



ATTRIBUTES OF A FAST GROWING BUSINESS

(Family Business Australia – Generations Magazine)

Some interesting new research reveals how and why Australian family businesses are leading the way when it comes to rapid growth. Some of the most important factors evident in fast growing businesses include:

1. Human Resources.

Fast-growth companies place a great deal of emphasis on having good human resource and recruiting processes. It's not simply a matter of finding people with the appropriate technical skills to help the company progress. They seek people who fit into the existing culture – who can think laterally, have fun and are flexible and adaptable.

2. Organisational Culture

Strong organisational culture is another element fast-growth companies have in common. It is a culture that encourages innovation because most of the growth tends to be organic and process-oriented. “Statistics show that close to 60% of growth in these companies is organic,” says Professor Kosmas Smyrniotis (Director of Research at Melbourne's RMIT School of Management). The rest might come from such activities as exporting or securing global partners. Fast-growth companies have good communication channels: everyone knows what's happening and how things are changing.

3. Leadership

Associated with organisational culture is leadership. Leaders have a vision for these organisations. They focus on the medium-to-long term rather than short-term gains. Leaders also tend to be much more 'transformational'. They can read employees and are empathetic.

4. Risk & Reward

Fast-growth leaders encourage employees to think laterally and challenge their own thinking, and put processes in place that enable innovation to occur. Moreover, fast-growth leaders don't mind if employees make mistakes. They actively encourage risk taking, reward creativity and use incentives in a constructive way.



5. Market Savvy

Fast-growth companies keep a close eye on what's happening in the market and rely heavily on market research in their decision making. They're aware of demographic changes and their strategies for growth take these changes into account when targeting markets, whether it's Generation Y, the baby boomers or today's "mobile and global" market.

6. Customer Focus

Fast-growth companies not only know how to capture their markets and align their organisations with them, they also dissect markets in creative ways. "They market in terms of people's needs. They understand that people want more communications, that they're time poor and have links with technology. They have products and services that meet and address some of these needs."

7. Competitor Awareness

These organisations not only understand what the market is doing and how it's changing, but how their competitors are changing. Importantly, though, such competitor orientation does not mean they base their decisions on what competitors are doing. In fact they rarely do.

8. Leading the Market

Unlike more established companies that focus on growing market share, fast-growth organisations concentrate on leading the market. Some are niche oriented. They've identified a niche, understand it, satisfy its needs, grow with it and innovate to change with it. Others might differentiate on price or value.