



July - August, 2014

Volume 11 - Issue 60

How Small Businesses Can Increase Sales and Revenue



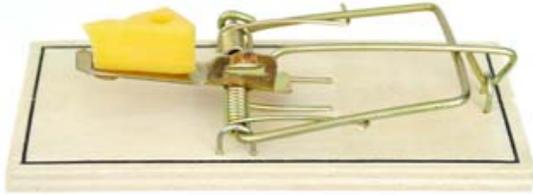
OK, let's admit it. Every small business owner, regardless of the field he or she is operating in, wants to make more money. Sometimes it's no more than just wanting to move the business to a higher level. Maybe it's time to add more staff or equipment, both of which require more money. Maybe it is just one of those horrible moments when we wonder if we're going to make enough to cover our monthly expenses.

Every time we look at those financial reports, our hope is that the bottom line has increased. We look for that wonderful moment when that number has changed from red to black. A small increase is good, but a significantly larger figure on the bottom line is always a welcome sight. Woo-Hoo! We are elated. We feel pride in having achieved a goal of increasing revenue and profits. This is the stuff that business celebrations are made of.

How can you go about increasing that bottom line? There are a lot of ways, but how do you choose the best option for your company? In reality, many of the ways to increase revenues and profit aren't as expansive as you'd think. Truth is, there are really a few major ways to elevate your bottom line on an upward trajectory.

The seemingly easiest ways are to simply raise prices, cut quality or cut quantity. None of these are likely to keep existing customers happy without clear reasons for the changes. A lot of good customers can be lost through these approaches without a well formulated plan of communication with them. You might consider some of the revenue increasing strategies below

- **Increase the number of customers you serve.** Pretty simple, isn't it? More customers times more sales equals more revenue. Ideally, it will also mean more profit. Depending on how you go about getting more customers, profitability can be affected. Affected in a bad way, or in a good way, depends on your strategy to get the job done.
- **Increase sales to existing customers.** Suppose your customers each purchase one of your wildly, wonderful widgets. If all things remain equal: staffing, product materials, administrative costs, distribution costs, sales can still be doubled. By simply getting each customer to buy just one more widget, your firm can double revenue and profit. If customers hired you for one project or service, you can add additional scope to the project, increasing income. What additional 'accessory' product or service can you add to up-sell what you are already selling each customer? A retail furniture store I worked for decided that selling a table lamp was one thing, but every customer should be offered light bulbs with their purchase to increase sales. They weren't priced like a Walmart special, but the convenience of having a bulb when they got home and plugged the lamp is was an added convenience. You don't need a complex strategy, just something to increase each sale.
- **Reduce costs to produce your widgets or deliver your service to customers.** Locate less expensive sources of materials, labor or distribution to create those wonderful widgets. Research less expensive products and solutions to sell to your customers. Either strategy can result in a higher rate of profitability per unit or per project. The key to this strategy is maintaining the quality level customers have become to expect from your firm.
- **Do what you do better than anyone else.** Become the go-to company for whatever it is you do or produce. Add features that none of your competitors have thought about. Solve customers' problems and challenges better than the rest of the field. Make yourself indispensable for customers.



What strategies can you implement to make this simple goal of increased revenue or sales a reality? It comes down to two basic components: "Increase income" and "How?" Build that 'better mousetrap' we've heard about all of our lives. The last option on our list above - doing things better than your competitors - is the most open area for developing strategies that will increase sales, revenues and profits. Put your creative juices on High and encourage your people to switch to an innovative mindset. Find new and better ways to serve your existing customers. Attract prospects who will appreciate what you have to offer them. Use strategic thinking and planning about how to increase revenues. It should be part of your everyday way of doing business.

VIZUALIZE --- ANALYZE --- STRATEGIZE

'Designing Strategies' is a complimentary business publication brought to you by Terri L Maurer, FASID, principle of Maurer Consulting Group. Maurer works with small business owners and managers to uncover barriers on their path to growth and success. If you need help getting your company out of a rut and focused on your own vision of success, you can **contact Terri directly by phone** at 330.666.0802 or **by email** at: tmaurer@maurerconsultinggroup.com Wishing you much success!

Maurer Consulting Group | 812 Westridge Road | Akron, Ohio 44333