



# The Revenue TRIANGLE

BY CASEY HARVEY

## Back to Basics

In keeping with the trends of the last several years, this year has been anything but “normal.” We’ve been hit with new tariffs, stubborn inflation, and unpredictable geopolitics—and (unfortunately) I could go on. So when I was asked to contribute to this month’s issue of *The Fire Time Magazine*, I wanted to focus on some things that we *can* control. And that means going back to basics. I’m a sales guy at heart, so for me, that means going back to sales.

There are as many ways to wring more profit out of a retail business as there are stars in the sky, but for now, let’s focus on the revenue side.

I see three basic ways to increase your sales, and some tweaks to one or all three could have major positive impacts on your business. Let’s take a deep dive into each.

### 1. Get More Potential Customers (Leads)

Ultimately, if you have a retail showroom, this means bringing more people into the store. This is what consultants call the “top of the sales funnel.” The more leads you have, all other things being equal, the more you are going to sell. This is where a lot of people start—and also where you can spend a lot of money to show very meager results if you’re not intentional.

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Getting more people into your store is pretty darn expensive. It can mean advertising, marketing, and employee resources. Filling the top of the funnel is the most expensive of the three areas that we’re going to discuss, and it requires drilling down, consistent measurement, and clarity of purpose.

With all of that in mind, here are some key questions to consider when you’re trying to make this happen:

- Do you measure how many potential customers (or leads) come into your store now?
- Can you track this historically over a big enough sample set so that you can set a baseline for improvement in the future?
- Do you know why people are coming in? (To be clear, this is not the same as the reason for their project. Do you know why they are coming to you instead of—or in addition to—someone else providing similar services?)

While expensive, investing in lead generation can create a sales foundation—because without traffic, even perfect closing rates and high average tickets can't deliver the growth you need.

## 2. Increase Your Closing Rate

This avenue doesn't cost nearly as much as the top of the funnel. However, like the first strategy, you do need to measure where you're at and set goals for where you want to go.

With that foundation laid, here are some essential questions to ask when considering this strategy:

- Do you measure your current closing rate by salesperson and by category?
- Are the metrics consistent? (For example, do you include cash and carry parts as a lead and sale? Do you include e-commerce sales?)
- Is it reasonable to compare closing rates across different salespeople, or are their roles different?
- Who's doing the measuring? Are salespeople "self-reporting"?

The goal here is to set the baseline and then work towards improvement. Maybe it makes sense in your business to have a public sales leaderboard where you measure total dollars and closing percentages. Maybe that doesn't work in your business, but measuring individual performance and working towards improvement works for every business.

No matter how you approach it, improving your closing rate maximizes the value of every lead you've already paid to attract. It's often the most cost-effective way to boost revenue quickly.

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## 3. Increase Your Average Ticket

Here, we're talking about up-selling, cross-selling, and add-ons. This area requires training and some smart merchandising, but it can really make a big impact. Again, measuring where you're at and where you want to go is critical.

With these principles established, here are some crucial questions to explore if you want your team to increase your average ticket:

- Do you know what your average sale is by salesperson and by category?
- Can you (and will you) set and measure improvement goals?
- Do you show and sell "best, better, good"?
- Do you have an "if this, offer that" script?
- Do you offer "fries with that" in the way of accessories, tools, service plans, and other items?
- Do you showcase the add-on or cross sell products in your displays and vignettes?
- What does your discovery process look like?
- Is this process designed to facilitate cross-selling opportunities? (For example, do you ask about home offices, finished basements, new additions, or the backyard?)

Simply put, increasing your average ticket transforms every customer interaction into a bigger opportunity. When done right, it also enhances customer satisfaction by solving more of their problems.

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### Get to Work

Every business is different, but all businesses can improve by measuring what is happening now, setting realistic improvement goals, implementing improvement steps, and then measuring their progress.

The revenue triangle works because each point reinforces the others: More leads give you more opportunities to practice your closing skills, better closing rates make lead generation more profitable, and higher average tickets make every lead and every closed sale more valuable. The winning formula for your business is probably some combination of all three strategies, and there's no better time than now to get to work!

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