

Hidden in Plain Sight: opportunities for recurring revenue

Recurring revenue (also called subscription) models are increasingly popular across nearly every industry. Using a mix of business models, you can maximize your revenue by diversifying its sources.



70% of business leaders say subscription business models will be key to their prospects in the years ahead yet nearly a quarter were unsure how to proceed.

Global Banking and Finance Review

Start by considering these four different potential sources of recurring revenue.

After-Market Maintenance & Parts

Recurring service agreements have more lifetime value than one-time service and parts purchases. What additional services or add-ons do your customers need?

EPSON

Epson offers monthly ink cartridge refills when you purchase a printer from them to improve their customer experience—and their revenue.

Software-as-a-Service (SaaS)

Subscriptions create more opportunities to communicate regularly with your customers than do perpetual licenses. How can you benefit from more touch points with your customers?



The move from hardware keys to software licensing allowed Gerber Technologies to regularly share usage data with their customers, resulting in increased upselling.

Connected Products and Services (PaaS, EaaS, HaaS, DaaS)

Leverage usage data collected from embedded software to turn your high-priced smart device into an affordable per-use service. Can you expand your customer base by eliminating price as a barrier to entry?



Licensing their embedded software, medical device manufacturer, Candela, revolutionized their business and saw their revenue jump by 177% per customer.

Digital Platforms and Marketplaces

Your platform has several opportunities for monetization, including: transaction fees, entry fees, or subscriptions to offers within your marketplace or ecosystem. Which of these makes sense for you?



Salesforce generates 92% of their multi-billion-dollar revenue from subscription-based cloud services. Their affordable fee/user/month structure was revolutionary in the CRM world.

What value could recurring revenue models add to your business?

Contact us for a Business Value Analysis to find out.