

# How to Build Multiple Sources of Revenue for Your Business

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Have you ever heard that a millionaire becomes a millionaire by having seven streams of income? I believe the same to be true for small-business owners, even ones selling products out of their homes. But how do you get there?

If you consider a large brand like Nike, you know it's everywhere. Nike sells in its retail shops, on its website and on social media. Even athletes and celebrities wearing the swoosh act as walking advertisements.

## New Online Platforms, New Customers

Competing at a high level like that begins by getting your brand on new platforms (such as Amazon, Etsy and Walmart) and in front of fresh eyes. Different platforms like these drive their own traffic, have their own loyal customers and have a substantially larger marketing budget to drive sales.

In 2020 alone, Amazon had over 213 million visitors to its site. That type of retail traffic is impossible for a small-business owner to generate independently. And a site like Amazon is certainly not for every business. But the amount of visibility and revenue that can be generated by leveraging opportunities from places like it should not be overlooked.

Take baby-bottle day care label company Lil' Labels. This small business is owned and operated by my partner at [The Product Boss](https://www.theproductboss.com/) (<https://www.theproductboss.com/>) , Minna Khounlo-

Sithep, and her husband out of Ankeny, Iowa. They manufacture in the U.S. and employ their family members to help package and fulfill orders.

When Lil' Labels started, the company sold directly to customers through its website, and dabbled in wholesale. Still, nothing came close to the revenue the business generated when it began to exploit the benefits of open marketplaces.

## 5 Steps to Build Multiple Sources of Revenue

Here are five steps to building multiple sources of revenue for your small business:

**Step 1: Know your customers.** Before investing any time or effort into growing your business on a new platform, think about this: Are your customers shopping on that platform for your type of products?

For example, I had a wedding dress designer looking to sell on an open marketplace like Amazon. While Amazon can sell anything, brides are generally not shopping for their gowns there. I advised this client to do her research to better understand her customer's behavior and then sell where her customers are actually shopping. She did and now she does.

**Step 2: Research the platform.** Before you add sales platforms to your business, you need to understand the requirements of working with them and see if they align with your company and lifestyle.

Take, for example, a site like the online home goods store Wayfair. It approached one of my clients a few months back to distribute with them. The opportunity



was huge for a small business like my client's, but the requirements were challenging.

Companies like Wayfair require many of their vendors to drop-ship their goods to customers. That means its clients have to adhere to Wayfair's shipping rules and timelines. For my client, that meant it needed to be available every single day to ship one of its products if an order came in.

An opportunity like this can be a game-changer, but you have to consider if it's worth it. My client did end up selling with Wayfair but had to hire a team member dedicated to fulfillment and shipping to do so.

By getting onto this new platform, however, the business not only added to its bottom line by creating another revenue stream, its also grew brand awareness and credibility by selling on the website of such a major retailer.

**Step 3: Add one new revenue stream at a time.** As a [small business owner](https://www.nextavenue.org/coronavirus-impacting-small-business-owners/) (https://www.nextavenue.org/coronavirus-impacting-small-business-owners/), you probably get excited at the potential of growing your business and seizing new opportunities. I know I do. And while it's great to grow multiple revenue streams, you need to move slowly.

Once you decide on the right new platform for your business, you then have to focus on growing your presence there. Remember, there will initially be a learning curve as you navigate the first steps. So, you will need to audit your business on the platform, make tweaks to how you're selling there and then optimize enough to be competitive.

I have a client who had been selling jewelry at in-person trade shows for years (pre-pandemic). She built her website but struggled with converting site traffic to sales. So, she decided to add Etsy as a new platform for her business.

Through her research, she discovered that her customers were shopping for jewelry on Etsy for Mother's Day gifts. So she began to push hers as presents there. By understanding how SEO (Search Engine Optimization) and keywords worked on that platform and knowing what her customers were searching for, she was able to list the right products with the right keywords there. Within a couple of months, she was able to add five figures in revenue to her business.

**Step 4: Drive your traffic there.** Your job is not over once you establish your presence on these new platforms.

Think of these new revenue streams as relationships. Each requires tending to if you want it to last. That means driving your customers to these sites.

While this may feel counterintuitive, because you may make more profits selling directly to your customers, you are ultimately helping your business succeed this way. Retailers will reorder if they sell your products well.

Amazon, for instance, could list you as "Amazon's Choice" if you rank as the top-selling product in your category. Etsy will increase your ranking when a customer uses your search keywords, and you will be at the top of discoverable products there.

**Step 5: Do it again.** Once you've added a sales platform and an additional revenue stream, you can then look to add another. But first, you'll want to audit past performance and ROI (Return on Investment) there. Did you have to add new team members? Did this new platform work for you and your business?

Can your business keep up with development, production and fulfillment with a new platform?

If you find that your business is succeeding with the first platform and you have the capability to add another, then pursue the new revenue stream.

Is there a similar platform that operates the same as the one you're on but has a new demographic? That would be one of the easiest ways to add another revenue stream. Once Lil' Labels optimized Amazon and became a top seller there, the company decided to add Walmart.com as an additional sales and revenue-generating platform. The model was similar, it was an open marketplace, and the fulfillment system was identical. Lil' Labels was then able to expand to a new customer base with a minimal learning curve.

With each successful additional revenue stream, you will grow by getting in front of more and more eyes. Eventually once you become more widely recognized by appearing on these larger platforms, you'll also find you gained a sense of credibility with your customers.

It doesn't matter if you aren't operating at a high level like Nike. The truth is, you only need to capture a small

portion of the market to be successful and grow your small business effectively.