

Capturing New Recurring Revenue

Designing Recurring Revenue Models

Step 1: Identify + prioritize users' most important unmet needs.

Document trends at the intersection your organization's deep passions, unique potential, and top economic driver. Consider political, economic, sociological, technological, legal and environmental (PESTLE) influences. Gather data from diverse sources, including customer management systems, qualitative and quantitative research, and public reporting.

Shifting Attitudes →	Emerging Needs →	Trial Behaviors →	Changing Systems →	Growth Opportunities
<p>To what viewpoints are users becoming more open?</p> <p>What are users becoming more concerned about?</p>	<p>What fringe or latent needs are moving to the surface?</p> <p>What new painpoints are users experiencing?</p>	<p>What user workarounds are you observing?</p> <p>What new, relevant offerings are users purchasing?</p>	<p>What orthodoxies or authorities are being challenged?</p> <p>How are power structures shifting? Systems straining?</p>	<p>What opportunities do these trends this expose?</p>

Step 2: Consider four archetypal recurring revenue strategies.

One your team has aligned on: (a) your customers' most important unmet needs, and (b) a unique product that will elegantly deliver on those needs, consider (c), the below revenue strategies. How might you employ a mix of these four archetypal strategies to capture recurring value.

Long-term Contracts +	Closed-loop Systems +	Loyalty Communities +	Customer Subscriptions
<p>What contracts could be put in place to lock in long-term SaaS revenue?</p> <p>Consider direct as well as intermediary arrangements.</p> <p>How might you deliver greater value in exchange for customers' extended commitments?</p>	<p>What immediate initial product or service might you provide to customers that would then require ongoing services to perform?</p> <p>Among your target customers, what investments would be made more valuable by signing up for your offering?</p> <p>What companies or organizations might have complementary closed-loop systems?</p>	<p>Among your most loyal customers, what social, emotional or cultural factors could be leveraged to create a new SaaS offering?</p> <p>What existing affiliation with your organization might be amplified through a new digital platform or service?</p> <p>What offerings might increase customer devotion, e.g. repeat purchases or increase use.</p> <p>What cross-sell services would increase customer loyalty or appreciation for your brand?</p>	<p>What subscription models are most appropriate for your proposed SaaS offering?</p> <p>Consider a matrixes approach that employed multiple customer engagement options: e.g. usage of the product, number of seats/users, or feature tiers.</p> <p>Consider a range of commitment periods and auto-renewal possibilities</p>