

From Struggling to Scaling: The Realities of Business Growth in the UK

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Starting a business can feel exhilarating, but also relentless. Over my 30-year career, I've seen—first-hand—the full spectrum of the business journey. I've lived it. From launching my first firm with just two of us doing everything from client delivery to chasing invoices, to eventually building, systemising, and successfully exiting multiple businesses, I know what it means to go from survival to scale.

And the data backs up how hard this journey can be. In the UK, around **20% of businesses fail in their first year**, and **60% don't survive beyond year three**. The most vulnerable sectors? Retail and hospitality—highly competitive with tight margins. On the flip side, industries like tech, health, and professional services are showing resilience, largely driven by digital transformation and demographic shifts.

Yet the real story is this: **very few businesses make it to scale**, and fewer still to the point of exit. According to the British Business Bank, **fewer than 5%** of UK businesses ever reach significant, sustained growth. Why? Because it's not just about working hard—it's about working smart, with governance, structure, and vision.

That's why I use the **S.T.A.G.E.S.** framework—a simple, memorable way to help business owners and leaders assess where they are, and what they need to do next.

The S.T.A.G.E.S. Framework for Business Growth

S – Struggling (Not Working)

This is where many of us begin. The cash doesn't flow. You juggle bills. You sometimes dip into your personal savings just to keep going. I've been there—when I started, I had to wear every hat in the business.

Insights for BBC: Retailers and small service providers are particularly prone to this, especially with late payments and seasonal sales cycles.

T – Treading (Survival Mode)

You've made some progress, but it's fragile. Employees might be paid, but your own income is inconsistent. There's little left for growth. It's a constant battle to stay afloat.

Insights for BBC: According to the FSB, many micro-businesses operate like this for years—owners often paying themselves last, if at all.

A – Adapting (Existence)

There's some stability now. You're breaking even, bills are being paid on time, and you've carved out a customer base. But it's still largely dependent on your time and energy.

My Experience: It wasn't until I started introducing systems—things like Cash Monitoring System (CMS) tools and documented processes—that I saw real progress.

G – Growing (Profitability)

You've put structure in place. You're no longer doing everything. The business can run when you're not in the room. That's when you know you're moving from surviving to thriving.

BBC Insights: Very few UK businesses reach this stage, but it's the tipping point where **governance** and **strategy** start to unlock long-term value.

E – Expanding (Scaling Up)

Now you're adding new products, people, or even opening new locations. But growth brings complexity—and if not carefully managed, it can outpace your capacity to lead it.

BBC Insights: Scale-ups are rare—only about **0.5%** of UK firms—but they punch well above their weight in job creation and GDP contribution.

S – Selling (Exit Ready)

This is the destination. The business is no longer reliant on you. It's systemised, governed, and capable of thriving independently. Whether you sell, step back, or transition leadership, you know the legacy will live on.

My Experience: Exiting a business successfully takes discipline—good governance, solid documentation, and clear performance drivers. It's not just a financial milestone; it's a governance milestone.

Why Most Businesses Stay Small

- Only **15%** of UK businesses employ more than five people.
- Just **4%** generate over £1 million in annual turnover.
- Around **3–4%** employ 20 or more people.

These statistics aren't meant to discourage—they're meant to show how exceptional it is to grow. But with the right mindset, systems, and strategic governance, it's possible. I've done it, and I now help others do the same—whether you're a founder, a board member, or an executive team building for the future.

Final Thought

Every stage of the S.T.A.G.E.S. journey has its own set of challenges—and its own lessons. If you know where you are, you can better plan where to go. And if you've been in business for any length of time, you'll probably recognise more than one of these stages.

Wherever you are right now, the key is this: you don't need to stay there.