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Introduction

Is your business experiencing stagnation or decline? You are not alone; many businesses (especially small businesses) struggle to show any significant year-to-year growth.

While external factors like the economy, changing regulations, and market disruptions can temporarily impact growth, these external factors are rarely the root cause of systematic stagnation or decline.

When you are in the trenches, putting out daily fires, trying to keep your business afloat, it’s tempting to look for external reasons for why your business is not doing as well as it should. If the economy was only stronger, if our industry wasn’t so crowded, if state laws were friendlier to small businesses.

The media will happily magnify these external factors for you, but they are not the only reason why your business is stagnant or declining.

Having worked with countless small businesses and startups over the last decade, we’ve observed that all growing companies spend significant time thinking about, discussing, planning, and executing growth-related tactics. They understand that growth is carefully planned and not something that just falls into your lap.

If you are ready to stop blaming external factors and focus on what’s important (your business), then read on.

Who We Are

Evolving Digital is a growth strategy and digital marketing agency in Irvine, California. Helping small businesses and startups turn stagnation into growth.

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Allocate Time For Strategic Thinking

Fighting day-to-day fires, dealing with customer inquiries, managing cash flow, handling supplies, keeping your employees productive. These are all important business matters, but constantly dealing with everyday problems leads to short-term thinking.

You have to give your brain a chance to think strategically (long-term), so allocate some time in your calendar for strategic planning (i.e., growth strategy). It is a vital step in kick-starting your business into growth.

For most people, we recommend they allocate at least 4 hours a month to growth (ideas, targets, opportunities, strategies, and tactics). If you, a business owner, founder, president, or CEO, are not thinking about long-term growth, who is?

Dealing with everyday emergencies is important, but it is also something that can be delegated to employees. However, thinking about your company's long-term future and how you will get there is something only you are qualified to lead.

Before you go any further, open your calendar and schedule a recurring monthly meeting called "Growth Strategy." Use this time to think about growth targets, opportunities, strategies, and tactics.
Create Accountability (With Your Growth Strategy)

Accountability, or more specifically, being accountable to someone, is crucial. In our experience, business owners, founders, presidents, and CEOs who share their growth plans/vision are far more committed to the cause than those who don't.

There is a simple explanation for this, accountability! When you make your vision, goals, and targets public, you take ownership and responsibility for them. Public companies and CEOs have to make their targets known to their shareholders - creating accountability.

On the other hand, many small private businesses don't have to answer to anyone. This is why a growth strategy is essential for them. When there is no growth pressure from the outside, you have to create it internally - document and share your growth vision with your employees and partners.

Without question, a growth strategy will force you to establish and monitor growth goals, tactics, and milestones. For example, if you keep missing your growth targets, then your tactics are not working. Naturally, you need to adjust and try something different.

A growth strategy creates accountability, and accountability forces you to follow through on your growth targets.

Assuming you set aside time for strategic thinking, and you created accountability by sharing your growth goals. The next step is to start thinking tactically, how will you achieve this goal? For example, if your goal is to double your revenue, then step back and think 1) Why is my business stagnant? and 2) What do I need to do to change that?
A Unique Selling Proposition (USP) Is Essential

Think about your unique selling proposition because it is a great way to get to the root of your stagnation. What is truly unique about your business? Why should a customer buy from you and not your competition?

Hoping your product or service will attract customers without having any unique benefits is a sure recipe for failure.

We cannot emphasize this point enough. If there is nothing unique about your product/service/business, then there is no real reason why a customer should switch from your competitor to you. And it better be a great reason, because most people are reluctant to change.

A strong unique selling proposition (USP) is an essential component of a growth strategy. To grow, you need to understand why customers are buying from you, and how your service or product is different from your competition.

With that in mind, if you don’t offer any unique benefits, you have to revisit your product or service immediately. Understanding what is unique about your business and then communicating it to your customers is of the utmost importance.

**TOMS shoes**: "With every pair you purchase, TOMS will give a pair of new shoes to a child in need. One for one". This slogan is TOMS unique selling proposition (USP); every time you buy TOMS shoes, a child in need will benefit. This mission/slogan (and USP) keeps TOMS clear of price, quality, and comfort comparisons.
Is Your Product/Service Valuable?

In addition to having a strong unique selling proposition, your value proposition has to be clear. For example, what value is your customer getting from your product/service? And is this value higher than the cost of the product/service?

Most people will happily pay between $800-$1000 for an iPhone because they believe they are getting something more valuable in return. And considering how important phones are, it’s easy to see the value. That being said, why would you pay $800 for a phone when you can get a similar experience from a phone half the price? When you use a device every day, how that device makes you feel becomes very important. More specifically, usability (ease of use), beautiful design, and quality become significant in your purchasing decision. More important than the processor speed, camera megapixels, number of features, etc.

Let’s look at another example. Equinox’s (luxury gym) typical customer is a busy professional who places more value on time and convenience than the price. Therefore, location, equipment ratio, unlimited classes, kids club, member lounge, and parking are significant factors.

On the other spectrum, an average gym member places a much higher value on price, proximity, and cleanliness; hence membership cost, location, and cleanliness are driving factors. Consequently, an average gym member is willing to tolerate some level of overcrowding because their core criteria was met - cost, location, and cleanliness.

In summary, only focus on benefits your specific customers find valuable—for example, do they value convenience, cost, delivery speed, exclusivity, experience, design, or reliability?
Set Uncomplicated And Measurable Growth Goals

Complex goals are confusing and difficult to comprehend; therefore, growth-related goals must be easy to understand. You cannot grow a business by yourself, so your employees and key stakeholders have to be clear on your growth goals.

This is not the time to impress everyone with your elaborate spreadsheets and projections. Also, fuzzy growth goals like "Double the business", "Expand into new locations", and "Look for new partner opportunities" are ineffective, because they are vague and impossible to measure and monitor.

All growth-related goals must be actionable, measurable, and time-bound. For example, "Increase 2020 revenue by 30%, by converting 1,000 customers from 'basic' to 'premium' plan."
Outline Your Tactics

How exactly are you going to reach your growth goals? Having a vision or a high-level plan is a great start, but all goals need well-thought-out tactics.

The intention is to define tactics to the point where you have enough to delegate and start. No more and no less. Tactics can, and probably will, change over time, so don’t spend too much time outlining every possible tactic and action.

Some of your tactics will prove effective and some ineffective, so be ready to adjust and move resources as needed. For example, if we look at our sample above. We could create a premium trial campaign to entice basic plan customers to upgrade. If that proves ineffective, then we can try to produce an educational series highlighting premium features and benefits.

Growth-related tactics are essential, but they don’t have to cover every angle of your growth strategy. In general, your tactics will likely change over time; hence why excessive documentation would be unwise. Simply define tactics to the point where you have enough to delegate and start.
Center The Growth Strategy Around Your Customers

When a company starts losing momentum, it's often because its customers found a new, more valuable proposition. This is very common because, over time, businesses become complacent. They stop paying close attention to their customers, and why they are buying from them and not their competition.

This is why all growth strategies have to be centered around customers. For example, ask yourself, "How will growth strategy X help us serve our customers better?" and "How will it impact their experience?".

Aggressive growth often has a negative affect on existing customers, because the focus turns into acquiring new customers. Your growth strategy should address the impact your tactics will have on existing customers as well as new customers. You have to discuss important topics like "How will the influx of new customers impact your support?", "How will it impact your current infrastructure?", and "How will it impact your staff?"

By keeping your customers in mind while cultivating a growth strategy, you minimize the risk of neglecting any one particular customer type or segment.
Address Known Risks

Every growth strategy should outline potential risks and have a mitigation strategy in place. Known risks and the process for dealing with them should be established upfront. Of course, not all risks can be identified at the beginning, but it is foolish to ignore known threats. For example, regulatory changes, shifting trends, product recalls, or a new incumbent entering the market, are all risks that should be discussed and mitigated against.

Also, if you haven’t addressed those risks beforehand, you are far more likely to overreact and change your growth strategy every time you confront a new threat.

The mitigation steps you put in place (with a cool head) will always outperform your heat of the moment actions.

While many risks affiliated with growth are unknown, most are known, so document potential risks and how you will deal with them.
Example

As we mentioned earlier, try not to overcomplicate your growth strategy, especially at the beginning, when you still have a lot of unanswered questions.

Here is a straightforward example to showcase the core elements of a growth strategy.

**Background:** Our brewery experienced impressive growth in its first 4 years of operation, growing from $0 to $2,500,000 in revenue. However, over the last 12 months, growth has stagnated, and revenue only increased by 4%. Recent market research has validated that our “Oatmeal stout” is still considered the best of its kind (locally). However, attracting new customers is becoming more and more difficult.

**Goal:** Increase revenue in the next two years by 50%, by expanding beyond the greater Los Angeles area into two new markets.

**Type of Growth Strategy:** Market Development (selling current products in a new market).

**Strategy:** Focus on Santa Barbara (year 1), and then expand to San Diego (year 2).

**Tactics:**
- Partner with local bars & restaurants
- Organize tasting events, and social media contests to increase brand awareness
- Schedule press releases to increase interest and generate buzz
- Organize interviews with local newspapers, bloggers and other influencers
- Implement targeted ads (Facebook, Google, and Instagram)
- Build a website personalization feature, so we can identify visitors from ‘expansion’ cities and offer them special promotions
- Shift content marketing strategy toward ‘expansion’ cities.
Milestones (Revenue):
- Year 1 (Q1-Q2) = +5%
- Year 1 (Q3-Q4) = +10%
- Year 2 (Q1-Q2) = +15%
- Year 2 (Q3-Q4) = +20%

**Budget:** $250,000 (over two years)

**Risks:** Expanding to new locations may put us in the red and cause a severe strain on our cashflow. To mitigate this risk, we will 1) expand slowly (one new location per year), 2) we will only expand to nearby cities (to be able to share resources), and 3) we will increase our line of credit.
Final Thoughts

It is no secret that most high-performance companies have a clear growth strategy in place. Simply put, a growth strategy will document your growth ambitions, goals, tactics, and more importantly, make sure everyone on your team is rowing in the same direction.

Finally, if you are new to strategic thinking and planning, your first growth strategy may need multiple revisions, but that's ok. The fact that you took the time to document your growth strategy is more than most companies will ever do. Keep improving and refining it over time, and you will surely grow your business.

Good luck!

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What to expect? Our webinars cover market research, competitor analysis, growth strategies, digital marketing, analytics, and more.

Register
"Continuous growth only comes to those who plan for it."

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