

# To Grow, Serve Existing Customers Better or Find New Ones

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Searching for, finding and successfully exploiting opportunities for growth is critical to sustain a business. Markets evolve as new technologies emerge, and customers' needs and tastes change over time. These changes threaten a firm's position in the market and its very survival, but they also create opportunities for growth, differentiation and increased profitability.

There are only two ways to grow a company's revenue. One is gaining more customers. This occurs by either taking them away from competitors, which is generally difficult and expensive, or finding underserved customer segments and exploiting them, or expanding the products and services that you sell to existing customers. This generally occurs by finding new complementary goods or services to provide.

Start by assessing your company's current products and services. I don't mean benchmarking against the competition, but rather looking at how your products and services stack up against what is possible. Do they still fit with current customer needs, particularly your leading customers/early adopters? What features or functions might be dropped or added? Can you do it cheaper or better with emerging technologies?

The next way to grow is to look at the market, and more specifically at the customers — but not just your current customers. What customers are you overlooking? Are you using the right distribution channels to serve them? These tangential markets can be incredibly profitable opportunities.

Enterprise Rent-A-Car, owned by founder Jack Taylor's family, innovated to reach underserved customers well beyond the airport. Recognizing the underserved

customers in suburbs across the nation, Enterprise began placing offices there and providing pickup for customers. The company is now the largest rental car company in the U.S.

So, opportunities arise when there's a substantial gap between the current offering and what's possible, and when there are underserved customers who can be reached with minor changes and redesigns.

