When Growth Is the Thing That Breaks You

More sales can create cash flow problems if your business isn’t ready for growth.

Growth is supposed to be good news, and usually it is. But plenty of healthy businesses have run into serious trouble not because sales fell, but because they rose too fast. It sounds strange until you have lived it. The orders come in, everyone celebrates, and then the cash runs dry.

Why Growth Eats Cash

Growing means spending before you earn. You buy more stock, take on more staff, and accept bigger jobs, all of which you pay for now. The money from those sales often arrives weeks or months later, especially when customers pay on terms. In the gap between spending and being paid, the business can run out of cash even while the order book looks its best.

Systems That Worked When Small Start To Crack

The way you ran things with ten customers rarely holds with a hundred. Informal arrangements, tasks kept in one person's head, and manual processes all begin to strain. Mistakes creep in, service slips, and the owner ends up firefighting instead of leading. Growth exposes every weakness you could get away with while you were small.

Grow On Purpose, Not By Accident

The answer is not to fear growth, but to plan for it. Know your numbers well enough to see the cash squeeze coming before it arrives. Arrange funding while you are strong and can negotiate, rather than in a panic when the account is empty. Put systems in place before you need them, not after they have already failed. Growth that is planned builds value. Growth that is not can undo years of work.

If you are heading into a busy stretch, that is exactly the moment to look hard at your cash flow and your capacity. The businesses that come through a growth spurt stronger are the ones that saw it coming.

Fast growth is easier to survive when it is funded and planned. If you want help getting ready to grow without running out of cash, let us point you to the right support.