

Life Cycle Characteristics

Stage	Description	Characteristics	
Start-Up	In this stage, there usually will be cash outflow for recurring expenses with little or no sales income. This stage generally occurs within the first 3 years of operation.	Management ability: ----- Business assets: ----- Cash flow: ----- Priorities:	Limited experience, one-person operation, undermanaged ----- Cash poor, minimal fixed assets ----- Nonexistent, minimal ----- Marketing, increased sales
Growth	This stage is characterized by increasingly higher sales over many operating cycles. This stage typically begins after Year 3 and continues until year 10.	Management ability: ----- Business assets: ----- Cash flow: ----- Priorities:	Competent, but stretched for time ----- Additional assets needed to support sales growth ----- All cash put back into business ----- Find resources to support growth
Mature	Generally, this stage is defined by having achieved at least 10 years of profitable operations. Sales are still increasing, but at a much slower rate.	Management ability: ----- Business assets: ----- Cash flow: ----- Priorities:	Seasoned professionals ----- Built-up fixed assets support sales growth ----- Increasing or excess cash flow ----- Identify new markets, new products, build wealth (personal and business)
Decline	This stage is characterized by level sales that may begin to decline slightly. Typically, a company reaches the decline stage after 20 or more years in operation.	Management ability: ----- Business assets: ----- Cash flow: ----- Priorities:	Looking to retire, looking for "new blood" ----- Cash heavy, no new purchases of equipment ----- Steady or declining ----- Retain or transfer assets, sell