



# SCALE UP

**your  
business**



# INTRODUCTION AND CONTENTS

Welcome to our scale up toolkit. Over the next few pages, we're going to give you essential knowledge, practical steps and resources to help you grow your business.

## Breaking down some key terms

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You'll need to understand some essential business terms to make informed decisions. This is a jargon busting guide to help you navigate some of the most common business terms, including those used in this toolkit.

## 1. An introduction to scaling your business

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This section will help you understand the differences between growth and scaling. It will also show you how to grow your business without proportionally increasing costs, and ways to increase your income through efficient and strategic use of your resources.

## 2. Financial planning for scaling

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You'll learn how to manage cash flow, budget for growth and get the money you need to grow. We'll also guide you through various funding options, from venture capital to alternative financing. So you can get the resources you need for sustainable growth.

## 3. Building the right team

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As you scale, building the right team will be critical. Hire skilled employees for future needs, maintain a strong culture and use contract workers to keep costs low. You'll also learn how to develop the leadership and management skills of your team.

## 4. Streamlining operations and systems

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You'll discover tools and techniques to streamline operations using automation and artificial intelligence (AI). This section will guide you through choosing project management and CRM systems, as well as using machine learning to improve efficiency and workflow.

# INTRODUCTION AND CONTENTS

## 5. Customer acquisition and retention

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This section will cover how to attract and retain customers as you scale. You'll explore effective strategies like digital marketing, partnerships, referral programs and personalised customer experiences. Meaning you can still provide a quality customer experience if your business starts to grow rapidly.

## 6. Managing risk during expansion

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As you scale, you'll need to identify and mitigate market, operational and financial risks. This section will show you how to create a risk management plan, protect your business with insurance and stress-test your financial model.

## 7. Scaling your business

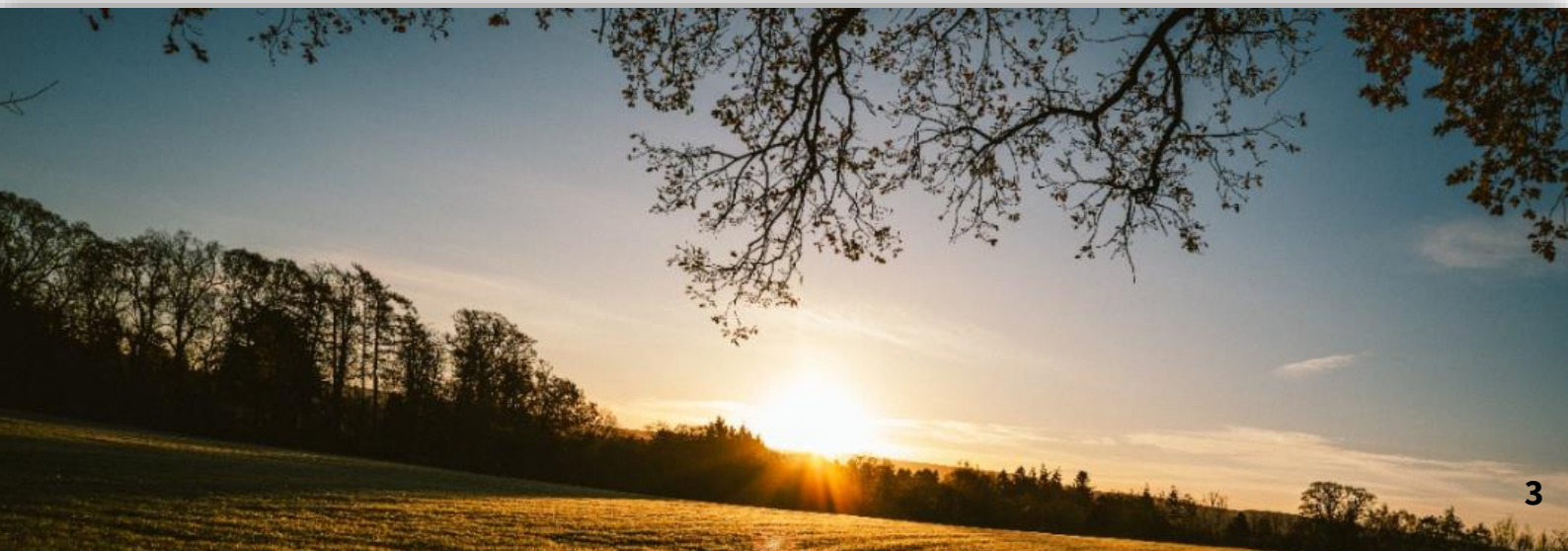
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You'll learn how to reduce costs, maintain quality, improve your reputation and communicate effectively with stakeholders.

## 8. Setting out a strategic roadmap for growth

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This final section will provide actionable steps to guide your scaling journey. It covers tools and templates for financial forecasting, project management, customer relationship management (CRM) and Human Resources (HR). This will help you to plan, implement and monitor your growth strategy.



# BREAKING DOWN SOME KEY TERMS

## Scaling

This is when you grow your business by increasing your capacity and revenue, without your costs growing too much. It's about using your resources wisely to handle more customers.

## Cash flow

The movement of money in and out of your business. Positive cash flow means you're earning more than you're spending. Negative cash flow means more money is leaving the business than is coming in.

## Customer relationship management (CRM)

CRM tools help you keep track of your customers, their needs and your communication with them. It makes staying organised much easier as you grow.

## Venture capital

This is when investors give you money to grow your business, in exchange for a share of it. They'll want to see your business grow quickly and make big profits.

## Operational processes

These are the steps and routines you follow every day to keep your business running smoothly. Good processes make it easier to grow without problems.

## Growth capital

This is the money you raise to help your business grow. You might use it to hire people, make more products or expand into new markets.

## Automation

This is when you use technology to do tasks automatically. For example, sending emails or answering simple customer questions. It saves you time and money.

## Machine learning

This is when computers learn from data to make predictions or decisions. For example, it can help you know what your customers might want to buy next.

## Lean principles

This is about cutting out waste in your business processes, so you can save time, money and resources. This might also give your customers better value.

## Digital marketing

This is when you use the internet to promote your business. It includes things like social media adverts, improving your website to get more visitors and paid media.

## Predictive analytics

This uses data to guess what will happen in the future. For example, which customers are likely to buy again or which products will sell well.

## Risk mitigation

This is when you plan ahead to deal with problems before they happen. For example, having backup suppliers or saving extra money for emergencies.

## Key performance indicators (KPIs)

These are the numbers you track to see how well your business is doing. For example, sales growth or customer satisfaction.

## Customer retention

This is about keeping your customers happy, so they stick with your business and keep coming back.

## Cloud computing

This stores your data and runs programmes online instead of on your computer. It makes it easy to grow your business without buying lots of expensive equipment.

# AN INTRODUCTION TO SCALING YOUR BUSINESS

## When and why you should scale

Scaling a business means increasing how much you're able to do. It aims to increase your revenue without proportionally increasing your costs. You'll need to know when your business is ready for this growth. Look out for some of the signs below.

### Consistent revenue growth

Look for sustained increases in sales over many months or quarters. If your revenue growth is more than your operational capacity, it's a clear sign that you could scale your business.



### Demand exceeds capacity

If you're regularly turning away customers or struggling to meet demand, it's time to scale.

### Profitability

Having a stable profit and positive cash flow is a strong sign that your business is ready to take the next step.

### Solid operational processes

If your team can do the same things well, over and over, it means that your operations are running well. This means you could be ready to take it to the next level.

## What's the difference between growth and scaling?

### Growth

Often involves increasing resources like employees, office space or production capacity at the same rate as your revenue.

The costs rise along with sales.

For example, if you want to serve more cups of coffee, you need more people to make and serve them.

### Scaling

Focuses on growing revenue exponentially while controlling your costs.

Scaling prioritises efficiency, automation and using existing resources more effectively.

For example, a tech company could serve additional customers, without increasing server costs significantly, by using cloud services.

## Managing cash flow, securing growth capital and budgeting for expansion

Scaling requires excellent financial management to avoid cash flow problems. You don't want to over commit and find yourself running out of money. Budgeting and securing growth capital early are 2 important factors here.

### Cash flow

As you scale, make sure you have enough money to manage increased operating expenses such as salaries, inventory and marketing costs. Create a plan to account for seasonal changes and new expenses that might pop up.

### Growth capital

Secure funding before expanding. Whether that's through loans, venture capital or revenue-based financing. Make sure you have the capital to invest in the necessary infrastructure, people and technology.

### Budgeting for expansion

Create a detailed budget that includes new hires, marketing campaigns and investments in technology or physical space. Consider scenarios like a 10%, 20% or 30% increase in demand and plan how each would impact your budget.

## Funding options

### Venture capital

This can be a viable option if you have a high growth business. You can get substantial capital in exchange for equity.

This funding is usually paired with mentorship and networking.

It comes with expectations of rapid growth and a clear exit strategy.

### Bank loans

Traditional loans offer predictable repayment schedules and typically have lower interest rates than alternative funding.

You'll need steady revenue and a strong credit history to access bank loans.

### Alternative funding

Crowdfunding, peer-to-peer lending and revenue-based financing provide flexibility if your business doesn't qualify for traditional loans.

These options might suit if you have an innovative product or service and an engaged audience. However, they can have high interest rates or fees. They might not offer the same consumer protections rights as traditional funding options.

### Overdrafts

They give you extra funds when your account balance runs low.

They can have high interest rates. So might be more suited for managing short-term cash flow issues, like covering unexpected expenses or seasonal dips.

### Commercial lending

If you're looking to expand your business premises or invest in property, commercial loans can provide the funding you need.

These loans are designed for property purchases and often come with longer repayment terms and competitive interest rates.

### Credit cards

They provide quick and easy access to funds for everyday expenses or emergencies.

They can have high interest rates. So might be more suited for short-term needs where the balance will be paid off quickly.

## Hiring strategies for growth

As your business scales, your team needs to grow with it. Building a talented and dedicated team will help to keep things moving forward.

1

### Hire for the future, not just the present

Don't just fulfil immediate needs. Hire employees with skills that will become essential as your business grows. For example, a start-up might hire a data analyst early on, anticipating the need for more data-driven decision-making.

2

### Focus on culture fit

Employees that align with your company's mission and values are more likely to stay and be a part of your business' long-term success. As your business expands, maintaining a happy culture becomes even more important.

3

### Use contractors or freelancers

Think about using freelancers for tasks that aren't at the core of your business. For example, graphic design, marketing and customer support. This allows you to have different skills at your fingertips, without having to pay full-time salaries.

## Developing leadership and management



### Leadership development

As your business grows, you'll need to identify and teach leadership within your existing team.

Find people in your teams who will be good mentors. And train potential leaders in the skills they need to manage bigger teams or more complex operations.

### Clear communication and accountability

As your business grows, make sure communication is clear and everyone knows who to report to.

Have regular check-ins, quarterly reviews and clear KPIs to maintain accountability. Ask your employees for feedback, then use this to improve.

# STREAMLINING OPERATIONS AND SYSTEMS

## Scaling operations

For scaling to work, your operations need to be lean and efficient. The use of automation and technology will be key to managing an increased demand, without burning through your resources.

### Scaling operations efficiently through automation and digital tools

#### Project management tools

Tools like Asana, Monday.com or Trello help you track projects, to make sure that deadlines are met and workloads are balanced.

#### Customer relationship management (CRM) systems

A CRM system, such as Capsule CRM or HubSpot, helps to manage large customer bases, automate messages and personalise marketing.

As you become busier, you might not have time for your customers like you used to. So, these systems help you keep in touch, without having to use too much of your own time.

### Investing in AI and machine learning for automation and efficiency

#### Machine learning for operations

Use AI-driven tools that predict market demand, optimise pricing and recommend product improvements based on customer behaviour. This can help you to make better decisions, manage your inventory and improve efficiency.

#### AI in customer service

Chatbots powered by AI, such as Zendesk or Intercom, can handle customer enquiries, bookings and simple support requests.

For example, an e-commerce company could use chatbots to handle questions about returns. This frees up people for more difficult or creative tasks.

### Stop wasting time and resources

Use lean principles to cut down unnecessary steps in production or service delivery. For example, if you run a bakery, you might notice that staff often have to wait for ingredients to be restocked during busy hours. So, you could reorganise your kitchen so ingredients are always within reach. This small change could save time, reduce waste and help you serve more customers faster.

Develop standard operating procedures (SOPs) for all of your repetitive tasks. This could be a document, video or training. As the team grows, you'll be able to teach new hires how to do things properly and keep things running smoothly.



# CUSTOMER ACQUISITION AND RETENTION

## Customer experience in a scaling business

### 1

#### Attracting new customers

As your business grows, bringing in new customers while keeping your existing ones happy becomes more important than ever. Let's look at some simple strategies to help you build and keep a strong customer base, as you take your business to the next level.

##### Digital marketing

Digital marketing is a great tool for bringing in new customers, especially when scaling.

Use strategies such as social media marketing, search engine optimisation (SEO) and pay-per-click (PPC) advertising to reach new audiences.

Make sure your marketing campaigns match your growth goals, and are aimed at the right audience or new markets you want to reach.

##### Partnerships and collaborations

Forming strategic partnerships with businesses that complement yours can help you reach new customers more effectively.

It's like pairing chocolate with coffee – both are great on their own, but together, they create something even better.

By working with trusted partners and tapping into their customer base, you can grow your audience faster and save money while doing it.

##### Referral programmes

Get your existing customers to spread the word, by offering them rewards or discounts for referring friends and family.

Referral programmes are a great way to grow your business naturally.

People are more likely to trust and try a business that's recommended by someone they know.

##### Exploring new customer segments and markets

Scaling is a great chance to reach new types of customers or even expand into new locations.

Take the time to do proper research to find out where the opportunities are.

Then adjust your marketing to match what these potential new customers want and need.



## 2

### Retaining customers

Bringing in new customers is important, but keeping them is what helps your business grow in the long run. Focusing on customer loyalty means your current customers will stay connected with your business, even as you grow.

#### Loyalty programmes

A loyalty programme is a great way to keep your customers coming back.

Offer them special rewards, discounts, or access to exclusive events or products, as a thank you for their support.

This makes them feel valued, strengthens their connection to your business and encourages them to stick with you over time.

#### Personalised experiences

As your business grows, don't lose the personal touch that makes customers feel special.

Use AI and automation tools to personalise their experience, even as you handle more people.

Adjust your messages, offers and services to match each customer's preferences and behaviour, so they stay engaged and feel valued.

#### Keep in touch

While you're working to attract new customers, make sure your current ones still feel appreciated.

Stay in touch with them by sending newsletters, personalised emails or special updates just for them.

Show them they're valued with rewards or exclusive offers. This will help you build strong, long-lasting relationships.

#### Customer service excellence

Great customer service is just as important as you grow.

Make sure your team has the right tools, training and support to handle more customers, without letting standards slip.

Keeping your customers happy should always be a top priority.

## 3

### Customer experience

Keep your customer experience (CX) smooth and positive as your business grows. Focus on giving your customers an enjoyable and hassle-free experience at every step.

#### Align customer service teams and processes

When demand grows, make sure your customer service teams can handle it without feeling overwhelmed.

Simplify your processes, use automation tools to manage customer enquiries and keep your team focused on your scaling goals.

For example, you could introduce a chatbot to handle common questions. This will free up your team to tackle the trickier issues that need a more personal touch.

#### Stay consistent

As your business grows, you'll likely connect with customers in different ways. For example, in-store, online or on social media.

Make sure your messaging, tone and service feel the same across all these channels.

For example, if your social media is friendly and informal, make sure that your customers experience the same when they visit your store or website. This consistency will help to create a strong and unified brand experience.

#### Scale without losing the personal touch

Keeping the personal touch your customers love can be tricky as you grow.

Use AI and automation tools to keep things personalised while managing more customers.

For example, personalised email campaigns can make your messages feel warm and tailored.

# Using data and analytics for customer insights

As your business grows, data can give you a look inside the minds of your customers. Data can help you attract new customers and keep the ones you already have. It can help you understand who they are and what they want, so you can give them exactly what they're looking for.

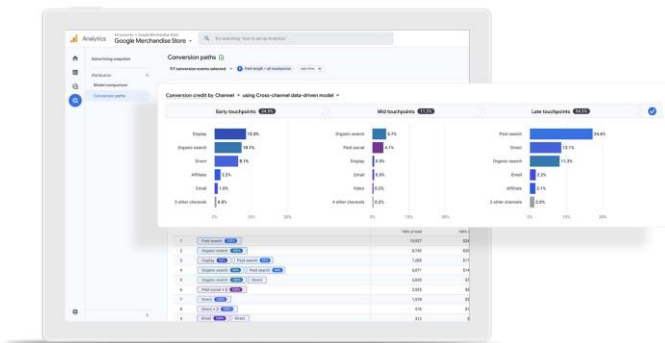


Image from: Google Marketing Platform. (n.d.). Google Analytics.

## Predictive analytics

Use predictive analytics to see what your customers might do next. Look at patterns, like which customers are most likely to buy from you again and which aren't. Then you can take action. For example, sending them an email with a discount code for their next purchase.

## Customer satisfaction and feedback

Keep track of customer satisfaction through collecting feedback. You can use surveys, reviews and social media listening tools to do this. Understanding how your customers feel about you means you can make informed improvements to keep them coming back for more.

## Personalise offers and experiences

Look at your data – what do younger customers want? Are you getting lots of interest from people in certain locations? This will allow you to create personalised offers, recommend products based on previous behaviour, and deliver relevant content that keeps customers engaged and interested in your business.



# MANAGING RISK DURING EXPANSION

## Identifying and mitigating risk

Scaling can be a risky business. From financial pressures to operational inefficiencies, there's plenty that could go wrong. It's important to identify and plan for potential risks before they crop up.

### Marketing risk

People change their minds all the time, new competitors appear, and trends come and go. Analyse your market often and adjust your product, service or systems if needed.

### Operational risk

Scaling can put strain on your systems. To avoid this, monitor your supply chain to make sure your suppliers can handle higher demand. Have backup suppliers, so you're ready if any of your current suppliers can't keep up. This will prevent any disruptions to your business.

### Financial risk

Quick growth can lead to overspending or cash flow issues. Make sure your budget has room for unexpected costs and monitor your profits. If your profits are struggling, you can always scale back a bit until you have more resources in place.

## Create a risk management plan

1

### Risk mitigation plan

Create a back-up plan for different scenarios, such as sudden drops in demand or supply chain disruptions. For example, a retail business could use many different suppliers to reduce the risk of stock shortages.

2

### Business insurance

Protect your business against operational risks, with insurance policies from reputable firms. They can offer various forms of protection, such as against injury claims from customers or employees and claims of negligence.

3

### Stress testing

Regularly stress-test your financial model to see how it would cope under different scenarios. For example, if there's a significant dip in sales or a large, unexpected expense.

## Reduce costs and improve reputation

Reputation is so important when scaling. It means your customers are saying good things about you and will come back for more. Here are some practices that can reduce costs while improving your reputation.

### Outsource functions that aren't at the core of your business

Look at the different roles in your business and identify which ones might not be essential. For example, you could consider outsourcing your HR, so you won't need a large HR team. This could reduce your costs.

### Reduce costs through negotiation

As your business grows, you gain leverage with suppliers. Chat to them about bulk discounts or better payment terms.

### Maintain quality and customer satisfaction

Even as you grow, make sure the quality of your product or service doesn't slip. Regularly collect feedback from customers and use it to make improvements.



## Measuring impact and communicating it to stakeholders

### KPIs to track success

Measure revenue growth to make sure you're on track, and track your Net Promoter Score (NPS) to get an idea of how satisfied your customers are.

Track employee engagement to see how scaling your business is impacting your staff.

### Transparent communications

Keep stakeholders updated with regular reports on growth metrics and challenges.

Investors and board members appreciate clear updates on your business.

### Corporate Social Responsibility (CSR)

Make CSR efforts that resonate with your customers and stakeholders.

You could support a local charity, or adopt environmentally friendly practices. For example, donating used computer equipment to local schools.

# SETTING OUT A STRATEGIC ROADMAP FOR GROWTH

## Steps you can take in the next 12 months

1

Focus on financial planning, securing growth capital and identifying what people you need on your team. Plan when and who you'll hire, and map out what technology you'll need.

2

Start to automate your core processes, expand your team and prepare operations for increased demand. Start to use CRM, project management and marketing automation tools.

3

Focus on bringing in new customers and finding new markets. Test your product or service in new places or with new people. Increase marketing efforts and streamline your supply chain.

## Tools to help you plan and execute your scaling strategy

To scale your business smoothly, make use of the right digital tools to make your processes easier and tackle the challenges of growing. Here's a list of tools and templates to help you as you grow. Make sure you explore other options too, to find out what works for your business.

### Communication

#### [Zoom](#)

Host meetings online to keep your team connected.

#### [Slack](#)

A messaging, calling and document sharing platform for your team to stay in touch instantly.

#### [Microsoft Teams](#)

For an integrated chat feature, meetings and file storage.

### Project management

#### [Asana](#)

Manage tasks, and track timelines and projects.

#### [Trello](#)

Manage projects using boards and cards to track progress.

#### [Monday.com](#)

Excellent for managing larger teams and projects as your business grows. Keep track of deadlines and documents with ease.

## CRM

### [Salesforce](#)

A powerful CRM tool that helps you scale customer relationships and manage complex sales pipelines.

### [HubSpot](#)

Includes marketing automation, sales management and customer service features, ideal for scaling businesses.

### [Zoho CRM](#)

A more affordable CRM tool with automation features for lead management and customer engagement.

## Growth roadmap templates

### [Business roadmap template](#)

Visualise your scaling goals and strategic initiatives over a 12- to 18-month period.

### [Scaling strategy outline](#)

Structured templates that outline each step of your business growth, including key milestones, resources and financial projections.

## HR and payroll

### [BrightHR](#)

HR, health and safety and payroll solutions.

### [myhrtoolkit](#)

Easy to use HR management tools.

## Employee development

### [Santander Open Academy](#)

Our e-learning and training platform for professional development.

## Marketing automation

### [Mailchimp](#)

Automates email marketing and customer engagement.

### [Hootsuite](#)

Helps to manage and scale social media efforts across multiple platforms.

### [ActiveCampaign](#)

Combines email marketing, automation and CRM.

## Performance dashboards

### [Google Data Studio](#)

Lets you visualise and track business metrics in real time, such as your sales, marketing performance and customer retention.

### [Tableau](#)

Offers detailed data visualisation to help identify trends and opportunities during business growth.

## Risk management templates

### [Risk assessment templates](#)

Available through tools like [Smartsheet](#). These help you identify and plan for potential risks during scaling.

### [Contingency planning tools](#)

Develop backup plans using templates available through sites like [Lucidchart](#). These can help you to map out alternative strategies.

## Business insurance and energy

### [AXA](#)

Offers business insurance to help protect against financial losses.

### [Hiscox UK](#)

Offers business insurance to help protect against financial losses.

### [Bionic](#)

Compare, switch and renew your business energy and broadband.

### [Business Energy Comparison](#)

Compare business energy prices from multiple suppliers.