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SPECIAL REPORT

The TOP 10 Strategies

To Grow Your Business FAST

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Unlike some of the David Letterman top 10 lists, which give you a list of items in reverse order of their importance, each of the 10 ways to grow your business fast is important. The most import is the one you and your business can put in place fast and efficiently. That strategy will differ depending on where you are in the growth cycle, and what you may have already implemented in the past.

As you read the list, you will see some strategies that you might be familiar with but haven't implemented because you didn't think it applied to your business. Try not to just skip over the strategy, but consider it a moment in your present circumstance, which may have changed such that revisiting the idea may now be fruitful.

Another interesting way to view the list is not just with an eye on your own business, but on the business of others you may come in contact with. Few people have ever stopped to think about working on other people's businesses like we do every day. However, we suggest that you might consider this growth opportunity for yourself. Some of you have become successful at executing one or several of these strategies. So successful, that the knowledge becomes a growth strategy for you in and of itself. The reason is because you now have the ability to help others "see" the opportunity and collect a fee for advising them, or take it a step further and help them implement the growth strategy in their business. You work on the business strategy with them in a joint-venture capacity.

Good ideas for business growth are a dime a dozen. Having the knowledge and ability to implement them is the key element for gains. So, do not forget this important strategy you may have available to you that you didn't understand before.

1 Joint Ventures (JV) and Strategic Alliances (SA)

While joint ventures are nothing new to the business world, its use is accelerated through the web and e-commerce. Offers of creating strategic alliances (SA) are commonplace in the wired world in particular, and many of these quick relationships develop over time into the more formal arrangement of a JV.

From a terminology standpoint, SAs are less formal and a precursor to a formal JV. While SAs are created on the fly (quickly formed and often quickly dissolved) JVs take more time, structure and documentation. This is not required legally, but it is the way people think of their structure.

Both the SA and JV are formed for many reasons, but here are some examples:

- **Joint promotion of products or creation of a special event**
- **Developing a new product or service**
- **Developing a new market such as an international expansion**
- **Developing or sharing new technology**

- **Creating common distribution channels**
- **Pooling resources of capital, intellectual property, employees or physical property**

All of these types of inter-company relationships have been formed as either SAs or JVs, and all have been both success and failures. The problem, of course, is not the structure, but the people or entities behind the structure that make or break the deal. Some people aren't cut out to deal well with others in a business relationship any more than some people don't seem to do well in marriages. Both require a lot of effort on the part of both parties, and some people are unable to get beyond their own objectives to see that the relationship works for both parties. Because of the potential problems that can come up in either of these business structures, a simple rule develops. The more money that is at stake, the more care and attention should be placed on formally structuring a legal relationship that does not risk either party's current business.

2 Licensing

Licensing has become big business today and is a great money generator because in most cases it is an extension of what your business does, as opposed to being the product or service that drives the train. There are exceptions to this generalization, of course, and there are even large companies that focus only on buying products or businesses that can be licensed.

The reason that licenses are so profitable is that the cost of developing the licensed goods or services has already been spent, and the license agreement is now sold on the basis of a percent of gross sales. This means that the licensor has no responsibility for ongoing overhead or other worries affecting the traditional bottom-line aspects of the business.

The law around licensing is that you transfer to another party certain "rights" to the product or service as opposed to ownership. These rights can be broad use, or they can be structure with limited use and restrictions. The structure of the license requires great balance. The more restrictive you are in granting the license, the more control you have and the greater value of your remaining license rights as the licensor. On the other hand, if you are too restrictive so that the licensee cannot make money, you as the licensor won't either, and your opportunity to sell more will decline.

When people think of licensing, they often think of character licensing such as Winnie the Pooh, Mickey Mouse and Spiderman. Additionally, sports organizations such as the NFL, NBA and NASCAR have extremely successful licensing divisions. On the other side of the business spectrum, there is considerable licensing in software, biotechnology and telecom. These are all examples of big-business licensing producing millions of dollars for the licensor and huge opportunities for the licensee.

While big businesses profit from licensing, so can small businesses, and you should keep your eye out for opportunities. Strong databases are frequently opportunities available for licensing or "renting" for businesses that have done a good job of documenting their customers and collecting email and home addresses. These lists of buyers are very valuable to other businesses that might have a complementary product. Offering license rights to the other businesses gives them the opportunity to have additional prospects that would otherwise cost them more money than they are spending for your license. The license you agree to may be a one-time use, or it may be continuous. Additionally, the license may develop into a larger strategic alliance or JV if the license is a success.

Licensing can also play an important role in the growth of young companies, and used this way it can be a form of expansion capital. For example, your young company may not have the cash to expand into the international market with a product that has been successful in the U.S. Instead of waiting to have the expansion capital and losing time, you could license the right to your product overseas to one or more licensees who promise to put up money and promote the product in the new marketplaces. Yes, you may give up some of the potential profits that you might have made if you pulled it off for yourself, but the current license fees and the first mover advantage you get by acting now could far outweigh the "potential" you might lose.

3 Growth through E- Commerce

The web has been with us long enough now that everyone should have a web presence, but not all do. Equally bad, many companies have Web sites that are outdated or that are little more than a business card on a computer.

Web sites and the strategy of effective e-commerce are a necessity for a company looking to grow. Your e-commerce plan must be one of capturing potential customers and moving them into the buying process instead of standing around waiting for someone to find you and hope they stumble on your contact information. Buzzwords such as search engine optimization (SEO), while passé to technophiles, are important strategic business tactics for companies in the growth mode. Why wait for a customer to find you when you can go find a customer? This is the essence of having a real e-commerce strategy for your business, and quite frankly this is the same strategy that separates successful businesses in the offline world.

If you cannot afford to, or do not know how to take advantage of e-commerce, consider spinning that part of your business into an entirely different company with its own budget. You might even consider this part of your business for funding by an investor.

Ask yourself an important question, "What is your e-commerce strategy?" Does it have its own plan of business operation, or is it just a supplement to your current business plan without any regard for its own budget and financial plans. Why miss the additional revenue offered through the online world? And do not wait for the "right time" to get started. The right time may never come, and you cannot recover the business you actually lose every day; time is very valuable.

While we think you should take advantage of each opportunity and strategy you have available, you may not always have the time or resources. This is when you begin to combine some of these strategies we are going through. In this case, if you cannot afford to, or do not know how to take advantage of e-commerce, consider spinning that part of your business into an entirely different company with its own budget. You might even consider this part of your business for funding by an investor. Leave the e-commerce application to someone who is a specialist in the online world, and let them create enhanced opportunities that you are missing today. The new mantra of today is to open your business and let others create advantages that you don't have the resources to pull off.

Another opportunity to consider, if you are short on time or money for an e-commerce presence, is to consider licensing your e-commerce intellectual property to someone who is an expert at e-commerce. Since you may never reach your potential for your own e-commerce strategy on your own, joint venture it with someone for a percentage of the business.

4 Ideas and Concepts

Generally speaking, an idea or a concept does not qualify for a patent, copyright, trade secret or trademark protection. You will lose the potential economic benefit of the idea or concept if you voluntarily disclose it unless you can satisfy three rules:

1. **The idea is in a concrete form**
2. **The idea is original and useful**
3. **The idea is disclosed in a situation where a business relationship is planned and compensation paid**

While meeting this test is not always easy to prove, the use of a non-disclosure agreement (NDA) and a non-circumvention agreement will help you prove elements of the test have been met. On the other hand, these agreements can also be an impediment to getting an opportunity to make a presentation. Many large companies are taking the flat position that they will not sign an NDA because would-be inventors are using contracts so broad that other potential opportunities could later be brought into the web of inclusion.

If you have a good idea, you should definitely try to profit from it. Creating specialized NDAs that are very specific may get you past the gate keepers, or sometimes you may just decide to take the risk and let the deal out and then memorialize the discussion you had with the other party, in writing, to demonstrate proof of your disclosure. Neither is a perfect approach, but it is the cost of doing business; sometimes you will not get compensated when you think you should.

Concepts that you already use in your business are a little easier to protect. This may be everything from a new way of marketing a product to developing a procedure of distribution that has not been used before. One way to capitalize on this information is through the consulting format. This strategy can be very lucrative over the years for the consultant who truly has information that can help someone save a great deal of time and money when implemented. Why wouldn't you use them?

Some other examples of ideas or concepts through non-tangible assets would be:

- **Inventing and exploiting new products or services**
- **Opening new distribution channels**
- **New production and training techniques**
- **New promotional marketing campaigns**
- **Establishing new price methods or pricing structures**

5 Real Estate Opportunities

Few companies view real estate as a corporate growth vehicle until it hits them in the head. McDonald's is a classic example. After opening thousands of stores in prime locations all across the country, it discovered it had amassed and held billions of dollars worth of real estate. It is not alone either. Other franchises learned from the McDonald's discovery, and are capitalizing by selling off their real estate assets to public REITs, some of which they had a hand in forming. These franchises not only make money on the initial sale, profiting over their basis in the real estate, but they also collect ongoing property management fees and sometimes a percentage of growth of the asset. By looking at a traditional business expense differently, they turned it into an asset with huge economic added value.

Smaller companies have also experienced growth through real estate by using their office needs as a way to buy real estate. Owner-occupied property is always easier to get good financing on, and after a company owns the real estate for a few years and sees appreciation, it can sell the property. It is easier to sell commercial property with a lease attached if a company agrees to be a tenant for a few years. A few years later, repeat the process and buy a new property to occupy.

Strategic use of your own company's needs can also leverage you into bigger properties. For example, in our current economy, most banks require pre-leasing on new construction. A company can develop a piece of property that is bigger than its own needs and make money on the sale of the additional property. An alternative, if you aren't an experienced developer, would be to joint venture the property with a developer who gets a fee for his work, but you make the spread between construction cost and the new value after development.

6 Mergers and Acquisitions (M&A)

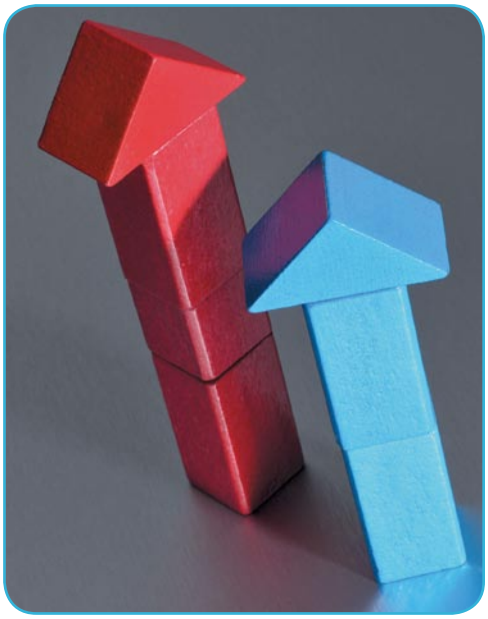
M&A is always an exciting item of business news, as billions of dollars change hands with each merger or acquisition. However, these are usually just the headliners. Smaller, but perhaps just as important, transactions occur where local businesses buy competitors or complementary businesses. For example, a printer can either grow by increasing his marketing efforts, or he can grow by acquiring other print shops. By acquiring other shops, the buyer can make money immediately on the acquisition spread or by synergistic savings when the companies merge. The saving on these mergers or acquisitions come from many possibilities, including staff reduction, price increases because competition is eliminated, and leveraged intangible assets such as cross selling to a new database that one company had but the other didn't.

Mergers and acquisitions require some specialized knowledge to make sure you are not being taken advantage of, but generally these potential problems are learned and ironed out during your first acquisition experience. Future acquisitions become more formulaic, based on how the first was structured and modified as adjustments are needed.

Growth through mergers and acquisitions can also have a second advantage. Not only can you profit from the immediate synergy, but also as a company becomes larger it becomes a more interesting acquisition prospect to even larger companies that are willing to pay higher multiples. This means a possible increase in profit potential just on the arbitrage factor of smaller company value vs. larger.

7 Franchise

Other than e-commerce, franchise growth opportunities may be one of the biggest for you and your company. There are several layers of potential. Layer 1 is the opportunity to create your own franchise that grows into a huge number of stores. Layer 2 is the opportunity to buy into someone else's franchise in the early stage and get a master franchise for a strong territory. This could come about by spotting a successful West Coast franchise just starting to spread its wings and locking in the right to the South, or even a just a big state like Florida. Starbucks franchises made fortunes for people who early on found the little coffee shop in Seattle and decided to latch on.



Another less-traditional opportunity comes in adding a successful franchise to your existing non-competing but complementary business. For example, a printing company might add a sign franchise and put it into its existing storefront. The two companies would get a cost savings on doubling up on space and employees, while cross selling to each others' customers with different needs. This business move would add a whole new line of products with less incremental cost attached. The local print shop might benefit from the national name and exposure, and the franchise could benefit from the local reputation of the print business.

8 Intellectual Property (IP)

Intellectual property of all types is a way of growing a business. Patents, trademarks and copyrights on products or materials can be licensed, franchised, spun off or sold to produce additional revenues for a business.

Even names themselves have become highly marketable. Key domain names sell for multi millions, but even smaller names can be sold for five- and six-figure incomes. We have sold this type of intellectual property for clients and even ourselves. Once you train yourself to see the opportunity, bundle the domain name in a package that includes a functioning web site or a trademark. Do that extra IP work, and you have an even more valuable commodity to sell.

We encourage our clients to regularly take an intellectual property audit of what they have that they could sell to someone who might be interested in building a business around it.

Simply trademarking great names that you own or use can be a terrific part-time job opportunity.

9 International Expansion

Clearly, the world is getting smaller, and ventures are taking place all over between people who never dreamed they would be doing business together because of previous geographical constraints. Now, all businesses have an opportunity to expand internationally either through e-commerce or by using the web as a way of finding contacts and sources that can help overseas. It is a lot easier to find people and contacts through the web as opposed to having to go overseas and start blindly, seeking distributions channels for your product.

Additionally, other countries want to take advantage of American products and know-how. Entrepreneurs in these countries seek out Americans with products and services to introduce to their country and marketplace. People may not like America's politics, but they like Americans, and they like the opportunities they can have working with an American business.

If you have products or services you think would do well internationally, join some of the respected international chambers of commerce that can help you get connected in a country for a small investment in their membership. The reverse is equally true if you want to import products from across the ocean. Seek out information about who to do business with from a specific country's trade organization or chamber of commerce.

10 Consulting and Training

In the past, consultants have had a stigma of not being able to do anything on their own so they went into the field of consulting or teaching. While this can still be true, consulting has turned into big business again as everyone from Bill Clinton to Donald Trump is willing to lend their name, expertise or connections in exchange for a fee.

Consulting or deal making is a new form of intellectual property power that takes the form of mentoring or lobbying on behalf of people or companies who do not have the contacts or experience in a certain area of specialty. Additionally, consulting and training are huge time savers. It is often said it is not the things you know that kill you in a business endeavor, it is the things you do not know. Using someone with experience who can guide you along the growth path at a faster and safer clip can be worth its weight in gold. This fact is particularly true in this high-pace world, where someone else might be creating the same idea you are, right now, and it is a race to the market with the first one there winning all the chips. Do not short change yourself. Learn to spend money to make money, particularly if it can be at a faster pace with a leveraged return of multiple times the return on your investment.

It is often said it is not the things you know that kill you in a business endeavor, it is the things you do not know. Using someone with experience who can guide you along the growth path at a faster and safer clip can be worth its weight in gold.

If you are successful or have a unique knowledge base, consider offering it to others who you could help slash the learning curve and help them save money or make more. As long as you can show the potential client a good return on investment that he will make with you, he should be quick to take up the opportunity.

In summary, each of the 10 strategies mentioned can be a powerful addition to your business growth. Most companies never get beyond the implementation of a few, so by the addition of even one more to your arsenal, it can make a dramatic impact on the bottom line. For more free information on growing your business, please feel free to use www.TheBusinessGrowthLawyers.com as a resource center.

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