

## **Seven Ways to Increase Revenues**

By Brian Tracy

To grow any enterprise, you must continually seek ways to turbo charge it's engine. You must develop strategies that will drive sales to ever-higher levels while ensuring that your growth in revenues translates into higher cash flow and profits. Essentially there are seven ways to increase revenues. Mastering any one of the seven will produce significant results. Success in all seven will lead to dramatic growth.

### **Make More Sales**

The first and perhaps most obvious way to increase revenues is simply to make more sales. Of course, one of the best ways to accomplish this objective is by expanding your customer base. If you own a restaurant, how can you attract more patrons? If your business supplies parts to OEM's, what strategy will allow you to sell to a greater number of manufacturers? If you run a print shop, what steps can you take to bring more customers in the door? What new strategies will allow you to attract more customers?

### **Sell More Often to Existing Customers**

In addition to expanding your customer base, you can also make more sales by selling more often to the same customer. Customer acquisition costs can be enormous. Once you have developed a customer, look for ways to increase the number of times you sell to him in any given period. In addition to increasing your sales revenues, such sales will also be more profitable.

### **Sell Something Else**

In addition to increasing the number of transactions per customer, you might also be able to sell the customer additional products. Increasing revenues from your existing customer base in this way is yet another example of capitalizing on your original customer acquisition cost. Ask yourself, "What else would someone who is purchasing my product or service be interested in buying?" The women buying a new pair of shoes might want to complete her wardrobe with a matching handbag. Does the opportunity exist for you to sell additional products to your existing customers?

### **Make More Profitable Sales**

To this point, we have covered four ways to increase gross sales revenues. But what is of paramount importance to any business is cash flow and profits. In addition to achieving this end by increasing gross sales revenues, you can reach the same goal by improving sales margins—that is, by increasing net sales. Examine the profitability of each of your customers. Also, determine the profitability of each product—you will find that some are more profitable than others.

### **Reduce Your Selling Costs**

We have already mentioned that an important consideration in gauging the financial health and the future prospects for any business is the cost of the customer acquisition. Do you know yours? Examine your sales processes. Do you sell directly or through independent distributors? If you pay commissions, are your commission rates optimal—

that is, are they high enough to attract good salespeople and low enough to be practical? Do you support your sales force or your independent marketing collaterals, such as brochures, catalogs, and the like? Continually seek ways to increase your revenues, both gross and net. The prime determinant of your direction will be your ability to grow revenues and profits.

**Action Exercise**

What improvements could you make in your products to make them more attractive and salable?