

5 Dos and Don'ts of Scaling Your Tech Startup on a Budget

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Scaling a business is hard, period. I lived through a few rounds and wrote a book about it, *Inevitable Revolutions*, hoping to share my experiences with others. Before launching into full scaling mode for your business, you need to be in tune with your finances as you were during your early startup phase.

Business scaling is a key component to success and longevity. Businesses are an investment, so making wise business decisions to scale your tech business is vital. Technology startup costs can be substantial. Scaling your business will also cost your company, so it's paramount that you're ready to take on the investment. But with the right tools, ideas and strategies, you will see a return as scaling will be met with fewer setbacks and unexpected road bumps.

So, if your business is ready to scale, and you have a budget to stick to, then you're probably wondering how to make it a reality, right? Read on to discover five dos and don'ts to scale your business on a budget:

Related: [5 Pitfalls to Avoid When Growing or Scaling a Business](#)

1. Do create structure

Before you scale your business, it's important to create management/employee structures. Aim to keep teams small, so that managers aren't overloaded and employees feel heard and

valued. It may seem like a pain to have multiple managers reporting to you, but it will help everyone to do their jobs more efficiently. It will also teach your employees how to communicate better and solve problems promptly.

You'll also need to learn how to be the best leader for your startup to scale effectively. Practice actively listening to your employees, experimenting and being transparent.

2. Do pump the brakes

If now doesn't seem like the right time to scale your business, then pump the breaks. Pumping the breaks doesn't mean that scaling your business won't come to fruition. It just means that you may need more time to get important components like marketing and customer relations in order first.

3. Do cultivate pride

Give your team something to get excited about as the company meets milestones and department goals. Get everyone on board with a cause, and cultivate a sense of pride in your company. When your employees feel a sense of loyalty and safety, they're more likely to come up with creative and innovative solutions.

4. Do manage your finances

Before you scale your business, assess your current financial status. Take a look at your expenses, profit and your bottom line. Scaling your business will cost money in some shape, so you'll want to make sure that you invest wisely. You also want to make sure that your scaling costs are manageable. Start by collecting a list of all potential scaling costs to get an idea of how much capital or budget you'll need.

Then consider whether you need additional capital or if you have enough to spare in your profit margin. Also, determine your risk tolerance level. If the budget seems tight, then don't hesitate to go back to the drawing board or wait until your finances are healthier.

Related: [15 Ways to Scale Your Business and Make More Money](#)

5. Do achieve your goals first

One of the most important signs that it's time to scale up is when you accomplish your initial business goals. For example, you've reached a specific profit margin, achieved a certain amount of sales or hired a specified number of employees.

Once these goals are met, then consider scaling your business. Scaling your business before these goals are met could lead to a lot of confusion about what move to make next.

6. Don't live in the past

Innovation suffers when businesses do things the way they have always been done. Don't be afraid to leave business processes in the past if they don't seem like an asset to your company. You can also outsource non-essential duties to other companies to ensure your business has more time to focus on scaling.

7. Don't ignore your limitations

Ignoring your limitations could cause your business great harm. In fact, ignoring limits could even cause your business to fail. That's what happens to 74% of tech startups who decide to scale up before the time is right. Some limitations to consider include your capital, your current computing systems and how many employees you have.

8. Don't gloss over IT

Tech companies know all about IT – but is your IT system currently prepared for scaling up? Before you go full speed ahead, check in with your IT system's capabilities.

Make sure your servers, CRM systems and all other computing systems are ready to handle a surge in business before you scale. Keep in mind, automation may be necessary, though arduous, to streamline disparate systems. Assessing the missing connectors and then optimizing these pathways will be critical to solving before scaling.

Related: [3 Proven Ways to Grow Your Business Without a Lot of Money](#)

9. Don't hire in a pinch

Take your time, and hire the best people for your company. Don't feel pressured to hire more people just because you have a vision of scaling up. Hiring more people could also be a sign to slow down to avoid draining more resources. Scaling is a process. It's best to have the right people to support scaling your business rather than semi-qualified employees trying to do their jobs.

10. Don't be carelessly optimistic

Optimism is a wonderful quality, but in business, you must also be realistic. Avoid getting overly excited about an idea or strategy without thoroughly studying it and testing it first. There's no rush, and you'll be happy you looked at multiple strategies instead of settling on the first one that sounded like a great idea.

Be optimistic, but don't be careless about choosing the best strategy to scale your business. Sometimes the best strategy

is not to scale until you're completely ready to handle the additional responsibilities.

Scale your business when your business, employees and systems are ready for it. When it comes to growing your business, timing is everything. The right timing means that your business is ready and able to handle a surge in growth. So, scale your business the right way at the right time.

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