow a Business in Tough Times

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Daniel Kehrer shares the Reznick Group's secrets for achieving growth, even in a poor economy.



How do some small businesses manage to grow and thrive while others perennially struggle and miss opportunities that come their way? According to Alex Castelli, who heads the Growth Markets Practice of consulting firm Reznick Group, the most successful business owners display some clear patterns and habits.

Castelli says his group – which includes many former entrepreneurs – sees business owners making the same mistakes that are often avoidable.

Here are 10 secrets for achieving growth even in a poor economy:

- **Grow to survive** – Many small or local businesses assume it's best to reduce offerings to survive tough times. While this seems intuitive, sometimes the answer is to do just the opposite – *to grow*. Before cutting back and shrinking your business, consider first whether additional funding might help.
- **Check your ego** – You know your business inside and out, but that doesn't make you an expert at running it. Smart business owners know what they *don't* know. Don't be afraid to ask for advice and then, take it.

- **Remember your first fans** – Many entrepreneurs seem to forget who helped them get started. If you have investors, keep them apprised of what's going on. Good communication is key. A good investor group can provide mentoring and other resources, so keep them involved.
- **Share your knowledge** – In today's business world, success and influence are in the hands of those who share their ideas and information. Yes, you might lose a little competitive edge by sharing your secrets. But you will gain influence, and possibly success. So when you've found a great tool or solution, or gained insight, tweet it, blog about it, author an article, post it to Facebook.
- **Hire someone to watch your money** – Lack of strong accounting and finance can be the only thing keeping you from reaching your financial goals. Find well qualified people who share your vision and then step back and take their advice.
- **Know when to persevere** – Stick to your mission. Many would-be success stories end prematurely because they give up when challenges mount. Don't let hurdles stop you. Arm yourself with market knowledge and an expert team and push through.
- **But recognize when to change direction** – Still, there are times you may need to change direction or call it day, and having the courage to do so can be liberating. You may end up with a clearer picture of what will or won't work.
- **Keep cash on hand** – One of the biggest mistakes growing businesses make is to run out of cash. While the sun is still shining on your business or before your financial picture has a chance to turn sour, meet with lenders and/or landlords proactively to see if there are opportunities to restructure debt, payment terms, etc. Having cash on hand is critical for staying afloat and continuing to grow.
- **Get more when you have more** – Don't wait until cash balances get low to secure more funding. The best time to get more is

when you have more. Securing a line of credit while you still have money in the bank gives you the ability to negotiate a larger line and better terms. It also gives you the ability to make payroll during slow times and to have access to cash as needed. In addition, it gives you an opportunity to develop a business relationship with a bank. Waiting until you really need money takes away your negotiating power and leaves you at the mercy of the lender.

- **Sell when you get the chance** – Many business owners miss, or worse – pass up – incredible chances to sell their company because they are not prepared to adequately evaluate the opportunity. Know where you stand in the marketplace at all times. That includes what your potential is, and what it will take to reach your potential. That way, when opportunity knocks, you'll know what to do.

Have a question about growing your business in tough times? [Connect with a SCORE mentor](#) online or in your community today!

About the Author



Daniel Kehrer, Founder & Managing Director of BizBest Media Corp., is a nationally-known, award-winning expert on small and local business, start-ups, content marketing, entrepreneurship and social media, with an MBA from UCLA/Anderson. Read more of Daniel's tips at www.BizBest.com, follow him at www.twitter.com/140Main and connect on LinkedIn at www.linkedin.com/in/danielkehrer.