

There Are Only 3 Ways to Sustainably Grow Your Business. Here's What They Are.

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In 2020, Jason's electrical company was pulling in \$1.8 million in revenue. But the net income wasn't enough to allow him and his family to live the life they were hoping for.

So, Jason approached my company for advice about growing his business and income.

We reversed-engineered Jason's target revenue to understand what we needed to do. When he said \$150,000, we suggested setting his sights higher at \$250,000. The idea was to push him to the next level and generate an income far beyond what he had expected.

Getting Jason to \$250,000 in net income from a revenue of \$1.8 million required some tweaks. But most importantly, it required us to figure out the best way to grow his revenue. Pricing, boosting deliverables – each of these things had a particular impact.

We worked with Jason to increase his pricing based on demand and quality of workmanship, and we increased the business's capacity and looked to add new team members.

Within the first 12 months of working with us, Jason grew his revenue from \$1.8 million to just shy of \$2.5 million.

We hit our suggested target of \$250,000, which was more than 10 times what Jason was pulling out of his business before. The value of his company also increased by \$1 million based on wealth accumulation and increased financial performance, which could eventually serve towards a more profitable exit.

Now, what's the takeaway of this story?

Growth isn't that complicated.

Sure, the nuts and bolts of the process will be different for every business. But there are only three ways to sustainably grow a business.

Let's dive into each of those ways to understand what you have to consider if you want to increase your revenue.

1. Get more customers

This is one of the strategies we used in Jason's business. If you go from serving 10 people to 13 people, your revenue will increase. But selling to more people depends on a few crucial steps.

First, you'll want to get in touch with more potential customers or clients. That means you should focus on increasing your leads and conversion rate to make more sales.

However, it's not always as simple as that. Simply bringing in more customers wouldn't cut it in Jason's case. His business needed to increase its capacity to service more deliverables. That's why we helped him add six new team members.

It's clear that getting more customers is one of the key strategies to grow your revenue. But to make it a reliable strategy, you have to improve everything from lead generation, to conversions, to sales. You also must ensure you have the infrastructure or team to support a higher influx of new clients.

2. Increase your prices

This is the second key strategy used in Jason's case, and it's another stable element of growing a business. This concept of bumping your prices is just as simple: You increase the average customer transaction to get more value from every purchase.

Of course, you need to understand a couple of things to do this efficiently.

You should always alter your pricing structure based on the demand and quality of your products or services. With enough demand and strong delivery, you can afford to raise your prices without turning customers away.

Additionally, your sales team might need to work on their skills. Prospects and even repeat customers might still need more convincing before agreeing to pay more. Therefore, you'll want to review and perhaps reframe your advertising and sales process to maintain a high conversion rate even after changing your pricing structure.

3. More repeat business

Many industries allow for repeat business regardless of if they're offering products or service packages.

If you run an ecommerce business, you depend on customers becoming loyal and buying multiple products. If you're a coach, you want to keep clients or students enrolled in your programs for more than a couple of months.

In most cases, a substantial portion of your revenue will come from repeat business. Given how marketing works, the more repeat business you have, the more profitable your company will be.

Why?

Once customers return, they do so based on their experience with you.

You won't be paying the same initial advertising costs for each additional sale. Think of it as increasing a customer's lifetime value and getting a higher return on investment regarding marketing and advertising costs.

So, how can you increase your revenue by focusing on getting more repeat business?

Clearly, you'll want an impeccable delivery. And once your customers are pleased with what you offer, you can start focusing on other things to keep them engaged.

For starters, you can work on maintaining a relationship with them. You can also develop and present back-end products that complement your initial offering.

Many businesses run loyalty programs, special offers and closed-door sales that incentivize customers and clients to come back for more. You can use sales tactics that rely on the customer's fear of missing out. Perhaps you can come up with a unique value proposition that they simply can't get elsewhere.

Needless to say, there are lots of ways to create and leverage your rapport with customers. Doing so will allow you to increase their buying frequency and build a steady stream of repeat customers.

Understanding the fundamentals of growth will help you increase

revenue

Every business is different, and every business owner might have vastly different financial and lifestyle goals. But two things are painfully clear for every entrepreneur:

You'll often need to grow your revenue to reach your goals, and there are only three ways to do that. If you need to use all three will depend on your situation and understanding of your business. But if you're still far from your targets, you might want to consider getting more customers, increasing your selling frequency or implementing a repeat business model.

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