

SECTION  
ONE

# The Smart Calling Concept

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C H A P T E R

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# Cold Calling Is Dumb, but Prospecting Is Necessary: Smart Calling Is the Answer

**C**old calling.  
Just hearing the words whispered by another causes chest-tightening, loss-of-breath anxiety for many people.

Perhaps one of these people is you. And maybe that's why you're reading this. Given the choice, most people would rather have their fingernails slowly removed with pliers than pick up the phone, call someone they do not know, and try to persuade them to do—or buy—something.

The mere notion of cold calling incites fear—which results in most people's reluctance to do it. Add that to the fact that many cold callers lack the knowledge and ability to do it well—not knowing any better than to use the cheesy, sleazy, salesy-sounding techniques that

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have spread like viruses over the years—and it further compounds the ultimate feelings of rejection after failing.

Yes, making cold calls is distasteful. And it's dumb. I suggest you never place another one. In fact, after finishing this book, I want you to banish the term from your vocabulary when referring to professional telephone prospecting.

But how will you know what never to do again? Let's begin by defining a cold call:

It takes place when a salesperson calls someone he does not know, who does not know him, and—having little or no information on the prospect—robotically dials number after number, giving the same pitch to everyone who answers.

Of course, these calls are destined for failure. To illustrate the absurdity of the concept, let's look at this scenario:

A magazine writer is assigned an interview with Oprah Winfrey. He begins his conversation with the world-renowned TV personality by saying: "So Oprah, I'm going to do the same type of interview I've done with hundreds of other people. Now—what is it *exactly* that you do?"

Ridiculous, right? Such a scenario would *never* take place.

Now imagine this: A sales rep phones a company, gets someone she believes to be a decision maker on the phone, and says, "Hi, I'm Erin Nelson with Able Supply, a company that sells maintenance supplies. I'd like to tell you about our products and talk about becoming a vendor for you. Now—what is it that your company does?"

Though equally absurd, conversations like these occur every day: unprepared salespeople blindly make phone calls, using tired old-school sales techniques, *hoping* that because they picked up the phone and made a call that they will find someone who will agree to what they want to accomplish.

But hoping is clearly not enough.

## Why Telephone Prospecting Is Both Essential and Profitable

Now that we have thoroughly trashed the concept of cold calling, let's get something else perfectly clear: Telephone prospecting is essential for business sustainability and growth.

Huh?

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That's right. Prospecting by phone is a *necessary* part of new business acquisition and growth.

Ideally, it's not the only way, but it's a vital component of the model. Businesses that merely react—waiting for the phone to ring, for web orders to stream in, and on business coming from existing customers—are not nearly as successful as those who employ proactive hunting, or telephone prospecting, as part of the mix.

Think about it: Every business has customers who quit buying for lots of reasons—bankruptcy, downsizing, switching vendors, death, lack of attention from the vendor, and more. Therefore, you need to replace that business just to stay even—and then hope to grow. And telephone prospecting can do that for you—quickly.

Of course, it needs to be done in the right way; the Smart Calling™ way, as we'll discuss soon.

Oh, there are detractors out there, people who say—and even believe—that prospecting is dead. They use the term *cold calling* in their denouncements, but they mean phone prospecting in general. Some of these anti-cold-calling gurus have made names for themselves and profited by preying on the fear of cold calling. Just look at some of the books and learning programs released over the past few years:

*Cold Calling Is Obsolete*

*No More Cold Calling*

*Never Cold Call Again*

These resources suggest either getting people to refer you to decision makers or doing direct marketing to generate leads so people contact you. Those are sound theories and certainly preferable to cold calling. If you have the time, ability, and money to engage in those types of marketing programs to generate leads, I suggest you take advantage of them (as long as doing so does not take away from your selling time). In fact, I have personally generated millions of dollars in sales from direct response advertising—a process wherein people with whom I never spoke simply placed orders with us and gave me money.

However, in reality, direct marketing is just that: marketing. And when a sales rep—whose primary job is to *sell*—spends precious selling time sending out letters, drafting e-mails, putting out door

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hangers, and completing other administrative busywork, then he is avoiding his most important function: talking to people. I've seen many a sales rep who thought they were being productive by sending out mail. In fact, they were just busy. In many instances, they were afraid to make the calls, so they deluded themselves into believing that they were engaging in sales behavior, which, in actuality, was avoidance behavior. In fact—after browsing various online sales discussion forums—I came across proponents of telephone prospecting who have much harsher terms for the people who buy into the “no cold calls” method of selling: wimps, wusses, pansies, chickens, and other terms too R-rated for this book. Additionally, when you have identified a prospect you feel would be a great customer—someone you just know would benefit wildly from a business relationship—you may very well grow old and poor waiting forever for that person to respond to a marketing campaign. And you might not know anyone who could refer you to them. But picking up the phone quickly fixes all of that.

The fact—proven by those of us who have made fortunes doing it and those showing success right now—is that prospecting by phone *works*. And when done the *right* way—the Smart Calling way (oops, jumping ahead again)—it is wildly profitable.

In studying 4,658 actual business technology buyers, research organization MarketingSherpa found that more than 50 percent admitted to short-listing a vendor after receiving a well-timed and relevant phone call.

In his very good book, *Cold Calling for Chickens* (Cyan Communications, London), sales trainer Bob Etherington writes, “Fact: In any market 85 percent of the available new business goes to the 5 percent of sales people who know the secret of successful cold calling.” Though

Etherington uses the term *cold calling*, like most of those who teach the successful way to do it, the call is not that cold at all.

The same goes for another expert who has proven the effectiveness of prospecting, fellow author and sales consultant Paul DiModica. In his book, *Value Added Selling*, he says,

Cold Calling is the fastest way to increase your sales pipeline, your company's revenue, and your personal income. It is the difference

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between meeting a CFO of a Fortune 500 company and selling to supervisors. If you were to analyze the top income sales positions in the U.S. (stockbrokers, commercial insurance salespeople, mergers and acquisitions salespeople) you would find that they all cold call.

Telephone prospecting is the quickest, cheapest, and most interactive way to make a contact and a sale. Consider this: Many of you reading this could pick up the phone right now, call someone you don't know and who never has heard of you, and have an electronic payment transaction minutes later.

Let's look at some of the other benefits of telephone prospecting:

- **You can enter a buying process that already is in progress.** You may have been on the other end of this. Think of a situation where you were several calls, weeks, or months into a sales discussion with a prospect. Perhaps you were already well into the proposal phase. Then, suddenly, you are informed another competitor has entered the picture. What? You've done the tilling, planting, and nurturing, and they come later attempting to harvest the crop! Well, that's fair. But *you* want to be that guy, and prospecting does this for you.
- **Phone calling creates immediate opportunities for you that you never would have had previously.** Hopefully, this does not come as a shock: Only a minuscule percentage of the world's population is looking for what you sell right now or looking to buy from someone different. But a phone call can change all of that by bringing someone into a sales process immediately—even when they were not previously considering doing anything differently.
- **Calling creates future opportunities.** To somewhat contradict the previous point, you can surely create immediate opportunities, but let's be real: Most of the people you call will not enter into an active sales cycle with you at that immediate moment. Some will simply and flat out *not* be prospects. However, there may be a *future* fit with others, even if the timing is not right today. Therefore, with regular prospecting, you methodically fill your pipeline with qualified prospects whom you subsequently enter into your stay-in-touch marketing campaign, so that when the time is right, you are top-of-mind.

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- **It sharpens your sales skills.** Anyone can reactively take an order or respond to a warm lead who contacts you. The more you practice regularly, the better you become.
- **It's motivating!** When you take action on anything and move toward a goal—especially if it is just a *bit* scary—it is impossible to feel down or depressed. Your mind becomes preoccupied with the task at hand, and you inherently find ways to accomplish it.

### Cold Calling Myths, Smart Calling Truths

Before we go any further, I must dispel some prospecting myths that have been perpetuated over the years. Some of these beliefs are still held by sales managers and reps, and in all cases they are just plain wrong. They contribute to all of the negative opinions that surround telephone prospecting and general sales prospecting.

**Cold Call Myth:** *"It's just a numbers game."*

**Smart Calling Truth:** *It's a quality game. It does not matter how many calls you place; what's important is the number with which you have success. A baseball player could swing at every pitch, but only the quality attempts have a chance of hitting the ball. Casino games are numbers games; sales and prospecting is a quality game.*

**Cold Call Myth:** *"For every no you get, you're that much closer to a yes."*

**Smart Calling Truth:** *You are no closer to a yes unless you are doing the right things to get the yes. The previous no has absolutely no bearing on your next call. Activity solely for the sake of activity does not get you closer to success.*

**Cold Call Myth:** *"You need to love rejection to be successful at prospecting."*

**Smart Calling Truth:** *You want to avoid rejection. It is a state of mind based on how you react to what happens to you. I'm not a psychologist, but I would say it is impossible to love rejection unless you have some type of mental illness. Smart Calling shows you how to get a win on every call—even when you get a no.*



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**Cold Call Myth:** “The telephone is just for setting an appointment.”

**Smart Calling Truth:** Salespeople are using the telephone to sell every type of product and service. Limiting yourself by getting off a call too early unnecessarily lengthens the sales process. Your sales model might involve a face-to-face visit, but that visit will always be more productive if you take your call further.

**Cold Call Myth:** “Never give the screener any information.”

**Smart Calling Truth:** The screener may be a decision maker or influencer and needs to be treated like the buyer. We will devote an entire section on this topic.

## Still Think Prospecting Doesn't Work? That's News to Someone Doing It

Scott-Vincent Borba, CEO of Borba ([www.Borba.com](http://www.Borba.com)), sells a line of high-end unique skin care products that are applied as well as ingested. In his first full year of business, Borba did \$5 million in sales, and every deal he made started with a cold call. His products are carried by such companies as Saks, Sephora, Four Seasons Hotels, Victoria's Secret, and QVC.

In the early days, Borba made 60 prospecting calls a day. Although he is now, five years later, an established celebrity in the skin care field, he still makes prospecting calls. I asked what his revenue is today. He said his company is privately held, but revenues have increased 50 percent every year. I could do the math.

When I mentioned to him that there are people who believe that prospecting is dead and doesn't work, he screamed—even before I could ask a question—“That's crazy! Are you kidding me? I cold-called Anheuser-Busch and sold them on carrying my beauty water! These are beer guys!”

Borba has found such success in this area because he is prospecting the right way. He stresses the importance of knowing about the business issues of the company and the person he is calling. He also suggests that callers treat executive assistants like CEOs, since they are the decision makers' most trusted advisors. These people have often helped him get to and sell the C-level buyers with whom he works.

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Any final words on successful prospecting from Borba?

“If you want something, you have to make it happen.”

Okay, you might be thinking, all of this makes sense. Maybe you already knew you needed to pick up the phone to accomplish whatever objective you have to meet. The problems, though—the real reasons you bought this book—might still be gnawing at you: the “How?” part of it.

How can you make it more palatable to call someone you do not know?

How can you show success doing it?

How can you overcome the fear of the *no*?

How can you avoid using outdated, salesy techniques and sounding like the cheesy cold caller that everyone has experienced and has their favorite horror stories about?

How can you avoid turning into a Jell-O-legged stutterer who sounds like a total doofus when confronted with the inevitable resistance?

### The Answer: Smart Calling

The subtitle of this book is “Eliminate the Fear, Failure, and Rejection from Cold Calling.” I’m not being very humble when I claim that this is a great title that I’m proud to have created. However, it’s not about me. It’s about you and about how, together, we’re going to do just what it promises.

Let’s define in three steps exactly what Smart Calling is:

1. Acquiring intelligence about people, companies, and industries prior to speaking with a decision maker.
2. Using that information within a proven prospecting and sales process, speaking in a conversational, consultative dialogue that puts both you and the prospect at ease.
3. Consequently helping prospects take actions (buying from you) that they feel good about and from which they gain value.

As a result,

- You get through to more buyers, more often, since gatekeepers not only provide you with information but also become part of the process and your sales team.

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- Buyers are more receptive initially, in the first 10 to 20 seconds of the call—the time during which most calls fail.
- Buyers don't view you as a typical salesperson or vendor but rather as someone who has their best interests in mind and can provide real value and return on investment.
- You become more comfortable with your calls and confident in what you say—even in difficult situations.
- You will never be rejected again. (You might be skeptical about this one, but you'll see exactly how and why this is the case later in the book.)

## Smart Calling versus Cold Calling

Let's look at two sales calls from the same company.

One is a dumb call, very typical of what many salespeople do every day. Perhaps you have been there as well. The other will be the Smart Caller, who uses the process, strategy, and tactics we cover in this book.

Dumb Caller: "Hi, Mike, I'm Dale Dufus with Insurance Partners. We provide employee benefits, including health insurance. I'd like to take 10 minutes of your time and tell you what we do, and show you how we could save you time and money. I'll be in your area next week. Can we meet either Tuesday or Wednesday morning?"

In this brief, four-sentence opening, the caller made a number of dumb errors that would probably cause him to be rejected:

- First, he assumed that the prospect went by a nickname and began by calling him "Mike." The list that Dale was working from had the contact name as Michael Jacobs, and Michael quickly corrected him. Ouch!
- He merely stated what he sells: employee benefits and health insurance, with no explanation of value for Michael. There are hundreds of companies that sell the same thing, most of whom have already called Michael. People do not buy products or services *themselves*; they buy the result. Simply talking about products and services typically elicits a reaction of "We already have that" or "We are satisfied with what we have."

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- He wanted to *take* 10 minutes of Michael's time. Suggest to anyone that you want to *take* something of value from them without giving anything in return, and you immediately create resistance.
- He was going to *tell* what he does, to which listeners instinctively react by thinking, "Here comes a sales pitch. I'm outta here!"
- His only attempt at a value statement is the old, worn-out "save you time and money." This phrase is so overused and nondescript that it means nothing to most people.
- Is Michael supposed to be excited that Dale will be in his area? Come on!
- He asked for a decision: an appointment. Are you kidding? Michael does not see a reason to *stay on the phone* for another minute; he certainly would not waste time with a face-to-face meeting.

Now, let's look at a different sales professional from the same company, selling the same thing. His approach with Michael is quite different:

"Hi Michael, I'm Pat Stevens with Insurance Partners. Hope you enjoyed your golf vacation. In speaking with your assistant, Suzanne, I understand that you are in the process of evaluating your competitive edge in the employment market and what you can do to attract and keep the top talent in your various locations. We've been able to help other companies in the same situation lower their recruiting and hiring expenses, and increase their retention of managerial staff. I'd like to ask a few questions to see if I could provide you some information."

Using the Smart Calling strategy, process, and techniques, Pat was able to do a number of positive things:

- He used Michael's first name, since he knew that he was an informal guy and no one called him "Mr. Jacobs." However, he also knew that he hated to be called "Mike."
- He knew that Michael was a huge golf nut and had just returned from Arizona on a golf weekend with his buddies. He was able to mix in a little golf talk later in the call.

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- He referenced Michael's assistant Suzanne, which gave credibility to the information he is relating.
- He knew that the company had recently lost some managerial candidates who were hired by the competition because of a better benefits package, as well as some existing employees who left the company for the same reason.
- He did not talk about insurance or benefits and instead discussed the *results* of doing business with his company—the precise results that addressed the issues that Michael now faced.

And all of that took place during the opening of the call—in the first 10 seconds or so. Later in the call—by using the Smart Calling process and techniques—Pat also:

- Asked questions to which he pretty much already knew the answers about the company's growth plans, their position in the marketplace, the existing benefits package, and how people felt about it.
- Commented on the great article that Michael had written for *Construction Executive* magazine.
- Asked about Michael's experience in working with one of his company's competitors prior to coming to work for this company two years ago.
- Joked that they both are lifelong Chicago Cubs fans who hope to see a championship yet in their lifetime.

As a result of all of this, Michael, of course, viewed Pat not as one of the hundreds of sales reps who call him every year schlepping insurance and benefits packages and offering quotes. He looked at Pat as someone who understood his business and what he was concerned about right now. Plus, he liked Pat. They connected.

But how did Pat accomplish all of this? How did he know all of these things? How did he speak in such a conversational way at the beginning of the call that captured Michael's interest? How did he avoid all of the dumb mistakes that typical salespeople commit?

Pat did his research before picking up the phone. He used several online resources to get personal and professional information

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about Michael, his company, his industry, and very importantly, what Michael was concerned about *right now*. Then Pat used social engineering, the process of speaking with other people within Michael's company to gain intelligence about the company's current situation regarding their recruiting, hiring, and retention issues and their present benefits package. He also learned about Michael personally from his assistant Suzanne and a few others in the department.

Pat used a conversational, soft-sell approach in his opening to minimize resistance, create interest, and pique curiosity. This put Michael in a state of mind where he wanted to hear more.

Pat used Smart Calling.

Now, don't get worried if what you sell might not require as much in-depth research as what Pat did. In some cases, just a little information is sufficient to turn your call into a Smart Call, and you will still benefit tremendously from this book. In summary, I can think of only two reasons why someone would opt *not* to place a Smart Call instead of a dumb cold call.

1. The sales rep is too lazy to put forth the effort.
2. The sales rep simply does not know what to do.

If you fall into that first category, I can't help you. In fact, you shouldn't even be in sales. However, if you are willing to work, then do not worry. I have the second reason covered for you. You are about to see exactly how to do it yourself. Hop aboard, my friend; here we go!