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**Build a foundation for future growth - CEO's must focus on sustainability**

Regarding the Dec. 3 **NJBiz.com** article, "At forum, top execs share strategies for recovery", **Dennis Bone**, President, **Verizon NJ**, urged companies to get all their workers hunting for ways to save money, emphasize customer service, keep inventory low and customer receipts current. Certainly those tactics will help cash flow and retain customers. This is proven practical advice since a dollar in reduced costs is equal to +/- \$1.50 in sales, depending upon margins, and it's a low risk strategy.

However, when costs are seemingly reduced to the minimum now and layoffs have already occurred, the CEO's focus must be on future sustainability of the company because the leaner the company is now, the longer it will take to ramp up to previous levels of capacity and reach higher revenues and profits. Innovative approaches directed toward building capacity for the near future are in order.

**I believe that starting now, companies must find ways to increase capacity and expand.** This is especially true for small and mid-size businesses. A forward-thinking CEO will consider well known strategies such as acquisition, merger or a strategic alliance. There are many ways to strike a compatible alliance which does take time, but not necessarily front money. For example, companies can collaborate on soliciting new contracts.

Another strategy is to seek out new technologies that will increase capacity for new business. For example, adopting automated processes can increase capacity sufficient enough to seek out new business from other companies needing that process or in the case of machinery, that tool or machine. Many vendors of automation products are willing to negotiate favorable lease/buy programs. Developing a new product may open up new market segments. Tweaking a current product may also open up a new niche and accomplished with little added manufacturing/processing cost. Adding another company's product to an existing sales portfolio might also broaden market penetration.

Many CEOs might agree these are great ideas, but just can't get their arms around getting started when cash flow may be the highest priority. **However it isn't too early to start planning for ways to increase capacity for the future sustainability of your company.**

*Bill Dorman, Certified Management Consultant Emeritus (CMC-E)  
Principal, Dorman Management Consulting, a business development consultancy founded 1974.  
Lambertville, NJ [www.dormanmgtconsult.com](http://www.dormanmgtconsult.com)*

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