



Is Cold Calling Really Dead?

Searching for the elusive 'Silver Bullet'

A White Paper for Senior Executives
by Barry D. Caponi



What would a doubling or better of the number of Initial Meetings being set by your sales team do for your bottom line? Many have done it when the correct focus, methodology and tools (Art, Science and Best Practices) are applied to the challenge.



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Definition of the Challenge

Cold calling versus Appointment Setting – what's in a name?

First and foremost – ask yourself why you decided to read this paper. Are you like most of our clients and it's because your team just isn't setting enough Initial Appointments to meet assigned sales goals? And if so, is your team one that will steadfastly refuse to admit that what they do is cold calling? Do they prefer to call it telemarketing, telephone prospecting or business development; anything but cold calling? Does your team truly call nothing but 'warm' leads that have come in off of an inquiry or through a referral? Or are they willing to admit that they must pick up the phone, at least occasionally, and call someone off of a 'cold' list? No matter which camp you and your team are in, I'll bet you are hoping beyond hope that this guy really has the 'Silver Bullet' to put an end to a disliked, but necessary task.

Let's forget for a moment about the term cold calling and focus on the broader topic of appointment setting as it doesn't really make any difference what your team wants to call the process. It really is all the same, and here's why they all need to be proficient at it.

There are only three sources for an Initial Appointment. They are:

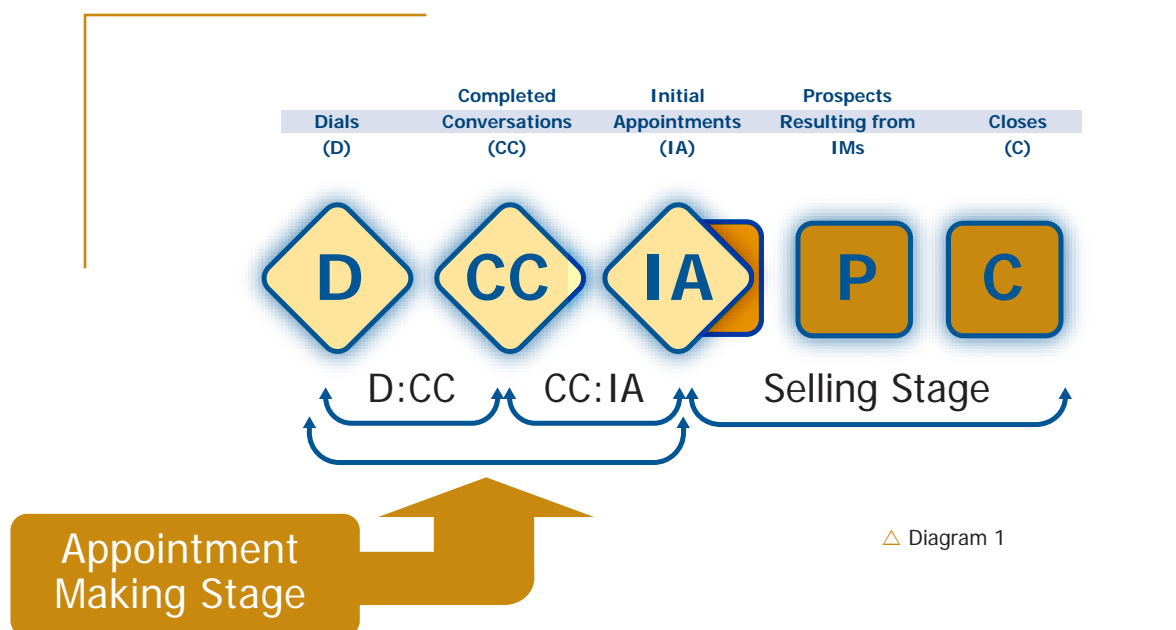
- ▶ Lead generation marketing campaigns that are designed to get people to raise their hand and tell us they are interested (this includes traditional advertising like print, TV or radio, or direct mail, plus newer approaches such as social media);
- ▶ Networking and referrals; and
- ▶ Cold calling

But here's the key lesson: the rub with lead generation and referrals is that just because someone expresses interest in our solution through one of our marketing programs doesn't mean that we'll get the appointment every time we call for one. Even strong referrals tell us no in exactly the same manner that cold call recipients do, they're just nicer about it because they don't want to offend the person who referred them to us. In other words, *the process we follow when asking for an Initial Appointment is exactly the same, regardless of whether the call is warm or cold.*

THE BOTTOM LINE

If you or your team is responsible for creating new business with new customers, even finding new business within existing accounts by picking up the phone and making a call, this paper is for you.

This white paper addresses the all important first half of the selling process – the appointment setting process. (See Diagram No. 1 below.) Why do we call it all important? There are two reasons. **First, there is no better way to proactively control our own destiny than to make more effective appointment making calls. There is a direct correlation between the number of dials made and the size of one's commission check.** Second, it is the one stage of the selling process that can act as a fulcrum and dramatically impact the results of rest of the process. In other words, an increase in the number of Initial Appointments provides a larger foundation for more sales, even if we are no more efficient in the subsequent stages of the selling process. Some of this advantage is pure math, but some also impact our business in subtle, yet substantial ways. For instance, how would our margins increase if we were in a stronger negotiating position because we had a full sales funnel when trying to close deals? How would the atmosphere around the office improve if the discussions changed to those of how to better qualify the many more prospects we have, creating better proposals and closing deals instead of the negative vibes that accompany the 'we need more activity' and 'we can't afford to lose this deal' type discussions we're probably having now? And while there may not be a 'Silver Bullet', we believe there is perhaps a 'Bronze Bullet' that will make the process more effective, easier and less painful to perform for the sales professionals, plus easier to manage for us as managers.



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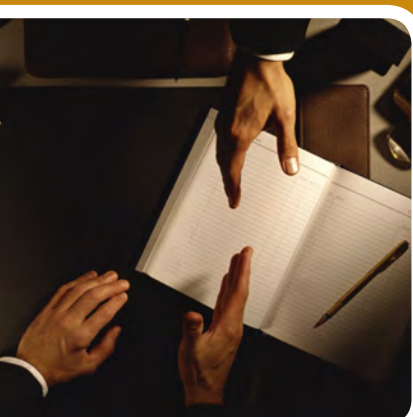
The Case for Appointment Setting

The Myths

- ▶ 1. Marketing will bring 'em in
 - ▶ 2. Networking will find me enough
 - ▶ 3. People don't like to be cold called
 - ▶ 4. It takes too long
 - ▶ 5. It doesn't work
 - ▶ 6. It's not the fun part of the job
 - ▶ 7. It's too hard to track the process
-

There are several books and websites out there today devoted to the concept that 'cold calling' doesn't work, or that it has become an obsolete or unnecessary discipline. Frank Rumbauskas is one of the best and has a website (www.nevercoldcall.com) devoted to the topic. Joanne Black also has a website (www.nomorecoldcalling.com) that is pretty good. George Walther also has a book entitled *Heat Up Your Cold Calls*. If we read through the literature from those that say cold calling is obsolete, we'll find a common theme; replace cold calling with 'pull' marketing programs designed around technology and other activities to eliminate the need for it. Ideas such as website optimization (ask me about mine – it's pretty good), stay in contact with newsletters (subscribe to mine), e-mail, networking, and asking for more referrals from our existing customers are good ones, and they all work. As a matter of fact, we at the Caponi Performance Group do all of the above. So I am going to jump on board with Frank, Joanne, George, et al, and suggest that we all do as many as make sense to our organizations to cut down on the number of cold appointment setting calls we must make. But make no mistake, at the end of the day, whether the call is cold or warm, it almost always falls to one of us sales professionals to pick up the phone and dial the number to start the dialogue which begins the buying process.

The Truths



1. Marketing will bring 'em in – marketing's job is to identify likely targets for us and let those targets know about our offerings so they are more receptive when we do call. Very seldom is it their job to get them to actually come to us or call us and ask for an appointment. Let's not kid ourselves, in the B2B space, there just aren't enough people who will proactively call us on their own. And the ones that do call, trust me; they are calling all of our competitors as well. (And most importantly, if we had enough prospects calling us, we'd pretty much be an order taker and wouldn't be paid nearly as much, would we?)

2. Networking will find me enough – I have three thoughts here:

▶ **THINK ABOUT HOW MUCH TIME NETWORKING TAKES.**

When I go to networking events, I am generally investing at least three hours of time when taking into consideration the time it takes to get there and back plus the time at the event.

▶ **MAYBE YOUR EXPERIENCE IS DIFFERENT**, but in most cases, if I come away with one lead from a three hour event, I consider it a successful one.

▶ Unless that lead happens to be someone I actually set an appointment with at the event, **I MUST STILL PICK UP THE PHONE AND CALL TO SCHEDULE THE APPOINTMENT (A WARM CALL)**. Sometimes even those people are no longer as receptive as they were when we talked face-to-face, nor might the referral.

3. People don't like to be cold called – now I won't necessarily disagree with this point at the moment of the call, but let me also offer a counterpoint. Prospects learn from us. If we're not offering something of value in the form of knowledge (about how others benefit from what we sell), we **will** have trouble setting appointments.

4. It takes too long – if we're taking more than an average of three minutes per dial, we're being inefficient and need to change our approach. If I can place ten calls in a half-hour and get two appointments using our skills, tools and processes, what other options offer a more effective use of my time than that?

5. It doesn't work – sorry, yes it does.

6. It's not the fun part of the job – If you think this way, then let's make it as easy and fun as we can. Track results to make it a game, a competition, anything to make it less painful if that's the way the team feels about it. Or try this, take our average size sale, and divide it by the number of dials we must make to get a sale (guess if you have to). In the example we see in Table 2 (on page 9), if sales professional No. 1's average sale is \$5,000,

the virtual value of each of her dials is \$250. Would you pick up the phone if someone would give you \$250 each time you did? Well, if we imagine a 'Virtual Bank', that's exactly the way it works. We just have to close the sale to get the bank to release the funds. Finally, apply the solution we'll talk about in a little bit to truly make it easier. But, remember, if it were that easy, anybody could do it, and we wouldn't make as much money as we do (or can), so take the good with the bad and get after it.

7. It's too hard to track the process – actually, this is where many people do falter. Trying to keep track of who us called, when, what the result of the call was, when and if we should call back, etc., is difficult – unless we use the tool I'll describe a little later on.

Don't kid yourself, in the B2B space, there just aren't enough people who will proactively call us on their own. And the ones that do call, trust me; they are calling all of our competitors as well.

THE BOTTOM LINE IS THIS. I don't necessarily like to do it either. But I use a tool called the Sales Activity and ROI Calculator (which you can find on my website) to figure out how many Initial Appointments are necessary to hit my number. You can use it to do the same for your team. Then figure out how many of those Initial Appointments will come from the other sources I mentioned in the opening. If there are still more meetings needed (and there will be, trust me), we must take control of our own destiny and get our people on the phone. It is the most effective **proactive** activity available to fill the void.

Another alternative to phone appointment setting I'm asked about from time to time is canvassing, or door knocking. While we're at it, here are my thoughts on getting on the phone versus canvassing.

I BELIEVE THERE IS A PLACE FOR CANVASSING. Route sales environments that require frequent face-to-face visits with existing customers should consider it. Sales that are made to lower level buyers that are easier to get in to see could consider it. Also, when we have an appointment with someone else, always be on the look-out for other opportunities. If we spot one next door, by all means, we should stop in. But, when we do, use the visit to find out who we should be talking to; then we should make our objective to set an appointment for a subsequent visit with that individual. Pre-set appointments set us apart from our competition and/or reduce the risk of the target suddenly declaring they have something else to do before we've had a chance to make our case. After all, we did interrupt them from doing something else – and if we're conducting a proper Initial Appointment, we should be asking questions in the beginning, not selling. Because we don't know how much time the individual is willing to give us, most sales professionals immediately fall into 'presentation' mode.

Some building's security today also may limit access. The phone does not. Most importantly, it takes more time to canvas. My average appointment setting call takes three minutes. A canvassing call, including drive time, walk time, lobby time, and note recording time may take ten minutes or even thirty minutes. I'm not going to suggest that canvassing is not effective, but do the math, consider your selling environment, and make an informed decision.

Finally, even if it does make sense to canvas, we cannot justify following-up to set the appointment face-to-face. Once we have the name and contact information of the person we wish to meet with, we should be following up by phone: and that process is the same as any other appointment setting call.

We believe that, assuming we've got someone ready, willing and able, the simple act of providing what we recommend on page 11 will produce confidence. Confidence will change attitude and attitude is what will change behavior.



Why is appointment setting so painful?

Answer this one in a definitive manner and we may truly have discovered the 'Silver Bullet'...or was it the 'Holy Grail'? I forget which. Anyway, there are many theories. In their book, *Psychology of Sales Call Reluctance*, George Dudley and Shannon Goodson say, "The notion that call reluctance is a single condition is a venerable piece of nonsense which has largely been discredited. Twelve different types have been identified so far and there are probably more." They are probably right. However, much of what they discuss is psychological in nature, requiring tests to discover which personality type each sales professional is and how that translates into a particular set of challenges (let alone what to do about them). Most sales organizations don't have the time, money, nor inclination to 'counsel' their sales professionals into the mind set to succeed.

In my experience, fear of the phone comes from four things:

- ▶ **Need for approval** – don't want to hear no (there goes that psychology again)
- ▶ **Negative self-talk** – it doesn't work, I can't do it
- ▶ **Lack of skill** – I don't know what to do or say
- ▶ **Feeling of being overwhelmed** – by the process itself

We believe that, assuming we've got someone ready, willing and able, the simple act of providing what we recommend on page 11 will produce confidence. Confidence will change attitude and attitude is what will change behavior. If we don't think that will work, then we need to ask ourselves why sports teams concentrate on practicing basic fundamentals (learnable skills) and then specific plays (repeatable processes/best practices) until they are both second nature. And by the way, when was the last time you took time in a sales meeting to practice necessary skills?



Who should be making the calls?

Hopefully by now, we've convinced you of the value and necessity for making appointment making calls. Bob Howard, president and founder of Contact Science, contends that what is also important is an organizational question. He asks, "Is the sales force one that cannot, will not, or should not be setting appointments?" He echoes our thought that if they can't, give them the skills, a process and the supportive environment to practice to change the 'can't' into 'can'. If they won't, well, he says you know what to do with those folks. But before taking a personnel action, make sure it is the person and not the process. A 'will not' may actually be a 'cannot'. And if they shouldn't, what you probably are saying is that there is a sound business reason to find someone else to do it for them. If that's the case, there are a couple of options open to us. We can create a group within our own organization or outsource it. However, it still needs to be done.

Is sales truly just a numbers game, or how can we programmatically improve our results?

During my career as a sales manager with large and small companies alike, we used to always say that sales was just a numbers game. If one of our sales professionals were not hitting their numbers, what did we tell them? "Your activity is too low. You're not getting in front of enough targets. Make more calls. Get back on the phone. Drive those dials." We all believed that our sales professionals could close the business if they could just get in front of enough people. (Most companies I work with actually do a pretty good job of providing product training and since we all believe we have that proverbial 'better mouse trap that sells itself', closing is not the problem, right?) Well, upon closer inspection, that's not necessarily true, but until our problematic sales professional gets in front of enough prospects to give us some feedback on that part of the selling process, all we can do is assume they can bring home the bacon at close time. Besides, the worst case is that sales management can actually jump in to help close an opportunity. But that's a topic for a later discussion.

The point is that we really don't know exactly how to coach our people unless we break the selling process down into stages or steps that we can monitor, measure and then manage. Peter Drucker, one of America's foremost authors on management, once said that in order to improve something you must be able to measure it. So we're going to show you how to do that. But knowing the stages and having the numbers is only part of the equation. We must also be able to understand the relationship between the different stages in the process. It is with that understanding that we can begin to apply management (coaching with 'Art' and 'Best Practices') to improve results. Perhaps an example will make it clearer.

In our Prospector's Academy™ appointment setting workshops I ask people how many dials they make every week or day. As you might imagine, the answers are all over the map, even within the same company, and among those doing the same thing. I basically ignore these answers because here is the operative question I then ask: "Why that number?" Without an understanding of the ratios between those dials and the end result of a sale, that number is nothing more than pure guesswork.

Here are the categories of the numbers I track. (You might get more granular in the back half of the selling process, but for several reasons beyond the scope of this paper, these are the ones I suggest in most instances.)



△ Table 1

FIRST, SOME DEFINITIONS:

DIALS: This number represents a completed dial.

COMPLETED CONVERSATIONS (CC): This category represents a conversation with the target regarding an appointment.

INITIAL APPOINTMENTS (IA): This category represents an initial in depth discussion to determine if it makes sense to both of us to move forward into a buying cycle.

PROSPECTS RESULTING FROM IA: This category represents those that, as a result of the IA, agree to move forward into the buying cycle (agree to become a 'prospect').

CLOSES: This category includes a contract, P.O., or however we define a closed opportunity.

► *Do not equate the stages in the overall selling process with individual meetings. This definition applies whether our product or service is a one call close, or requires many meetings in any given stage.*



Assume these are our sales professional's results:

Sales Pro	Dials	Completed Conversations (CC)	Initial Appointments (IA)	Prospects Resulting from IA	Closes
No. 1	100	40	20	15	5
No. 2	100	20	4	3	1

△ Table 2

What does this tell me about sales professional No. 1 and No. 2? Well, not much if looked at in a vacuum. But let's assume that five sales was the goal for this time period, so sales professional No. 1 hit her goal.

What should we tell sales professional No. 2? Make more dials? The math works out to having to make 178 dials. That is the most typical response, but it would probably not be the best response.



Sales Pro	Dials: CC	CC : IAs	IAs : Prospects	Prospects : Closes
No. 1	40%	50%	75%	33%
No. 2	20%	20%	75%	33%

◀ Table 3

Instead of asking sales professional No. 2 to make 178 dials (assuming all of the other ratios remained the same), why don't we take a look at what sales professional No. 2 is doing when he dials to get through to his targets. Why do that? Because at some point, there may not be enough time available to just make more dials during the allotted time period (an additional 78 in this case). Secondly, we've got something to compare sales professional No. 2's ratios to, don't we? sales professional No. 1 gets through to 40% of her suspects and 50% of those conversations turn into appointments. So, assuming they are both calling off the same quality of list, management should provide a little coaching help with a variety of things like how to leave better voice-mails (that will get returned) or how to get through gatekeepers. Both skill improvements would increase his Dials to Conversations ratio. And what might we do to help sales professional No. 2 with his Conversations to IA ratio? How about a little help with responding to what we call the conditioned responses (excuses to get him off the phone) he is getting? His numbers tell me is that he also struggles in this area.

As you can see, I am more concerned with knowing the ratios than purely the numbers because then I know where and how to focus my coaching efforts to improve his performance.

SO WHAT TO DO?

The Solution

The solution contains six key components. They are:

- 1. Management Commitment** – including front line sales management adoption of the calling methodology and learning of the techniques themselves in order to coach effectively once the sales trainer is gone. Do not underestimate this.
- 2. Invest in 'Art'** in the form of a sales training program (not a sales training 'event') – **find a trainer that fits the following criteria**
 - ▶ Is willing to help you measure the results.
 - ▶ Their methodologies and techniques fit your business model and culture.
 - ▶ That you feel comfortable with.
 - ▶ That will invest the time upfront to learn your business environment and incorporate what they learn into what they teach and help develop some 'Best Practices' (see below).
 - ▶ Espouses a teaching methodology that includes follow-through coaching sessions designed to reinforce the techniques and transfer knowledge to front line managers.
- 3. Invest in 'Science'** in the form of an automation tool designed to augment the appointment setting process and accurately report on the process - not a tool that has been modified to also cover this crucial stage in the selling process. Do not underestimate this either. CRM tools are not designed to do this well, no matter what they tell you. As a matter of fact, our benchmarks show they are actually counterproductive.
- 4. Make the time to develop 'Best Practices'** – develop a repeatable process which include things such as scripting, answers to commonly asked questions, counters to the most commonly heard negative responses, and the process of how to pursue one target efficiently, so that the process can be repeated over and over again. (See list in following section.)
- 5. Make the time to practice** – both the 'Best Practices' and techniques learned. Remember the sports analogy I provided earlier. You're wasting your time and your money if you're not committed to this step in the process.
- 6. Monitor, measure and manage** – your progress to keep the results sustainable.



LET'S TAKE THOSE ONE AT A TIME.

Management Commitment

Way too often, the responsibility for improving appointment setting (or any discipline of the selling process, for that matter) is abdicated to a consultant (or trainer), or is viewed as a onetime 'quick fix' investment by management. Successful implementations of a methodology require the commitment by upper management, front line management as the sales professionals will only respect what we inspect – and commit to in visible ways).

Long term sustainable increases in results are attainable. However, this requires ongoing attention and a commitment to all six of the key areas listed above to receive optimum and sustained results. For instance, earlier we spoke about identifying exactly where to focus effort to help a struggling sales professional in the appointment setting process. The only way we will be able to identify the true problem is if we have the data, and that comes from the tools specifically designed to measure those results. (You don't really trust the accuracy of those weekly activity reports you get from your sales team, do you?) And then unless our front line managers know what 'Art' and 'Best Practices' to apply (and how to actually apply it themselves), the data becomes useless. (One solution to this knowledge transfer challenge is to contract with your sales trainer for an ongoing program that extends past at least one selling process (buying cycle). (Ask us about our Appointment Making Czar Program.) The reason for that is that once the funnel begins to fill from the initial success of our calling program, our sales professionals – and front line managers alike – will gravitate towards closing and ignore the need to keep prospecting until they lose or close everything that was in the funnel and are forced to prospect again. By that time, the newly learned skills have atrophied to some extent (if before coming totally second nature). Creating a plan to keep your trainer involved on a periodic basis, or to actually manage the implementation of the program will more than pay for itself.

In many training programs I see managers sit in the back of the room and watch. They don't participate in the role-plays or the exercises. Why not? Well, sometimes they are hired as managers from the outside and have never actually sold the product or service, so they are not experienced in the trenches. Perhaps they don't want to embarrass themselves stumbling through a new technique. Sometimes they think they are above the role-playing, or they are just plain too busy to participate fully.

If you are going to invest the money and the time – jump in with both feet and demand the involvement from every level of management.

Invest in 'Art'

I like to call it 'Art' because it is the intangible, or the creative part of selling. It is not by the numbers. Bob Howard from Contact Science likes to say that people succeed because of their ability to perform the 'Art'. I think he is right. This morning, as I was actually writing this paragraph (divine intervention, I'm sure), I was actually cold called by a sales professional selling group health insurance. I told him we had just (in the previous month) reviewed our coverage and re-signed with our current carrier for another year. He thanked me for my time and asked if he could call me in eleven months. (At least he did that.)



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How does he know that I was telling the truth and that I wasn't just trying to get him off the phone? How does he know that he doesn't have product that could complement what we're already doing? It is the 'Art' that allows us to open up a conversation and perhaps create a prospect where none seemed to exist when the call was placed. One of our key beliefs in selling is that there are not enough people who are consciously 'in the market' for what we are selling when we first contact them. Yet we all can relate story after story of how we made sales to targets who first told us they weren't interested, can't we? So how do we then still convince them to invest the time to visit with us?: it is the 'Art' that breaks through. Otherwise it truly is just a numbers game—call until I actually do meet up with someone 'in the market'.

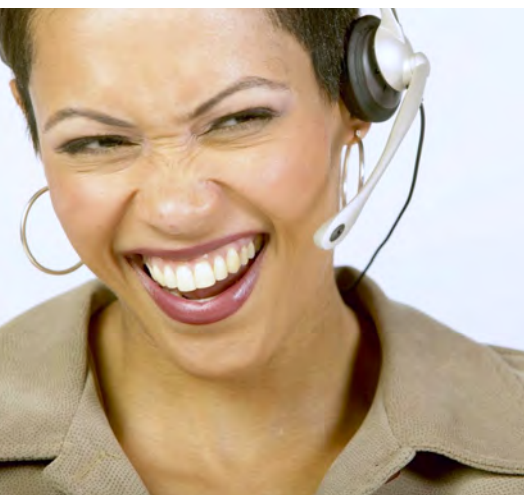
Our typical Prospector's Academy appointment setting workshop has a lot to it. Here's a few of the high level concepts behind the methodologies we employ in the appointment setting call:

1. When a suspect receives an appointment setting call, two operative laws go into effect:

- ▶ Surveys show that less than 5 percent of our universe of targets is 'in the market' when we call them: so they don't think they **need** to speak to us;
- ▶ We are interrupting them from doing something: so they don't **want** to talk to us;
- ▶ The result is that they will do anything, including **lie** to us to get us off the phone:

2. Ergo, it does make a difference what you say and how you say it - so:

- ▶ We must be respectful of their time, so keep it short; In order to keep it short, get right to the point.
- ▶ The purpose of an appointment making call should be to set an appointment, not to sell;
- ▶ Be professional, yet upbeat and enthusiastic (we do believe in what we're selling, don't we?);
- ▶ We must offer something that supports our credibility (proof point) and value to them by offering to share some specific benefit oriented-information that would help them in their job and that is not readily available. (Offering to tell them about our new widgets or 'special offer' does not cut it. The fact that our new widgets just increased their competitor's market share by 10%...does.)
- ▶ Control the flow of the conversation:
Know what we're going to say – internalize our script to make it sound conversational and consistent so that;



(Ergo cont.)

In my opinion, since they were not designed to do the job of pursuing targets until they become prospects, CRM tools are cumbersome at best, and counterproductive at worst.

- We can predict the negative responses we'll hear in response to our script – trust me, they'll be very consistent if we deliver the same message every time, and if we can predict those responses we can be prepared to counter them effectively... again and again;
- Believe the first negative response is not real – and use our counters and Bridge Questions™ to refocus the direction of the conversation so we can once again;
- Ask for the appointment without hesitation – leave dead air and they'll throw up another flavor of negative response or question for us to handle.

Invest in 'Science' in the form of automation tools designed to augment the appointment setting process

"Science" is really another word for the mechanics of the process. It includes a mechanism for making the calling process easier to perform and a mechanism for tracking and reporting the results. (So it gets used—remember, sales professionals, by their very psychological make-up, abhor time consuming 'make work'.)

I was in the software industry for many years. I have looked at and used a lot of different CRM software products during my career. We can argue over their effectiveness, or difficulty of implementation all day long, but that would miss the simple point regarding how well they help us set appointments. CRM solutions were designed to manage the pursuit of a potential customer once they agree to become a prospect and enter into the buying cycle with you. They also were developed to manage customers. They were developed to help in the setting an appointment for the Initial Appointment CRMs attempt to fill the void, but have failed at making it easy enough for sales professionals to use it for that purpose.

In my opinion, since they were not designed to do the job of pursuing targets until they become prospects, CRM tools are cumbersome at best, and counterproductive at worst. Given the propensity for sales professionals to avoid (read: won't use) anything that is cumbersome, time consuming and/or adds to their administrative burden, attempts by products like ACT!, Goldmine, Salesforce.com, Siebel, Oracle and others have failed to fill this need. As a matter of fact, their design and reason for existence make the efficient pursuit of targets mutually exclusive.



I have been using a product for the last five years called Klpz, from Contact Science that fills that void. If you'd like more information on it, let us know as we have now actually adopted it as a part of our methodology. I will, however, take a moment and explain why I believe it supports our methodology.



1. For the sales rep –

Because there are only two basic screens to navigate, it eases the burden on the sales professional to:

- ▶ Record their actions and keeps track of their targets, when they are to be called again, and what happened last time, etc., with nothing more than a couple of mouse clicks;
 - ▶ It suggests the 'Best Practices' that should be applied as the next step in the pursuit of a given target;
 - ▶ It actually decreases their workload which means they are more likely to use it;
- It reduces the administrative time between calls necessary to record activity—my complete cycle time from the time I pick up the phone to dial a number to the same stage of the next call was reduced from approximately six minutes a call to three minutes a call*. That means I can call the same number of suspects in half the time—or call twice the number of targets in the same amount of time;
 - It completely eliminates the need to create activity, ratio, and goal vs. results reports as their activity actually creates those reports for them;

2. For sales management –

- ▶ It automatically generates the activity, success and ratio reports necessary for the proactive coaching we mentioned earlier;
- ▶ It provides the vehicle for retaining ownership of the leads that are being pursued in case of turnover or change of responsibilities;
- ▶ The need to consistently focus on prospecting activity, including the need to begin the pursuit of new suspects **, which provides ample warning time to head off potential revenue shortfalls caused by a decrease in the appropriate prospecting activity;

3. For sales and marketing management –

It provides reports on different marketing lead acquisition programs such as trade shows, networking efforts or list purchases; it provides a quantitative method to calculate how many leads a sales professional can handle during any given period.

* If you think that this is minimal, extrapolate that out over a year. If your rep calls for only one-half hour per day, that is 5 more per session x 5 sessions per week x 44 weeks = 1,100 dials per year.

** Not just keep calling the same suspects over and over again - and if you don't think they're doing that, think again.

- 4. For the sales trainer and sales management –** Because it continually monitors performance, it sustains the return on the investment in the ‘Art’ and ‘Best Practices’.

Best Practices

‘Best Practices’ is how we define the most effective way to pursue one individual target effectively, and in a way that the ‘Best Practice’ becomes a repeatable process. I believe it was Bank of America that used to run a commercial stating something to the effect that it processed ten million checks per day without error by processing one check perfectly, ten million times. That is the idea of ‘Best Practices’. Some examples are:

1. How many times will we call a target before the law of diminishing returns kicks in?
2. What should the interval between calls be?
3. What will we do when we give up this time? Will we recycle them, and if so, what is the number of times we’ll call them this year? When will we remove them from our list permanently, and under what circumstances?
4. What kind of voice-mails will we leave?
5. Will we just call them, mix in e-mail, or use direct mail prior to beginning our calling sequence?
6. What are the best times to call?
7. Where will we get names to call?
8. What will our value proposition be in our script?
9. What kind of questions are best to ask to regain control of the conversation and also help qualify the target?
10. How many leads can each sales professional handle during a year?
11. Will we be asking for a face-to-face meeting, a web meeting or a phone call Initial Appointment?
12. Do we want to qualify during the appointment making call, or do that during the Initial Appointment?
13. What does our ‘sweet spot’ target look like? We don’t want to waste our time on targets that don’t fit our model or people who are at the wrong level.
14. How best to develop the value of each territory each and every year?

$$\text{Return on Investment} = \frac{\text{Size of Sale}}{\text{Time Invested in Sale}}$$

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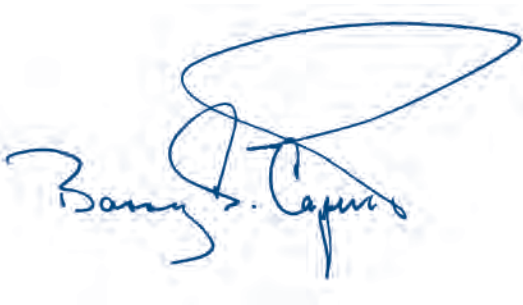
Conclusion

If we've got a limited budget and time (who doesn't) and we're looking for the best place to invest in our sales force, we recommend starting with the appointment making process. If implemented properly, it always pays for itself in more business, and in most cases, with new customers. That pays for the investment in the implementation of the methodology, but it also provides other dividends. Higher sales rekindles excitement across our whole company and it will provide us with cash to invest in other ways. The focus and training will reduce turnover (or help us quantitatively and systematically cull the dead wood that needs to go) in our sales force, and it will allow us to discover what other selling skills can be improved, as our sales team will be applying more of those skills with the many more prospects they uncover.

Regarding the 'Never Cold Call Again' movement, we believe that it destined to become nothing more than a memory. After a few years of wishful thinking, excitement and experimentation, it will die just like learning to read phonetically did after its attempt to displace traditional reading techniques back in the fifties and sixties. Some of its components have their place, but not as the major methodology for setting enough appointments. In our opinion, it provides for too many excuses for our sales professionals to use to explain their lack of performance, as they just claim it's not them, it's that cold calling doesn't work. We certainly don't advocate it as the first choice in prospecting, but cold calling not only works, but it is the single best strategy to correct a lack of enough opportunities in the sales funnel; and remember, the need to set appointments is required by everyone.

The bad news is that it takes effort. The good news is that the investment in time and money will pay for itself in sales and peace of mind many times over. There is more than one way to skin the cat as they say when it comes to which 'Art' we select. But when it comes to the overall components necessary to implement a successful strategy to improve a sales team's performance, don't take any shortcuts. It is just too important to the business to take the risk. Go find one that fits your business model, commit to its success, steel yourself for the pushback you'll get from your sales team, and then go implement it.

And as always, good selling to you and your team...Barry



About the author

Mr. Caponi is the president of the Caponi Performance Group, a sales consulting and training company. The company focuses on addressing the need to immediately increase top line revenue. That is accomplished by concentrating on the critical path of sales: the setting of Initial Appointments that begin buying cycles. After all, there is no buying cycle without one of us sales professionals picking up the phone and dialing the number to start the dialogue that begins the buying process.

Mr. Caponi brings over twenty-five years of broad sales and sales management experience to the business of sales training and consulting. His general management experience ranges from running a property management firm to having full worldwide P&L responsibility for a division of a software company. His sales management experience includes all levels from local, North American, and global sales teams. His selling experience also covers both direct sales plus indirect re-seller, dealer and alliances channels.

Barry's industry experience includes computer hardware and software, electronics, life insurance, telecommunications and property management. Additionally his individual selling responsibilities have included those of a new business territory rep, account manager servicing existing business, major and national account management, and alliance management.

His company environment experience includes those of start-ups to multi-billion dollar companies such as Hewlett-Packard and Computer Associates. He not only obviously brings a varied background to CPG, but also a very successful track record whether measured in terms of profit, performance to quota, sales club or other award attainments. Barry has pursued and closed business in his career that have ranged from small deals measured in the thousands of dollars to large deals valued between \$30M and \$50M each.

He authored the two volume book, *Contrary to Popular Opinion, Cold Calling Does Work!* in early 2011, and had numerous articles on sales published all across the world in addition to his hometown publications such as the *Dallas Morning News* and the *Dallas Business Journal*.