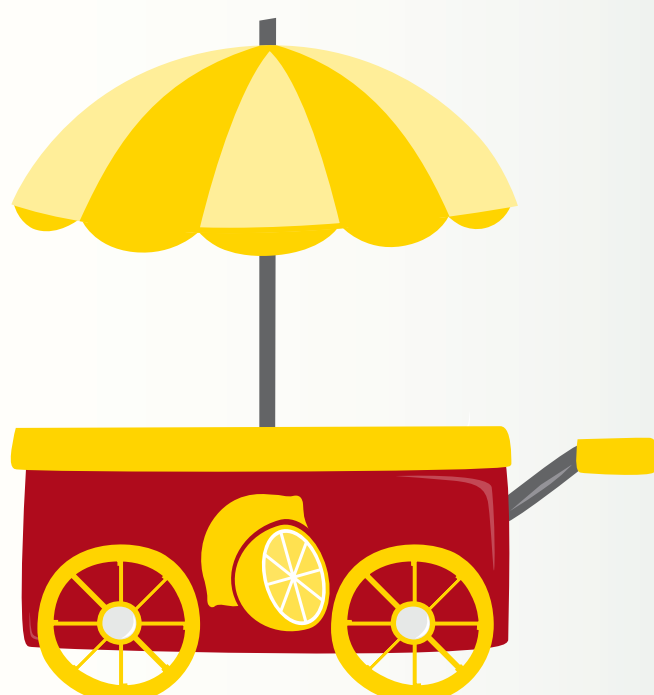


# Increasing your chance of success

It always pays to think in advance when growing your business – no matter how small it may be. To increase your chance of success you need to identify risks before they appear on the horizon and put measures in place to minimise their potential impact.

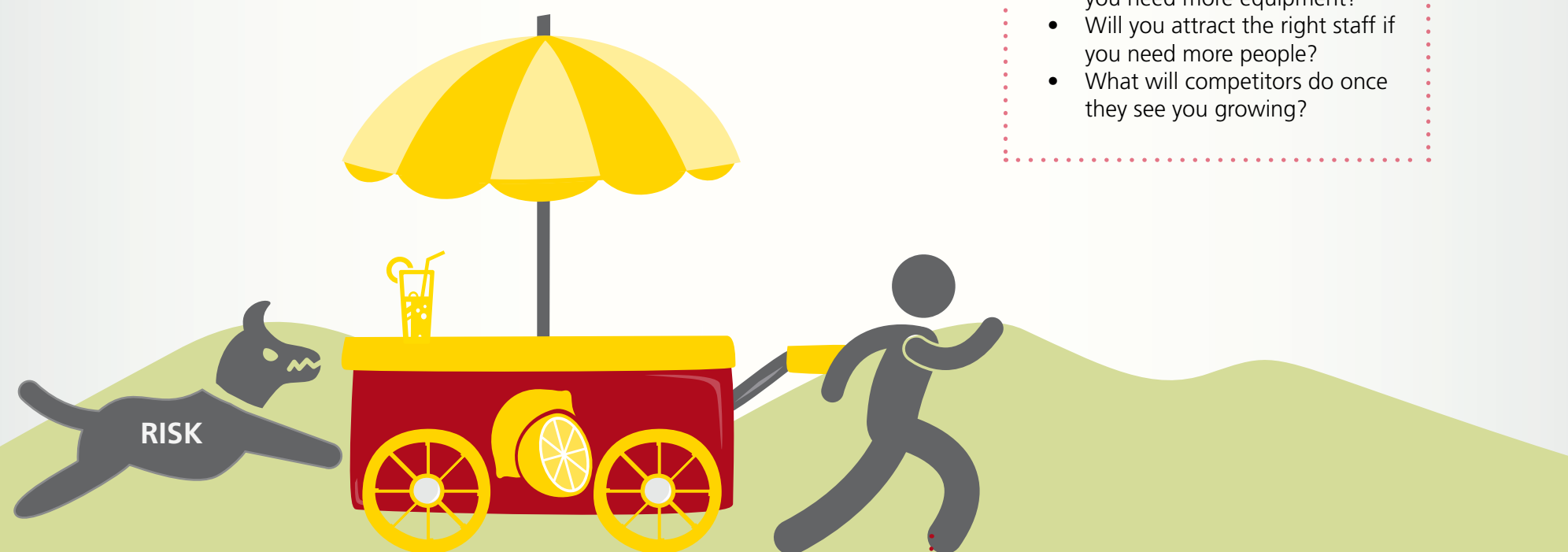
The best way to do this is to plan ahead and make financial forecasts. The good news is you don't have to be a math whizz to crunch the numbers.



## Step #1 – Identify unique risks

Find risks particular to your business and assess how potentially dangerous they are to your chances of successful growth;

- If you need more locations can you find the right area?
- Can you scale up capacity or do you need more equipment?
- Will you attract the right staff if you need more people?
- What will competitors do once they see you growing?



## Step #2 – Grow by giving

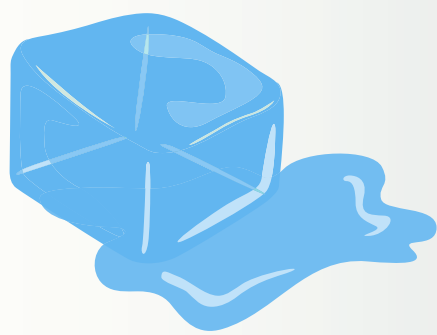
Credibility is key and sampling – in other words, giving stuff away – boosts credibility. The more people trust you, the lower your risk. To encourage new customers try;



- Offering the target market free samples
- Making it easy to find information about your products online
- Strengthening your Unique Selling Points – what makes you special?
- Getting testimonials from satisfied customers – third-party recommendations are very powerful
- Offering free advice online with content marketing articles
- Holding a competition offering free products/services as the prize
- Offering a money back guarantee

50%

Percentage of SME owners surveyed who said a poorly designed business model (in other words, no business plan) was a reason why businesses fail.<sup>1</sup>



70%

Percentage of consumers who prefer getting to know a company through an article instead of an ad.<sup>2</sup>

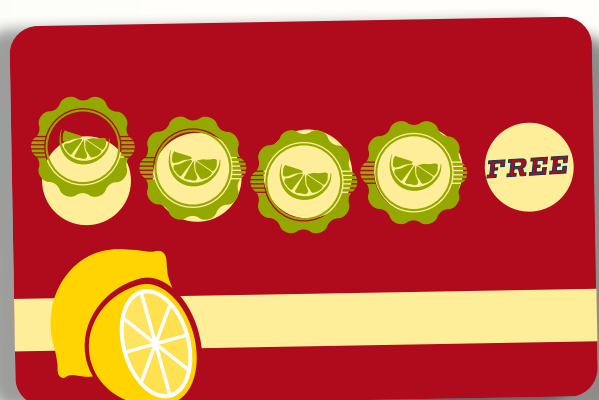


## Step #3 – Encourage loyalty

Lock your customers into future purchases to lower the risk of low cash flow. Get consistent turnover week in, week out by bolstering your relationships with customers.

Here's how:

- Start a loyalty programme
- Incentivise loyalty with gifts and discounts
- Make shopping with you fun
- Find a business that could complement yours in a joint venture



85%

percentage of households that participate in at least one loyalty programme.<sup>3</sup>



70%

the percentage of businesses which survived five years or more after receiving mentoring, double the figure of unmentored businesses in the same region surveyed.<sup>4</sup>



## Step #4 – Don't put all your eggs in one basket



Rely too heavily on one customer or one supplier and your entire business could be at risk if they let you down. Give your business more legs to stand on by diversifying the suppliers and customers it relies on.

Here's how:

- Nurture strong supplier networks
- Carry out more in-depth competitor research (so you know who their customers and suppliers are)
- Seek new markets, new ideas, new everything; you never know where your next growth idea will come from
- Diversify your range so you can appeal to different types of customers
- Always have a plan B...
- ... and a plan C and D for that matter too

## Step #5 – Don't go it alone

No entrepreneur should be an island. Find advisors and trusted peers who can act as sounding boards and hire staff who can fill your skills gaps. Chances are as you grow, you will need more sophisticated advisors and people to support your plans and assist with governance:

- Ask a CIBC advisor for help
- Seek out a mentor with experience in your industry
- Join your local Chamber of Commerce or industry organisation to network with more experienced entrepreneurs
- Go back to school – never be afraid to learn new skills if you can find the time
- Form a board and use their experience to help you navigate your growing pains



**Talk to your CIBC advisor today about other ways.**

<sup>1</sup> SMEs – the fine line between success and failure: A national research study commissioned for CCH April 2013.

<sup>2</sup> Content+ 2013, as quoted in NewsCred Slideshare 50 Stats you need to know about content marketing (page 31).

<sup>3</sup> Loyalty and Rewards: A Market Overview. Aite Group, January 2007, as quoted in First Data Slideshare The Loyalty Program: A Recipe for Success (page 6).

<sup>4</sup> (OECD study of the Fondation de l'entrepreneuriat's Business Mentoring Service in Quebec, Canada from 2000 onwards)

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