

Starting Up: The Art of the Pitch



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AFTER SEVEN YEARS and hundreds of client-meetings, Ed Stevens, founder of Shopatron, a San Luis Obispo, Calif., tech outfit that enables companies to sell products online, has finally perfected the art of the sales pitch. If clients have questions, he has answers. If they want to see a presentation, he has PowerPoint slides. If they're skeptical about his products, he provides studies to back up his claims. In short, he and his team — who now boast a client list that's more than 550 — are prepared to handle any questions or requests thrown their way.

Stevens wasn't always so well versed, however. When he first met with prospective clients, he never used PowerPoint presentations nor prepared brochures to leave behind after he left. In fact, he didn't even bother to provide an overview of Shopatron's benefits until 2007 — six years after the company launched. "That was a big mistake," he says. "Even having a short three-to-four slide PowerPoint to go over in the first five minutes would have helped a lot."

Many novice entrepreneurs stumble when trying to win over their first few clients. Besides just making simple mistakes during the presentation, start-up entrepreneurs have few, if any, success stories that they can point to, says Jeffrey Cornwall, the director of the Center for Entrepreneurship at Belmont University in Nashville, Tenn. The lack of an established track record can really hurt a business's chances of landing a client, especially when the client is already working with a more-established competitor.

To help, here are six ways that budding entrepreneurs can make their "big sell" more effective:

Know what you're selling

Of course, you think you know your products inside and out, right? For newbie business owners, however, that's often not the case, says Stan Mandel, the head of Wake Forest University's entrepreneurship program. Entrepreneurs often work hard at landing a meeting with a potential client's top brass just to blow it on the question and answer period, he says. That's why, "you have to do your homework." Know exactly what your products do and consider what the client needs them to do. Then, be able to articulate it. "Otherwise, they won't take your calls the next time around," adds Mandel.

Customize the pitch

Pitching a potential client is almost never a one-size-fits-all proposition. "Make sure your pitch is framed in a way that helps your potential client solve a problem that's inherent to their organization,"

says Mandel. Talk to their customers and similar companies in other markets to find out what challenges the client faces. Then, figure out how your company's products or services can fix it. "The greater the problem you're solving for your target customer, the more likely you are to be successful," he adds. If your product can cut that company's costs or streamline its out-of-control processes, then play it up.

Back up claims

Providing credible studies or survey data goes a long way toward establishing credibility with clients. When Stevens from Shopatron, recently started peddling Coex Freedom, a technology that offers consumers the ability to buy products online and then pick them up in stores, he brought along two surveys from **Circuit City Stores** ([CC](#)) and **Wal-Mart Stores** ([WMT](#)), which both use a similar in-house technology. Circuit City's survey showed that more than 50% of its online shoppers opted for in-store pick up last year, while Wal-Mart's survey showed that more than 30% did. Using data from such big-name companies "stopped people in their tracks," he says. "Credibility to your numbers is key."

Create a client base

Offering up real-world experiences to clients can make or break your chances of landing a deal. "I've seen a lot of service businesses do work for nonprofits to establish themselves in a market," says Cornwall. Even if you're selling your products or services for free, the references will help demonstrate your company's abilities a lot more adequately than hypothetical situations and presentations.

Offer free or limited-use trials

If would-be clients still seem uncomfortable with your lack of experience, try offering a free or limited test run. That's how Stevens won over **Johnson Outdoors** ([JOUT](#)), a Racine, Wis.-based outdoor sporting equipment maker. After his first pitch to the company, it was clear the Johnson folks weren't completely sold. To allay their concerns, Stevens offered Johnson a limited test run of Shopatron. Johnson tried the e-commerce system out on one of its smaller fishing-products brands in February 2007. By August, it was being used by Johnson's marquee tent and sleeping bag brand.

Enlist an advocate

One of the best ways to sell your product is to cultivate an advocate on the inside, says Donald F. Kuratko, executive director of the Johnson Center for Entrepreneurship and Innovation at Indiana University's Kelley School of Business. "You don't go in cold and pitch companies," he says. Instead, attend trade shows and other networking events and seek out people who work at companies you want to sell to. "If you've done the networking with someone in that company who carries sway, you also have an ally in the room," he says. "Even after you leave, they're still pitching your company [for you]."

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