

7 Techniques to Increase Your SMB Sales



Small and medium-sized businesses (SMBs) comprise **99.9 percent** of U.S. businesses,¹ but they're largely overlooked by enterprise organizations as too difficult and expensive to sell to.

Rise above the status quo and take the reins on your profits by tapping into SMBs with **cost-effective** and **efficient sales processes** that leverage automation and outsourcing.

The Untapped Market



99.9%

of U.S. businesses are SMBs¹



30.7 million

businesses in the U.S. are considered small²



Top 20%

of technologically savvy SMBs earn 2x as much revenue per employee³



Top 20%

of technologically savvy SMBs experience 4x higher revenue growth⁴



37%

of companies with 99 employees or less, 47% of companies with 100-499 employees, and 51% of companies with 500-999 employees will increase their IT budgets in 2020⁵



51%

of SMBs plan to spend up to \$120,000 per year on cloud services but 11% plan to exceed \$1.2 million⁶



SMBs run 78% of workloads

in the cloud, including 43% in the public cloud and 35% in the private cloud⁷

The Challenges of Selling to SMBs

Selling to SMBs can be difficult:

81% of small businesses have no employees.⁸

70% of the Buyer's Journey for SMBs is complete before they contact a supplier.⁹

66% of SMB owners are personally responsible for three or more of the following areas:¹⁰

- ★ Operations
- ★ Marketing
- ★ Product development
- ★ Finance
- ★ Human resources
- ★ IT
- ★ Sales
- ★ Customer service

Techniques for Selling to SMBs

1 EDUCATE

Address your prospects' pain points and challenges directly with an educational approach.

19% of SMB leaders say choosing the right technology is their biggest challenge¹¹ and as many as 60% of SMB owners feel that they don't need to outsource because the job they do is good enough.¹²

2 QUALIFY

Make sure you're pursuing the right leads by using lead scoring.

53% of organizations saw marketing/sales alignment improve when using lead scoring, and 43% discovered qualified leads that would otherwise have been overlooked.¹³

3 CONNECT

Nurture a strong, customer-driven relationship from day one.

84% of customers say that their experience with a vendor is as important as its products or services.¹⁴

4 CONVERT

Ease of information seals the deal for SMB decision makers.

Businesses that receive the information they need to advance in the sales process were 2.8x more likely to experience purchase ease and 3x more likely to make a bigger purchase with less regret.¹⁵

5 CLOSE

SMBs tend to be highly risk averse, so make every dollar count by offering social proof like testimonials and case studies plus incentives.

6 ONBOARD

Customer Success and retention starts with successful onboarding.

Consider this: 33% of Americans say they'll consider switching brands after a single purchase because of bad service.¹⁶

7 UPSELL

Businesses are 60-70% more likely to sell to an existing customer, compared to the 5-20% likelihood of selling to a new prospect.¹⁷

The Outsourcing Advantage

Calculate lifetime value (LTV) of SMB customers:¹⁸

$$LTV = \frac{ARPA \times \text{Gross Margin \%}}{\text{Customer Churn Rate}}$$

*(Average Revenue per Account)

- ★ Yield a higher return on LTV with a low-touch sales approach.
- ★ Automate as much of the education and qualification process as possible.
- ★ Benefit from more outsourcing for more cost-effective lead qualification.

Scaling in-house sales to qualify SMBs is not cost-effective:



Salary accounts for roughly 38% of the total cost of having an in-house sales representative (SDR); you also have to include the costs of benefits, software, training, management, bonuses, and more.¹⁹



At companies with a formal onboarding process, 60.7% of sales reps reached full productivity within six months.

For businesses without formal onboarding, only 42.8% of reps reached full productivity within the first six months.²⁰

Licensing sales technology can cost thousands of dollars per employee per year.

The benefits of outsourcing SMB sales

- ✓ No staffing or startup costs
- ✓ Allows you to pay for performance
- ✓ Minimal ramp time (weeks, not months)²¹
- ✓ Scale faster—from 5 reps to 100 in less than 12 weeks²²
- ✓ Sales tech stack already in place
- ✓ Reduce the cost of scaling your sales team by up to 15-20%²³

MarketStar can show you how to maximize your SMB sales investment.

To learn more, download our *Finding Success in the Small and Medium-Sized Business Market* guide.

Download Here



References

- 1 <https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/24153946/Frequently-Asked-Questions-Small-Business-2019-1.pdf>
- 2 Ibid.
- 3 <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt->
- 4 Ibid.
- 5 <https://www.spiceworks.com/marketing/state-of-it/report/>
- 6 <https://resources.flexera.com/web/media/documents/rightscale-2019-state-of-the-cloud-report-from-flexera.pdf>
- 7 Ibid.
- 8 <https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/24153946/Frequently-Asked-Questions-Small-Business-2019-1.pdf>
- 9 <https://techaisle.com/blog/368-buyer-journey-marketing-framework-smb-and-midmarket>
- 10 https://a.sfdstatic.com/content/dam/www/ocms/assets/pdf/smb/Small-Medium-Business-Trends_Salesforce-Research.pdf
- 11 <https://www.capterra.com/pres/2018/11/20/capterra-survey-reveals-risky-technology-decision-making-among-small-businesses>
- 12 <https://www.freshbooks.com/wp-content/uploads/2019/04/self-employment-report-2017.pdf>
- 13 <https://www.agilecrm.com/blog/lead-scoring-best-practices/>
- 14 <https://www.salesforce.com/blog/2019/06/customer-engagement-trends.html>
- 15 <https://www.gartner.com/en/sales-service/insights/b2b-buying-journey>
- 16 <https://about.americanexpress.com/service-release/wellactually-americans-say-customer-service-better-ever>
- 17 <https://blog.hubspot.com/service/cross-selling>
- 18 <https://chartmogul.com/metrics/ltv/>
- 19 <https://blog.hubspot.com/sales/sales-outsourcing>
- 20 <https://trainingindustry.com/content/uploads/2019/07/The-Current-State-of-Sales-Rep-Onboarding-and-Enablement-7.23.19.pdf>
- 21 <https://impact.marketstar.com/blog/infographic-in-house-vs.-outsourced-sales>
- 22 Ibid.
- 23 <https://impact.marketstar.com/blog/growth-in-2020-six-reasons-why-outsourced-sales-should-be-in-your-plan>