

Growing a Business: The “Six M” Reality Check

For every goal to grow a business to maximize business value, management should consider the goal’s impact on all areas of the business. In other words, the goal should be achievable in light of the Company’s particular Strengths, Weaknesses, Opportunities and Threats (i.e. a SWOT analysis).

Prior to management developing implementation steps, here’s a “Six M” Reality Check:

1. Men (people)

- How will the goal impact the present work force?
- Are more employees needed and can they be found?
- Do we have the management expertise to implement the goal?
- Should the organization be restructured?

2. Money

- Bottom Line. Will the goal create positive earnings and cash flow?
- Will Company earnings finance the goal?
- Will third party debt or equity capital be required?
- Does the Company have the ability to obtain the financing?

3. Machines

- Does the Company have the facilities to support the goal?
- Will the Company have to add or change locations?
- Is the current equipment adequate to meet the goal?
- Will the Company have to purchase or lease additional capital equipment?

4. Methods

- What internal or external information support choosing the goal?
- What additional market or industry research should be done?
- Will goals require regulatory approvals?
- For control purposes, are management information systems adequate?

5. Materials

- Does this goal involve a new or complementary product or service?
- Are the materials (product) and talent (service) available?
- Should there be more R&D performed prior to introduction?
- Is a significant customer problem or need satisfied by the new product or service?

6. Markets

- Does the goal involve a new marketing strategy?
- Will distribution channels be impacted?
- Will the price of the product or service be impacted?
- How will promotional strategies be affected?