

## FIVE MISTAKES WHEN SELLING TO SMALL BUSINESSES

**Editor's Note:** The following is a transcript of a podcast interview conducted by Anita Campbell, Editor of *Small Business Trends*, with guest Andy Birol of Birol Growth Consulting (<http://andybirol.com>).

The topic is the mistakes that companies large and small make when selling to small businesses.

### Anita Campbell

Hi, this is Anita Campbell from Small Business Trends. It's January 2007.

I'm here with Andy Birol. He's the owner of Birol Growth Consulting. He's also the author of a fabulous book called "The Five Catalysts of Seven Figure Growth."

Andy, you've seen everything. You've seen people selling to small businesses. You've advised small businesses.

One of the things I want to talk about today with you is, "What are the mistakes you've seen when people -- companies -- try to sell to small business owners?"

### Andy Birol

I feel like we're going to look at an old movie called "The Good, the Bad and the Ugly" together here, Anita, because there's going to be so much.

Yes, I have had the fortune and the misfortune over the years -- both as a small business owner as well as one that has coached or consulted with over 300 -- to share with you my experiences in watching companies sell both to myself as well as to many of my clients, and thousands of small businesses in general. And you're absolutely right, there's a lot to be learned and a lot of bumps in the road that you really should try to avoid when selling to small business.

### Anita Campbell

Andy, what are some of the key mistakes that people make or institutions make when selling to small businesses?

**Andy Birol**

I see five (5) general categories of mistakes.

The first one is called: ***Missing Your Mark***

**Anita Campbell**

And what's that mean?

**Andy Birol**

So many large businesses or institutions or even small businesses, when they target the small business make some critical mistakes in how they approach, if you will, their mark.

The first example of how to do it right is whenever you're communicating to the business, it's critical that you talk to the owner of the business rather than the business as some inanimate or third party object. This means, whenever you're writing or speaking, or addressing the business, speak in terms of "you" and "yours" rather than "it" and "the business."

**Anita Campbell**

So, for example, if I read an article that's talking about a small business problem and it says, "Many small businesses have this problem or that problem" that's an example of what NOT to do, is that right?

**Andy Birol**

You're absolutely right. And I think it's so easy to personalize the business in terms of the owner when you realize what a fine line there is between the business's risk, opportunities, cash flow and resources – and that of the owner's.

There's no line, in fact.

So, really when you're talking about the business you're talking about the owner anyway, so don't address it in the third party go right for the first person.

**Anita Campbell**

What else should you do?

**Andy Birol**

I think it's important to recognize that you should always give your small business accounts – whether they're prospects or customers – to individuals that have had at least a close encounter of the second kind, if not the first. For example, Lowes and Home Depot always hire individuals in their stores that have been contractors, so that when a contractor comes in, they're speaking to somebody that can identify with what it means to be a small business.

So, if you can't hire ex-small business owners yourself, or retired ones, look around and see if you can at least hire their kids. Or hire folks that have already worked in a small business.

**Anita Campbell**

Good point. What else?

**Andy Birol**

I think another thing, too, is never to think of business owners as this giant inanimate mass but rather understand they are as segmented as every other part of the formerly mass market has now been chopped into.

Let me give you a great example. You should version your copy when you are writing to small business owners in terms of whether they are at the stage of survival or the stage of success. Those are completely different headsets and to speak to all business owners, even in the first person, as if they're all surviving or as if they're all successful is to probably alienate half of them.

So instead of that, it's important to realize that if they're new in business, they're probably more likely to be at the point of survival, and talk to them about the opportunities. If they are at the point of being a veteran, and hopefully successful, you want to talk about the retention of that success, the preservation of it. So recognize that just as you wouldn't talk to a 12-year old the way you'd talk to a 22-year old, you shouldn't assume that all small business owners think and hear and retain information from one voice.

**Anita Campbell**

Now, Andy, what's the second big mistake you see companies make when selling to small businesses?

## **Andy Birol**

The second biggest mistake is: ***Bullying the Buyer.***

Do not bully your buyer.

Instead of this, especially if you are a large company ... large companies do not impress small businesses or their owners with how large they are. It's much more important that you talk about how your resources can make you more responsive to a small business owner's needs. Or, how they let you customize what you can offer a small business owner.

In other words, the heft and the clout is only exciting to a small business owner to the extent that he or she feels it is personalizing what they need from you. To the extent that you have sounded like somebody that is gigantic, you have probably offended him or her.

Moving on to some other examples, you could talk about your local capabilities. And it's always excellent if you can come up with real live examples in the community of a peer business that you've already helped to make successful or helped to survive. That gets people really excited.

Because when you can speak in terms of real owners or have a live voice or a personal Web page where you can give the business owner a chance to see and understand his or her status with you or be able to get updates, these are wonderful ways of instead of making the business owner feel bullied -- rather really appealing to their success, their sense of self-esteem, their self-confidence and their ambition.

## **Anita Campbell**

Good points. And often overlooked.

Well, what would be the third big mistake you see, Andy?

## **Andy Birol**

If it's bad to bully your buyer, it's downright horrible to: ***Cripple your Customer.***

## **Anita Campbell**

Hmm, now what does that mean?

## Andy Birol

Small business owners go through life feeling disrespected. That's one thing. We're kind of used to that.

But it's really really dreadful when somebody actually puts in a policy that's designed to hobble a small business owner.

And he or she gets downright offended by that.

I was golfing not too long ago with the VP of global procurement for a Fortune 500 company who will go unnamed here. He actually bragged to me how he was able to increase his accounts payables to small business from 70 days to 90 days. And I almost wanted to walk off the golf course. Because everything a small business owner can do to help a large company is about service and customization and personal attention. If you choose to cripple the small business owner by taking away their finance -- their working capital -- how can you expect them to do well for you?

So, here are the things you really need to be careful of:

- (1) In your credit policies, make sure that you **take credit cards or PayPal**. Don't ever assume that the small business owner can carry the same financial load that your larger customers can.
- (2) If you offer large-quantity discounts, make sure that you **offer companion discounts or smaller quantities in ways that a small company can make the commitments**. In other words, a large quantity discount is not the only way you can get a commitment back, and it's usually not the way to get it from a small business owner. You might ask them if they're willing to sign up for a longer commitment to buy in smaller quantities, but over a longer period of time.
- (3) And the third example is: **eliminate as much paperwork and invoicing as possible**. Because whatever you're asking a small business owner, he or she is probably filling out that paperwork at night after the kids have been put to bed, in front of the TV. So whenever you ask for paperwork, if you're doing that somehow to make sure that everything's under control, just make sure that your need for control seriously outweighs the risk, because it is being done on the very back of the customer you're trying to delight.

### **Anita Campbell**

Good point. Paperwork is such a burden for most small businesses. I remember reading statistics recently that indicate that the regulatory paperwork burden alone hits small businesses much harder. I suspect that if somebody did statistics on the *business* paperwork, they'd find the same thing.

### **Andy Birol**

And again, they just don't have the staffing to go after that.

### **Anita Campbell**

What's the fourth mistake that you see happening so often, Andy?

### **Andy Birol**

If I had a dollar for every million that companies spent **offering a total solution** to a small business owner, in the hopes that he or she will be impressed, I'd be a millionaire. [laughter]

If you think about it, when was the last time that anybody – any one of us – ever woke up in the morning and wanted a total solution to anything?

The majority of us want some small part of our miserably overstressed lives to get marginally better for a short period of time, which in turns really delights us. And when you think of the small business owner's market, you're talking about something not too different than the upscale mass market. So rather than try to sell them a total solution for which they've never asked, why not pick a bite-sized battle?

If you're a telecommunications company, sell some kind of local service they can try out. If you're a bank, don't try to move their core checking account, because that's not going to get you to the promised land of their investments. **Find a bite-sized battle** that you can win that both of you can enjoy consuming.

Secondly, I think a very important thing is to **make it plug-and-play**. If I even recall my own experiences, whenever I'm offered some technology, I'm always terrified not with what it costs, but what it's going to take to work in my world. Because I don't have an IT guy, or gal, and so what I really need to do with everything is to make sure that it's something that truly will work the minute it comes out of the box.

And a great example is, if you can think about the wonderful thing that's developed called the USB port ... and if whatever you sell can be as compatible with a USB port as now can be your iPod. You're going to be a really really strong asset, no matter what you're selling to small business.

- Is it accessible on their system?
- Is it playable on their equipment?
- Is it consumable on their system?

**Anita Campbell**

So, in other words, can you plug it in and just go?

**Andy Birol**

That's what works. To quote Larry the cable guy, "Get 'er done."

**Anita Campbell**

OK [laughter]

**Andy Birol**

I think the other thing, too, is that whenever you're even thinking of offering a total solution, I'd argue it's about as practical as asking someone to marry you on a first date.

Recognize that when you're selling to small business, you're on a series of dates with an owner. And since it's so personal – because it's their money, it's their company, and it's their problems – the last thing they're looking for is a long term commitment from the get go.

So, if it sounds like a great idea to make a six-month commitment, I'd ask you to think about making a six-day commitment or a six-week commitment. Because once you've earned their trust, you can go for the total solution. But early on it's probably going to be a big challenge.

**Anita Campbell**

Hmm, another great point.

Well, Andy you mentioned five mistakes, and I believe we've done four so far. That leaves one more mistake. What would that be?

**Andy Birol**

It's the old fashioned: ***Steamrolling the Sale.***

**Anita Campbell**

And what does "steamrolling the sale" mean?

**Andy Birol**

It's something that we've all learned not to do, yet why does it continue to happen? If you think that you've made the sale, you know that the biggest problem you're going to face is remorse.

And let me explain how remorse works in a small business.

Every sale that every small business owner ... chooses to buy is always subject to a second opportunity to be bought or not bought. And that's through pillow talk. Every business owner goes home and discusses this sale with either their spouse, their companion, or in many cases, some other trusted advisor. Every purchase they make competes with a family vacation, a college fund or something so personal, that it is not a sale that is made without somebody else usually ratifying it or affirming it, usually a loved one.

So it's important to recognize that you'd better help the owner to actually have the answers if in fact the sale has to be confirmed by somebody that you'll never even meet.

Secondly, and this is an extension of the first point, **don't ignore the owner's advisors.** A business owner almost always has a trusted advisor. It might be their accountant, it might be their lawyer, it might be their hairdresser.

But business owners are really good at doing what a boss of mine used to call "mother-in-law research." They're always looking for what the common man or woman is going to say about what they want to do. So again, you need to either include them in the sale, or you need to tee up your customer to make sure that when they're out there affirming and ratifying the sale – when they're looking for post-purchase confirmation – that you've given them the ammunition they need to basically **sell their advisors on something they bought.**

The third mistake under steamrolling the sale is when the company assumes that every sale has to be made to the owner of the small business. If it's not a product or a service that is abstract or tough to justify, very likely **the sale should be made to the business owner's most trusted employee**. That is usually the office manager, who probably either started as a receptionist or may in fact be a relative but is in every way either the office manager or the business manager.

Because the owner has trusted this person to take things off his or her plate and give them to this office manager who is able to buy anything that is within a certain, if you will, of bandwidth of price or purpose or timeframe, because the owner simply recognizes that he or she does not have time to make this purchase. So rather than bugging the owner and probably offending your real buyer (the business manager or the office manager) understand what he or she buys ... and don't confuse one with the other.

Well, there we go for our five.

We've had:

- **Missing Your Mark**
- **Bullying Your Buyer**
- **Crippling Your Customer**
- **Offering a Total Solution**
- **Steamrolling the Sale**

### **Anita Campbell**

So -- all of them are big mistakes to avoid. And you've given us some great pointers as to what to do to avoid those mistakes.

I also want to add, Andy, that one of the things that stood out as I listened to you describe these mistakes, is how many times you referred to the people involved. You kept referring to "**business owners**." You referred to their "**trusted advisors**." You referred to their "**office managers**."

So, in essence, this is not really about selling to small businesses – it's about selling to the **people** in small businesses.

### **Andy Birol**

I cannot encourage everyone [enough] to remember that when you're selling to small business, it looks as much like a B-to-C sale as it is a B-to-B sale. The only difference is, the business-to-customer sale you're making is to an upscale

customer who is purchasing as much within their business as personally outside of their business. And guess what? It's a heck of a gray line where one ends and the other starts.

**Anita Campbell**

Well, thank you so much, Andy. This has been very informative.

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