

LEADERSHIP

The S-Curve

Doug Dwyer
Contributing Editor

As we mature in our leadership and management skills, the need for proven business models, systems and tools is necessary to maintain momentum in our business growth and maturity. I would like to share with you one of these models, known as the S-curve. (See Figure A.)

This model is segmented into four phases. The first is the *entrepreneurial* phase, the second is the *growth* phase, the third is the *maturity* phase and the fourth is the *declining* phase. All businesses will experience each phase at some point in their history.

So, what is the key to capturing and sustaining a healthy growth in your business? One way to do this is to innovate or reinvent your business model, system, and/or tools while in the growth and maturity phase, thereby bypassing the declining phase and the negative consequences that go with it (i.e. downsizing, being in a fire drill of innovation, or closing the business).

The first phase, the entrepreneurial phase, is when the owner and others are wearing multiple hats. This is usually a small, but very close, team that just gets things done. It is typical for the majority of the key players to know almost everything that's going on in the business.

Then, the business enters the growth phase, when some basic systems may or may not be in place, but the need for them is becoming more apparent to keep up with growth and maintain a reasonable quality of life. It is an exciting and challenging time that must be managed in order to avoid getting overwhelmed and prematurely accelerating into the declining phase because your business implodes under the weight of growth.

If you successfully survive, navigate, or even thrive through the growth phase, then you have graduated into the maturity phase. As you arrive at the end of the growth phase and start the maturity phase, this is considered the "life is good" stage. So, healthy growth plus maturity equals strong margins and quality of life.

As stated earlier, you will want to innovate or reinvent your business during this time to avoid the declining phase, because this is when you have the greatest resources and capacity to champion significant innovation or possibly reinvention of your business.

So as you're putting your strategic business plans in place for 2008, you will want to ask yourself, "What phase of growth am I in?" Then, "What will I need to do to experience or to continue positive growth?"

As you are probably aware, the current state of our economy is slow in many markets, while some markets are in a growth mode. That said, this model can also be applied to our industry's overall performance and to your local economy. Keeping an eye on these factors can help you maximize growth and profits while minimizing losses, due to the ability to better predict when to be aggressive or conservative with growth and innovation.

Is this information telling you that you will need to diversify, focus on niches, stay the current course or reinvent your business completely? The key is to be proactive and seek business counsel, which I discussed in the April 2007 issue of *Professional Remodeler*, to accelerate your ability to create, capture or sustain success in your business.

Have a blessed New Year.