

Revenue Growth Strategies

You want more business right? So where are you going to generate that extra business and what options for you have?

Well you can either sell existing products or new products to existing or new customers – but which one of these strategies is going to be the most effective?

If you take a look at the diagram opposite, this is pretty much telling you the return you can expect in terms of turnover from each combination.

So the least effective is selling new products to new customers – I guess this makes sense because you have no track record with new clients to your business and you are attempting to sell a new product to them.

Slightly more successful is selling your existing products to new customers. As you are already successful in selling whatever your product or service is then your ongoing marketing to your ideal prospect base is bound to generate more sales.

Third in the rankings of revenue generation is existing products to existing clients; again resistance is likely to be less if clients have already done business with you and you are just up-selling something else from your product range – it's your "do you want fries with that" option for your business!

Finally, the most productive in terms of increased sales revenue is new products to existing customers. Again they have already done business with you so they will see you as a reputable supplier.

		Products	
		Existing	New
Customers	New	<10%	<3%
	Existing	<15%	<25%

So, as long as you understand your customer and their needs, designing a product or service relevant to them that they can source from you versus your competitor seems an obvious choice.

Now should this be the only option to choose? Well of course not, you don't want to throw the baby out with the bath water and you should be undertaking activity in each of these areas to achieve maximum gain.

However, if you are looking to maximise the return on your investment of time and money into your marketing activity and to allow you to budget accordingly, then you should consider these statistics so that your marketing campaigns are balanced appropriately.

Of course you need to be adding new customers on an ongoing basis but don't forget your existing customer base. Most customers go elsewhere because they feel neglected by their suppliers!

7 Steps To Problem Solving



No doubt during the day to day running of your business, you will come across various problems or issues that get in the way of your business moving forward?

So what do you do to get over those obstacles that face you?

How about tackling each problem that you encounter with following 7 steps?

1. Definition

What is the real problem?

Sometimes how the problem shows up might not be the real issue.

Make sure that you are addressing the cause not just the symptom.

For example cashflow issues in a business may be down to a number of different problems – poor sales, not enough profit margin, lack of control of costs to the business, poor payment of debt, poor management of credit and so on; so make sure you are clear where the real problem exists.

2. Data Collection

So what is going on?

Start to analyse the problem and measure the parameters associated with a given problem. The collation of data needs to be wide enough and sufficient enough to get an over all view of the particular problem.

3. Cause Analysis

Why is this problem happening?

What is the route cause of the problem? It can be quite easy to jump to conclusions and make assumptions about what the fundamental root cause of the problem is. Collecting data should help identify the underlying trends of any issue you are facing.

4. Solution Planning & Implementation

Ok great – you've defined the problem, you've collected relevant data and you are clear on the source of the issue. Now is the time to contemplate the situation and plan the solution.

Don't just dive in and try to fix it – often this reactive approach may do more damage than good.

Make sure you look at all the variables and consequences of making changes to your business problem.

It may be useful to engage other employees or business partners to look at this holistically.

The last thing you want to do is fix a problem in accounts only to pass the situation over to your warehouse, sales team or marketing department; and lead to even more problems to solve!

5. Evaluation Of Effects

Did it work?

It is essential to evaluate the results of your problem solving solutions to make sure things have improved overall; not just appeared elsewhere in the business – maybe as a different but related issue.



6. Standardisation

Can the solution be utilised elsewhere? If your fix has been a great success, then maybe you could take the solution or idea elsewhere in the business and apply it to another department or problem within the business.

Documenting your processes and systems and the changes that you implement will prevent future niggles raising their ugly head and will generally improve the running of your business.

7. Evaluation Of Process

What worked? What didn't work? What could be done differently next time?

Once you have implemented the first 6 steps of this process it is worth reviewing the whole situation from start to finish.

In this way you you make sure that your process makes sense and it is possible that what you have learned and shared elsewhere within your business could save you many hours of heartache in the future; or at least make sure that the same problems don't arise time and time again.



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Next issue: Social Media For Business ~ Getting Your Copywriting Right

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