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1 author:

Philippe Funk
Signum Magnum College

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Introduction

Growth is used as a corporate strategy. Growth is where the net profits, assets, and sales increase significantly, and there is the chance of taking advantage of a curve where the unit per cost of the sold products will be reduced, meaning there is an increase in the profits. Different indicators are grouped into business outputs, qualitative indicators, business outcomes, and capacity. Recently, an argument has been made concluding that companies in Tanzania experience slant growth. The situation is seen in the companies in the DSE stock exchange (Dar es Salaam stock exchange). Companies listed in the area are that many companies fail to grow regarding their profits, and company managers cannot execute effective strategies for growth. Very little research has been done when exploring growth strategies application in Tanzania companies. The essay will identify the critical study points and provide a conclusion on the provided text. It will include summarizing the main points, stating the results, and concluding my thoughts.

Summarizing the Main Points What is Business Growth?

Growth increases in size or quality improvement, resulting from development in which the interacting internal changes series will increase size. It will be accompanied by changes in the characteristics of the growing object. The assets, net profits, and sales will increase. Cost reduction is crucial if the firm's industry proliferates and the competitors are involved in the wards of prices with attempts of increasing market shares. Firms not gaining the needed economy of the large productions will face significant losses unless they find and fill small and profitable niches if special features of products or services offset the high prices.

The Business Growth Indicators

The indicators fall under four major groups, capacity, business outcomes, qualitative indicators, and business outputs. The outcome indicators include the profit, which is the difference between the costs and revenues. The profit any company makes is the function of the revenues it generates and its efficiency level. If the profits increase, it will show that the efficiency and the sales have increased. Therefore, it is possible to see the company's growth through an increase in efficiency and sales.

Output indicators are the sales of the products. The level of production is a reasonable business size indicator as it the business capacity and the potential the business have for making a profit. The value of the produced goods is not available to people outside. Thus, the value of sales is used to indicate growth. When the produced business products increase, it shows that a business is growing. The capacity indicators reflect the business's potential of producing outcomes and outputs. They will include the invested capital, workforce size, assets value, and production capacity. Managers will realize the growth of their business through observing an increase in the production capacity and assets, not forgetting the invested capital and increase in employees' number. The qualitative indicators include the management practices, formalization degree, and the structure of the business. When the business structure is expanded, allowing decentralization, and when the practices of management increase and are more complicated, the formalization degree will increase, meaning there is growth in the business.

Role of Business Growth Strategies

The growth strategies are also known as master strategies of business; they give direction for the business's strategic actions. Growth strategies form the coordination basis and sustain the efforts and energy directed towards achieving business objectives for the long term. The strategies include; diversification, product development, market penetration, and market development. Other strategies include concentric diversification, horizontal integration, vertical integration, mergers, acquisitions, joint ventures, and conglomerate diversification.

Market penetration; businesses in situations involving new products or markets will be forced to grow through this strategy. The strategy gives the market a significant market share percentage. Tigo Telecommunication Company has used this strategy. Tigo's market share was raised from 4% to 25%. Market development; is the strategy the business uses to develop its existing services or products. Mzumbe University has implemented market development. It only offered Master's Programs full-time, but it then adopted the MBA executive program targeting new people. Product development; instead of venturing into a new market with existing products, the business will bring new products to the market, which it is familiar with. The Pepsi cola Company has adopted product development. It has created new products, which follow the movement of the industry away from mass branding.

Diversification; is a survival strategy; an example of when it is applied is where the company makes many sales at a specific time. The General Electric Company has used diversification by moving into financial and financing services, accounting for 45% of the company's net earnings. Mergers; this is when two firms combine and form one company. Verizon Wireless and Vodafone Airtouch Plc are mergers. Acquisitions; this is where a company purchases another company. Bhart Airtel International acquired Zain Africa. A joint venture; is the entity's purpose. An example is "Resolute Ltd, Ashanti

Goldfields in a joint venture with AngloGold, Barrick Gold Corp." Concentration; is a growth strategy emphasizing a single product line or product.

Significance of Results

Tigo Telecommunication Company has used the market penetration, and through the strategy, it has attracted mobile communication non-users to join and attracted customers from Tigo Telecommunication Company competitors. The market development in Mzumbe University has allowed them to bring more people into the university who can study the Master's program and do the non-academic activities simultaneously. The Pepsi Cola Company has implemented the product development, and this strategy attracts young and hipper segments of the customers. The new Pepsi products are Pepsi blue, Pepsi twist, Code Red, among others. The new products create a broad customer base where the customers have varying preferences. General Electric Company, by using diversification, has added to its net earnings. Thus, diversification brings more earnings into any company settling for it. By merging Verizon Wireless and Vodafone Airtouch Plc, they can increase their profits and earnings. Bhart Airtel International acquiring Zain Africa has expanded, and the subscribers have reached 180 million. Joint ventures combine strengths and bypass all the legal restrictions in countries. Concentration helps the firms put more resources, time, and energy into developing attractive industries. Concerning a product line, technology, or technology, the business will opt to grow through merging or acquiring with its competitor.

Conclusion of my Thoughts

The business growth indicators that are the outcome, capacity, output, and qualitative indicators are essential indicators used in assessing the growth of the business. It is essential for every business owner to know the business growth rate and if or if not the business is growing. Through using the business growth indicators, strategists can know the best business growth strategy for the business they run at any time. The growth strategies will expand, develop, stabilize, and monitor the business's success. The strategies will help the business increase its shares in the market, come up with new markets, and develop new services and products.

It is not all growth strategies that are appropriate for a business. The challenge comes when one tries to find the strategy to apply. The strategy that matches the company correctly and the specific marketplace of the growth strategy will be overcome by the innovative business strategies. Because an incorrect strategy will devastate the business, it is essential to know if it is setting emerging or new products in an existing or market. However, the business does not need growth strategies at all times. There are times where the business will need other strategies to survive. Some business needs strategies like retrenchment, stability, among other strategies. Therefore, innovative people are required when deciding the best strategy for a business at a certain point.

References

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