

# How entrepreneurs can compete with large companies

 By [Banele Rewo](#)

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We usually think that bigger is better, but there are advantages to being small, be it a marketing agency, service provider or whatever - which is how every entrepreneur starts out.

For a start-up entrepreneur South Africa is a geographically small country and there's only so much of the population that can support existing companies in whatever industry.

After you segment the population, divide by competitors and multiply by geography it becomes even smaller. Given the historical background of the country, a lot of big companies have set themselves a solid footing in most markets. This has resulted in brands enjoying loyalty for decades. We are seeing rising enterprises making an entry and competing healthily in the market. However, to an entrepreneur established companies present a challenge as mammoth as their turnovers. Barriers of entry are higher than a typical Sandton perimeter wall. And over and above these barriers there are collusions and price-fixing scandals frequently unearthed by the Competition Commission.

So after surviving non-replies from the complacent NYDA, stingy banks, and sceptical potential investors, how can an entrepreneur with a single client or enough to keep a head above water compete with the sharks?

## Niche the niche

In any group or society there is always a smaller group that needs special attention and services. These need a supplier who is willing to go the extra mile in servicing and supply. In most cases this smaller group is willing to pay premium for services.

*Why can't big companies do it?* The same reason why they are your nemesis is the same reason why you stand a chance. The huge market share requires them to satisfy as many as possible through their ultimately limited product line. From this limitation, a niche group is born for you to service.

## Customer service

As a small guy with probably one, two or "manageable" number clients; you really have no business concentrating on anything else but your clients. You should make the time, all the time, to service them personally. Needless to say this will be pleasant and boost their confidence in things being done. It will also give you valuable insight and first hand account on what they need and how.

*Why can't big companies do it?* Besides the head honchos stabbing each other in the back in boardrooms, big companies have sales people. This breed of people is slippery and constantly changes jobs. This means big companies have many faces. That is where you come in, you have the opportunity to be the face of your company and nobody can drive the philosophy and vision of your company better than you can.

## Long-term customer relationship

With good customer service and personal attention comes the opportunity to nurture relationships with clients. Clients often buy into the entrepreneur than the organisation (given you have a good product). At the point where you start employing your own sales people, the client will remember you, your ambitions and drive to service them expertly.

*Why can't big companies do it?* They can, and they do. But again their size and corporate governance changes make it to

the papers. Should a CEO have the wrong brand of breakfast clients can move accounts by the time she greets the receptionist. That is where you jump in.

## Be nimble

You are the small guy in the jungle. Your evolution (frankly being small time) allows you to be quick to respond, fast in implementation and your personal presence at client offices affords you the opportunity to be privy to new and bubbling under information... Information that can turn into sales.

*Why can't big companies do it?* Size. The sales person gets a brief and by the time it reaches the person who is supposed to do the actual job, a few staff members along the chain have been burnt with coffee and interns hung at reception. Too many people involved in the chain, there is a lot that can delay progress and go wrong. With you, you are the sales person, CEO and cleaner in your company. You are responsible for making sure it happens-in time.

So there you have it, it can be done. Over time that is.

## ABOUT BANELE REWO

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