

Boost Your Agency Growth with Recurring Revenue



Revenue for an Agency: How important it is?

Revenue is critically important for any agency as it directly impacts its ability to sustain operations, invest in growth, and achieve its vision and mission. There can be several key reasons why revenue is the focus point for agencies:

Financial Sustainability: Revenue is the driving force of any agency. It covers all sort of operational expenses such as salaries, rent, utilities, bills, and supplies. Without sufficient revenue, an agency cannot function effectively or even survive in the long run.

Funding Growth and Innovation: Revenue enables agencies to invest in growth initiatives and innovation. This could include expanding services, developing new Business horizons, upgrading technology, or hiring additional staff. Agencies need financial resources to adapt to changing needs and stay competitive.

Service Delivery: Agencies often provide important services to clients or communities. Adequate revenue ensures that these services can be delivered consistently with superior quality. Insufficient revenue might lead to cutbacks or limitations in services provided.

Staff Retention and Development: Revenue supports employee salaries and benefits. Competitive compensation helps attract and retain talented staff. Furthermore, revenue can fund training and professional development opportunities, enhancing staff expertise and effectiveness.

Reputation and Credibility: An agency that generates revenue effectively demonstrates its value and viability. It enhances the agency's reputation and credibility, which in turn can attract more clients, donors, or funding partners.

Risk Management: Having a steady stream of revenue reduces financial risk. It provides a buffer against unforeseen expenses or economic downturns, allowing the agency to weather challenges more effectively.

Meeting Obligations and Responsibilities: Agencies have various financial obligations, such as paying vendors, meeting regulatory requirements, and fulfilling contractual commitments. Revenue ensures that these obligations are met reliably.

Strategic Planning and Longevity: Revenue allows agencies to plan for the future strategically. It supports long-term sustainability and growth planning, enabling the agency to pursue its mission effectively over time.

For these factors, agencies must prioritize revenue generation through diversified funding sources, effective financial management, and a focus on delivering value to clients or beneficiaries. Ultimately, revenue is not just about financial gain; it's about sustaining impact and fulfilling the agency's purpose in the most effective and sustainable manner possible.

Recurring Revenue

Recurring revenue is silver lining for agencies and businesses, especially in terms of financial stability and growth. Recurring revenue refers to predictable, ongoing income that an agency can count on receiving at regular intervals in the future.

This revenue typically comes from subscription-based services, memberships, retainers, or other arrangements where customers agree to commit for regular payments over time.

An Agency can structure their Products and services on a monthly subscription or membership fee basis. It can offer retainer packages for services.

For traditional digital agency owners, this idea is a bit hard to imagine since the industry has long focused on billable hours and tracking time. Recurring revenue allows agencies to maintain a healthy cash flow and work in a more stress-free environment.

5 to-dos to make Recurring Revenues Real

1. Offer Website Maintenance Packages
2. Offer customized Product Subscription
3. Offer ongoing Consultancy Services
4. Resell Subscriptions Packages, Hosting
5. Offer payment plan on existing Services



Website Maintenance Packages

Offering website maintenance packages can be a great way to generate recurring revenue for your business. It is one of the most common recurring revenue practices you'll see with web development agencies for website maintenance on monthly basis. Here are a few things you can club together in Website Maintenance Packages:

- **Backups:** You can let your clients know that backups are saved daily on our reliable secure cloud networks like Amazon, Dropbox etc so that even if your server goes down or crashes, clients will not lose any website asset. Your clients delighted to know their websites are backed up on routine basis and the clients are ready to pay a fee for it.
- **Regular updates and patches:** Another great option to handle upgrades to all plugins, themes, and WordPress updates on monthly basis or as and when required. Keeping

all components of WordPress setup, up-to date will ensure smooth website operations.

- **Security monitoring:** As hacks and security breaches become more of a concern for anyone running a website, it's important to have someone who can take care of your website security and maintenance. Security monitoring is a great way to promise ongoing protection for your client's sites.
- **Content updates (e.g., text, images):** Another good option to keep a set number of hours for the client to request for any cosmetic/ minor changes to the websites. Let your clients know that they will not require additional website expert to manage edits and troubleshooting on your website.
- **Performance optimization (speed enhancements):** Incredible speed, flawless user experience, and top SERP ranking are things clients probably wish for their website! Offer the performance optimization as a main focus point of your maintenance package.

- **Support:** If your client has additional functional requirements or technical needs with WordPress, offering technical support can be that little spark to increase business engagements.

Maintenance Package done! but how do you price it?

Fixing a price for a maintenance package involves several considerations to ensure it is fair, competitive, and covers your costs adequately.

How do you make out the hours needed? Do you have sufficient man-power to offer maintenance?

First, let's talk about pricing. What could be the monthly package price? \$50/month or \$100/month? Simple formula is to multiply the no. of desired work hours into hourly maintenance price.

Ask yourself how much time it would take each month on daily basis? Multiply that by competitive & discounted hourly rate whatever suits or applicable in the similar functional domain. and there you go; you have your Maintenance Plan!



Customized Product Subscriptions

A subscription business model is a recurring revenue model in which customers pay a weekly, monthly, or yearly fee in exchange for your products or services. Customers can renew their subscription after a certain period of time. This model allows you to leverage your customer relationships to create a steady stream of income.

Subscription-based revenue models benefit both the company and the customer. As a customer, you have the convenience of automatically repurchasing a product or service that you know you're going to need in the future. As a business, you retain customers for future sales rather than needing to re-engage them on a more frequent basis.

You as a business enterprise just have to capture the needs of the Client and have to tailored them in a customized Product or Services which you can offer them to save them from daily hassles.

This can be resourceful Content like PDF worksheets, exclusive videos for training purpose, extensive blog posts, premium articles having insightful business tips, Webinars, Support Helpdesk etc.



Offer ongoing Consultancy Services

A smart business move is to offer ongoing consultancy services which your Business is already handling. You could scale your consultancy services with additional topics like online marketing, Search Engine Optimizations (SEO), email marketing or helping other web businesses to establish themselves. It depends on your expertise and where you want this to fit into your business. You can explore the options like:

- Determine your expertise and the specific industry or niche you will be targeting. It is easier to establish yourself as an expert in a particular field rather than being a generalist.
- Focus on your consulting practice that is making money for B2B software companies.
- Helping a business optimize websites for conversions (CRO)

- Offering advice on marketing, conversion skills or social media strategy
- Making recommendations for ad campaigns
- Provide ongoing support and guidance to your clients. Stay updated on industry trends, regulations, and best practices to offer relevant insights and recommendations.
- Utilize various marketing channels such as social media, email newsletters, and industry events to promote your consultancy services. Highlight your expertise, success stories, and unique value proposition to attract potential clients.

Strategy work can scale well and accordingly you can increase the prices as your expertise increases, similar to your other domain work.



Resell Subscriptions Packages, Hosting

Reselling subscription packages and hosting services can be a lucrative way to generate revenue, especially if you already have a customer base or a niche market in mind. Everyone with a website needs hosting. This is an easy-to-manage recurring revenue option for most WordPress-based businesses.

Clients will love the fact that they don't have to look somewhere else for this service, deal with an additional bill, or manage another vendor. Meanwhile, you can control the environment, making site management easier in the long term.

How to offer it:

Choose a Reseller Hosting Provider

Selecting the right hosting provider is crucial. Look for providers that offer reliable services, excellent customer support, and competitive pricing. Maximize a hosting service offering by picking a single, proactive provider that you can use for all of

the websites you manage. Popular hosting service provider options could be:

- **WP-Engine:** All in one solution for website hosting and support.
- **HostGator:** Known for its robust reseller hosting plans and support.
- **Bluehost:** Offers a variety of plans with good uptime and support.
- **SiteGround:** Excellent performance and customer service.
- **InMotion Hosting:** Good for scalability and performance.

Understand the Reseller Hosting Plans

Reseller hosting plans typically include:

- **White Label Branding:** Allows you to brand the hosting service as your own.
- **Multiple Accounts Management:** Ability to create and manage multiple client accounts.
- **Billing Software:** Tools to manage invoicing and payments.
- **Technical Support:** Usually round the clock support from the hosting provider.

Determine Your Pricing Strategy

To set competitive yet profitable pricing:

- **Analyze Competitors:** Look at what others are charging for similar services.
- **Cost Calculation:** Ensure you cover the cost of the reseller plan and additional expenses like support, marketing, and billing.

Market Your Services

- **Online Marketing:** Use SEO, content marketing, and social media to attract potential clients.
- **Networking:** Leverage your existing network and attend industry events.
- **Referral Programs:** Encourage current clients to refer new customers by offering incentives.

Provide Excellent Customer Support

- **24/7 Support:** Offer round-the-clock support to handle customer issues promptly.
- **Knowledge Base:** Create a comprehensive knowledge base to help clients solve common problems independently.
- **Regular Updates:** Keep your clients informed about any maintenance or updates.

Monitor and Scale Your Business

- **Track Performance:** Use analytics to monitor the performance of your hosting services and customer satisfaction.
- **Customer Feedback:** Regularly seek feedback to improve your services.
- **Expand Offerings:** As your business grows, consider adding more services like domain registration, email hosting, or managed services.



Offer payment plan on existing services.

Offering a payment plan on existing services that generate recurring revenue can be a strategic way to attract and retain customers, improve cash flow, and manage financial risk.

Here are key steps to kick start the process:

- Assess Current Financial Situation and Business Goals
- Define the Payment Plan Structure which can be offered to the clients.
- Identify Eligible Services that can be part of payment plans.
- Define a Clear Policy, Terms & Conditions.
- Marketing and Communication

Example of Payment Plan Structure

Basic Service Package:

Cost	Instalments	Interest	Total Cost
\$600 per year	\$50 per month (12 months)	0%	\$600

Premium Service Package:

Cost	Instalments	Interest	Total Cost
\$1200 per year	\$100 per month (12 months)	0%	\$1200

By implementing a well-structured payment plan, you can enhance your service offerings, improve customer satisfaction, and drive business growth.

Wrapping Up

Accurately managing the funds is one of the most important aspects for a successful business execution, and that includes all WordPress service-based businesses. In good times business always runs smoothly but it can be very challenging during low phase of the business– especially if you have business overheads or employees to worry about.

One of the best ways to improve long-term cash-flow is by providing services that can be sustainable and generate recurring revenue. Sometimes a project-based fee or hourly rate is not the best solution for you or your clients.

Finally concluding with the following business tips:

- Don't try to be everything to everyone. It's fine to introduce new services, but be excellent at a few things instead of mediocre at many.
- Always be clear about your recurring revenue services in terms of what's in the scope of services and what is not.

For more detailed discussions, you may reach out to us at info@wordpromise.com