



Why not to put all your eggs into one basket

By Darrell Morris

If you went to a broker for tips on investing your savings and planning for retirement, chances are they would tell you that it's not a good idea to put all your money into any one investment vehicle, i.e. real estate, stocks, bonds, etc. Their message, and usually a good one, is that you should diversify. Why? Because diversification is more likely to protect your investment, and if done correctly, allow it to grow.

The same principles can be applied to business when it comes to creating multiple revenue streams. Multiple revenue streams, in a nutshell, involve the ability to generate revenues from more than one product or service. Both big and small businesses alike looking to maximize their profitability have mastered the art of multiple revenue streams through diversification.

GE does more than "bring good things to light". They are into everything from insurance to real estate to financing. 3M hasn't stayed in business by merely turning out billions of sticky notes. They continually research and develop new products and services that will compliment their current roster of thousands of products and services offered worldwide.

Multiple revenue streams have numerous benefits. First, like the investment scenario, by having multiple revenue streams you increase your chances that cash flow will be more continuous. For example, if revenue from one of your products or services drops, the hope is that another revenue segment may hold steady or increase to offset that revenue loss.

Secondly, multiple revenue streams provide your business with greater security and you with peace of mind. While the actual development of these multiple streams may mean more work and set up in the beginning, the long-term return on investment may be well worth it.

Finally, when you offer a client a related service or product, you are providing them with more value and yourself with more opportunities for repeat business. Moreover, by diversifying your revenue streams, you are spreading out your risks and minimizing the cost of marketing and acquiring new customers.

There are several ways you can develop multiple revenue streams. It just takes a little research and creativity on your part. Think about the products and/or services you currently offer and ask yourself the following questions:

1. Are there any additional products or services I could offer that compliment my current offerings?
2. Are there products and/or services that others offer that may compliment my own?
3. Are there drop ship products that would compliment my offerings such as selling multi-vitamins, high-energy bars, protein shake mix or workout accessories?
4. Are there affiliate programs and/or services that generate affiliate revenues that are a good fit? Could I recommend those products and/or services and earn commissions?
5. Are there businesses I can approach that may be interested in creating some type of joint venture such as a reciprocal discount/coupon program?

These are just a few questions to get the creative juices flowing. Chances are after a little bit of thought, you'll probably think of several ways your business, and ultimately profits, can grow.

Darrell Morris is a dedicated Fitness Professional and Licensing Manager for Achieve Fitness USA. For more information email him at Darrell@AchieveFitnessUSA.com or visit www.AchievePartnerPrograms.com