KNOWING WHEN YOU'RE READY TO GROW

The signs your business is ready for bigger growth, the risks of growing too early, and a readiness check.

TYPE: GUIDE REVIEWED: NOVEMBER 2026 TIME: 8 MINUTES LEVEL: INTERMEDIATE

AT A GLANCE

- Grow when the **core business is profitable, steady and repeatable**, and **demand is bigger than you can serve**.
- Growing too early can magnify every weakness: cash, quality, systems and team.
- Use the readiness check below before a big move like a new location, product line or funding round.

Why it matters

Growth takes cash, attention and energy. When the foundation is strong, growth builds on it. When it isn't, growth can break what's working. Many businesses fail during expansion, not during their first year.

Readiness check

Area	Ready	Not yet
Profit	Profitable for at least 6 to 12 months	Still losing money or breaking even
Demand	Turning away customers, waitlists, steady growth	Unsure where the next customers come from
Systems	Written checklists; the business runs without you for a week	Everything depends on you
Team	A trusted person who can manage day-to-day work	No one to hand off to
Numbers	Clean books, clear KPIs, reliable forecasts	Messy or late books
Cash	A cash cushion plus a funded growth plan	Cash is tight month to month
You	Energy and support for a bigger challenge	Already stretched thin

KEY POINT

If most answers are "Not yet," focus on making the current business stronger first. That work also raises its value and makes funding easier to get. See **UD-05 The Graduation Standard, Explained**.

Ways to grow, from lower to higher risk

1. **Sell more to current customers**: new add-ons, higher prices, memberships.
2. **Reach more customers like your current ones**: new marketing channels, referrals.
3. **New products for current customers.** See **G-06 Adding New Products and New Markets**.
4. **New locations or markets.** See **G-04 Opening a Second Location** and **G-12 Expanding to Other Countries**.
5. **Big new customer types**, such as businesses or government. See **G-07 Landing Big Customers and Partners** and **G-08 Government Contracts and Supplier Diversity Programs**.
6. **Buying another business.**

> EXAMPLE
>
> **Tasha** wanted a second salon. Her check showed strong demand and profit, but no manager and no written systems. She spent 9 months training a lead stylist, writing checklists and moving to online booking. When she opened location two, the first ran smoothly without her, and the second was profitable within 7 months.

Common mistakes

- **Expanding to escape problems** in the current business.
- **Underestimating the cash** growth needs.
- **Growing on a single great month.**
- **Doing two big moves at once.**

Your checklist

- ☐ Score yourself on the readiness check
- ☐ Fix the weakest area first
- ☐ Choose the lowest-risk growth path that meets your goals
- ☐ Build a growth plan with costs and milestones (G-13)

Where to go next

- **G-13 Growth Plan Template**
- **G-11 Growing Without Running Out of Cash**
- **G-01 Growth vs. Scaling: What's the Difference?**

IMPORTANT
This guide is general education from the Project Underdogs Founder Library. It is not legal, tax, accounting, immigration or investment advice, and it is not an offer of investment or a promise of funding. Figures are general examples and ranges, not quotes. Rules change and every business is different, so check your situation with a qualified professional. Full terms: LIB-03 Disclaimer and Terms of Use.