



Making a connection

JOHN BANCROFT believes cold calling has a future, but only if companies change their approach to this sales strategy

Many salespeople would rather walk over hot coals than carry out a cold calling session, whilst senior executives on the receiving end of calls are constantly frustrated by these interruptions to the working day.

Communications Minister, Stephen Timms, recently announced through a DTI press release, that UK businesses have the choice, from 25th of June 2004, to opt out of direct marketing calls by registering with the Telephone Preference Service (TPS).

So, to avoid a hefty fine of £5,000 it would be advisable to establish a process that ensures you regularly check the numbers on your database against the TPS list. You can do this through one of the many online list-cleaning companies. However, the introduction of this new legislation will leave many sales and marketing professionals asking the same question: *is there a future for cold calling?*

I believe that the use of the telephone has a future, but companies need to adopt a more sophisticated approach, to keep them on the right side of the law and deliver better results. In his press release, Stephen Timms emphasised that 'Well targeted phone marketing can be a powerful tool, but not all businesses are geared up for this.' The following five-step approach will help you to maximise your selling time and ensure that you are delivering the right proposition, to the right people, at the right time.

Step 1 - Focus your efforts

I can't stress enough the importance of focus, yet this is one area where companies often seem to fail. If you have thousands of records in your database, unless you have an army of sales and marketing people, you are not going to be able to contact them all. So, how can you reduce the number of contacts to something more manageable?

Market segmentation generally focuses on key criteria which are usually the size of company, geographic region, and industry sector. Taking this simple approach will leave you with a high number of target accounts. With a small sales team, focusing can be difficult. However, by analysing your existing star customer relationships, you should start to identify market sectors or sub-sectors (such as life and pensions companies in the finance sector) where you achieve better results. By carrying out this next level of analysis you can narrow the focus to even fewer companies, but don't delete any of the rejected companies

from the database – you may be able to sell to them at a later stage!

Step 2 - Use intelligent qualification criteria

Now, let's take it one step further and identify key characteristics of your star customers. For example, if a company has an Office Manager, uses a particular network system, or doesn't have an IT Manager, this may be a promising account for you. The development of intelligent qualification criteria will ensure that you are able to focus your sales effort quickly on the companies most likely to buy. The output will allow you to develop some 'key questions' that you can use to establish whether or not a target account could at some stage become

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a customer. A word of caution – these questions need to be designed so that you can find the answers fast through the worldwide web or through a couple of well placed telephone calls. Once you have called the companies on your database with these questions you should end up with fewer companies, but ones that have more potential of becoming good customers.

Step 3 - The importance of information gathering

The temptation at this stage is to just go for it, call the person you would normally call, for example, the Managing Director or Finance Director, and deliver your killer pitch. Stop! Don't do it, it's too early, and what do you really know about their pain or needs, how they buy and who they have bought from previously? You need to start to build a picture of the account. What is the company's strategy? Do they appear to be having difficulty in any areas where your products and services could help? What is the structure of the company and who are the key people? Do they have a buying process? What competitive offerings do they currently use or what have they used in the past? These are all good and valid questions, and the answers can often be found through people at staff levels, the company annual report or website, press releases, magazine articles, trade associations or carrying out a search on the worldwide web. You may be familiar with the saying 'knowledge is power'. I agree, but would add the proviso that you need to use the information quickly. It has a shelf life and, if you don't use it, the competition will!

Step 4 – Check, check and treble check

It is important to check the information you've uncovered to avoid potential embarrassment when you deliver your final proposition. Don't be afraid of asking the same question of two different people. By starting to talk to more people in an

account you will also start to understand the culture, structure and recognise how people like to be approached. Using a multi-level approach will also warm up your calls. When you speak with Jim in accounts, if you mention that Sarah in HR was very helpful, you likely to receive a warmer response and more information from him. When you are dealing with published information, always make sure you cross check your facts and figures.

Step 5 – Delivering the proposition

Once you have qualified the account, gathered and checked various pieces of information, you are now in a strong position to deliver a finely-tuned proposition to a specific person in the account. The ultimate proposition should contain a series of sound bites that have been chosen or adapted to play to the potential customer's needs, but this doesn't mean that you have to, or should, deliver the ultimate proposition by telephone. The person you are selling to may prefer to receive an e-mail, fax or letter but, by this stage, you should know what will work best for this person.

Over a period of time you will establish a library of sound bites that can be used at different points within the overall process. A few suggestions are: a one-line statement about your business, key issues you resolve, how you have helped somebody in a similar position, or a verbally-summarised customer case study.

I often hear people grumbling about 'the gatekeeper', but be good to them, as they are often in a very strong position in terms of influencing who and what information finds its way to the decision maker. I would advise you to sell to these people, deliver the proposition to them and, if you have understood the account correctly you should achieve a successful outcome.

What about the elevator pitch? I hear you say. I personally struggle with the idea of an elevator pitch; it often contains buzzwords too numerous to mention, is generally generic and, after a thousand deliveries, often loses its edge. Also consider this – you are unlikely to be thrown out of a moving elevator travelling 20 floors, but somebody can put the telephone down on you during the first few seconds of a conversation.

I think the introduction of this new legislation will have a fundamental impact on the way you sell your products and services, yet this approach should help to put you in front of the people who want to receive your call, at the right time, and generate the right results – more sales! ■

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