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Phase II

The Finn Connective will emphasize on growth by using a five stages growth model. In the first stage, the firm will focus on maintaining existence by obtaining customers. In this phase, the company will work to get adequate customers for delivering products that would contribute to the viable business. In the second stage, the company will be concerned about generating enough cash for surviving in the industry. The must be able to generate cash flow for financing growth of the business. In the next stage, the company will realize its ability to expand the business. This depends on the probability of a company's success. In this stage, the company also compare its losses and gains for determining if it is intelligent to continue business. The company if generates sufficient revenue will continue it and makes sure that it remains profitable. In the take-off stage, the company will evaluate how to finance the growth of the business. The decision of expansion is based on its capacity to generate cash. Firm's operational capacity is also analyzed for ensuring that expansion is manageable. Resource maturity is the final stage in which the company consolidates and control financial gains for managing rapid growth (Churchill & Lewis, 1983).

The Finn Connective will engage companies at a larger scale by making sure that they are competent, reliable and can be valued participants in the program. As a small firm, the company would be able to execute new ideas quickly. Increased use of social media campaigns and implementation of cutting edge technology will allow the company to compete at a larger scale. Building reputation will encourage other companies to become valued partners with Finn Connective. The company will start by targeting specific markets because large companies target broader demographics. This will provide a completive edge to Finn Connective. Innovative team and competent employees is another strategy for competing at a larger scale.

The price that the company can charge against the service remains one of the important business decisions. Setting a very high or low price limits business growth. This will affect cash flow and sales problems. The company will decide a price that will allow the business to remain profitable. An appropriate strategy is to analyze the position of the company in the market. The company will charge 5 percent for the service after covering its costs of production. The reason for the excessive 5 percent is to generate cash flow for the continuing business. This will allow the company to cover its fixed and variable costs. To maximize the benefits the company will research how customers value its products and services. The company will increase the price to 10 percent after two years because this will give sufficient time to the company for building a customer base. The company will rely on penetration strategy for competing with the competitors. This will allow the company to offer services at slightly lower prices than the competitors for attracting customers. The company will raise price gradually after building its customer base (Sije & Oloko, 2013).

The company can raise its prices in the long-run when it builds brand loyalty. The companies will be willing to give up a percentage for referrals so Finn Connective will use effective tactics. The company will use the best customers for referrals by displaying them on the company's website. This will add to the company's reliability and credibility to the company must target big businesses. The company will offer referral incentives by sending thank you gift to the customers. Another strategy is to encourage shoppers to refer to their friends by adding contests and giving opportunities for winning prizes.

References

Churchill, N. C., & Lewis, V. L. (1983). The Five Stages of Small Business Growth. *Harvard Business Review*.

Sije, A., & Oloko, M. (2013). Penetration Pricing Strategy And Performance Of Small And Medium Enterprises In Kenya. *European Journal of Business and Social Sciences, 2* (9), 114 - 123.