

Increase Revenue by Giving Up Control

By Sharron Senter

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Why is it big businesses tend to have multiple sales channels such as third-party, b-to-b, retail and ecommerce, while small businesses usually have only one?

I believe it has to do with control. Many small business owners have a difficult time letting others represent them. True, no one “gets the job done like you.” However; you can only bill so many hours in a day or sell so many products in a week, and if increasing revenue is a priority for you, then you’ll need to extend the availability of your services or products through others. Don’t misunderstand me. There’s nothing wrong with being a one-person-show. In fact, many entrepreneurs prefer this lifestyle. However, many others want to earn big business revenue, which usually comes with some sacrifice of control.

Earn Big Business Revenue By Expanding Your Distribution.

Almost any product or service we sell can be sold through a third-party, someone other than ourselves. In exchange, you give the third-party a percentage of your earnings from the business they bring you, or, sell them a product at a reduced rate and they make a profit through product margins. When you approach a company to sell your product or service, there needs to be a win-win relationship. Prepare to discuss the following: Where is the revenue stream? What is the compatibility of your third-party’s product line versus yours? How will you help the third-party sell your product? In short, what’s “in it” for the third-party?

Suppose you’re a graphic artist and you personally make the pitch to close every sale. Instead, expand your distribution by asking printers, specialty advertising companies and consultants to sell your services. Meet in advance to discuss the most common design jobs, the number of hours involved and what the rates will be. Your third-party now pitches her newly available graphic design services (which are actually yours), you complete the work, while the third-party collects the money and cuts you a check for 65% of the profits.

Who should I approach to expand my distribution?

Perhaps you’re the owner of a flower shop. Try approaching bridal boutiques, wedding planners or caterers and offer a 15% commission each time they sell one of your custom floral packages. Suppose you’re an accountant. You may think to yourself, “I provide a highly-specialized service.

What third-party could possibly represent me?” There are partners out there for you! However, first, you must consider your customer’s perception of potential third-parties. If they perceive you offer a specialized service, then whomever you decide to partner with, must also be perceived this way. Therefore, it makes sense for you to partner with highly-specialized and regarded experts such as business consultants and attorneys. The most important element the three of you have in common is that people come to you for expert advice. Therefore, when an attorney refers someone to you, this person already has a high regard for your services due to your association with their attorney.

Here’s another example. You’re a professional organizer and your expertise is to go into your clients’ homes and help them organize their basements, or go through their clothes and prepare for a large donation, or rearrange their kitchen to make it more functional. Whatever it is you do, there are many vendors out there that you complement. How do you turn other vendors into third-party partners? First, think about whom your clients spend time with and what other vendors they employ. For example, you could approach home improvement professionals, such as carpenters and painters. Ask them to distribute your new business flyer, and you do the same for them. There’s no risk. Of course, you’ll want to make sure you’re associating with only reputable vendors, since you won’t generate a lot of reoccurring business by passing around flyers for unethical businesses.

All of my examples work in reverse too. If you’re one of the vendors, then consider approaching the flower shop or accountant and initiate your third-party relationship.

P.S... It’s my experience that what keeps us from growing our businesses is our lack of confidence in ourselves. As far as I’m concerned, if you own a business, then you have the expertise necessary to get your job done, and the gusto to approach others and ask them to sell you. If you didn’t, you wouldn’t have the chutzpah to have started your business in the first place. Now go, build some third-party relationships and make some money, and remember, spend very little.

About The Author

Sharron Senter is a New England-based marketing consultant, speaker, writer and founder of Senter & Associates, a marketing communications firm that helps small businesses deploy low-cost marketing strategies. Sharron is best known for her free weekly emailed marketing tips, found at <http://www.sharronsenter.com> . She is also the author of several marketing special reports that illustrate low-cost ways to grow a small business while spending very little, including: “Marketing Must-haves to Increase Holiday Sales,” and “Secrets of Successful Gift Basket Selling.”

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