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ENTERPRISE TECH MARKETERS STRUGGLE IN SMB SPACE

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Listening to some high tech pundits and reading the trades, one might conclude that everything that could possibly be sold to enterprise accounts already has been, and the only business market left is small and mid-size business (SMB). As a result, lots of big tech outfits are direct marketing to SMB vigorously ... and finding that the going is remarkably tough.

Some of the difficulty is caused by “the usual suspects” ... outdated and “fatigued” lists, creative that isn’t, and sales people who can’t sell. But in my work with enterprise technology marketers and SMB firms, I see several deeper causes.

Organizational mismatches. The size mismatch between an 80,000-person tech behemoth and an 800-employee manufacturing firm is self evident. Eight hundred behemoth employees could disappear and the company would look identical. The size differential also implies a complexity mismatch. When a really big tech company woos an 800-person firm, their direct marketers and sales reps may believe they understand their prospect’s realm. But their frame of reference is skewed by the rich complexity of their own corporation: the breadth and depth of resources, the internal support networks, the deep pockets. They may present their technology as if its installation and implementation would be seamless, while to the 800-person business the technology might require a wholesale cultural and operational overhaul.

Selling models mismatched to the market segment. The sales forces of most major tech manufacturers and resellers have been indoctrinated in the “solution” sell or some other sales model the top officers liked. But it is my experience that senior management of small and mid-size firms are exceptionally pragmatic. They tend to question, if not resist, formulaic sales approaches and direct marketers who pitch “relationships” prematurely. Right up front they want to know, “what’s in it for me and my company?” and “what does an enterprise firm know about a company our size?” and “does your product or service fit our business or would we have to adjust to yours?”

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The operational piece. Implementing new technology within a behemoth isn't always easy, but there almost always is help. Usually there are in-house experts and often an army of consultants, engineers, and technicians. And because the organization is so big, if an installation is in trouble, it seldom affects the entire corporation. But in an 800-person firm, the IT resources are much more limited. And if you shut down production to upgrade the technology, the whole company stops and profitability goes to zero for the duration. Too many enterprise marketers and sales people don't seem to "get" this.

So what can ... and what *should* ... enterprise high tech direct marketers do to improve their opportunities and boost results in the SMB space?

- Consider playing to your enterprise strength and leaving SMB to others. That's what a New York-based software giant did in late 2003, selling-off its small business accounting products subsidiary to focus on enterprise accounts.
- Establish a separate marketing and sales entity to work the SMB market. SMB is different enough from enterprise, and certainly from consumer, to merit its own structure and team.
- Craft and conduct more collaborative arrangements with business partners and resellers that are themselves SMBs. Learn from them and adjust direct marketing and sales strategies accordingly.
- Delete the marketing words and phrases that SMBs have come to distrust, such as "turn-key" and "scalable" and especially "solution, which is by far the most overused and meaningless word in high tech.
- Adjust sales practices from "surround and conquer" to "ask before telling and learn before selling." Add humility to the marketing and selling repertoire.

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