



# *Growing your business*

The Basics



# *Why is it important to have a growth mindset for your business?*

Markets change

1. What item or service that was popular this year or last year may no longer be popular?
2. How many people still eat a gelatin salad?
3. Consumer tastes and preferences change
  - Very few people ate kiwis in Canada in the 1970s
  - Very few people ate avocados in the 1990s
4. Supply chains change
  - Tariffs
  - Banana blight or bird flu or shortages of cacao or other events that limit the availability of a commodity
5. Political changes
  - Tariffs
  - Breakdown of free trade deals
  - The emergence or the decay of an economic block (Brexit, The fall of the Soviet Union)



# *Why is it important to have a growth mindset for your business?*

Growth in product

- Testing new ideas
- Testing new packaging
- Testing different ways of delivering items





# *Growth mindset*

Know your brand

- Identify your core values and stick to them with an understanding that you can change and remain loyal to those values

Learn new techniques

- Takes courses
- Participate in industry events
- Experiment with product and service delivery

Stay on top of market trends

- Read industry magazines
- Poll existing customers
- 1. More importantly poll potential new customers and figure out how to convert them into customers
- 2. Remember: you don't need to create a 100 million dollar company to have a growth mindset
- Even loyal customers stop buying for a multitude of reasons: They move away, they can't afford you, their tastes change, another product or service is of higher quality or offered at a better price



# *Growing your company*

Identifying systems and processes

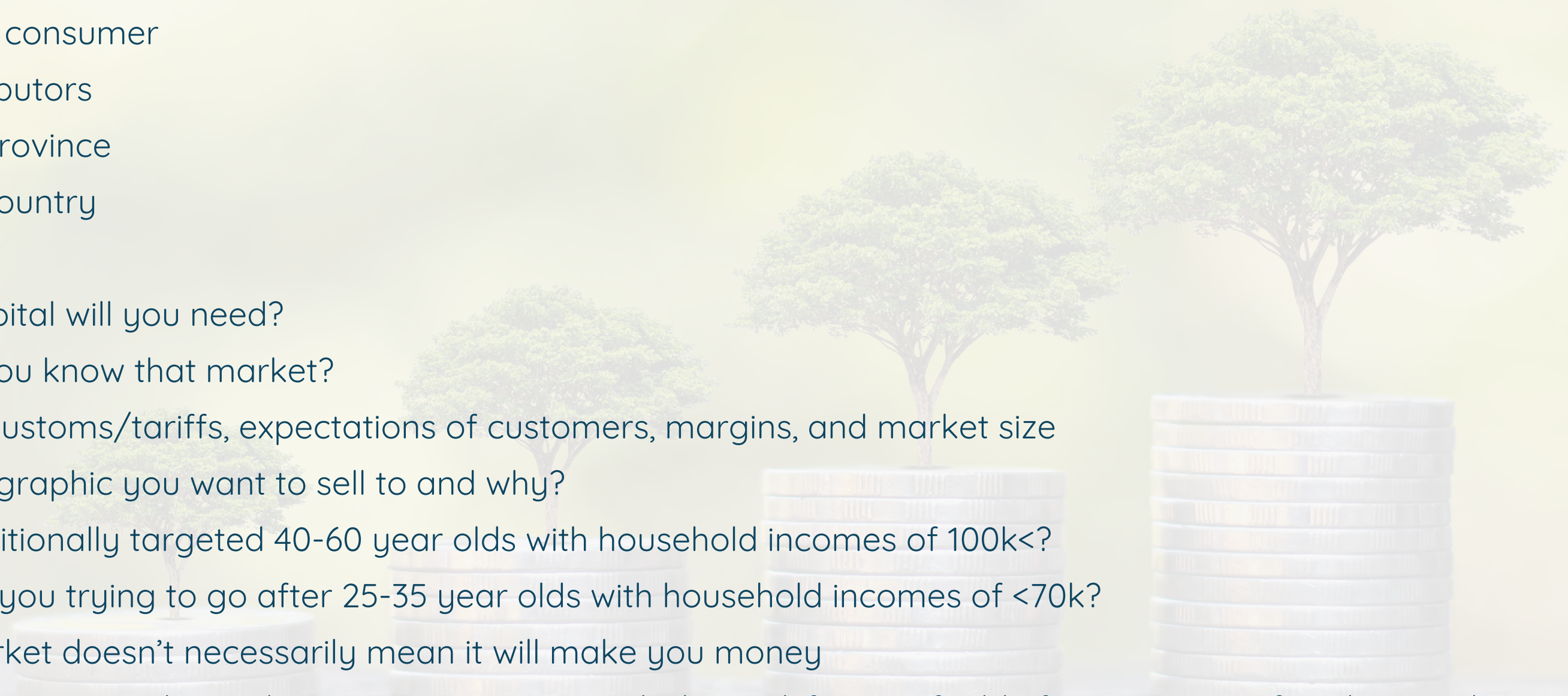
- Focus on automating as much as possible (finances, production, marketing, etc.) to be able to increase output
- If the brand is “hand crafted” then automate everything else around it

Identify where you want to grow and why

- More direct to consumer
- Through distributors
- Into another province
- Into another country
- Why?
- How much capital will you need?
- How well do you know that market?
- Translations, customs/tariffs, expectations of customers, margins, and market size

Identify the demographic you want to sell to and why?

- Have you traditionally targeted 40-60 year olds with household incomes of 100k+?
- Then why are you trying to go after 25-35 year olds with household incomes of <70k?
- Chasing a market doesn't necessarily mean it will make you money
- Need to do clear research on where you're growing and why and if it's profitable for you to go after that market





# *Growing your company*

At what pace do you want to grow your company and why?

- Organic growth through referrals?
- Targeted 2%-5% to keep up with inflation?
- 10% year-on-year growth to attract investors to be able to do.....

How well can your systems and processes and suppliers handle that rate of growth?

How will the growth affect your financials?

- Cash flow
- Debt ratios
- Staffing requirements





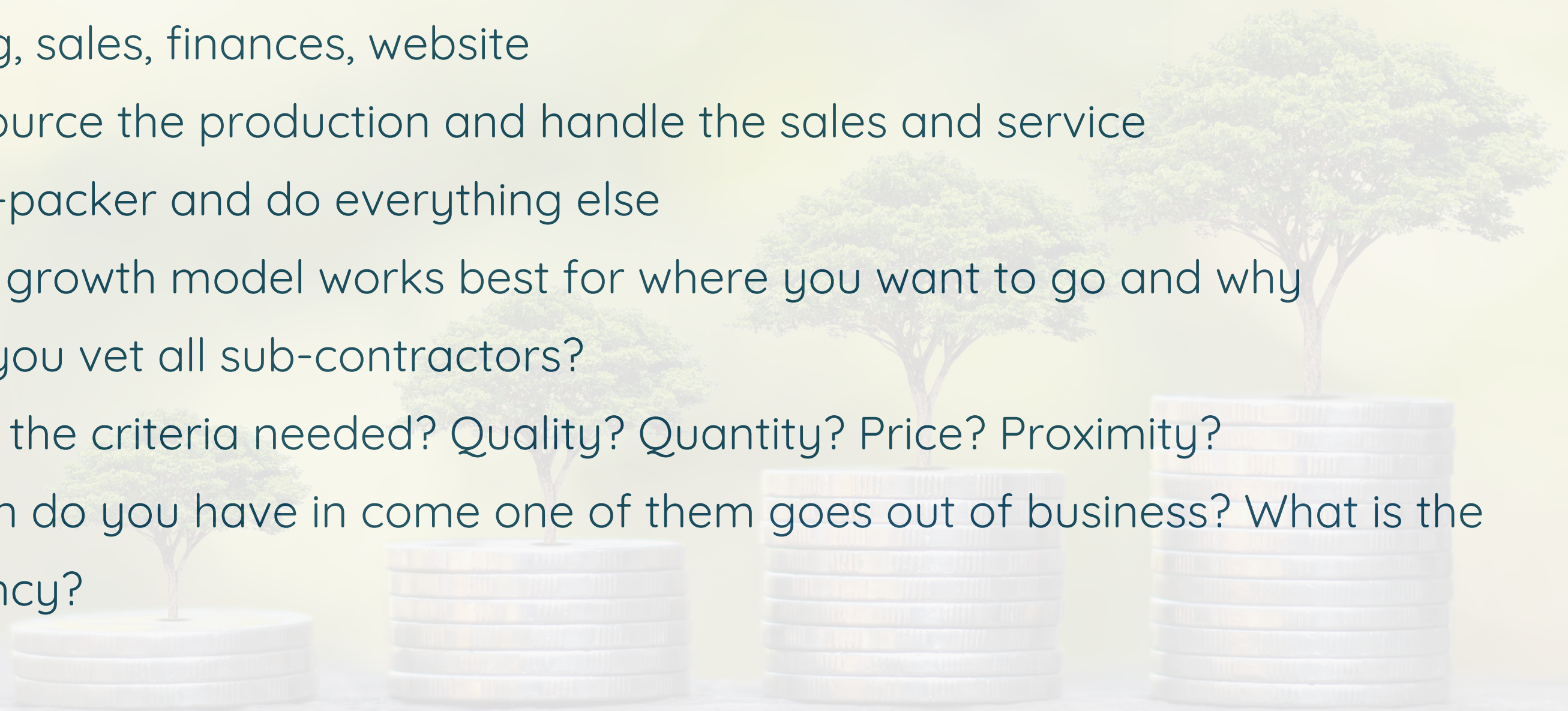
# *Growing your company*

Different ways to grow

- You hire all the staff and buy all the equipment and get a larger facility
- You outsource all of the non-production
- Marketing, sales, finances, website
- You outsource the production and handle the sales and service
- Hire a co-packer and do everything else

What kind of growth model works best for where you want to go and why

- How will you vet all sub-contractors?
- What are the criteria needed? Quality? Quantity? Price? Proximity?
- What plan do you have in come one of them goes out of business? What is the contingency?





# *Alignment*

Why that type of growth and how does it align with your brand's values, capabilities, and positioning in the market

Understand your financial situation in order to align strategy with reality

- Nice to haves aren't always possible
- Big dreams don't always convert to 100 million dollars worth of business
- Small dreams can sometimes put you in a corner you can't get out of
- Business as usual without capital investments /upgrades can render you obsolete

Know where you're going and why

Work towards developing appropriate resources to sustain the growth you want