

How to Expand Your Customer Base

Spend some time and money on building a marketing infrastructure before you hire new salespeople



By [Karen E. Klein](#)

Q: I've been hired by a small company to sell low-cost, lightweight stainless steel tubing and to license its proprietary technology. We have been under exclusive contract with Ford Motor, but that contract expired in 2009. We need additional sales reps that are very well connected with buyers. How would I find them, and what else can I do to increase our corporate profile?—D.G., Escondido, Calif.

A: Small companies that rely on long-term, exclusive contracts often find themselves in difficult straits when those contracts expire. They can have the best products and the most innovative technology, but without a coherent marketing strategy, sales infrastructure, and customer relationships, they won't succeed.

Before you hire additional sales staff, build a brief but concise go-to-market strategy, says Joanne Black, a speaker, sales trainer, and founder of NoMoreColdCalling. While automakers struggle, for instance, can you find applications for your products and technology in other markets? Should you think about starting a government division that supplies federal or state agencies with stainless steel tubing? Evaluate your technology's bottom-line value and find a way to demonstrate it to customers.

Next, redefine the profile of your ideal customer and identify half a dozen new industry segments. Rather than bringing in commission-based sales reps who don't know your product or how best to sell it, "your money will be better spent hiring someone who does strategic planning or marketing plans and can help you devise a strategy and implement it," she says.

Barry Trailer, founder of CSO Insights, a research firm that studies sales effectiveness, agrees. "The notion of investing in infrastructure in sales and marketing is not what first comes to mind for small companies, but it is one of the first things they need to address," he says.

Make sure anyone you hire is tech-savvy, so they can take advantage of software that has made customer relations and sales management easier and more affordable for small companies. "Bring automation into your business and start leveraging technology" by using software that is sold as a service and can help you educate, train, and manage your

sales team, says Trailer. "The bad news is that in a crowded marketplace you must market even the most incredible technology—but the good news is that small companies can compete on the Internet with much larger players."

Once you've defined your target customers and new markets, you'll know whether you can handle sales in-house, or whether you should expand your sales team with independent reps. You can find them through associations such as the [Manufacturers' Agents National Assn.](#) and Web sites such as [RepHunter.net](#).

"Reps are paid commissions based on the amount of sales they make. They will want to know about your existing sales figures to get an idea of the potential market, ultimate sales potential, and hence their commission revenues," says Allison Bliss, a marketing and sales consultant based in Alameda, Calif. Independent sales agents work for many clients at the same time, so yours will need expert training in the specifics of your products and how to sell them.

"What a sales representative or a rep firm should bring to the table is an established base of connections, leads, and likely customers."

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