

# Could you diversify your income by exploring new products and markets?

Consider expanding your income base by enhancing your current products and markets, or by developing new ones.

Your current products are the services and goods that your organisation offers. These could be linked to the primary purpose or mission of your organisation, provide additional income that is unrelated to your mission, or partly contribute to your objectives.

- Could you adapt these to generate more income?
- Could you develop entirely new products from them?

Use our tool to explore new products and markets for your organisation and grow ideas for increasing your financial sustainability.

## **The Sustainable Funding Project**

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The Sustainable Funding Project is an NCVO initiative working in partnership with the Big Lottery Fund and Charity Bank



# Exploring new products

Existing

1

## Market penetration

Existing product, existing market

Existing  
product

3

## Market development

Existing product, new market

New m

# and new markets

market

## Product development

New product, existing market

2

New  
product

## Diversification


New product, new market

4

market

# Exploring new products and new markets

Take a few minutes to consider the following:

<b>1</b>	<p>Think about the work your organisation does at the moment and who your current customers are. The products and services you currently provide and these customer relationships fit into the top left box in the matrix: 'existing product, existing market'.</p> <p> Write your current projects or activities in the box marked <b>Market penetration</b>.</p> <p>Now that you have defined your market, the first option you should consider is expanding your operations within the first box. You could provide more products or services like the ones you already provide, and reach people in your current target group more effectively. This could be by better serving your current customers or by attracting new customers or service users.</p> <p>This is the area of work that you know best, and you should be sure that you are reaching its maximum potential.</p>
<b>2</b>	<p>Another opportunity available to you is to develop new products or services to sell in your current market. This could involve adapting current products and services or developing entirely new ones, but they would be sold within your familiar market.</p> <p> Write these ideas in the box marked <b>Product development</b>.</p>
<b>3</b>	<p>A further opportunity available to you is to expand into a new market. This could involve working in another geographical area, or targeting a completely new client group or customer segment by providing your existing products or services.</p> <p> Write your ideas for this category in the box marked <b>Market development</b>.</p>
<b>4</b>	<p>The riskiest but potentially most rewarding diversification route is to develop a new product or service in a new market. This could be an enhancement of existing products or services or it could be a completely different approach. It could also be in a totally new geographical area, or for new customers.</p> <p> Write these ideas in the box marked <b>Diversification</b>.</p>

Exploring new products and new markets is an important part of developing your organisation's sustainable income strategy. NCVO's Sustainable Funding Project is the sector's premier provider of tools and resources encouraging and enabling voluntary and community organisations to develop and implement a sustainable income strategy. A full range of tools and resources is available on the SFP website: [www.ncvo-vol.org.uk/sfp](http://www.ncvo-vol.org.uk/sfp)