

How To Build and Improve Business Capacity

Building business capacity means preparing your organization to meet increased demand without compromising quality or efficiency. This guide explores how to assess your current business capacity and invest in strategies that position your business for scalable success.

Step 1: Strengthen Internal Capacity

Evaluate your organizational capacity by reviewing team structure, workflows, and technology. This ensures your business can scale efficiently.

Assess and Upskill Your Team

Start by evaluating your current team's strengths and identifying skills gaps. You may be able to meet increased demand simply by enhancing your in-house resources:

- Invest in professional development and training.
- Adjust job roles to better align with business needs.
- Cross-train employees to increase flexibility and resilience.

Automate and Streamline Operations

Automate routine tasks and implement systems that save time:

- Use accounting software to simplify bookkeeping and track performance.
- Automate invoicing, payments, and customer communications.
- Explore tools like Mailchimp to send e-newsletters, Shopify to run online stores, Google Analytics to track web traffic, and Lightspeed to manage retail POS.

Tip: Set your business up for success with a POS system built to grow with you or get paid faster with an automated invoicing software.

Forecast and Manage Cash Flow

Anticipate potential cash flow issues before they become problems:

- Invoice promptly and follow up on late payments.
- Review pricing and costs to ensure profitability.
- Reduce operating expenses and renegotiate vendor terms.
- Use your business credit card to manage vendor payments and improve cash flow. With a credit card, you will not have to make a payment until 25 days after your statement is generated. [Explore our Business Credit Card options to help manage expenses and improve cash flow.](#)



Step 2: Expand External Capacity

Leverage Contractors and Freelancers

Outsourcing time-consuming tasks can help you scale quickly without long-term hiring commitments:

- Free you or your employees to work on more important aspects of the business.
- Hire contractors as needed based on market demand.

Upgrade Equipment and Technology

If your equipment is outdated, consider upgrading to increase output and efficiency:

- Lease or purchase equipment to meet growing demand. [Check out our Equipment loans.](#)
- Invest in automation to remove redundant processes and replace manual tasks.

Step 3: Form Strategic Partnerships

Collaborating with other businesses can help you access new resources, technologies, and markets. Some advantages include:

- Sharing distribution networks and workloads.
- Strengthening your business by complementing each other's strengths.
- Accessing resources such as technology and needed support.

Tip: Consider using an attorney to document your partnership.

A comprehensive partnership agreement should clearly outline:

- The business purpose
- Capital contributions
- Profit and loss distribution
- Decision-making processes
- Roles and responsibilities
- Exit strategies
- Dispute resolution mechanisms

Step 4: Secure Funding

Improving your financial capacity — your ability to fund operations and expansion — is key to



sustainable growth. UFCU offers tailored solutions to support this. Consider some of these funding options:

- [UFCU Working Capital Loans](#) or [Lines of Credit](#)
- [UFCU Equipment Financing](#)
- Angel investors
- Venture capitalists
- Governments grants or state assistance
- Corporate inventory
- Crowdsourcing

Next Steps

- Evaluate your current capacity and identify areas of improvement.
- Prioritize automation and outsourcing specialized tasks and accounting services to boost efficiency.
- Invest in tools and partnerships that support long-term growth.
- Talk to a UFCU Business Advisor to explore financing options tailored to your goals.

By Your Side, Every Step of the Way

From business banking to financial planning, UFCU offers the tools to grow your business capacity. Connect with our Business Services team to explore:

- [Business checking](#) and [savings](#) accounts to safely hold deposits and facilitate payments.
- Business loans, including [auto](#), [working capital](#), and [equipment loans](#) to acquire equipment and one time needs.
- [Business lines of credit](#) to provide cash during low sales or to take advantage of discount.
- [Business credit cards](#) to make purchases and defer payment until statement is issued and the due date arrives.
- [Insurance options](#)* to protect you and your business from loss.

Your growth deserves a strong foundation. [Talk to a UFCU Business Advisor and make it happen.](#)

Subject to credit eligibility. Certain restrictions apply. Federally insured by NCUA.

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