

## Steering Toward Revenue Growth

Many companies respond to slowing sales by cutting costs, reorganizing and shifting to higher-margin products as a way to boost profitability.

While these tactics can boost the bottom line in the short term, companies looking for sustainable revenue growth must focus on creating new revenue opportunities. Unfortunately, many companies struggle with this task, and often seek quick results in risky and sometimes disappointing ventures.

If your company seeks to grow sustainable revenue, these strategies can serve as a good starting point.

**Target niche markets.** Expand your customer base by branching out into specialized areas that are relevant to your portfolio, but may not currently be served. Identify possible niches by breaking down your demographic audience into subcategories to highlight specific groups with related needs and interests. Once you've identified and qualified a particular audience (or set of audiences), canvas competitive offerings to identify gaps and opportunities for your company.

**Optimize pricing.** In today's economy, where rising energy and commodities prices are squeezing already tight margins, many companies are revisiting their pricing structure. Instead of placing an emphasis on being the lowest-priced offering in a category and surrendering profit when the cost of goods goes up, businesses are finding it is better to promote service and value regardless of how prices might change. When setting prices, consider the unique value your company provides and actively promote that value at every possible juncture.

**Create a sales-oriented culture.** Building a well-oiled sales machine is a surefire way to boost sales. Start by fine-tuning your business processes around sales. Create a culture where team members are encouraged to collaborate and share knowledge with other departments. Having a shared mission statement will go a long way in helping everyone agree on what constitutes a good sale, as well as providing methods for moving prospects to the right resource in your organization and then through the sales pipeline. Also, establish key performance indicators so that the sales organization knows exactly how it's being measured.

**Court existing customers.** There's no better place to fish for prospects than in your existing customer pool. Your current customer base already knows your product and trusts you. Business intelligence or customer relationship management applications can help you assess patterns in customer behavior to identify additional sales opportunities.

**Branch out.** When the time comes to branch out, the right partnership can help you enter new markets or new product categories. Before entering such a relationship though, be sure to define objectives and responsibilities clearly, and be specific about how to treat customers. Consider a joint referral process or co-marketing arrangement as a way to initially work together and determine whether the new opportunities that partners provide is where you want to be.