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REAL BUSINESS

Winning pitches in a recession: part one

by Rebecca Burn-Callander



We've interviewed a bunch of entrepreneurs to find out their tried and tested secrets for clinching deals. Want to pull in the business during tough times? Have a read of these gems.

1 Target the FD

Alex Hoyer, founder of £58m-turnover digital agency Latitude, believes the best way to seal a new deal is to go directly to the finance director. "Since this recession began, the FD is more involved in decision-making than ever before," he says. "Make your appeal to the moneymen and offer services or products that are ROI driven. That's how we've maintained strong growth this year."

2 Discredit the competition

Andrew Yates founded online surveillance firm Artesian Solutions in 2006. It's a competitive industry. "We came up against Nielsen, the media monitoring agency, in a pitch for a big contract with a leading retail bank," he says. "But we had a joker up our sleeve. We'd found an article about the data collated by Nielsen. It pointedly said that Nielsen's influence on the decision process was waning and that the company was struggling to keep up with the market. I popped that piece of news in front of the decision-maker – he'd already been faltering on recontracting them. The fact we were tracking the competition really impressed the client and we won the contract."

3 Know your clients

"The creative agency market is completely over-supplied," says AAR founder Kerry Glazer. "You can't get by on a wing and a prayer – you have to know your client inside-out and be truly hungry for the deal. We recently went head-to-head with a rival agency for a national newspaper contract. During their pitch, someone said: 'I'm an avid reader of your title. I get it every day.' The client replied, 'Oh, really? Who's your favourite journalist?' They were completely stumped. They couldn't think of anybody. They were caught out and we got the deal."

4 Offer variable cost models

Trutap founder and former Dragon Doug Richard says: "One out of five customers is guaranteed to walk away, or at least trim their spend, in a recession. Before any of your clients do this, dig inside their business and work out how much money they make out of what you do. If you charge £20,000 in products or services and you've saved or made them £60,000, take note of the metric. Go back to your client and say: 'You're a great customer. We want to move to a make-money-on-money scheme'. Then abolish the fee you charge them and use the new metric instead. They pay you when they get paid. It's an irresistible offer for your customer and the move from a fixed cost to a variable cost model also forces you to sharpen your game."

5 Dazzle them with your staff

Dominic Monkhouse, MD at PEER1, has a novel approach to impressing prospective clients. His staff all

undergo a character test in their first fortnight at the firm: they're offered a golden handshake to walk away. "Our employees are given a £1,000 bonus to leave within two weeks to make sure only the best staff stay with us," he says. "What you say at a pitch isn't going to make the difference. Being able to show that your staff yearn to belong to your business communicates a whole lot more about the quality of service you deliver than a slide deck ever could."