

BUSINESS FINANCE

ORGANIC GROWTH VS. STRATEGIC GROWTH: WHAT'S DRIVING YOUR BUSINESS?

When I meet with business owners, one of the first questions that I often ask them is, "How did you get here?" For many of them, the answer is a mix of hard work, reputation, referrals, and time. In other words, they've grown organically. There's nothing wrong with that—in fact, it's the natural way most small businesses start and develop. But organic growth, by its nature, is often reactive and you have zero control over it. You respond to opportunities as they come, which works up to a point. But what happens when the pace slows, your competition increases, or the local, state or US economy shifts? That's when it's time to step back and think strategically.

WHAT IS ORGANIC GROWTH?

Organic growth happens when a business grows from within, without acquisitions or external capital injections. Think of it as doing it all on your own. It's usually fueled by referrals, reputation, and steady customer demand. Your business is successful solely

on the quality of the product or service you provide and your ability to sell it to others. Additionally, you might launch a new service, add a new product, or simply get more efficient with your existing operations. It's growth that feels natural, but often lacks intentionality.

The upside:

- It's cost-effective and often more sustainable
- Customer loyalty and satisfaction tend to be stronger
- It doesn't involve major financial risk

The downside:

- It's slow and can plateau
- Opportunities may be missed due to lack of planning
- Growth may outpace your infrastructure

WHAT IS STRATEGIC GROWTH?

Strategic growth, on the other hand, is purposeful and planned. It's not just hoping the phone rings. It involves setting a goal—whether it's entering a new market, expanding your team, or increasing revenue by 30%—and building a clear, actionable and measurable plan to get there. Strategic growth requires investments in people, technology, and marketing—but it also yields more scalable and predictable results.



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It's also about asking the hard questions:

- Where do we want to be in 3 years?
- What markets should we enter?
- What people or systems do we need in place to support that growth?

The upside:

- You stay in control of your direction
- Infrastructure (usually staff) is built to support expansion
- You can course-correct with measurable outcomes

The downside:

- It requires a clear roadmap and leadership buy-in
- Cash flow must be managed tightly
- Growth initiatives need constant evaluation

MOVING FROM ORGANIC TO STRATEGIC

Most businesses start with organic growth because it's accessible. But over time, the cracks start to show—financial systems aren't built to scale, staffing becomes reactive, and the owner is stretched too thin. Strategic growth requires stepping out of the day-to-day to work **on** the business, not just **in** it.

That's where a fractional CFO comes in. A fractional CFO provides seasoned financial leadership without the full-time cost. They help create the structure and strategy needed for sustainable, strategic growth.

How a fractional CFO helps:

- Build a forward-looking financial model with measurable milestones
- Identify inefficiencies that slow growth
- Align financial systems and reporting with strategic goals
- Help prioritize where investment will have the highest ROI

ORGANIC GROWTH VS. STRATEGIC GROWTH

ORGANIC GROWTH

Reactive and unplanned growth driven by existing customers, referrals, and reputation.

THE UPSIDE

- ✓ Cost-effective
- ✓ Customer loyalty
- ✓ Low financial risk

THE DOWNSIDE

- ✓ Slow or plateaus
- ✓ Missed opportunities
- ✓ Lacks infrastructure

STRATEGIC GROWTH

Proactive and planned growth driven by investment in marketing, people, and technology.

THE UPSIDE

- ✓ Controlled direction
- ✓ Sustainable expansion
- ✓ Measurable outcomes

THE DOWNSIDE

- ✓ Requires a plan
- ✓ Cash flow challenges
- ✓ Needs ongoing adjustment



FINAL THOUGHT

Organic growth may have gotten you here — but strategic growth is how you **build a business that lasts**. If you're ready to think more proactively, make data-driven decisions, and grow with clarity, I'd welcome the opportunity to have a confidential conversation about what that transition could look like for you.

Jeff Solomon is the founder of [CFO On The Go](#), a fractional CFO firm helping small and mid-sized businesses gain financial clarity, strengthen cash flow, and grow with confidence. With more than 25 years of experience, Jeff partners with business owners to streamline financial systems, improve profitability, and shift from reactive decision-making to strategic planning. Recognizing the need for flexibility, Jeff now offers part-time CFO support in a 5–10 hour per month model—giving more businesses access to expert financial leadership without the cost or commitment of a full-time hire.