



Growing a business is tough. In fact, just *operating* a business is tough: the Small Business Administration claims that roughly **half of all startups survive** the first five years. But if your business is one of the lucky ones that's doing well, you'll reach a point where it's time to grow and expand on your success. Although creating small business growth is tough, it's not impossible. **There are some tried-and-true strategies you can use to drive growth and continue to expand. Here are six we recommend.**

**1. Market to your ideal customer.** Every business wants to sell more product. But attempting to blindly sell to everyone who walks by your store or lands on your website is a very inefficient and wasteful strategy. To maximize your marketing budget and make more sales, it's important to know who you're selling to. If you know your ideal customer, you can focus your marketing to drive more of them to your door. Those ideal customers, in turn, are more likely to buy your product. And they're less likely to need convincing, meaning instead of focusing all your energy on closing sales, you can divert some of it back to marketing. It's a powerful cycle.

First, you need to know who your ideal customer is so you can **create a persona for them**. What is their age, sex, education level, and occupation? What are their interests? Most importantly, what are their pain points, and how does your product help them overcome those points?

Next, take a look at *who's actually buying* your product. Do your current customers match with your ideal? If not, you need to adjust your marketing strategy to attract more of those ideal customers. Alternatively, you may need to adjust your ideal to more realistically match your customer base. Either way, once you've identified your target customer, you should focus your marketing strategy on them.

**2. Focus on your strengths.** Every business, like every person, has strengths and weaknesses. It's a common strategy to focus on bringing up your weaknesses to form a well-rounded package. In reality, it may be better to focus on your strengths. Rather than attempting to get better at things that you or your business just doesn't do well, leverage the strong points to drive growth.

You may have heard the idea that 80% of your results come from just 20% of your efforts. This is known as the **Pareto principle**. By focusing your energy on the key efforts and activities that drive most of your results, you can operate more efficiently and get more bang for your buck. This approach applies on both the personal and company-wide level.

As for the rest? Outsource it. If you're not good at payroll and accounting, for example, it doesn't make much sense to try to do it yourself. You'll spend a lot of time to get a mediocre result. Instead, hire a CPA to handle these tasks for you. They'll get the job done faster, costing your company less in the long run, and they'll probably do a better job to boot. The same goes for technical tasks, customer service, and many other areas of business.

**3. Invest in your employees.** This one *should* go without saying, but unfortunately, many companies fail to properly invest in their employees. Not investing in your workforce could lower potential productivity and hinder your company's growth.

Investing in your employees can mean a variety of things: paying a better salary, creating incentive programs, offering additional non-salary compensation, or simply communicating better. These investments can all improve morale and engagement, and engaged employees have been shown to be **considerably more productive** than nonengaged employees.

On the flip side, failing to invest in employee satisfaction can lead to reduced productivity, poorer performance, and higher turnover rates, all of which could cost your business big time. Replacing employees still costs your business money, so it could be more cost-effective to take care of the ones you have, even if it means investing a little more in them financially.

**4. Tweak your inventory management.** Inventory control is a crucial part of keeping the right items in stock at the right times, and it also helps you avoid a lot of waste and items slipping through the cracks. Getting your inventory under control allows you to serve more customers while saving money.

You have a number of ways to streamline your inventory management. If you're not using inventory management software, that's a good place to start. It can make the whole process more efficient and save a ton of time. But if you're already using a software management system and still having trouble, consider switching. There are a lot of options out there, and not every solution will work for every business.

**5. Keep an eye on your competitors.** Chances are good that you're not the only business doing what you're doing—every company has competition. Chances are also good that they're doing some things right. What are those things? How much do you know about your competitors?

Your competition can inform your growth strategy in a number of ways:

- If they're not doing well, it's a good idea to find out why so you know what to avoid in your own business. If they aren't reaching a certain demographic, think about what's missing in their product or services, and figure out how yours can be a solution for that audience. If customers don't love their price, keep that in mind as you offer deals or pricing for your own merchandise.
- If they *are* doing well, there's even more you can learn. If they have a certain market segment locked down, it might be a good idea to let them have it and focus on other customers. Or if they excel at customer service and your business is struggling in that area, you can learn a lot about how to improve by watching how they interact with customers. For example, mystery shoppers can be a great way to get an inside look at the customer experience at a competing retail outlet.

**6. Spice up your customer loyalty programs.** Customer retention is one of the most powerful ways to solidify and grow a business. Building a loyal customer base helps ensure future sales and allows you to focus on selling to your current clientele, which is often much easier than selling to cold customers. Ask yourself this question: When someone buys from your business, what are you doing to entice them to come back?

One great way to generate repeat customers is a loyalty program. This program can be as simple as a punch card that gives the customer a discount after so many purchases or as complex as targeted coupons printed for each customer based on past shopping habits.

Offering a great customer experience is another way to generate repeat business. Implement new training for your employees if your in-store experience needs to improve, and don't forget to **update your website too**. Customers are much more likely to come back if you deliver on-point customer service and make their experience more pleasant. And they're also more likely to recommend your business to their friends.

**Don't stop improving.** Whether you've been in business for years or you're just starting out, how to get your business to grow is an inevitable problem you'll face. Constantly study and evaluate your business plan, your processes, and how you identify and engage with customers. For now, these six strategies should give you some great starting points.

*By Madison Crader*