

7 WAYS TO INCREASE REVENUE Presented by FocalPoint Business Coaching

In this highly competitive environment in which we operate today there is no such thing as standing still ...you are either moving ahead or falling behind. **The major determinant of your direction will be your ability to increase your revenue.**

All businesses large or small depend on the generation of revenue for their survival. Yes, once in the organization these revenues must be prudently managed to ensure future growth and existence but the first priority of every business must be revenue generation.

Sales revenue is the engine that drives any business!

Seven Ways to Turbo Charge the Engine

To grow your business you must continually develop strategies to turbo charge the engine by driving revenue to constantly higher levels. Equally important, these new revenues must translate into higher cash flow and profits for your business. Essentially there are seven ways to increase revenue.

Mastering any one of seven will produce significant results. ***Success in all 7 will lead to dramatic growth.***

1. Expand your customer base and attract more patrons.

The first and most obvious way to increase revenue is **expand your customer base. How can you attract more customers?**

- What steps might you take to replicate your business in another part of your city, another city or even another culture?
- Where could you reach a new or different group of customers if you opened up a new channel or self-serve model? (Telephone sales, e-commerce enabled website, vending machines)
- How could you license your product or service to others in return for a royalty or user fees?
- What steps would you need to take to establish a customer referral program?
- If you sell a service how might you “productize” your service offering and reach a whole new customer base?

2. Sell more often to the same customer.

In addition to expanding your customer base, you can also **make more sales by selling more often to the same customer.** Customer acquisition cost can be expensive. Once you have developed a customer, look for ways to increase the **frequency of purchase by your existing customers?**

- What steps might you take to implement a “pre-booking next appointment” program?
- What steps might you take to develop a loyalty program for frequency of visits?
- What steps would you need to take to develop targeted promotional activities to include “individualized” special occasions around birthdays, weddings, anniversaries, and graduations for your current customer base?
- How might you develop a communication vehicle to contact your customers about new arrivals in their size or colour, new products, new processes and services you have?
- What related consumable products go with your core product that would have your customers coming back more frequently? (Think razors and razor blades, vacuum bags, shoelaces, water repellent, specialized cleaning or maintenance products, renewable licenses and subscriptions or even storage facilities.)

3. Sell something else

In addition to increasing the “number of transactions per customer”, **you might also be able to sell them additional products.** Selling more products and services to your existing customer base is yet another way to leverage your original customer acquisition cost. **What opportunities exist for you to sell additional products to your existing customers?**

- What steps would you need to take to provide additional warranties or maintenance contracts to your customer? In-home service? Accessories?
- What convenience items might be complimentary to your core offering? (Non-prescription glasses at a magazine or bookstore, salt and sand at a gas station)
- How might you add a consumable element to what you sell?
- What opportunities are there for you to cross sell, up-sell or even down-sell?

4. Make larger sales

Another way to increase your revenue per customer is to make larger sales. **(Increasing the average transaction value.)** Increasing your average dollar value would reflect in higher sales revenue overall.

- How might you increase the number of units sold per transaction of a product?
- What other services could you provide on the same trip as your original service call?
- What services or products might you **bundle or package together** that would provide great value to your customers and increase the transaction value?

- What opportunity is there to add a more expensive product or prestige brand to your offering? When would it make sense to offer or encourage a higher priced alternative?

5. Increase your price

The simplest way to increase your revenue is to **increase the price of your product or service**. Although the simplest may not be the easiest way, as the question becomes **how do you justify the higher price to your customers?** To do this, **you must increase the perceived value of your offering**.

Remembering that in the end, your competition – substitute or alternative choices, dictate your price. You must find a way **to differentiate your offering from your competitors in the minds of your customers**.

- How might you upgrade the packaging, improve the quality and benefits, make it easier, simpler or more convenient to use, quicken delivery and execution and does this make economic sense? What is the one thing that customers care and value the most?
- What type of marketing strategy would you use to increase the “perceived value” for your products and services?
- What effect has the value of the dollar had on your costs of materials and landed products? Has it had the same effect on your competition – alternatives and substitutions choices?
- Is there a layer of service you could add to differentiate your offering?
- How could you better Brand your products and services?

6. Make more profitable sales

We have talked about 5 ways to increase Gross Revenues. What are equally important to any business are the Gross Margins and Cash Flow. In addition to growing the sales, **you can turbo charge the business engine by improving sales margins and how the revenue flows in**.

Examine the profitability of each of your customers. You may find it varies enormously. Some require more frequent and higher levels of service – before and after the sale. Some customers return products more frequently, have smaller average purchase size, more deliveries and pay late. Some customers purchase more expensive products and services or work closely to coordinate delivery requirements. Each of these customers has effect – negatively and positively - on the profitability of your business.

Determine the profitability of each product and service you offer. You will find some products and services are more profitable than others. You can significantly increase the profitability of each sale by focusing on the sale of your most profitable products and services.

There are various revenue streams. If you are in a business where you must start from scratch each month you might want to think about how you can create a recurring revenue stream.

- How can you secure more sales from your most profitable customers? Volume and growth incentive agreements? Maintenance contracts? Developing customized product or service offerings?
- How might you build a proprietary platform, system or process that will make your customers “sticky” and provide monthly recurring revenue?
- How could you create loyal customers who purchase your products or services on a renewable subscription bases?
- What benefits would you have to offer to get your customers to buy from you a year in advance?

7. Reduce your selling costs

The financial health and the future prospects for any business is **the cost of customer acquisition. Do you know yours?** Examine your sales processes thoroughly.

- Do you sell directly or through independent distributors? If you pay commissions, are your commission rates optimal, high enough to attract good sales people and low enough to be practical?
- Do you support your sales force with excellent marketing collaterals, such as brochures, catalogues, websites and other social media?
- What about your marketing costs? Do you maximize the return on your advertising and marketing expenditures – money and energy?
- Do you have systems in place to accurately track your selling costs? What percentage of Gross Margins do “commissions paid” represent?

Continually seek ways to increase revenues, both gross and net. Your business is always moving! The question is:

Are you moving forward or backward?

START NOW to work on some of the ideas you’ve thought about as you read through the “7 Ways” by first answering then implementing actionable ideas for the questions below.

START NOW working on the following page:

7 STRATEGIES TO INCREASE REVENUE

1.) In what ways could you alter or improve your sales and marketing strategies and processes to attract new customers?

- a) _____

- b) _____

- c) _____

- d) _____

- e) _____

2.) How could you increase the number of sales you make to your existing customers?

- a) _____

- b) _____

- c) _____

- d) _____

- e) _____

3.) What additional products and services might you sell to your existing customers? (Recurring revenue streams?)

a) _____

b) _____

c) _____

d) _____

e) _____

4.) How could you increase the average size of each sales?

a) _____

b) _____

c) _____

d) _____

e) _____

5.) What would you have to do to justify a price increase to your customers?

- a) _____

- b) _____

- c) _____

- d) _____

- e) _____

6.) Who (list) are the top 20% of your customers that give you 80% of your sales?

7.) Who (list) are the top 20% of your customers based on profitability? How can you grow their sales?

8.) Who (list) are the bottom 20% of your customers based on profitability?
What are you going to do to make them more profitable?

9.) What Actions do you commit to take immediately as a result of the insights from your application exercise?

1.) I commit to: _____

I will complete this action by: _____

2.) I commit to: _____

I will complete this action by: _____

3.) I commit to: _____

I will complete this action by: _____

Great work!

If you're interested in further improving your productivity and performing at your very best, I'd love to connect with you for a 10-20 minute "7 Ways Strategy Call".

(I only do 3-4 per month depending on my schedule)

On the call we'll dive into 3 areas to form an ACTION PLAN:

1. What you REALLY want to achieve
2. How things are RIGHT now
3. What CHALLENGES are slowing you down

Feel free to click on the **BOOK A FREE COACHING CALL** button on my website!