

The Business Lifecycle and What It Means for You

Every phase of a business poses its own unique challenges. By understanding what phase your business is in, you can better map out goals and plan for the future.



Phase 1: Startup

This is where you research, plan and launch your venture. Startup usually lasts between a month and a year.

Goals for this phase

- Secure funding
- Build a customer base
- Begin to increase sales
- Identify ways to increase cash flow

Actions to take

- Research market and competitors
- Write a business plan
- Start to market
- Choose a name and register
- Track cash flow

Phase 2: Growth

Once your business has hit major milestones and established a strong customer base, it's time to focus on growth.

Goals for this phase

- Increase the amount of services you provide or products you produce
- Boost income and profits
- Expand customer base
- Repay debts

Actions to take

- Invest in equipment
- Seek more funding as needed
- Identify new products or services to offer
- Begin delegating to employees



Phase 3: Maturity

A few years in, your business may have reached a stage of maturity when it's enjoying stability and profit.

Goals for this phase

- Maintain a strong customer base
- Improve brand recognition

Actions to take

- Delegate to employees and focus on the big picture
- Continue to refine and expand your marketing efforts, utilizing more sophisticated tools for tracking campaigns and monitoring reach



Phase 4: Transition

In this phase, your business may face positive or negative change due to many factors, including declining sales, a changing market or new opportunities for growth.

Goals for this phase

- Refine or expand offerings to meet market demand
- Build promotions with market conditions in mind
- Expand funding to spark growth
- Start following your tactical plan

Actions to take

- Watch revenue for major changes
- Note new market conditions
- Monitor changing customer preferences
- Create a tactical plan for the future
- Find new partnership opportunities



Phase 5: Succession

The end of the business lifecycle is when an owner decides to close, sell or bring in a successor to take over the company.

Goals for this phase

- Make your decision based on personal and business goals
- Research and choose options long in advance
- Ensure you're protected; consult a business attorney, if possible

Actions to take

- Choose a friend, family member or employee to take over
- Sell the business
- Maintain partial ownership
- Close the business as a necessity or because you want to retire or start something new

