

JAMES SCHRAMKO

9 Tips for Adopting the Revenue Share Model

- 1. Understanding the concept** - The essence of revenue sharing is turning client relationships into partnerships. A revenue share deal allows you to get a cut of all a business's revenue in return for providing your expertise to grow your partner's business, while not owning any of the assets.
- 2. Finding good partners** - Be selective when choosing partners. Your potential partners should have a business already in motion, and the most desirable ones are often those who don't need you, as they are confident in their product and growth potential. Prospects without the money to invest may be only too happy to partner with you, but the collaboration will likely be unprofitable.
- 3. The revenue share deal in reverse** - The "reverse revenue share deal" is where you control the asset and bring in an expert to help grow it, rewarding them with a share in the earnings. This provides you with an attractive business whilst avoiding being tied to content creation or service delivery.
- 4. The partner relationship** - Work with partners whose success you genuinely care about. These relationships should function like real partnerships where strategic decisions are made collectively.
- 5. Making provision for an exit** - Have a provision in the agreement that allows partners to exit for a fee. Often it will be a calculation based on a multiple of royalties.
- 6. A mindset for rev share** - Embrace the concept that time doesn't equal money, especially when switching from a retainer to a performance-based business model. Understand too that while the model is promising, it is also volatile and needs to be done correctly.
- 7. Filters for revenue share deals** - Make sure the potential partner's business has a potential for growth. Perform reputation checks to avoid future issues. Also, assess the willingness of potential partners to allow the implementation of necessary strategies.
- 8. Implementation is crucial** - A potential partner must have the ability to implement the strategies suggested in revenue share deals, whether that be via a team or other resources. The lack of implementation on the client's side can limit growth.
- 9. Identifying crucial factors** - Develop the ability to identify and adjust elements that can significantly impact a client's bottom line. Small beneficial tweaks can earn significant returns when done in revenue share partnerships.

If you're interested in the revenue share model, [this training](#) is a good place to start. Grow and thrive with like-minded entrepreneurs inside the [JamesSchramko membership](#)