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Family Matters

Catch Customers--Don't Just Fish For Them

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You could blame the economy for sluggish sales. Or you could thrive by truly partnering with your prospects. Here's how.



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You're small, you're undercapitalized, and revenues aren't exactly robust. Join the club.

Actually, don't join. Defect. Start by looking at a fundamental driver of your business: the sales process.

In many small businesses (family-run or otherwise), the old paradigms of product development, marketing and selling are as old as the firms themselves--and that's too bad. I have watched countless "Here's the product, here's the price" presentations, followed by "Let's go back to our offices, wait by the phone and keep our fingers crossed that the buyer places an order." Painful.

The key to catching customers--as opposed to merely fishing for them--is figuring out how to offer something extra beyond the product or service itself, and building that into the presentation. I'm talking now about those things that you already provide, or those that the customer would appreciate that you can provide, but that you might be taking for granted.

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In short: Don't be merely a supplier. Be a partner.

Partnerships can take many forms. Maybe the prospect might want to pick your brain about a specific product category, what the competition is up to and where overall trends in the industry are going. Maybe they're looking to participate in a joint-marketing campaign. Whatever their needs, be open, available, interested and reliable. Doors will open.

How to build those partnerships? Follow these three steps.

Research

This is the first thing you read in every textbook on selling, and still people don't really get it. It goes without saying that you should have a decent handle on your customers' businesses: how they go to market, who they compete with, etc. You also should focus on getting to the right person, one who's willing and able to act on your message. Rule of thumb: The higher you go in the org chart, the greater the opportunity will be; the lower you shoot, the more emphasis there will be on price.

We did some consulting work for a family-owned, \$10 million (annual sales) doll manufacturer. Toys "R" Us was a big account and it was looking to clean house a bit. Those moves threatened to wipe out nearly \$500,000 in revenue for my client. We needed to boost its standing from supplier to partner--and do it soon.

I asked to go on a sales call with Toys "R" Us. During the presentation the dollmaker's rep laid all 30 dolls on the table. (Remember, Toys was looking to cut back, so throwing the entire doll army at them was probably not the best tactic.) At one point I asked the Toys' buyer what other things she was looking for in a supplier, beyond just the products themselves. Answer: product expertise. Which dolls would sell where, and why? She didn't want dolls; she wanted *specific* dolls. She also wanted a supplier willing to share the cost of marketing certain promotions and discounts, with an eye toward sacrificing some margin to reap larger revenue.

After a bit of discussion, the dollmaker focused on selling only a third of its product line. It also agreed to eat \$80,000 in advertising costs and another \$80,000 worth of discounts, during certain promotional periods. Result: Sales more than doubled and the Toys account contributed significantly more to my client's bottom line.

Brainstorm

Once you've held a few interviews with the customer, start thinking like a partner. Cast aside burdensome assumptions about how business should be done. Dream differently; dream big.

You don't need a whiz-bang product-development team to do this. Consider another recent client, an architectural woodworking firm in Washington, D.C. These guys aren't sophisticated salespeople; they make cabinets, paneling and doors for commercial tenants and residential homeowners.

The woodworking shop's immediate customer is the general contractor on the job. With the construction industry reeling from the latest recession, you can imagine what sort of sticklers GCs are on price these days. GCs indeed want to keep costs low, but costs include more than just millwork and installation. GCs also have to bring jobs in on schedule and without a lot of rework--that is, if they want to make any money. To truly be a partner, we concluded, the woodworking shop should look to whittle the GCs' overall potential investment--and charge a premium for doing it. But how?

Partnerships should begin even *before* the bid is won. In the woodworking company's case, that meant helping one particular GC peruse an architect's prints looking for ways to save money without sacrificing quality. Getting involved early sends a message: We both have skin in this game.

Once the GC landed the job, and more detailed shop drawings were worked up, the woodworking shop then looked for ways to make things less complicated for the other trades on the job. And later, during construction, we brought together different factions of the process who don't normally play well together: We instituted weekly conference calls with the GC, the buyer and the mill room gang to make sure that everyone was on the same page. Yes, that level of teamwork takes time and commitment--but it also brought the job in on time and translated into a price increase to the GC north of 10%.

Repeat

How to institutionalize that partnership approach? It's hard, mainly because it may involve making fairly substantial structural changes to your business--from retraining salespeople to think more broadly about the services they can provide, to creating new financial metrics organized by client rather than by business unit, in order to get a better feel for which clients are worth the effort and which, well, aren't.

Remember: Small businesses need not be relegated to the ranks of commodity suppliers. They have expertise, and the ability to get to market quickly, that many larger companies can only envy. Make them envious.

And have fun catching!

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