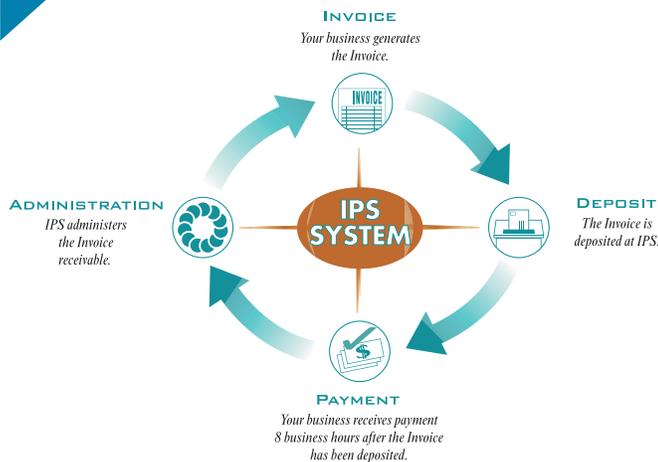


IPS BRIEFS

THE IPS SYSTEM



Planning for Growth

To give a company stability and direction through growth, it is essential to have a well thought out strategy. Successful growth requires a delicate balance between incremental business, the operation's capacity and the cashflow available to fuel it. Fast growth is not always easy to handle, but a step by step approach can help to make it more manageable.

Run a growth diagnosis

1. Based on historical data, the company's internal resources, the market, the economy and the competitors, analyze the potential growth based on sales, number of customers, or any other measure you use within the company.

2. Analyze how quickly the operation can expand to absorb the increased demand. Remember to include human capital as well as capital equipment in your analysis.

3. Determine how much cash is needed to fuel the potential growth of the business. By doing analysis of the cash inflow and outflow, you will be able to look at your current potential and assess if any improvements can be made. It may be possible to improve the company's liquidity by outsourcing the payment of invoices to IPS Invoice Payment System Corporation, restructure the company's debt or convert unused assets into cash.

Prepare a growth strategy

Based on the information acquired through the diagnosis, prepare a detailed growth strategy:

1. Define the company's growth objectives and include a timeline detailing the growth rate at specific time periods.

2. Write a detailed plan of how the operation will grow including a timeline pinpointing the specific times when more capital will be added or the workforce will need to be increased.

3. Determine the cashflow that will be needed at each point of time specified above. Include the sources from which you will obtain additional cash and the steps that will be needed to acquire it.

4. Communicate your strategy to the pertinent departments and managers.

By taking a proactive approach and having a detailed plan, your company will have the ability to grow at a healthy pace and anticipate any challenges that may appear down the road.

Growth - Do's & Don'ts

Do:

- **Get your invoices paid immediately** : Contact IPS Invoice Payment System Corporation and find out how the fast payment of your invoices can increase your liquidity.

- **Ensure your growth is sustainable**: Be certain that the business is not undergoing seasonal or one-time-only growth.

- **Control Your Costs**: This will allow you to maintain a healthy cash flow to fuel the growth.

Don't:

- **Be unrealistic**: Growing faster than you can expand may decrease your liquidity and level of service; sometimes leading to ultimate failure.

- **Acquire too much debt**: High growth companies are considered risky for financial institutions. Keeping a healthy debt to equity ratio will allow you to get financing when you need it.

- **Ignore your Cash Flow**: Constant surveillance of the cash inflows and outflows is essential to make accurate decisions.

Setting Objectives

An objective is an end toward which effort is directed and on which resources are focused. In an organization, it is imperative to set clear objectives in order to avoid chaos and demoralization. Objectives should be specific, measurable and usually tackled within certain time and cost constraints. The following list has been created to help you through the business goal set up process:

1. Develop and communicate the organization's mission/vision statements:

The company's mission states the purpose for which the organization exists. The vision on the other hand, is the expression of the ultimate aim at which the organization aspires. Both the vision and mission should be communicated at every level of the company and every employee should act according to them.

2. Identify corporate objectives from the Mission/Vision Statements:

The mission/vision statements are the compass that will guide the company's strategy. For this reason, all corporate objectives should be derived from them.

3. Agree on the objectives for managers:

In this step, the corporate objectives should be split by function, business unit, or by product or service. It will be necessary to rank the objectives in terms of priority, draw up time frames for achieving them, and identifying the resources needed to implement them. This step should come before the financial and operational budgeting process of the individual function or business units.

4. Make sure the objectives reach everyone:

In order to move in a common direction, everyone should be aware of the corporate objectives that have been set. It is imperative

to communicate the goals at all levels of the company, immediately after they have been set.

5. Agree on objectives with those who are to implement them:

Although it isn't always possible to agree, seeking ideas, discussing and agreeing on objectives empowers the individual employees and encourages a high level of commitment.

6. Identify appropriate performance measures:

Performance measures should indicate what is expected and how well people are doing in attaining their objectives. The measures should be clear, concise, easy to collect and interpret and relevant. Performance measures should also be agreed on between the employee and manager and should be reviewed regularly.

7. Set up procedures for reviewing performance:

The performance measures specified in step 6 should be the principal content for the performance appraisal. In the appraisal discussion, the past performance is reviewed, learning opportunities are identified and new or revised objectives are set for the next period.

Setting Objectives - Do's & Don'ts

DO

- Focus on business logic and not merely on profits
- Build in flexible processes
- Align incentives with the corporate goals

DON'T

- Focus on the short term, but use the short term goals to achieve your long term objectives
- Ignore areas of potential conflict
- Underestimate the resources required for major projects

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Can help you manage your credit policies



In line with its commitment to provide financial stability to its clients, IPS Invoice Payment System, is proud to provide credit report services.

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If you are a client and you would like to check the payment behaviour of your potential new customers, simply call us and we will provide you with credit reports free of charge. Likewise, you may monitor the current payment behaviour of your customers by login to your account manager

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