

# Six tactics to diversify your business

## Determine your objectives

- Define clear reasons for diversifying.
- Outline the key benefit of diversification.
- Confirm diversification won't upset your existing business focus.
- Check diversification doesn't drain resources (staff, assets, equipment) away from existing profitable business.
- Test that your business is sufficiently organized to handle diversification.

## Tactic 1: Diversify by entering a new geographic area

- Identify possible similar businesses to buy in another market.
- Ensure they have the capabilities and resources to support your business needs.
- Identify if the acquisition provides access to new markets.
- Identify if the acquisition provides access to new products or services.

## Tactic 2: Diversify by buying suppliers or customers

- Identify key suppliers to buy (reduce costs or control supply to others).
- Check the purchase will achieve economies of scale.
- Ensure that the purchase will create its own profit.
- Research that the purchase won't negatively affect distribution channels.

## Tactic 3: Import

- Identify if there are products/services that can't be sourced in Canada but are available to import.
- Determine if there's a demand for imported goods locally.
- Locate reputable suppliers in target countries.
- Familiarize yourself with government import regulations, customs, tariffs etc.

## Tactic 4: Export

- Determine if your products/services can be exported.
- Make sure there is sufficient overseas demand.
- Investigate the best distribution channel.
- Make sure you have the capacity to fulfil export orders.
- Sign up for <http://exportwise.ca/> to learn about export opportunities.
- Make use of [Export Development Canada's](#) export credit insurance.

## Tactic 5: Enhance your go-to-market model

- Create an online subscription or traffic revenue model.
- License your intellectual property to other businesses.
- Sub-contract to larger businesses.
- Contract to government departments.
- Supply contract manufacturing to other businesses.
- Produce goods under another business's brand.

## Tactic 6: Form an alliance or partnership

- Select partners who are like-minded.
- Determine clear objectives.
- Approach them with your proposition.
- Develop a partnership agreement, including exit clauses.
- Supply contract manufacturing to other businesses.
- Produce goods under another business's brand.