



Should You Cold Call at All?

Article by Scott Channell

Should Cold Calls Be Part of Your Sales & Marketing Process? I don't know...but here is some guidance to help you figure it out.

First of all, "cold calling" is neither a good or bad thing. It is just a marketing tool; appropriate in some situations... never should be considered in others. There is the right way to do it, and there are many approaches that doom you to disaster, wasted time and money and much frustration. Here are 4 questions to ask yourself before you pick up the phone.

1. What does success look like?

You are going to invest a certain amount of time and money. What result must you achieve to make that worthwhile? So refer to your prior experiences or make reasonable assumptions for appointments set, opt-in's to your plan B obtained, conversion ratios, size of the average sale, length of typical sales cycle and margins. If the numbers don't make sense on paper don't call.

2. What are you willing to pay for a new account?

How much money would you be willing to spend to obtain your average new account? Essentially, what is an acceptable cost of sale? Your prospecting cost is just part of your overall cost of sale. Considering your assumptions above, do the numbers still make sense?

3. What are your alternatives?

If you can get the same result using other marketing methods... and not have to call, go for it. I do. I am an expert at using the phone to gain access to top-level decision-makers, but guess what? If you can generate your desired sales result using alternative methods, I recommend you do it.

Many times, particularly if you are seeking larger accounts or selling to large organizations, or your offering requires a face to face meeting, picking up the phone and using the right process is your best option.

Frequently, other marketing methods may work but require a longer period of time to kick in. If you don't have that time it can make sense to pick up the phone.

4. If cold calling is going to be part of my overall successful sales and marketing process, how can I get the most value from the calls?

This is critical. Reduce your cost per sale and identify more opportunities by getting more from your calling. Listen carefully... you need appointments in the short term to make the math work but you can pick up additional information... and leverage that information... to drastically increase the value you get from your calling effort.

In the course of calling, if you use the right process, you discover info on volumes, decision-makers, bid reviews, future plans, products/services used, vendors used and other "stuff" that if properly collected and accessible in the future, enables you to launch very focused marketing initiatives to a very qualified very targeted audience. Example: You have an advantage over competitor X. In the course of calling you identify 100 companies using competitor X. You launch a focused effort to that group, possibly using other marketing tools. Plan B. You must have a Plan B. Have a strategy in place to get those who won't meet with you immediately into your sales pipeline at a level lower than a meeting. If they fit the profile of someone who could be a good account for you, after you have touched them a number of times, they are much more receptive to meeting you or buying. To not have a Plan B is to purposely increase your prospecting costs by 25% – 33%.