

Financial Optics Releases Guide on How to Apply Sustainable Growth To Small Businesses

RENO, NEVADA, UNITED STATES, February 28, 2022 /EINPresswire.com/ -- Financial Optics released a new guide on [applying sustainable growth](#) to small businesses. Owners must be careful not to grow too slowly and lose interest in their services. However, growing too fast can lead to new problems, such as quickly changing operation styles.

Small business owners need to know how to aim for sustainable growth, how to calculate it, and what that means for their business.



Sustainable growth is a growth rate where businesses can operate at the maximum number of sales without supporting the growth with loans. Some companies grow by taking on new debts, while sustainable growth occurs without incurring debt.

Calculating a business's sustainable growth rate will provide valuable information about where the company is now and where it can grow into. It's a way to track long-term success to ensure the business doesn't grow too quickly.

Businesses can calculate their sustainable growth rate through two methods:

- Return on Equity
- Dividend-Payout Ratio

After finding the company's ROE, finding the dividend payout ratio shows the percentage of the company's earnings that is paid out in dividends. Business owners should keep in mind that many outside influences will affect the growth of their business, such as the state of the economy and the demand for services.

Each industry is different, so companies will have to analyze their optimal growth rate. This includes doing their calculations for what their ideal long-term growth rate. Many businesses will seek advice from a financial advisor during this step.

An advisor can help businesses calculate and explain their sustainable growth. They'll also analyze the current state of the company and suggest things, including:

- How to efficiently manage accounts payable
- Understanding and managing accounts receivable
- Refining the business's value proposition statement
- Retaining customers by taking initiatives
- Adding new services or products
- Continuing to measure growth to stay on course

[Financial Optics positions](#) small businesses for sustainable growth. This virtual accounting firm offers outsourced small business accounting and small business bookkeeping to help minimize costs and get the best results. They provide financial advice and virtual CFOs for small business owners that are looking to grow.

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