# Increasing revenue

TAKING CARE OF BUSINESS
IAN ASH

So let's assume that the past few months have taken quite a toll on the business and you have a responsibility to increase company revenue. Where do you start? In many companies, I often find that the first place sales people look to increase revenue is by acquiring new customers but think about what this entails: finding new prospects, meeting with them and starting to build rapport, understanding their business, appreciating their specific challenges, analysing how your products or services can address their issues and then finally convincing them that you have the right solution at the right price.

Yep, no doubt about it, sales can be a tough place to be especially since this will need to be done multiple times to achieve the desired income levels.

Whilst attracting and acquiring new customers has to be an integral part of the sales strategy for the business, there are in fact easier ways to do this which are also worthy of consideration.

First off, have a good look at how effective your selling techniques are.

The best way to do this is to create a sales pipeline which captures all the genuine opportunities that are being pursued.

Not only does this provide a useful way to keep track of things and let other key leaders in the business see what is being done here, you can also use this method to track your 'sales conversion rate' defined as:

Sales Conversion Rate = Number of Acquired Customers / Number of Opportunities x 100 per cent.

This ratio will vary according to the nature of the marketplace, the type of business and of course the skill of the salesperson, but it should be tracked and monitored.

Obviously a low figure indicates that much more effort needs to be expended in order to get a sale, so a conversion rate of 20 per cent implies that if you want one more customer, you need to find on average five new opportunities.

Is this ratio increasing or decreasing for your business? Obviously, if you can increase this ratio, then you need to work less hard to find new customers, so how could this be done?

**Here are a few ideas:** Proper sales training for the sales team, improved marketing to better promote the company products and services and greater use of referrals (referred customers are always more likely to purchase).

There is also an easier way – upsell! This is the classic McDonald's "Would you like fries with that" approach.

This is all about getting new and existing customers to spend more than they ordinarily would.

Take a look at what your business is currently selling and see whether you have anything else that your existing customers might buy along with the main purchase.

If you have ever bought a new car, you will know exactly what I mean – you will almost certainly have been offered paint protection and tinted windows and perhaps extras like sound system or tyre upgrades.

Many people will go for this since when compared to the overall price of the vehicle, they will seem small by comparison, but to the dealer all these extras can add up to considerable extra income over the course of the year.

And finally there is the simplest sales uplift of all – a price increase. Now to be clear here, I am not at all suggesting that customers be gouged as you have to be able to justify it, but I know of many businesses that either forget or don't feel able to increase prices, sometimes for years!

If you don't increase your prices at least once a year, you are going backwards by the rate of inflation, so small, incremental changes at least once a year are the way to go especially if there have been significant changes in exchange rates or the price of raw materials as has been the case in construction recently.

*Ian Ash is the managing director for Org-Ment Business Solutions.*

# FOCUS ON ...
# MEDICALLY SPEAKING

## Reach out for help with AA

**The following is a message from Alcoholics Anonymous Central Service Office:**

**What is AA?**

Alcoholics Anonymous is an organisation whose primary purpose is to help its members stay sober and help others to achieve sobriety.

The only requirement for membership is a desire to stop drinking. There are no fees necessary for membership and we are self-supporting through our members' contributions.

This makes AA one of the most accessible and affordable ways to get help. For many, the support and community it provides are indispensable.

**Who is AA for, and how does it work?**

AA is for those struggling with their alcohol consumption and would like to attempt sobriety through a Twelve Step program.

AA may also be helpful for those who don't respond to treatment efforts and find abstinence extremely difficult to maintain by themselves.

They relapse and their drinking inevitably gets worse over time. Consequences of drinking might escalate.

Drink driving, job loss, hospitalisation, imprisonment, relationship breakdowns, mental illness, isolation and homelessness are all in the potential mix. Chances are they are suffering from their alcoholism, which is a serious illness.

It's at this stage that many people will reach out to Alcoholics Anonymous because they find it impossible to stay on the wagon without help. It should be said that there is no requirement that alcoholics have already sought help elsewhere to join AA. Neither do they have to experience extreme crisis before they do.

When the newcomer arrives, older AA members share their experiences in recovery from alcoholism on a one-to-one basis and in meetings. If they stay around, people can go through the 12 Steps of Recovery which is the solution AA offers. Evidence of the 12 Steps working in people's lives is abundant. AA members who were once beaten by alcoholism become happy and productive people who enjoy life.

The principle of Anonymity helps the Fellowship to govern itself by principles rather than personalities. We openly share our program of recovery, but not the names of the individuals in it.

**AA Meetings**

Attendance at AA meetings is the best way to get to know AA members and be introduced to the AA program. In Victoria there are around 400 meetings per week. Open meetings welcome everyone including the support network of the alcoholic, whereas closed meetings are for alcoholics only.

People can attend both face-to-face and online meetings. For more information, visit www.aavictoria.org.au/ or phone (03) 9429 1833.

Alcoholics Anonymous can help you get back on track if you struggle with sobriety. Picture: ISTOCK


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