

5 Ways to spur organic growth

Improve your customer experience, sales, marketing and pricing with these tips on implementing an organic growth strategy.



Despite all the headlines about mergers and acquisitions, growing a business organically is a more proven way to build revenue. A McKinsey & Company survey of 550 U.S and European companies revealed that companies that created more organic growth generated higher returns than those that relied on acquiring new companies or launching new products alone.¹

What defines an organic growth strategy? It's one that uses a company's own energy and resources to retain customers rather than investing capital in external partnerships or expensive acquisition plans. Organic growth is therefore more cost-effective than other growth strategies. A successful organic growth strategy comprises two components: outstanding customer service and highly engaged employees.

For example, investing in your sales and customer experience programs will strengthen and grow relationships with your existing clients, leading to more purchases or purchases with higher values.

Multiple studies have been conducted on the costs of acquiring new customers versus retaining existing ones. In an article from Harvard Business Review, it was estimated that gaining a new customer is anywhere from five to 25 times more expensive than keeping a current customer. The same article also pointed to research by Bain & Company, the firm that invented the NPS, which indicated that increasing customer retention rates by five percent increases profits 25 to 95 percent.²

1. Encourage senior management to focus on growth.

Make no mistake; organic growth in the business world does not happen spontaneously. Your management team must prioritize organic growth as a strategy and hold people accountable for delivering against the goals.

Be sure all employees understand your organization's top goals this year, as it's easy to get bogged down in day-to-day tasks that don't contribute to organic growth. Managers should communicate to all employees that developing organic growth among current customers is essential to the company's strategic plan. Otherwise, time and money will be spent on activities that don't align with this goal.

2. Empower a more agile sales team.

Your competitors' offerings and customer needs change rapidly. Allowing sales people to work in ways to respond quickly to these changes will help them succeed in meeting organic growth goals. It should be made clear throughout the organization how to make decisions when new situations arise that will lead to organic growth. Encourage managers to empower sales and customer service with more flexible ways of working. Developing a culture of continuous improvement and learning also supports an agile, customer-centric approach. Create performance metrics for employees that encourage the creation of solutions that respond quickly to customers' needs.

3. Give customers the right solution for them.

This statement sounds obvious, right? But many times companies suggest products or services in the hopes the customer will buy more, whether it is right for their business or not. If your organization incorporates suggestive selling tools on your website, make sure the tools give customers options in terms of product and value. Customers will form deeper relationships with your organization when they feel you helped them make the right purchase, and they will continue to buy from you.

4. Obtain continuous customer feedback.

Customers have more power of choice than ever before in making purchases. Competitor websites provide a plethora of information on products, services and prices. We live in an age of continuous social ratings, where a customer's experience can be broadcast across a range of digital channels. To keep customers from being influenced by competitor information and peer ratings, keep your customer needs at the forefront of what you do. The easiest way to do so is to ask for frequent customer feedback. There are myriad ways to collect customer feedback—through a short email survey, on your website, by phone, or in person. Only you know which method will work best with your customers. Asking your customers to tell you what they want and expect can save you from making mistakes or losing their business.

5. Articulate growth goals in a written plan.

To maximize your organic growth, your organization needs to develop new approaches and ideas in sales and customer service. Get employees thinking in new ways by allowing them to step away from their desks for a brainstorming session with their managers and teams. Prioritizing goals in a written plan, developing strategies for the most promising growth ideas and assigning roles and responsibilities for executing on the ideas will spur the exponential growth your organization wants.

¹ Ahuja, Kabir, Liz Hilton Segel, Jesko Perrey. "Mastering Three Strategies of Organic Growth." McKinsey & Company. August 2017. Accessed July 30, 2018. <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/mastering-three-strategies-of-organic-growth>

² Gallo, Amy. "The Value of Keeping the Right Customers." Harvard Business Review. October 29, 2014. Accessed July 30, 2018. <https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>

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