

Ask SCORE

I run a small and quite successful marketing/public relations firm. Recently, we've been approached to take on several new and larger-than-usual clients. I'd love to work with them and grow the business, but I'm also a bit wary of the impact doing so may have. Am I overreacting?

Rapid growth can be exciting...and overwhelming. While strong demand for your product or service is a sure sign of success, it's also possible to be *too* successful—that is, having more orders and requests than you're able to fulfill.

At first, that might sound like a good problem to have. But if you don't act quickly, this dream-come-true can quickly deteriorate into a nightmare of frayed nerves, broken promises, lost clients and irreparable damage to your reputation.

Here are some tips for dealing with over-demand:

Get a status check. You can't make good decisions unless you have an accurate picture of where everything stands. If you manufacture a product, see what might be needed to incorporate the new orders into your processes. Can your existing suppliers provide the needed materials? Are alternate sources available? If you're a service business, can you rearrange your schedule and still meet your existing commitments? Plan wisely, as measures to meet short-term demand can also disrupt your long-term plans and operations.

Assess the costs. Whether it's a temporary up-tick or sustained upward trend, responding to high demand may require an immediate investment of capital. Weigh your options against your cash flow and other resources. Hiring temporary workers may or may not be as affordable as overtime for your current staff. You may also have to pay a premium for rush orders of materials, or by using other suppliers.

Be honest with your customers. Explain that you're short on time or inventory, and specify how long they may have to wait before you can fill the order or take on the assignment. Remember that you can't please everyone. Some people will be willing to wait, others will look elsewhere.

Be honest with yourself. While it may be tempting to take on new orders and assignments in the name of growing your business, it's still up to you to manage everything. Don't overtax yourself or your resources. And certainly, don't let increased demand compromise your health or personal responsibilities.

Refer customers to others. Nobody likes turning away business, but it's better than the consequences of missing deadlines or producing poor quality work. Refer opportunities you can't handle to other vendors or contractors who you trust will do a good job. Customers will appreciate your candor, and remember you as a problem-solver and information resource. That increases the likelihood that they'll come back.

This column is brought to you by the Southern New Hampshire Chapter of SCORE, with more than 65 current and former business executives available to provide free, confidential, one-on-one business counseling and training workshops for area businesses. Call 603-666-7561 or visit www.score-manchester.org for information on

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