

## The Value of Multiple Profit Centers

### Are You Working Too Hard for Your Money?

Most Solopreneurs work too hard to earn the money they do. Why? Because they sell themselves as their main product. That means every service, every billable hour, has to involve *you*. If you don't work, you don't make money, right? That's why so few Solopreneurs take vacations -- it's tough to live without the income while you're off, and who would do the work while you're gone anyway?

### Would You Like to Bill More Than 40 Hours Per Week without Working 40 Hours Per Week?

When what you sell involves you and your time, you are limited to the time you can personally put into the business. Have you ever tried to actually bill even 40 hours per week? For most of us, that's nearly impossible. There's a lot more work involved with your business outside of working with clients. If you bill 40 hours a week, you're probably working over 60 hours per week.

### Become Less Active in Your Business

Most Solopreneurs initially create businesses that rely on active income. This means, you have to be actively involved in providing the service to generate income. Since you have to be involved to make money, the only way to make more money is to work more hours or charge more for your time. One will exhaust you, the other might drive away your clients (although I find that most Solopreneurs *undercharge* for their services).

But there is another type of income that most new and often experienced Solopreneurs overlook: *passive* income. Passive income is income that comes in regardless of your direct involvement. A great example of passive income is a book. Of course, with any product, you have to be actively involved to create it. However, once it is created, you no longer need to be involved for someone to buy it (let's ignore the part about marketing your book for this example). You don't have to be at the bookstore or help someone find it on Amazon to make the sale -- the customer does it on his own and you get the money. If the customer is in Australia, you'll generate revenue when you aren't awake!

### Begin to Take Yourself Out of the Equation

How do you move from active income sources to more passive ones? There's actually a continuum between the two. On one end, you are very involved and only make money if you are present to provide the service. On the other end, you are not involved at all. In between, there are varying levels of your involvement.

To create products that take less of your billable time to generate income, begin to take yourself out of the equation. For a coach (this example will work for most service providers -- simply plug your own type of service into the example), this might be moving from your premium service of one-on-one coaching to group coaching. You still have to put in the hours with the clients, but you are coaching several people during the same one hour. You are now billing more for that hour than you can for individual coaching.

Because you are less actively involved, clients will expect this service to be slightly less expensive than getting your undivided attention, and rightly so. Most coaches will price group coaching of 4-8 clients at 1/2 to 1/3 of their individual coaching rate. Let's say you charge \$300 per month for individual coaching. If you charge \$100 (1/3 the fee) for group coaching, you will make \$400 per month for 4 clients and \$800 per month for 8 clients -- all within the same time commitment you were billing \$300 for!

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## **Adding More Products and Services is a Win for Your Clients**

Even better, clients who aren't able to afford your premium service will be attracted to these more cost-effective offerings. You've probably noticed that it can be difficult to sell your premium services. Potential clients may well want to work with you, but simply cannot afford your standard hourly rate.

Instead of giving in to the temptation to lower your fees, create products and services at varying price points. By doing this, you are making it much easier for a potential client to say "yes" to your services. Even if they purchase your lowest priced product or service, you are still making what your time is worth because those products and services will involve much less of your time. Everyone wins!

## **Build Your Portfolio of Products and Services**

To build your portfolio of products and services, make gradual steps away from being actively involved in the work. As in the prior example, group coaching is just one step away from individual coaching. The next step would be to work with a larger group such as in a workshop or series of classes. With these, you can usually have even more participants per one hour of your time. Because there are more participants, you will charge less than group coaching, but will make more per hour because there are more clients.

From there, you can take your workshop material and create a stand-alone workbook, an ebook, separate teleclasses based on the workshop material -- the sky's the limit. The key? The less involved you are, the lower the price point -- this makes the product more appealing and enables you to sell more of it.

## **The "No-Brainer" Price Point**

This is my favorite experiment with clients working on creating passive income products. Stop and ask yourself what price point is a "no-brainer" for you? A no-brainer being a price that you wouldn't think twice about buying something just to give it a try and wouldn't feel bad if it didn't live up to your expectations -- no buyer's remorse. What is that price point for you? Mine is \$29. Anything up to \$29 is worth a try in my mind. In fact, I have at least 5-10 ebooks I've purchased at this price that I haven't even gotten around to reading -- and I don't feel bad about it!

Use your no-brainer price point as a starting point for the product you hope to sell the most of. Obviously, the value it provides should be commensurate with the amount of time you put in to create it. Don't give a \$300 product away for \$29. Instead, pair it down so that it provides \$29 worth of value.

One caveat -- you get bonus points if you can pack in tons of value into this \$29 product, especially if it doesn't cost you any more to provide -- that helps with word-of-mouth referrals for your product. Everyone likes to get more than they expected!

## **Don't Try to Reinvent the Wheel**

If you are excited to begin creating your portfolio, but are starting to feel overwhelmed with how you'll find time to create all these products and services, you are probably trying to reinvent the wheel.

The smartest way to create products and services is to take the same basic information and *repackage* it at different price points. Stick with a basic topic and adapt it to various mediums to sell as different products. Some people will like an ebook. Others will prefer a teleclass. Still others will prefer a self-directed workbook. These don't all have to be on separate topics -- they can be the same topic presented through different delivery methods.

One of the best examples of this is the Solopreneur who creates an ebook in just one month by collecting all his past ezine articles and compiles them together into a book.

Where to begin? Begin at home -- just take what you are already doing and repackage it. Your clients will love you for it!