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SMALL TALK

A Chicago entrepreneur's guide by Thomas Mucha

TUESDAY, JULY 31, 2007

Looking for the big fish



How do you get the big guys to use your services when you're small?

Wendy Lapidus-Salt
principal, Jaguar Mind LLC, a business coaching business in Chicago

Photo: Stephen J. Serio

You're not the first to ask, Wendy. Many other Small Talk readers want to land deep-pocketed Fortune 1000 companies as clients, too, but don't know where to begin. But you can do it.

Meet Nicole Loftus. In 2002 Ms. Loftus started Zorch International, a branding agency that helps large companies buy marketing merchandise such as hats, pens and T-shirts, by creating a customized online store for each client. Otherwise, companies would have to deal with hundreds of manufacturers individually.

Zorch's rule when it opened was that all clients must spend at least \$1 million a year on merchandise. As a result, large companies have been Ms. Loftus' only focus. She landed her first client — a cold call to CNA Financial — and used her company's small size as a selling point.

"Our overhead is a fraction of our competitors', so we pass on a guaranteed 25% savings to our customers. That's millions of dollars to these companies," she says.

If you can't save companies millions, or if being too small *is* your problem, meet Todd Gabel. He started Nexum Inc., his Chicago-based computer security company, in April 2002. Six months later, a cold call and several meetings with a local automobile finance company led to a serious prospect (Mr. Gabel won't name clients for security reasons). The potential client was talking to one of Mr. Gabel's competitors, though, whose revenues were a thousand times higher than those of Nexum.

"This prospect said we had a good chance of making it, but that our competitor said we worked out of a garage," he says. "I yelled 'Screw him!' into the phone, except I said a different word. She liked my passion and we ended up getting the

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except I said a different word. She liked my passion and we ended up getting the \$600,000 deal, which doubled our revenues," he says.

Mr. Gabel doesn't suggest using expletives as a tactic, but he does say to act like a real person — not a salesperson looking for another account.

Beyond cold calling and persistence, here are some other ways to attract the big guys:

■ Cast a wide net

Don't be satisfied with talking to one person in the purchasing department. Get contacts in other areas, whether it's marketing, sales, or even C-level. "When you're small and up against the big guys it's scary for one person to put their reputation on the line by hiring you," says Ms. Loftus, who used this method with AT&T. "This way it's a joint decision at the company, and all of a sudden you being small isn't so darn scary for them."

■ Have the cash

One reason big companies don't like dealing with small shops: They have a higher fail rate. So you'll need enough cash or a line of credit to satisfy clients that you won't be going out of business any time soon. Ms. Loftus says each of her clients has audited Zorch, so be prepared.



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■ Look big, even if you aren't

Of course, do this only if your customers want to deal with other big companies. Mr. Gabel did three things: One, he got a professional Web site up and running to establish legitimacy. Two, he spent \$ 1,200 to rent out the Gleacher Center for a mini-trade show, where 65 prospective clients showed up. "One guy asked 'Where's all the Nexum people?' 'All four of us are here,' I said. He was shocked," Mr. Gabel says. And three, he spent \$80,000 to get a logo designed and put it on products like notebooks and coffee mugs. "If you're doing what the big companies are doing, you look big," he says. "It's expensive, but a good way to look legitimate."

■ Make exceptions

Zorch has a rule that it must be the exclusive branding agency for its clients, a standard industry practice. But Ms. Loftus gave some leeway to her first few clients because it minimized their risk by trying her out. Getting your first big-named client is worth more than having 100% of their business, Ms. Loftus says.

And don't forget: After you've sealed a deal with the first big guy, ask them if any of their other suppliers, customers or even competitors could use your services. And ask if it's okay for these prospective clients to call them about their experience with you. Credible references are a powerful tool.

So get your first big client, ace it, and exploit it. The rest will follow.

Additional reporting by [Christina Galoozis](#)

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