Hello First Generation Entrepreneurs!!

An understanding of the key factors that drive business growth helps entrepreneurs to keep their business securely on the fast track.

If there was a guaranteed formula for fast growth, more companies would be achieving a stratospheric revenue increase. And somebody would be getting very rich selling such formula. Nevertheless, entrepreneurs can help their companies develop quickly by simultaneously harnessing five key growth drivers.

The first key growth driver is strategy. Every fast-growing business starts with an idea, which turns into the business plan. The strategy might revolve around bringing a new product to market, or be based on an existing product or service applied or delivered in a new way. Accelerated growth can be driven by developing more new products, and/or expanding into new markets.

Alongside strategy, people and operations represent another key growth driver. Companies that grow fast often have a key individual driving them forward – the person with the initial vision, energy and determination to step out along the entrepreneurial road. However, growing a business fast relies on teamwork. Entrepreneurs need to draw around them a group of individuals who they can trust, who share the same dreams and apply the same values when trying to bring that dream alive with required skills.

On the operations side, a growing business needs to develop an appropriate infrastructure and keep adjusting that infrastructure as the business grows. This involves IT systems, processes, even basic office space, branches etc. If you are growing fast, will you have enough room for your expanded team in near future? And as the business grows, new operational systems may need to be developed to maintain efficiency.

Clearly no business can grow fast without the right funding, and so capital is another key growth driver. Finding the right form of financial backing, and at the right time, is critical. That's not to say that high growth can only be achieved with large amounts of funding, or that high funding levels will automatically result in fast growth.

Transactions are also important for driving growth. These could include alliances in the form of strong supplier relationships. In addition, as the business grows, mergers and acquisitions may offer the potential to achieve a step change in growth, or facilitate entry into a new geographical market or a complementary service area.

Last but not least among the five growth drivers comes risk randomness and need for controlling. As the business grows, so it is essential to establish controls to manage the inevitable risks that accompany rapid business development. The monitoring element is also important for growing companies, both internal and external purpose.

Management teams need to communicate clearly between themselves, to understand business performance and delivery against future targets. Similarly, the company needs to report effectively to external investors and other stakeholders to maintain their ongoing confidence and support. Legal and Statutory Compliances are also utmost important.

Managing all five growth drivers can be a complex challenge. As the business grows, so new approaches may be required in each area – a different form of capital injection, a new type of staff reward structure, an improved financial reporting system.

The entrepreneurs who understand and leverage the growth drivers are likely to be leading the fastest-growing, most successful businesses.