



Small Businesses:

A Big Market for Commissions

An exclusive report, compliments of Northeast Delta Dental

Could small companies become the key to your success?

Small businesses can be a very important source of sales and revenue in the dental benefits market!

According to the 2018 Small Business Profile issued by the U.S. Small Business Administration:

- ✓ There are 30.2 million small businesses (SMBs) in this country. That compares with 18,500 large businesses.
- ✓ Do the math, and you'll see that SMBs make up 99.9% of all U.S. businesses.
- ✓ Companies with fewer than 100 employees have the largest share of SMB employment.
- ✓ In 2015, small businesses created 1.9 million net jobs; those employing fewer than 20 workers experienced the largest gains, adding 1.1 million net jobs.
- ✓ Overall, SMBs employ 58.9 million workers.

These statistics can be important for your agency to consider.

The numbers have it.

The thought that the larger businesses mean bigger commissions may need some examination:

The sales cycle for big wins is long and complex. While the proceeds may be lucrative, mega-sales are infrequent, and you typically wait many months before reaping those rare rewards.

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A GLIMPSE INSIDE SMBville



Meet Mike. He isn't a real person, but he *does* represent real people: small business owners in your market.

Our Mike, along with the thousands of other Mikes in your area, constitute a viable source for new or growing revenue for your company. But selling to Mike can be a very different experience than others you've had with larger businesses.

A shorter sales pipeline.

Mike doesn't have an army of assistants, but he may have a trusted go-to person who helps him manage the myriad of issues that arise daily. This action-oriented leader or duo is accustomed to absorbing information quickly and reacting accordingly.

As a result, important decisions, such as where to find reliable group dental coverage that won't cause their bottom line to crumble, are often made with relative speed.

That accelerated buying cycle is great news for brokers. After all, more sales

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Conversely, small businesses quite literally offer a wealth of opportunity for savvy brokers who recognize and capitalize on this often-overlooked prospect pool.

According to Dan Roche, head of marketing at KPMG Small Business Accounting, “You could be more successful and get more profit by selling to many small businesses than selling to just a few big (ones).”¹

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He notes that if you normally set your sights on large corporations, “you have a low frequency of sales and it takes a very long time in the B2B buyer cycle. With small business, the value of the deal or services is much lower, but there’s more opportunity to sell very quickly to lots of them.”

Since sales is indeed a numbers game, this simple shift in mindset can expand your market exponentially. And because you’re good at what you do, that expansion could quickly find its way to your bottom line, making small businesses a big source of income.

Making your mark.

So, let’s say you decide to become *the* go-to dental insurance broker for growing businesses in your community. How do you start? Small, like your target audience, with exponential growth over time.

As you build your SMB client roster, word-of-mouth referrals will help keep the momentum going. Over time, you can position yourself as the local small-business specialist because you have an intimate understanding of the needs and concerns of this valuable market, and can deliver dental insurance solutions that keep their employees smiling and their businesses strong.

over a shorter timeframe means your agency revenue could grow quickly.

Small size. Big needs.

As with every client, large or small, you need to have a thorough understanding of Mike's company, his concerns and his needs.

Even though his operation may be smaller than those of your other clients, keep in mind there are no shortcuts. If you believe that all small businesses can be approached with a cookie-cutter solution, this is one market you should actively avoid.

Tick. Tock.

Time is something SMB owners never have enough of, so your marketing efforts and ultimate proposal need to have precision focus.

If you look at the numbers, SMBs have the potential to boost and sustain your bottom line for years to come.

There's a dozen other concerns weighing on these busy prospects' minds at any given time. So, if you dally over too many details or don't include enough relevance for their specific interests, you may lose their attention ... which probably means the sale as well.

In an initial face-to-face meeting, it's vital to demonstrate the experience and added value



you bring to the table, as well as the return on investment they can enjoy through the plans you offer.

Don't drop the Mike.

If you look at the numbers, SMBs have the potential to boost and sustain your bottom line for years to come. While smaller sales typically mean smaller revenue, quantity is the key here.

With over 30 million small businesses across the country, the potential for powerful profits is clear. And it's only going to increase. This may be the perfect time to make the small-business market your sweet spot for success. Long live the many Mikes in your community.

For helpful stats on small businesses in your state, visit <https://www.sba.gov/advocacy/2018-small-business-profiles-states-and-territories>

A note about Delta Dental

As you probably know, we like to help small businesses, too. We offer an array of plan designs, product features and funding options that align with growing companies' needs and budgets. And because our extensive network — the largest in the country — provides access to more than 75% of the nation's dentists, chances are good your clients' employees already visit one of them. That means less disruption for workers, which can improve their job satisfaction. And we all know that happy businesses often lead to repeat sales.

For more information about our small-business dental plans, please contact us today.

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