



“Finding Additional Revenue Sources”

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Suppose that you are an artist and you sell oil paintings. You generate and sell about one painting per month. If you inspect your monthly invoice register, you will have only one item in the register, the monthly oil painting, and from that you might decide that your revenue stream is very fragile.

What can you do to stabilize it?

You can come up with the idea of selling prints. You do this for a while and you notice that your revenue increases.

But what else might you come up with to increase your revenue stability?

Albeit, you do not have much to work with, but even so, there is always hope. You know the saying: “where there is a will there is a way.”

How about selling online copies of your paintings? In a way, electronic versions are like prints, so this is simply an extension of something that is already working to increase revenue stability. It is another product, and it does increase revenue stability.

Consider a plumber who gets tired of taking calls and begins offering annual service contracts to increase his (or her) revenue stability. If this person were to look at their invoice register, they might find a list of product groups and services:

- Annual service contracts
- Plumbing fixtures
- On call services to fix problems



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Currently, the annual service contracts are primarily “reaction mode” in nature, meaning that the customer pays for a service agreement and then only calls when a problem arises. If no problems arise, then no service call is necessary and none are made.

This is sort of like a medical insurance policy. But have you ever noticed how employers often provide health insurance that includes proactive maintenance? Have you noticed how the proactive items, like checkups and exercise programs often have a \$0 deductible?