

Who are your customers and how much of your income do they each account for? Is your customer base diverse enough? Could you lose a few and not feel squeezed?



Your company benefits from a well-diversified customer base. Valuable companies have a variety of customers including long term customers, new customers, and developing customers. Who are your customers and how much of your revenue do they make up?

Looking backward, have you been making strides to diversify? Are you making inroads to new clients, more diverse clients through either outreach or product? If yes, document. If not, start to work on this and document your process.

Questions To Ask; Tasks And Concrete Steps To Work On

- Customer Concentration: You have complete customer records and analysis that shows a well-diversified customer base where no one customer represents more than 20% of the company's revenue.
- Trend Analysis: You can show historical data and trends to prove continuing diversification.
- Future Customer Diversification: You have documented and can defend future projections, by customer or product/ service line, of continued or growing diversification.

Thinking about and working on diversification is not only a safety net in the event you lose a customer, it is a growth strategy. Take what you know about your current customers - the solution you provide and the processes already in place - and apply it to new audiences and situations.



GOAL: For stability and potential growth, you want to avoid putting all your eggs in one basket (or just a few baskets) to minimize risk.

Ideally, the goal is to have multiple customers in multiple market segments, and enough so that the loss of one segment or customer will not cripple the business beyond recovery.