

DON'T GROW YOUR BUSINESS!

By

Stuart Goldsmith

How do you get VERY rich?

Easy, there's only one way (apart from inheritance, luck or crime).

You have to run your own business. But here's something people get SO wrong in their hurry to get started:

You should not start or run a business unless you have a clear answer to the questions:

“When do I get out? When will I have made enough?”

Running a business is all about making maximum money in minimum time, then selling out or closing down and getting yourself a REAL life! The one exception (and it's rare) is if you really love what you do. Most people in business are mostly there for the money. I don't mean they have no job satisfaction or produce useless products. I mean that if you wrote them a big enough, fat enough cheque, they'd walk away.

That means they're doing it for the money.

If you run your own business, no matter how large or small, I want you to at least consider the following proposal, which, as far as I am aware, is uniquely my own idea:

All businesses need to continually expand, otherwise they're dead, right?

Wrong!

I don't believe this. When you expand your business, two things happen:

1. You run harder and faster and pile on the stress both for you and your employees.
2. You don't make any extra money because you plough every penny back in to fuel the expansion. Worse, you frequently go into heavy debt to fund the expansion. It's all 'jam tomorrow.'

If you continue this process, you're pinning all your hopes on selling the business some way down the line, and cashing in your chips.

This may, or may not happen.

Most times it doesn't happen due to a variety of factors. Markets change, people change. You find you have this huge gaping mouth to feed every month. You wake up one morning to realise you need to make £100,000 each month just to make payroll and other bills. You run

faster and faster, growing all the time. New staff, new premises, new products, new territories, take-overs, mergers. And all with little profit because of the expansion drive.

Now if this is what turns you on, then go for it. I know a few people who have made many millions doing just this. For each of those, I know twenty who *thought* they would make millions, but lost everything.

The Stasis Option

So how about this: Why not run a business which *doesn't* expand (in real terms)?

A business in which you choose NOT to make more money, even though you COULD.

I have named this concept STASIS.

For example, let's say you currently turn over £1 million and make £150,000 profit - the exact figures are not relevant. Your business might be ten times larger than this, or one tenth as large. Let's say you decide to do this (give or take 10%, and ignoring inflation) for the next few years at least.

I'm saying supposing you make a deliberate decision not to grow.

Why?

Because you have enough, and the 'pay price to action' of growing is just too high a price to pay.

Suppose you could run this company working three days a week instead of six? Wow! Think what you could do with the spare time! Supposing this made you happier, less stressed and a far better manager/entrepreneur during the three days you worked?

Here's the important point: *Could* you turnover £2 million and make £300,000? Sure. There is no question, but... **suppose you make a conscious decision NOT to?**

You take a decision that £150,000 a year income is enough for you. Sure, you'd take £300,000 if it was free, but you know it isn't free. There's a price to pay in extra hours, extra stress, extra work and sacrifice of your irreplaceable life.

Wow! What an amazing decision to make!

Say NO to More Money!

During the course of a typical business year, all sorts of 'projects' arise with the potential to make money - but you turn them all down!

Why?

Because they would push your turnover above the preset £1 million mark, and you've decided not to do this. You are not going to run after every project just because it could make more money for you.

The analogy is deciding not to take an evening job down the pub in addition to your day job, because you have decided that you already have enough. Could you make extra cash working down the pub and cleaning windows at weekends? Sure. But the price is long hours and evenings away from the family, and *you have chosen not to go for this*.

This thought process alters the way you view your business or your job.

You now (correctly) view it simply as a moneymaking machine. You pull a heavy lever, and out comes a crisp £10 note. You pull the lever again and out pops another. Great! So what are you going to do?

- 1) Pull the lever repeatedly, morning noon and night for 45 years, never even counting the huge pile of notes, until you drop dead of a heart attack one day, beside a large pile comprising a million pounds in crisp tenners.

- 2) Sit back and think for a moment. Think to yourself something like this: “Hmm... I have a neat little money making machine here. It could provide me with ‘enough’ if I operate the lever 8 hours a day, for 3 days a week. Sure, I could operate the lever 6 days a week for ten hours a day, and I would definitely get more money, but I am going to choose NOT to do this. I want to do a lot of other things in my life instead of pulling that lever. If I play this right, I can keep this money-machine ticking for a decade or more with minimal effort on my part.”

So please spend just a few moments thinking how this important concept applies to you and your future wealth. What I have said here is obviously not hard a fast. Not some mantra for all businesses. It’s just a different take for you to think about.

By the way, this is exactly how I have run my own business for the last ten years, so I’m not suggesting something I don’t do myself.

Good luck with the status quo!

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Stuart Goldsmith, c/o Alitheia Limited, 12 Tilbury Close, Caversham, Reading, RG4 5JF
www.stuartgoldsmith.com (You can email me from that site.)