

# Is your business sustainable or is it destined to become just another failure statistic?

By **Arvind Sridharan** - Nov 1, 2016

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How often do we hear or read that a lack of strategic planning and operational management is the cause of an SME to fail? It happens far too often, but it doesn't need to with a little foresight and planning.

Successful businesses aim high, have a quality offering that separates them from the competition, addresses a specific market and the right infrastructure to support growth. Do you have a vision for your business? Is your offering different from what competitors offer or even unique in the market? Are you happy with how your business operates? Do you think more transparency over financials and other factors impacting your business or more efficient processes would be helpful?

If you are a business owner and too busy juggling day-to-day urgencies, here's an approach to help you create sustainable value.

## Where do you start?

Start with the end in mind! Having no vision, no goal to work towards is like looking to go on a holiday without having an idea where you want to go.

If you are not clear on your vision, goals and targeted positioning any business decision you make may be going in the wrong direction and consequently be a waste of resources.

The key to strategic planning is to design all business decisions and actions to one objective: Getting closer to realise your vision. Trying to do too many things diminishes focus and the quality of offerings and thus limits future growth.

## A great product or service is no guarantee for sustainable success

Let's be honest, how good would it be to just do what you love doing and not having to deal with all the 'boring stuff' such as business processes, transparency and financials.

Unfortunately, sustainable growth requires not only a great product or service, but also a business infrastructure that provides full control to the business owner and/or manager. Uncontrolled growth is like driving full speed with no seatbelt – it's highly risky and just a question of how much and when you have to pay for taking this risk.

As a quick guide to controlled growth:

1. Know your numbers: Proper cash flow management and full awareness of the cost drivers will enable you to stay in full financial control.
2. Have or implement an organisational structure with clear responsibilities, best practices and approval processes.
3. Know the ecosystem surrounding your business: Be aware of external factors impacting your business, e.g. market, competition or regulatory.

Out of control – out of business. A great product or service alone is no guarantee for success. Too much growth without keeping your financials, operations and ecosystem in control can create financial, quality and reputational risks and consequently can jeopardise your business.

## Is your business messy, risky, tricky or sustainable?

Growing a business is as challenging as raising children. It can be messy when you have to deal with multiple challenges at a time, really risky when you're not in control of what's going on and rather tricky when growing up.

Good business decisions and actions are those that will get you closer to realising your company's vision, e.g. a strategic plan for a focused positioning in a market or a product roadmap ensuring a compelling competitive advantage – key success factors to growing your business. Sustainable value is ensured when keeping full control throughout all growth stages.

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