

10 Signs Your Business is Growing Too Fast

We list below the signs that your business may be growing too fast. If these sound familiar it may be time to consider slowing things down in the short term.

1. Your expenses outweigh your revenues.

Business growth leads to increased business costs, and the costs usually go up before the sales do. This is bearable if you have planned properly for the growth, ensuring you either have sufficient capital or lines of credit to cover the gap. But unplanned growth can result in a cash squeeze.

2. Your accounts receivable are growing faster than your sales.

Rapid growth puts a strain on your accounting staff and processes, very often resulting in a slow down in collections. Watch for signs that accounts receivable is outpacing sales growth. When this happens you will effectively be selling on account at a time your business can least afford it.

3. Your staff doesn't seem up to the task.

Both recruitment and training tend to suffer in the whirlwind of rapid expansion. You're too busy to interview properly or check references and when the staff member arrives no one has the resources to train them properly for the job. If your staff are constantly letting you down, consider if your business growth is to blame.

4. Customer complaints are increasing.

When a business is small it is easier to provide a high level of customer service. As the business expands, with new staff members finding their feet and growing number of customers to manage, service levels can drop off quickly. If your business is suddenly receiving complaints on Facebook or negative feedback in store it's a red flag that you may be growing too fast.

5. Your employees are working long hours.

It's one thing for employees to stay back to get specific projects completed on time. It's another thing for employees to feel they have to constantly work late just to keep up with the demands of their job. Uncontrolled growth can lead to staff dissatisfaction, reduced productivity and increased absenteeism.

6. You've forgotten what your customers look like.

Rapid growth can often pull business owners away from their customers. If you find that you are spending all your time with your bank manager and accountant you run the risk of losing touch with the lifeblood of your business.

7. You have no idea how much money is in the bank.

As well as losing touch with customers, owners of businesses that are growing out of control can also lose touch with the money. Often systems aren't in place to ensure that you are receiving the right financial reports, or worse you think it's ok to "leave to the accounting department".

8. Your infrastructure and processes don't seem to work anymore.

It seems obvious that the software you bought and processes you set up to handle 10 customers probably aren't going to do the job for 100 customers. Yet all too often businesses grow so rapidly that their infrastructure is unable to keep pace.

9. You're more worried about quantity than quality.

When you're racing to keep up with rapidly increasing demand, it's easy to shift your focus from quality to quantity. Chances are your growth has been built around a perception of quality. You risk the entire business if you let your priorities shift.

10. You are overworked and unhappy.

If you are working 24/7 to keep up with burgeoning demand, you will eventually burn out. As you are probably the most valuable asset in your business, you can't afford to risk your health and enthusiasm.