

What is Business Strategy?

Company strategy is a collective decision or a planning process that helps entrepreneurs accomplish certain business goals.

In order to maintain operations, attract consumers, ensure a strong advantage in the market, and accomplish the firm's goals

Levels of Business Strategy

1. Corporate Layer Strategy

Corporate level strategy is a long-term, proactive, coordinated, and all-encompassing plan created by senior management. It is used to determine lines of business, development and competitiveness, expansion, consolidation, capital investment.

2. Business Level Strategy

Business-level strategies are those that are relevant to a specific business. The top executives create it by turning purpose and vision into actionable plans. It is a plan for the entire company.

3. Functional-Level Strategy

Functional level strategy, created by first-line supervisors and managers, entails management decisions about certain available domains like branding, manufacturing, human resources, technology development, financing, and so on.

Types of Business Strategies

(1) Cost Leadership Strategy

Businesses position themselves as a low-cost producer in the industry, offering products at lower prices compared to competitors. The focus is on reducing costs through efficiency and economies of scale.

(2) Differentiation Strategy

Companies execute this strategy by offering unique and superior products or services compared to competitors. The focus is on creating a distinct value proposition for customers through product innovation, high-quality customer service, or other exclusive features.

(3) Focus Strategy

This strategy involves focusing on a narrow customer segment of the market and serving it exceptionally well. The focus is on serving a specific customer group with specialized products or services that meet their particular needs.

(4) Customer Strategy

Close and long-lasting relationships with customers are the core of this strategy. The focus is on understanding and anticipating customer needs and providing customized products or services.

Business growth

Business growth is the expansion of the company in terms of growth in revenue, customer base, market share, or producing more goods. There's no universal formula for calculating business growth since each company is a unique ecosystem

Types of Business Growth

Business growth can be classified into 4 main types. Each type reviews growth from a different perspective and fits businesses at different stages. Let's consider each business growth approach in detail.

- **Organic business growth.** This type is considered the easiest but most effective way of business growth. It best fits startups and companies that have just entered the market, while being less effective in the long term for established brands. Organic growth implies physical business expansion, i.e. upgrading the product lines, producing more goods, working in several shifts, large space rental, opening a new storefront, etc. With this approach, expanding your business space lets you produce more goods, meet the demand, and serve more customers.
- **Strategic business growth.** This approach works well for long-term goals and companies that have gone through organic growth. They invest the money earned during organic growth into strategic growth strategies. This can include expanding the product line and reaching new markets via advertising campaigns.
- **Internal business growth.** This approach can be implemented between the organic and strategic types. It's not focused on production but aims to use the current resources more efficiently to optimize the company's workflow. It can be using a marketing automation system such as saving some costs by implementing lean systems.
- **Partnership or merge business growth.** As the name suggests, this approach implies cooperation with another company for mutual benefits. Such a partnership helps companies launch a new product together, produce more goods, grow the markets of both and enjoy customer loyalty of another brand.

Stages of Business Growth

Companies face different challenges at each stage of their development. Let's take a close look at each of them to know how to cope with these difficulties.

1. **Startup stage.** At the initial stage, the goal of each startup is to survive. The company starts from the business owner who finds several employees taking several roles. Their main task is to build brand recognition and deliver their product value on a tight budget. The main challenges of each startup include ensuring that the product is competitive and can meet customers' needs and expectations.
2. **Growth stage.** At this stage, the startup has a business model and does its best to grow. Since scaling a business scares lots of entrepreneurs, they often never even risk taking any actions to grow, losing all the opportunities. Although, it's vital to look for ways to

increase the customer base. Still, it seems challenging because the startup is limited in funds.

3. **Maturity stage.** At this stage, the business came to certain stability which no longer requires such output from the owner. All the processes have been set and worked well sometimes for years. This stage makes the owners focus on geographical expansion, building worldwide recognition, and product diversification. Despite a more or less stable growth period, maturity requires more cash flows for implementing new strategies and promotions.
4. **Renewal/decline stage.** This is a risky one, however, it may still seem stable to the owners. They have regular income and brand awareness and may stop looking for new ways to expand. Hence, if they don't invest in new ideas and technologies, their business can decay.