

Get More than Your Fair Share of the Market

by Kumar Dandavati

In this challenging economy, here are three strategies to get more than your traditional share of the market.

Play in a Bigger Pond

We may think we want our organization to be the big fish in a small pond to compete in a more manageable niche. A better idea today is to enlarge the size of your pond, because it has more options and possibilities.

This means being creative and rethinking your markets and market segments. Can you think about going beyond traditional groups of customers that buy from you? Are some of your products and services potentially a match for a whole new industry? If all of your current customers are in the United States, could you be exporting your offerings? One of our contractor clients is now expanding beyond their regional base with traveling crews that work in a multi-state region.

Additionally, breaking your business into distinct groups makes it easier to think about how to play in the larger pond and avoid going head to head with competition. You are looking for segmentation that gives you a distinct advantage. There are many ways to segment your business: customer needs, commodity (price) vs. specialty (value), product type, demographics, geography, etc.

To increase the size of the pond, it is important to rethink traditional assumptions about the markets you play in.

Sell Them Shoes, Too

Expand your offerings. How do you sell more products and services to the same customers? This is how department stores got started. They began to sell shoes, belts, and hats to existing apparel customers. It is very important to have a primary strategic focus, one that sets the bounds for what you will do and for whom you will do it. A company we know is transitioning to offering comprehensive engineered solutions which meet multiple customer needs versus selling individual products.

Another key element to consider is “make” vs. “buy.” A number of businesses we know are shifting from “making” all of their offerings in-house to outsourcing or to licensing products from contract vendors and suppliers. This can be a faster and less costly way to bring new products to market. It is important to identify and offer what your customer truly needs, from their point of view, not yours.

Adding offerings and bundling solutions around your primary products/services can mean more sales to current customers.

Add Sales and Business Development Capacity

Smart companies are ramping up sales capacity in order to have better coverage in competitive markets. Adequate sales capacity is critical in this market. During this recession, many companies have focused on cost-cutting across the board. The companies that have been successful at maintaining and increasing market share have aggressively expanded sales and business development efforts. A client of ours, while proactively managing costs throughout the company, has recently doubled the size of their business development team and added experienced talent. This may seem risky to do in a lean economy. However, it appears to be working for many of our clients, given the highly competitive nature of many of their markets.

Ramping up your company's capacity to sell is critically important in a lean economy.