LANDING BIG CUSTOMERS AND PARTNERS

How to sell to larger companies and build partnerships that grow your business, without becoming dependent on one client.

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AT A GLANCE

- Big customers, like corporations, hospitals, universities and retail chains, can bring large, steady contracts.
- They usually need **proof, paperwork and patience**: insurance, references, contracts, and buying processes that can take months.
- Watch **customer concentration**. One customer making up a large share of your sales is a serious risk.

Why it matters

A single large contract can transform a small business. But big customers often pay slowly, demand lower prices and can leave suddenly. Handled well, they're a major growth path. Handled poorly, they can sink you.

What big customers usually require

- **Business insurance** with specific coverage amounts. See **B-06 Business Insurance Basics**.
- **Registration** as a vendor, with tax forms and banking details
- **References** from similar customers
- **Capacity**: proof you can deliver at their volume
- **Contracts and policies**: their standard terms, security and quality requirements
- **Payment terms** of 30, 60 or even 90 days. See **M-06 Cash Flow: Why Profitable Businesses Still Run Out of Money**.
- Sometimes **certifications**, such as minority-, women- or veteran-owned. See **G-08 Government Contracts and Supplier Diversity Programs**.

Step by step

1. **Pick your targets**: organizations whose needs match what you do well.
2. **Find the right person**: the buyer, manager or department that uses your service.
3. **Start small**: a pilot, a single location, or a trial project.
4. **Deliver perfectly**, then ask for a reference and a bigger contract.
5. **Negotiate terms** you can survive: deposits, faster payment or a line of credit to cover the gap. See **R-07 Equipment Financing and Lines of Credit**.

6. **Get the contract reviewed** by a lawyer. See **B-09 Contracts Every New Business Needs**.

Partnerships

Partnerships can open doors big customers would close. Examples:

- A larger company subcontracts part of a project to you
- A distributor carries your product
- A complementary business bundles your service with theirs
- A corporation's supplier diversity program pairs you with a mentor or buyer

> EXAMPLE
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> **Grace** won a pilot to cater weekly lunches for one office of a regional hospital network. After six months of on-time service and great feedback, she was invited to bid for all 5 offices. She negotiated net-30 payment instead of net-60, and opened a line of credit to cover ingredients until payments arrived. The contract grew to 40% of her sales, so she kept marketing to other clients to reduce that dependence.

> KEY POINT
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> Try to keep any single customer **below about 20% to 25%** of your sales over time. Investors and lenders see heavy dependence on one customer as a major risk.

Common mistakes

- **Accepting terms you can't afford**, like 90-day payments with no credit line.
- **Underpricing to win the contract.**
- **Overpromising capacity.**
- **Letting one customer become most of your business.**

Your checklist

- ☐ List 10 larger organizations that fit your business
- ☐ Prepare insurance, references and vendor documents
- ☐ Propose a pilot to your top target
- ☐ Plan how you'll fund slow payment terms
- ☐ Track customer concentration monthly

Where to go next

- **G-08 Government Contracts and Supplier Diversity Programs**
- **L-06 Selling: How to Ask for the Sale**
- **M-06 Cash Flow: Why Profitable Businesses Still Run Out of Money**

IMPORTANT
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