

**"If you spend as much time in reading this book as you do in cold calling,
your success percentage and your income will skyrocket."**

- Jeffrey Gitomer, author, Little Red Book of Selling

Cold Calling Is A Waste Of Time Sales Success In The Information Age



Frank J. Rumbauskas Jr.
New York Times Bestselling Author

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Foreword

By Jeff McElroy

“You now have in your possession a prospecting system and secrets of selling that will enable you to stop cold calling forever, no question about it.”

Over the course of my career I have sold copiers, business telephone systems, IT networks and equipment, wireless internet services, telecom services, and presently I am prospering in the life insurance business. As you can see, my background is quite diverse and includes both business-to-business and business-to-consumer sales.

This prospecting system works for all of them, and it will work for you, but ONLY if you put it into action.

I first met Frank Rumbauskas over six years ago when I was an owner in a wireless internet company, and Frank was on our sales force. We had five account executives in the office, yet Frank consistently contributed over 50% of the total sales production. You read that right - he was one out of five sales reps, yet he sold more than HALF the total sales production in the company!

Here's the twist: Frank did this while rarely working an entire day, and most days he worked only five hours or so. The other reps who couldn't come close to him in production worked full eight-hour days, and frequently longer than that. While they were staying late trying to catch up and make sales, Frank was already home relaxing by his pool.

He was able to do this using the techniques explained in this book. I know this because I was his boss at the time and I saw him do it firsthand. Why did those other reps have to work so hard to sell less than Frank? I know the answer to that question too. It's because they spent their time working hard at cold calling instead of working smart like Frank did.

When I got into the life insurance business as an agent a few years ago, I used Frank's system as presented in this book to immediately begin making five figures per month without cold calling. Not long after I formed an agency of my own, recruited agents, and trained them using Frank's system combined with my own experience in selling insurance. Frank's proven system is working once again for all of us.

Remember when I said this will work ONLY if you put it into action? The agents who put the system into action are prospering. Those who didn't are no longer with us. Why? Because this system works, and all the old outdated sales techniques you've probably been taught don't. Especially cold calling.

If you use this system, you will enjoy the success I've achieved, the success my agents have achieved, and the success that thousands of Frank's readers are achieving. Remember, it all comes down to you and whether or not you put the system into action. The choice is yours. Implement these techniques, and you will be a top producer almost immediately.

Jeff McElroy, President
JD McElroy Financial Advisors
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Preface

When I wrote the first edition of *Cold Calling Is A Waste Of Time* in 2003, I had no idea it would take off the way it did. This book-and-CD package literally became an overnight sensation.

When I wrote it the first time around and put up the website, I was hoping I might sell a copy here and there and make a few hundred dollars a month on the side. I was happy at my job and doing very well, yet little did I know I would quit less than two months later to become a full-time author, speaker, and consultant.

What really baffled me, though, was the fact that no one else had previously written a book explaining these techniques on how to sell without cold calling. I knew for a fact that other top-performing salespeople were using many of these principles (very few salespeople, but nevertheless others were using them), and I'd assumed that there *must* be another book or course outlining these tactics already on the market.

I was wrong, and to this day, I'm still shocked to see no one else teaching this material. Apparently the old-school world of selling, notorious for its orders of "cold call more" and "increase your activity," has got a death grip on everyone.

After releasing the first edition and experiencing such quick and sudden success, I felt a little bit guilty. After all, I was enjoying all that success without having to work much. I built a business to sell this book, set up an automated system to accomplish that, and sat back and enjoyed the passive income. Something within me changed, though, after I began to receive dozens, then hundreds, and eventually thousands of letters and e-mails from salespeople who had begun using my system with great success.

Something about hearing from a single mom who had doubled her income, or from a rookie who finally "got it" and started making money, or from a dad who was able to suddenly work less and spend more time with his kids, touched me inside and made me realize that this isn't just my source of income – it's now my mission.

With that in mind I've expanded my efforts to teach salespeople to stop cold calling forever. I've accomplished a lot to that end over the past three years, and now I'm proudly releasing this second edition of *Cold Calling Is A Waste Of Time*, which includes a lot of additional knowledge I've gained over these past few years, including a lot of great new Information Age selling tools.

I've gotten to know several other authors recently, and in the process I've learned that we all share the same frustration. That frustration is the terrible habit most people have of reading a book, then putting it down and never doing anything about it again. I'd say well over ninety percent of my readers probably read this, say "Wow, that was interesting, I guess I really could stop cold calling and sell more in the end," then they never implement any of the techniques. I also know from contact with readers that most of the ones who *do* decide to take action put one or two of my tactics into use, but that's it. They never try them all, and never build the system of systems I'll explain later on. So, it was no surprise to me to learn that nearly every other sales and self-improvement author has the same frustration. If we had just one wish, it would be to have our readers actually **use** what we teach!

So, with that in mind, I'll stop there and let you dig into the book. Remember, it's all useless if you don't use it, so I hope you will! Because when you do, you'll be in that top one percent of top producers that all salespeople wish they could join!

Frank J. Rumbauskas Jr.

May, 2010

Introduction

“Oh no, I haven’t failed 5,000 times. I’ve succeeded in finding 5,000 different ways that you cannot possibly build a light bulb.”

*- Thomas A. Edison,
on his progress during his quest for the
incandescent electric lamp*

Cold calling is a waste of time.

Those words generate quite a variety of responses from different salespeople at different places in their respective careers. The most common reactions I hear are as follows:

- “Wow, somebody else gets it! It’s nice to see the truth finally coming out in the mainstream media.”
- Successful salespeople in our new Information Age economy
- “You know, I’ve always thought so myself. It seems like I bang my head against the wall cold calling but not much ever seems to come from it.”
- The majority of salespeople
- “Are you kidding me? That’s just a lazy attitude. You’ve got to beat the streets, knock doors, pound the pavement, and dial for dollars every day, day in and day out, if you can possibly have any success in sales. There’s no other way to do it. There are no tricks, scams, or anything else you can do other than hard work.”
- The ‘old timers’ out there, most of whom are burned out
- “We require our salespeople to do 50 cold calls per day. They must document this with call logs if it’s on the phone or with business cards if they’re going out in person.”
- The vast majority of unsuccessful sales managers

The sad reality is that cold calling is generally accepted, endorsed, and even forced upon salespeople by the vast majority of books, training materials, corporate training programs, and managers, despite the fact that it stopped producing any appreciable results years ago.

In 1989, the Berlin Wall fell, marking the end of communism in that part of the world. This significant event in world history is considered by many to mark the end of our old Industrial Age economy and the beginning of our new Information Age economy. Computers and electronics began to advance in even larger leaps and bounds than before and shortly thereafter the Internet came to be and changed the way we communicate and do business in ways that nobody ever imagined. What's more, the Internet and other Information Age technologies that haven't even been invented yet will continue to change our world in ways that most of us cannot possibly imagine today.

In spite of all this, the world of outside selling clings to old beliefs and methods that go back to the turn of the 20th century. Every other aspect of the business world has changed dramatically and quickly but most sales departments still advocate and even require "beating the streets," "dialing for dollars," "pounding the pavement," and a host of other clichés that are regularly used to describe what's underneath it all – cold calling. To make the situation worse, many companies and managers require salespeople to waste vast amounts of time cold calling through micro-management, requiring documentation of cold calling in the form of call logs and business cards, and block out massive amounts of productive selling time to carry out "blitzes."

If you're reading this book, you know cold calling doesn't work. It has failed you. The purpose of this book, the associated audio program, and the classes and seminars we teach is to show salespeople a better way to prospect and attract pre-qualified customers who are ready, willing, and even eager to buy from you immediately.

You'll need to keep an open mind as you learn this material. A portion of this program is devoted to what seems like "bashing" the concept of cold calling and anyone who advocates it as a legitimate method of prospecting for business. The reason for this is because you need to know in your heart and mind that it's obsolete before your subconscious can be ready and willing to accept and work on the ideas we're going to show you. A lot of salespeople we've worked with like what we had to say, but managed to get by every month by spending long hours doing intensive cold calling, and instead of putting our program into action, they stuck with the "safe and secure" methods they've been using for so long instead of moving into the Information Age and increasing their results exponentially.

Take the attitude of Thomas A. Edison. Instead of becoming frustrated with selling and thinking that you've failed to do the things that work, realize that you've been successful in finding things that don't work. Once you find all the things that don't work, all that's left are the things that work. That's what you're going to learn and that's what's in store for you.

Keep an open mind as you read this book and listen to the CDs. Some of our techniques seem overly simple and you may think they're too obvious to actually work. That isn't true. They work. On the other hand, some of this may seem a bit complex. Don't worry about that. Immediately start putting the simpler techniques into action and gradually work up to the more complex ones. You WILL see results. You WILL succeed!

My Story

“Cold calling is a waste of time!”

*- Frank Rumbauskas,
sick and tired of spending 12-hour
days cold calling to no avail*

Let me tell you my personal story because my definition and interpretation of selling has changed so many times and in so many ways during my years of sales experience. You may find that my personal experience parallels your own.

My very first direct selling experience was in my early teens when a friend and I became deeply interested in ham radio and started going to swap meets, or "hamfests" as they're called, on weekends. Like most kids at that age, we were fascinated by anything new and started buying old ham radio equipment, typically for about five to ten bucks a radio, and soon had a nice little collection going. Naturally we started checking out the classifieds in "QST," which is the national ham radio magazine, and much to our surprise, some of these same radios we were buying for five bucks apiece sold for a hundred dollars in the national classifieds. We didn't realize it at the time but very few cities offer the sheer volume of hamfests that the NYC area offers, and even here in Phoenix where I live now, the nation's fifth-largest city, we only have a few each year. Naturally the law of supply-and-demand kicks in and hams out in rural areas were willing to pay big bucks for radios that were readily available to us for a few dollars each (I say "were" because eBay has since ruined all the fun). So guess what we did? We started running classifieds and soon were making a nice profit of about ninety bucks on every radio we sold, and in some months we sold a lot. What I would do is buy 10 of the same model radio for five dollars each, run a classified ad advertising the same radio for \$100, and sell one to each of the first 10 people who called. We were laughing all the way to the bank and having a blast while most of our friends were working crummy summer jobs for minimum wage! To a 13-year old kid, making a thousand dollars a month without working was pretty amazing and I'm still proud of it today. This early experience formed the basis in my mind of what selling is, how it should be, and the concept of working smart, not hard. It also showed me that hard work isn't necessary to make a lot of money, and seeing my friends sweep floors for a few bucks an hour taught me that working hard for a paycheck is actually counter-productive and not very intelligent.

Not long after, I took an interest in politics and found myself volunteering to work for a

Presidential campaign at the age of 15. It was a great way to make friends and meet new people, and that continues to be the case in my life today. Anyway, volunteering consisted of mundane office tasks, stuffing envelopes, and working the phone banks. I wasn't looking forward to working the phones and was actually intimidated at first but found it to be quite easy, and even had several people tell me they're changing their vote thanks to some of the arguments I made on the phone. Not bad! The campaign came to a close, we won, I had the excitement of meeting the new President, and all was well with the world.

Like most teenagers, I wanted spending money and started to gradually lose interest in the ham radio thing. I looked in the paper to find a ton of telemarketing jobs. I figured I was great at it in the campaign so I'd give it a shot. Sure enough, I was quickly making a killing working the phones for a fundraising organization that ran anti-drug campaigns targeted at kids. Our commission rate was somewhere around 10% and I'd typically get about \$1,000 in donations in a 4-hour nightly shift... a cool \$25/hour. It was much, much better than what all of my friends were doing at their crummy jobs and a lot easier too. Again, the concept of working smart, not hard became more concrete in my mind and a basic part of my thinking.

I'd like to mention that somewhere along the line I worked for one summer at an insurance agency. I was good with computers and frequently played around with their system looking for ways to automate and simplify my tasks (back to the work smart, not hard rule). Unfortunately, one of the owners was NOT very computer literate, interpreted my never-ending exploring within their computer system as hacking, and unfairly fired me. This event is important because it forced me to realize at an early age that a regular 8-5 job would never bring me any happiness or satisfaction and that I'd need to focus my efforts in life on finding ways to be efficient and innovative rather than working long hours for a fixed paycheck. It also helped me to learn that working for someone else only benefits whoever that someone else is and does nothing for me.

College came and went rather quickly. I never liked school and my intense hatred for structure and authority really shined through. I was thrown off campus for using fireworks on campus and chose not to return to school the following year. At the time it seemed like disaster (from a young age I was brainwashed that not going to college meant certain poverty) but looking back, it's probably the best thing that happened to me. If I stayed I would have ended up working as an engineer with a massive student loan debt to repay. Even if that happened I'm sure I would've gotten sick of it pretty quickly and ended up in sales anyway! To this day, people occasionally ask me if I intend to get a degree, to which my reply is, "Why? So I can spend four years and an obscene amount of money only to come back to doing the same kind of work?" Don't get me wrong, I have nothing against college and when I eventually have kids I'd like them to go, but it's not necessary for sales like it is for a career in medicine, teaching, law, etc.

In fact, many top salespeople never completed college, or even high school for that matter, and make more money than the top doctors and lawyers in our society. Not to mention the fact that their job is a lot less stressful!

All teenage boys love cars and I was no exception, so that parlayed into a job as an auto mechanic for a year. Tired of coming home every night with grease all over my arms, transmission fluid in my hair and cuts on my hands, not to mention a lousy paycheck, I decided it was time to get back to sales. Having had no outside sales experience, I quickly found my way back to the telemarketing world, this time a "real" job with Dun & Bradstreet selling credit service subscriptions to small business owners nationwide. Once again I excelled on the phones. It was also the first time I was required to dress up and wear a tie every day and I loved the attention it brought me. I somewhat regretted having a girlfriend at the time because wearing nice clothes opened up a whole new world of single women! I'm guessing it's that experience that turned me into something of a clothes fanatic who chooses to wear suits in the 120-degree Phoenix weather, eliciting looks of disbelief from passerby. It was also my first job in a truly corporate setting, which I liked as well. As a kid on summer vacation I loved going to work with my father at Western Electric, which eventually became AT&T and then Lucent Technologies. The funny thing about it is how cute everyone thought it was when I'd say, "I want to work here when I grow up," and eventually I did! In any case, I felt quite comfortable in a corporate setting and that shaped some of my later career decisions.

So here I was, loving my job at D&B, making decent money, but alas, plans changed and that came to a sudden end. My girlfriend's father had just moved to Hawaii. Her and I already knew we didn't want to stay in New Jersey but had no clue as to where to go. Her dad was bugging someone to come out there so we went for it. We moved, stayed with him for a few weeks until we got a place, and that was that. Little did I know at the time that Hawaii had double-digit unemployment and practically no economy outside of tourism and the coffee and sugar farms, so it wasn't long before I was desperate for work. I took a job in a Salvation Army store for seven bucks an hour until something better came along, which did in the form of a radio station. The top station on the island had just brought in a new sales manager, Mason, who was a sharp and exceptionally friendly guy. Despite my lack of outside selling experience and total ignorance of the radio and advertising world, he gave me a shot and hired me. I quickly learned that the phone isn't a welcome way of selling in Hawaii so I got my first experience at "pounding the pavement" - door-to-door cold calling. Things went okay for a while, I struggled, sold some accounts, and eventually became frustrated. After my recoverable draw finally ran out I wasn't making enough to survive on commission alone so I regretfully left and soon found myself on a car lot.

Hawaii Motors was a bit unusual for a car dealership. I lived in Kailua-Kona, a small town on the west side of the Big Island of Hawaii. With a population of only about

40,000, there wasn't enough of a market to support numerous auto dealerships, so there were a few big ones instead. We were a GM dealer and sold every one of GM's makes on our lot, including both new and used cars. I got my first sale the third day on the job, a new GMC pickup, and almost fainted when the boss handed me my commission voucher for the sale - \$1,500. I had no idea I'd make so much on each deal! I subsequently learned that \$1,500 is on the high side for a sale but the money was good nevertheless. I didn't like the job much due to the enormous pressure to sell and the fact that I was stuck on the lot for 12 hours every day with no freedom to leave, but I stayed there for the remainder of my time in Hawaii. One of the frustrations had to do with the fact that car salesmen are paid a percentage of gross profit on each deal, and for that reason we made a lot more money by selling a used car instead of a new one. However, the dealer needs to move new cars and has a quota assigned by the manufacturer and so we were under constant pressure to sell new, not used, even though the average commission on a used car was about a thousand dollars compared to one or two hundred for a new car. This was the first in a long series of experiences working for companies that have lopsided and unfair policies in place that, if corrected, would drastically increase sales production and make life a whole lot easier for everyone involved.

As beautiful as Hawaii was, after a year and a half my girlfriend and I were getting bored and had had enough of the outrageous taxes and working at jobs we didn't particularly like. Las Vegas was the big craze at the time and it seemed like all of Hawaii was moving there so we jumped on the bandwagon and made the move too. Before going, I obtained a Vegas phone book. I knew selling cars wasn't for me and that I wanted to be in outside sales, preferably in a corporate setting. Rather than send out the usual mundane resume, I created a bold tri-fold brochure entitled "Frank Rumbauskas - Sales Pro" and sent them out to every major corporation with a sales office in Las Vegas. The response was surprisingly good and I was able to schedule several interviews in advance of moving (we were too broke to travel back and forth to interview ahead of time). I had three offers within a week of arrival and quickly accepted a position with Sprint. A week later I was shipped off to new-hire training and subsequently remained in the telecom industry for several years.

Sprint was a tough job. I was a small business sales rep for Sprint long-distance at a time when the long-distance boom was coming to an end and business owners were fed up with getting ten sales calls a day. I cold called endlessly, both on foot and on the phone. I was soon known as the "cold calling monster" around the office and was admired for my work ethic and persistence, but there was a strange circumstance in the fact that I had very few sales to show for all my hard work and long days of sweating out in the desert heat to hit 50 or 60 doors. I soon found myself on probation. First a verbal warning, then a written warning, and eventually the final written warning. By this time I had 30 days to either make my numbers or get fired. Because Sprint's training taught

me to cold call for business, I had no idea how to get out of the jam I was in. Instead of the shame of being fired and the fact that I wouldn't be eligible for re-hire, I submitted my two-week notice and went out looking for another job. This turned out to be a smart move because I eventually returned to Sprint a few years later which wouldn't have been possible if I had been fired and therefore red-flagged as "not eligible for re-hire."

I quickly received an offer from another large long-distance company and was back to work immediately. Because I was starting to know more people in town, I managed to sell a little bit more than I did at Sprint, but still didn't find real success and didn't make the numbers necessary to keep my employment for the long haul. Eight months later, I was facing another "Final Written Warning" and once again I was a full-time job seeker.

It became very clear to me at both of those jobs that the heyday of selling long-distance was over and I needed to find something different. Remember my brief mention of going to work with my father at Western Electric and saying I wanted to work there someday? Lucent Technologies had a classified ad in the paper advertising an opening for an entry-level account executive in the Las Vegas office. At the time I had already left my second long-distance job and was working part-time as a telemarketer, which didn't pay much but I managed to get by and survive until something better came along. It was a good thing because Lucent's hiring process was very long. First an evening group interview with the entire office (a nicely catered event, if I may say so myself). Then an invitation back for a second interview. Then a standardized written test. After hearing nothing for almost two months and assuming I wasn't chosen for the job, I received a call from a human resources representative late on a Friday afternoon to offer me the position and informing me that I would be on a plane that coming Sunday afternoon for three weeks of new hire training.

The training was extremely intensive. It went from 8am to 6pm every day for three weeks. Something in that training really stood out in my mind. We really didn't cover prospecting because prior outside sales experience was a prerequisite for the job and it was assumed that everyone knew how to prospect in their own way, but when the subject of cold calling came up, the trainer had an opinion that surprised me. He said, "Cold calling doesn't work anymore. It's a waste of your time and your prospect's. Ten or fifteen years ago you could go out cold calling and people would invite you in for a cup of coffee and appreciate the information. Those days are long gone. Nowadays cold calling will get you thrown out and will be a waste of your valuable time."

This blew me away because, even though I was starting to figure out on my own that cold calling is a waste of time, it was very reassuring to hear it coming from a professional sales trainer. The irony, of course, is that he never told us what DOES work and so everyone went back to their old ways of doing things, myself included. I came out of training and spent the first few months at that job trying to scrape up business

and getting that empty feeling in my stomach that another series of warnings would eventually present themselves and that I'd be out on the job market again.

To the credit of Lucent Technologies at that time, they were one of the only companies I've ever worked for that had a marketing program in place for the purpose of providing qualified leads to the salespeople. Unfortunately, we never got enough leads to make our numbers and in some months we got none whatsoever, but it was better than what I was used to by this time. I was continuing my endless cold calling and found a lead here and there, but it didn't add up to much, and even combined with the few company leads I got, it still didn't add up to enough to make my numbers on a consistent basis.

One day, I took a senior account executive out to a lead I had found that was too big for me to handle (I was an entry-level rep and was strictly limited as to what I was allowed to sell). In the car on the way over he said, "You're going about your prospecting all wrong." When I asked him what he meant, he said, "The key to success in this job is to first realize that a certain percentage of the market is pre-disposed, ready, and willing to buy your product. Instead of wasting time cold calling a bunch of people who will NEVER buy your product, you need to find and perfect ways and means of attracting the people who WANT to buy your product before they call your competitors and buy from them instead."

That simple insight changed my entire selling career. Ever since that day, I've worked on figuring out simple, cost-effective ways to do just that. Within a few months I was the top salesperson among the entry-level reps in our office, and by my sixth month of employment I won a trip to Lake Tahoe for the huge numbers I was producing.

Since that time, I've continued to perfect my methods, finding others along the way and adding them to my system, and dropping the ones that weren't producing as well as others. After years of trial and error method, I began to teach my system to others. Nearly all of them were skeptical at first and said things like "this is too simple to work" or "these things are too obvious, it's too good to be true," but the ones who kept an open mind and consistently used these techniques have gone on to great success in selling, have received promotions to management positions, and even started their own successful businesses as I have.

I'll reiterate throughout this program the importance of keeping an open mind and believing that this will work for you. If you do, you'll experience the success that myself and others have through the use of this system.

Why Cold Calling Doesn't Work Anymore

*"When the rate of change outside exceeds
the rate of change inside, the end is in sight."*

- Jack Welch

Before you can be ready to understand and use the system outlined in this book, you need to understand exactly why cold calling doesn't work. Chances are you already know that it doesn't work, but may be skeptical or still clinging to cold calling because it's all you've ever been taught or because it's "safe and secure." With that in mind, let's take a look at the specific reasons why cold calling doesn't work:

Cold calling destroys your status as a business equal

One of the things I've learned along the way is that in order to be supremely successful in the world of selling and to maintain a very high closing ratio, you need to project a very strong image that you do not need that particular customer's business and are ready and willing to walk away at any time. However, does making a cold call present the perception that you don't need their business? Of course not! When a prospect receives a cold call from you, it's VERY CLEAR that you need their business. To make matters worse, the perception out there is that important people with busy schedules don't cold call and don't have the time to cold call because they have more important things to do.

Have you ever noticed how high-producing salespeople, most notably top realtors, have their offices, letterhead, business cards, etc., highly decorated with their achievements and awards? It's impossible to step into the office or cubicle of a top producer without noticing all the plaques, certificates, and trophies displayed on the wall. You cannot correspond with one of them without noticing "President's Club," "Golden Circle," "Million Dollar Roundtable," or some other such tagline in bold print on their business cards and letterhead. Why do they do this? Is it due to arrogance? No! They do it because prospects see it, recognize this person as someone who is not desperate and does not need their business, and they automatically WANT TO BUY FROM THEM! This is the same reason why so many prospects will call into an office and immediately ask to speak with a sales manager or with the top salesperson in the office.

Cold calling creates the perception that you have nothing better to do at that particular

moment than to try and scrape up business. It comes off as needy and desperate.

Cold calling limits production and wastes valuable time

One of the key differences between successful people and organizations back in the “Industrial Age” and the successful ones in today’s “Information Age” is that the successful people and companies today are using the power of **leverage** to their advantage.

Although leverage is a topic that will be covered later in this book, understand that cold calling allows you to be in only one place at one time. In other words, you are only one person and can make only one phone call or walk into only one door at a time. The results you can produce are strictly finite and are severely limited by your time and how well you are able to manage that time. On the other hand, **leveraging** the power of **systems** to work in your favor allows you to virtually be in many places at one time. While cold calling gets your message to only one person at a time (if you’re lucky enough to get through to someone in the first place), the proper use of *leveraged systems* gets your message out to a tremendous number of people at one time with little or no effort on your part. You create the system, put it into place, put it to work, and it then runs itself and automatically generates leads for you.

Here’s the classic example of the non-leveraged, non-systematic method of activity planning usually taught to salespeople, even in this day and age:

”Take your quota and divide it by your average dollar amount per sale to determine how many sales you need each month. Now multiply that number by the number of proposals and/or presentations you need to make to get one sale. Multiply that number by the number of appointments it typically takes you to get to the proposal stage, and multiply that by the number of cold calls it takes you to set an appointment. You now know how many cold you must do every month. Divide by twenty, and you now know what your minimum daily activity in cold calling needs to be.”

Although this method contains a number of fatal flaws that will be covered later, the main and most obvious one is that it limits your production. If the total number of cold calls required exceeds the amount of free time available for cold calling, you’re screwed. There are only so many selling hours in a day. Although you can’t add time, you can exponentially increase your lead-generation efforts through the power of leverage, thereby beating old Father Time at his own game.

Cold calling makes timing work against you, not for you

It doesn't do you any good to spend time with a prospect who:

- Has no need for your product
- Will buy your product in the distant future but not anytime soon
- Is already a customer
- Has just bought from your competition

This is where the issue of timing comes into play. Timing is critical in selling. As I just mentioned, there's no point in calling on someone who is not in a buying mode for your product or who has no need for it in the first place. However, cold calling forces you to spend your valuable, productive selling time with exactly these kinds of people. In order to understand the perspective of a prospect who isn't in a buying mode for your product and just received a cold call for it, let's look at some examples:

- You're going about your day when a doctor calls and says, "Hi, this is Dr. So-and-so. I'm calling today to find out when you might be available to come in for an appointment for the purpose of treating any illness we may find that you have at this time."
- You're buried under a pile of work, stressed out and falling behind a deadline when someone comes barging into your office and says, "Hi, I'm with ABC Auto Shop. We'd like to set up a time for you to bring your car into our shop so we can take a look at it and determine if there might be any reason for you to become our customer."

Stop laughing. Yes, these examples are a bit far-fetched. Yes, they sound funny and ridiculous. But guess what? This is *exactly* what the *vast majority* of prospects think when they get your cold call. When I was out cold calling for telephone systems, I never thought of the fact that most businesses buy a new one, on average, every seven to ten years. In spite of this fact, business owners typically get several calls every week from a telephone salesman trying to "set a time to come by and determine if you may have some needs we can serve." This is absurd. It makes no sense. It's counter-productive. Sure, I found a few leads this way, but it was something along the lines of one *qualified* lead for every 200 or 300 cold calls. Emphasis is on the word qualified. Read on to find out why.

Cold calling fails to find the pre-qualified, quality leads we all want

Have you ever noticed how the conversion and closing rate for leads generated as a result of cold calling is always, without exception, drastically lower than the closing rate for leads from every other source? Call-ins, company-generated leads, responses from mailers, referrals, introductions via networking, etc. etc., ALWAYS prove to be far more valuable than leads found via cold calling. Here are some reasons why this is so:

- A large percentage of qualified buyers don't take cold calls and don't meet with salespeople unless they requested the meeting themselves. Who does this leave for the cold-call generated appointments? That's right – the time wasters who stroke you and tell you how great everything sounds, then never make a decision, never buy, or worst case, promise you the world then never return another phone call.
- When you uncover a prospect who is in a buying cycle for your product via cold calling, chances are they already have three or four competitive quotes and you're way too late in the game. To make matters worse, remember the concept of how cold calling destroys your status as a business equal? Chances are, the prospect called your competitors for quotes, not the other way around, and you're seen as the desperate one who needs the business to survive.

I'd like to touch on something that I've learned recently, and that I think is extremely important to understand in order to fully accept the fact that cold calling fails to find the really great, qualified, ready-to-buy prospects that most of us would kill for, and why it usually results in lots of flaky prospects who tell us everything we want to hear but don't buy anything in the end.

This realization came to me while I was reading an article about social dynamics, written by someone who has studied human social interaction for years. The writer was trying to explain why those who appear very cold and unapproachable in social settings do so. He explained that the standoffish personality was nothing more than a social "mask" put forth by the person for protection. Protection against what? Protection against being seduced, falling in love, etc. The writer went on to explain that those who put on a cold, unapproachable social mask are really afraid of the fact that they are extremely vulnerable to getting too close to others too fast.

The kicker came when the writer used an analogy to help explain his point. He made the following statement which was a real eye-opener for me:

"Most experienced salespeople have learned that those prospects who won't take cold calls and have giant NO SOLICITING signs plastered all over their doors are usually the easiest to sell to once you get in front of them. The reason for this is because they are actually *afraid* of salespeople. They know that their ability to resist a sales pitch is very low, and as a result, they usually buy whenever they're confronted with salespeople. On

the other hand, those who willingly take cold calls on a regular basis can do so because they have a very high level of resistance to sales pitches. They know very well they're not going to buy, and so they have no fear of salespeople."

Did you get the message there? If not, read it again! This is **EXACTLY** why cold calling does a terrible job of getting us in front of those prime, willing, ready-to-buy prospects. They're terrified of us, and as a result they won't take our cold calls!

As time goes on I get more and more letters and emails from salespeople asking for help with flaky prospects. What I keep hearing is that prospects are getting flakier as time goes on. It's because most salespeople cold call, and those are the prospects you'll get as a result of cold calling. They're notorious for readily accepting an appointment, telling you, "Wow, that sounds great," then never returning another phone call or email again. It's because they never had any real need or intent to buy. The only way to get to those prime prospects who are easily sold is to avoid cold calling and to use other, more creative ways to get your message across to them.

Cold calling automatically puts you in a negative light

If there's one thing that infuriates a busy, successful person, it's wasting or otherwise being disrespectful of that person's time. Guess what? There's no better way of doing this than a cold call.

Imagine you're a busy executive with a to-do list a mile long and four meetings that day. As you're juggling tasks and trying to imagine how you'll ever get out of there before 8pm, you pick up your phone to hear this: "Hi, this is Frank Rumbauskas with FJR Advisors, and I'd like to get together with you. How about Wednesday morning or Thursday afternoon? Which would be the better time for you?" Or let's say you're a consumer who just got home from a long day at work and you're sitting down to eat dinner. The phone rings, you answer it, and hear this: "Hi, this is Frank, how are you doing this evening? Is this a good time to talk for a few minutes? If not, I'll call back. What I'd really like to do is set a time we could get together and chat about your selling and what we can do to help."

Obviously, that's extremely annoying and disrespectful, and that's exactly what cold calling will accomplish better than all other methods combined. Why get on the bad side of someone who otherwise might have actually bought from you?

Cold calling might get you into trouble with the law

I won't go into this in great detail here because laws vary from state-to-state and country-to-country, but in my home state and many others, laws have been passed banning telemarketing and all other forms of telephone cold calling. Certain businesses are exempt but are still required to file for exempt status with the state. Many states and municipalities have laws on the books making it illegal to violate a "no soliciting" sign and I have personally been face-to-face with the police and narrowly avoided arrest on one occasion. The fact that these laws exist only proves just how intrusive and disruptive cold calling really is. As if that's not enough, the U.S. now has the national "Do Not Call" law, and that's just the beginning.

Salespeople detest cold calling!

Personally, I think this is the most significant reason why cold calling doesn't work. It's a known fact of human psychology that almost no one can have any hope of succeeding at a job they hate. Why, then, would you choose to doom yourself to failure by doing something you hate? Even the most goofy, rah-rah, new-age sales trainers and managers will readily admit that all salespeople hate calling and anyone who claims otherwise is probably lying.

Buying vs. Selling: Why they aren't the same

"Buy: To acquire in exchange for money or its equivalent; purchase.

Sell: To exchange or deliver for money or its equivalent."

- The Dictionary

Now that the dictionary definitions of the words "buy" and "sell" have been shown to you, let me share with you MY definitions of buying and selling:

Buying: The act of *willingly* acquiring for money something that you *want* or *need*. The buyer generally leaves the transaction feeling happy and satisfied.

Selling: Attempting to *convince* another that they want or need your product or service despite the fact that they may not. The purchaser typically leaves the transaction with a strong feeling of "buyer's remorse."

Can you see where I'm going with this? Let's take it a step further. In my experience, I've come to the conclusion that *cold calling* definitely equates to my definition of *selling*. On the other hand, using leveraged systems to attract qualified prospects to you causes my definition of *buying* to take place. Can you see why *buying* and *selling* can never possibly take place in the same transaction and are in fact opposites of each other? Do you also understand the meaning of the words "causes to take place?" It means that the proper circumstances were presented to the buyer, which induced the buyer to buy from you. That concept flies directly in the face of *selling* as I define it and its synonym *cold calling*.

Let's take a rare example where cold calling actually did result in a sale, thereby fulfilling my definition of *selling*. The typical series of events are as follows:

1. The customer receives a cold call from a salesperson. After some coercion on the part of the salesperson, or perhaps several call backs, voicemail messages, and rescheduling, a firm appointment is finally set.

2. A first appointment takes place. The customer is automatically resistant because they naturally assume a high-pressure sales presentation will take place and so they're on guard.
3. A secondary appointment takes place for the purpose of presenting a proposal to the customer. The customer's sales resistance and mistrust is at an even higher level because a presentation and several attempts at "closing" are no longer a mere possibility, they're a certainty.
4. After the presentation, the customer advises the salesperson of what the decision process is, what must take place, who must review the proposal, etc. Instead of being patient and having the confidence of knowing he or she has tons of other deals in the works, the salesperson jumps the gun and starts calling the customer and leaving messages once or twice a week with the empty message of "I'm just calling to find out if you've made a decision yet." The customer takes this as an insult to their intelligence because they obviously would have called if a decision to buy had taken place.
5. The customer makes the decision to buy, paperwork is signed, and installation or delivery is scheduled. The customer can't help but wonder if they might have gotten a better deal elsewhere and that they should have called around instead of buying from someone who walked in off the street, cold.

Can you see the negative theme that follows throughout the entire process? By contrast, let's take a look at the series of events constituting my definition of *buying*:

1. The customer is contacted by one of the many methods being employed by the salesperson in his or her "mini-marketing program" learned from this book. The customer recognizes the product or service advertised as something they happen to need and the customer makes the initial call. (**IMPORTANT NOTE:** The customer's frame of mind is set at this time and this frame carries throughout the entire sales process. When they call you, THEY are automatically placed in the position of one who NEEDS something, and YOU are automatically in the position of one who can GIVE them what they need. Conversely, when you make a cold call, YOU are the one in need and THEY are the one in a position to GIVE you what you need. See the difference? Having them call you shifts all the power right from the very beginning, something we'll discuss in more detail later.)
2. After asking some qualifying questions to make sure this person isn't a time-waster or "paper collector," the salesperson *agrees* to visit with the customer *at a time convenient to the salesperson*. (Again, notice how the customer must gain the salesperson's agreement, not the other way around as is the case with cold calling.)
3. The initial appointment takes place. The customer is eager to get this particular need fulfilled and obviously very clearly knows what the meeting is about in

advance, and so the salesperson (who happens to look like a million bucks and is dressed impeccably, giving off an aura of prosperity) simply sits back and listens and asks any questions that may be appropriate. The customer is doing all the work and freely giving the salesperson all the necessary information to develop a complete, relevant proposal. The salesperson may ask some more qualifying questions at this time, possibly even irrelevant ones. (Doing so further reinforces the customer's frame of mind that they must meet certain requirements to become that salesperson's customer, not the other way around.)

4. The salesperson returns with a proposal and contracts. Because the customer eagerly *wants* and *needs* whatever is being proposed, all necessary decision makers were made aware of the meeting in advance and are present. Price objections do not take place because the salesperson effectively qualified them out right from the very start. Contracts are signed and installation or delivery is scheduled.
5. The customer walks away from the meeting happy and excited to soon receive their new product. They mention the purchase to a few other people who become curious and ask for the salesperson's card as well.

Notice how much easier the second example is for the salesperson involved. By sharp contrast, the first example sounds difficult, stressful, and negative. You can almost feel yourself getting a headache as you read it, but the second example sets you at ease and causes you to subconsciously relax. You feel powerful as you notice all the subtle tactics used by the salesperson to remain in a position of power and superiority over the customer.

Now you understand the difference between buying and selling as they relate here. Please keep this constantly in mind as you read because this is one of the core concepts at the foundation of this system.

Take Back Your Power

"Power is the ultimate aphrodisiac."

- Henry Kissinger

Salespeople habitually do things that immediately and unequivocally hand ALL of their power over to prospects and customers, who then hold all the cards and have the sole ability to cause the salesperson to either fail or succeed. Talk about power. The ability to cause someone to succeed or to fail. Think about that for a moment. It's like playing god with someone. That's exactly what it felt like in my early days of selling when prospects wouldn't buy and I had no power to do anything about it, despite the fact that the consequence was being fired from my job.

The worst part about this is the fact that salespeople think they're doing the right thing and that they're SUPPOSED to take these actions that give all their power away. So many times I've heard salespeople say things like:

- "I'm willing to do whatever it takes to earn your business."
- "If you become my customer, I'll be at your beck and call."
- "I'm all about service after the sale. I'll be available to you anytime after installation if you need help."
- "I'll even give you my home number. I want to be available to you anytime for any reason at all."

The salespeople who say these things get themselves into all kinds of bad situations. For starters, entirely too many customers are out to get whatever they can for free and will start acting amazingly sadistic toward salespeople who really are at their beck and call and are willing to do anything at the drop of a hat for the remote possibility that they might get a sale.

A good analogy is to look at people who remain in bad relationships despite the fact that they're hurting themselves by doing so. We can all think of someone, male or female, who chooses to stay in a relationship with someone who is abusive, selfish, or whatever the case may be. They don't leave because they're afraid of being alone or just don't know there's something better out there. This is much like the salesperson who

relentlessly cold calls with poor results. Because they've never been taught anything different and have been misled to believe that "cold calling works ... it's a numbers game ... be persistent," they get really desperate and begin selling themselves out to customers in the form of "I'll do anything it takes to earn your business."

In order to gain the respect of anyone, regardless of whether it's in sales situations, personal relationships, etc., you **MUST NOT** give your power away like that! You must **KEEP** your power and communicate, very clearly, that **YOU** are the person who's respect and admiration must be earned.

This concept goes back to what we talked about in the chapter on Why Cold Calling Doesn't Work Anymore. It destroys your status as an equal and makes you appear needy and desperate. You must present yourself as an equal at the very minimum, and preferably as a superior. Then, and only then, will you receive the level of respect from customers necessary to make them fall into a frame of mind that **THEY** must prove themselves to **YOU** and **EARN** a place as your customer.

Please keep in mind that becoming arrogant and brash won't do you any good. Our purpose here is not only to make you recognize that you are an equal as a professional businessperson, but also to make you realize why this frame is an absolute necessity if you are to become hugely successful in the game of selling, which is just that – a game. It's a game of wits and a game of psychological positioning. As for presenting yourself as a superior, well, if you can do that then the game is over before it even begins. Follow this book to the letter and you will be in a position of superiority over your prospects and customers. And, if you happen to come across the occasional egomaniac who gets a sick thrill out of manipulating and humiliating salespeople, you'll have so many leads coming in that you can simply announce, "I'm sorry, I don't have time for this, we can't do business."

Yes, you will be in a position to turn down any prospect who isn't deserving of your time and your consideration. That's the ultimate example of taking back your power. I do it all the time. You have the power. Keep it and use it. Give it to **NO ONE**.

It's Not A Numbers Game

“It’s not what you want to sell when you want to sell it that matters today. It’s what the customer wants to buy when the customer wants to buy it that counts.”

- John Graham

It is a well-known fact that a half-truth usually does more harm than a blatant falsehood. The old myth that “sales is a numbers game” is one of these half-truths.

Here’s how I see it: If you run into a brick wall once, why on earth would you ever possibly think that running into a brick wall 50 or more times in a day will improve things? In fact, if you keep doing it over and over again, you’ll eventually be in a lot worse shape than if you only did it once or not at all.

Unfortunately, this concept is consistently taught to salespeople. Almost all accept it without question, believe it, and adopt it.

How many times have you heard those dreaded words, “You need to increase your activity?” Or perhaps, “The activity isn’t there.” The universal solution to lagging sales seems to be “more activity.” More, more, more.

IMPORTANT NOTE: The definition of insanity is trying the same thing over and over again with the same end results.

Here’s a novel concept: If your activity isn’t getting you the results you want, why do more of the same activity? *Why not change your activity?*

I once had the great misfortune of working for a telecom company that had for a regional director an individual with no sales background whatsoever. His only prior industry experience was working as an engineer for the single most unsuccessful wireless Internet company in the world. On the first business day of every month, this company held an event (concocted, of course, by the unqualified director) called “Beat Your Best.” This office was what I like to call a “churn & burn” operation. They had a headcount of about 30 and turned over approximately 30% of the sales force every month. They provided no leads or marketing support and micro-managed the salespeople to do high cold calling activity and to document that activity on daily reports. During “Beat Your Best,” every salesperson had to get up in front of the entire branch and display on an overhead projector their previous months’ forecast along with their previous months’ actual sales. A few salespeople each month would exceed their forecasts. They were supposed to tell a “success story” and, of course, got lots of cheers and applause. Most of the salespeople, as one would expect, fell short of their forecasts. They were required to explain the reasons for this to the group and to announce what

they intended to do to fix the mistake and get back on track. Invariably, almost every one of them dropped their head and said things like:

“I didn’t do enough activity.”

“I need to increase my activity.”

“I need to cold call more.”

“I’m going to make fifty calls a day.”

The managers loved this. They firmly believed that cold calling works, despite the fact that none of them had ever succeeded in sales themselves and got their management positions through connections, relatives, and playing office politics. All of the salespeople agreed as well because they had been taught to cold call, that cold calling works, that sales is a numbers game, and thanks to the micro-managing and daily reports, they were programmed to do it.

All of the salespeople except for one, that is. I sat there every month during this grand spectacle, shaking my head and thinking to myself, “If this person is failing, their activity obviously isn’t working. Why would they do more of the same activity? More of the same will equal more failure. The answer is to change the activity from something that clearly isn’t working to something that will work.”

Naturally, trying to convince anyone else of this was an uphill battle. The management in this particular office was obsessed with cold calling to an extent that was almost cult-like. We had cold call blitzes twice a week, one day on the phones and another day out on the streets, or “canvassing” as they called it. My boss was completely baffled one day when I announced that I no longer desired to participate in the cold call blitzes because I considered them to be a waste of my productive selling time. No matter how hard I tried to explain my reasons or how much logic or how many analogies I used, I couldn’t get him to snap out of his years of programming that “cold calling works” and that the solution to any sales slump is to “cold call more” and “increase your activity.”

Needless to say, I didn’t stay in that position for very much longer. The sad reality is that they are a solid company with a desirable product, but they are shooting themselves in the foot by tying their salespeople’s hands behind their backs and saying, “Okay, do it our way. It’s our way or the highway.” Any company that takes such an attitude would be better off avoiding experienced salespeople and sticking with young, inexperienced rookies right out of school. Not only will they be able to easily mold them in their image, but they’d probably save a ton on salaries as well.

The bottom line is if what you’re doing isn’t working for you, don’t do more of it. Change it. Do something different. Remember, most of the world’s successful people got there by working smarter than the rest, not necessarily harder.

Forget About Persistence

“Persistence is not profitable. An army is like a fire. If you do not put it out, it will burn itself out.”

*- Sun Tzu,
The Art Of War*

This idea is closely related to what we discussed in the last chapter, the concept that sales is not a numbers game.

Since I love using true stories from my own personal experiences to relate some of my meanings, here's another one for you to consider. I once had a sales manager who was particularly unsuccessful and subsequently fired. For starters, he ran the office with the old “50-point rule.” If you're not familiar with this rule, it states that you start out every day with the requirement of getting 50 points. Every appointment you ran counted for 10 points, and every cold call you made counted for 1 point. So, if you happened to have one appointment scheduled on a particular day, you would be required to make 40 cold calls to make up the balance of your 50 points.

Salespeople who chose to do their cold calls on the phone were required to do them from the office and to fill out a detailed call log, including company name, contact name, telephone number, result of the call, etc. This was so the micro-manager could call 2 or 3 at random to “follow-up,” which of course was a way of verifying that the salesperson actually made the calls.

The reps who preferred to do their cold calls in person, which happened to be the majority, were required to be in the office from 5pm to 5:30pm pasting the business cards they picked up to 3x5 index cards and filed away in card boxes. The micro-manager would come around, count everyone's cards to make sure they hit the required number, and initial them to be certain nobody used the same cards twice. (Did I mention that this guy was eventually fired?)

Now here's the kicker, and how this story relates to the title of this chapter: the salespeople were required to keep track of account activity on those 3x5 cards in their card boxes. This manager (remember now, he got fired) firmly believed that every prospect who had received a proposal but not yet bought should be called every single day until they either bought or said no, and so that's what we were all required to do. We had to keep records of this in glorious detail for our random card box inspections, and the end result is that otherwise good prospects were harassed to death and swore never to do business with that company, ever. Persistence at work.

Now let's look at a more down-to-earth example of why I believe that persistence is not profitable, other than the fact that Sun Tzu said so. One of my favorite books of all time

on the subject of selling is “How I Raised Myself From Failure To Success In Selling” by Frank Bettger. He points out an astounding fact he realized as the result of keeping detailed records of his activity:

- 70% of his sales were made on the first appointment
- 23% were made on the second appointment
- 7% were made on the third and after

However, *50% of his time was spent chasing that 7% who only bought the third time or after*. By only dealing with customers who bought on the first or second appointment and writing off the ones who did not, he was able to immediately double his income.

The point here is that you must not waste your valuable, productive selling time on anyone who isn't likely to buy. Remember my definitions of buying and selling? If someone is going to buy, they're going to buy. That's that. If you're trying to sell, you're already facing an uphill battle. Isn't it better to take the time you're spending on selling, as I define it, and instead devote that time to the people who want to buy? Do that and you'll probably double your income just like Frank Bettger did in his day. If you do nothing else in this book, do this one thing. It will make the difference.

Funnels, Forecasts, and other Time Wasters

“I don’t have time for this!”

- Typical reaction to a cold call

What?

Funnels and forecasts are a waste of time?

Well, in theory, no. In reality, yes.

The way I see it, funnels and forecasts are one of those old-school ideas that make sense in theory and look great on paper but backfire in practice.

How many times have you heard trainers and managers talk about the importance of proper “funnel management?” I heard it entirely too many times and it made me sick to my stomach.

For starters, if you happen to be a sales manager and you’re reading this, immediately stop using the word “funnel” with your salespeople. In fact, eliminate the word from your vocabulary entirely unless you happen to need one to add transmission fluid to your car (in my opinion, the only appropriate use of the word funnel).

Sales managers talk about funnels and funnel reviews and funnel management without considering a basic principle of psychology. The word “funnel” has entirely too many negative connotations attached to it. For most salespeople, “funnel review” is synonymous with micro-management, probation, and “performance improvement plans.” In other words, just hearing the word “funnel” is usually enough to instantly change a salesperson’s frame from positive to negative. This happens subconsciously and the salesperson isn’t consciously aware of it, other than the fact that for some reason their level of enthusiasm drops significantly and they don’t know why. Review the chapter on Overcoming Limiting Beliefs for more on how this mechanism of the mind works.

(If you’re one of those “little dictator” sales managers who is aware of this and throws the terms “funnel” and “funnel review” around in a blatant attempt to terrorize your salespeople and “keep them on their toes,” do me a favor and immediately discard this book and contact my company for a refund. You have no place in the professional world of selling and I want to have nothing to do with you. I consider it a disparagement to my reputation to even have this book sitting on your bookshelf.)

There are a few, more practical reasons why I disagree with the use of funnels and forecasts, at least in the ways they’re typically used. Let me give you an example. I once had a sales manager who was obsessive with “funnel management” and always lectured

us about how it's the key to success in selling and that without proper funnel management, there was no hope for success or even survival. He insisted that any salesperson must have at least 500% of their quota in the "proposal" stage of their funnel at all times, no matter what.

I had a problem agreeing with this for several reasons but one stood out in particular. I learned early on that in the telecom industry, the average closing ratio was 20-25% and a really good salesperson would close about 30%. That's the logic behind proposing 500% every month.

The upper management at Lucent would obsess over different minute details at different times, and for a while it was closing ratios. For a while we had a board up on a wall in the office listing everyone's closing ratios, in descending order, every month. I had the usual 25% closing ratio in my early days, at least until that day one of my mentors taught me the secret to sales success: "Instead of contacting random people who will NEVER buy your product, create and enact systems to uncover the people who WANT to buy your product." After a few months of taking that advice and putting it to work, I was sitting at the top of the list with an 80% closing ratio, absolutely unheard of in that industry.

The reason why I cannot agree with the idea of proposing 500% of quota every month in order to make 100% of quota is because any salesperson who does so is obviously achieving only a lowly 20% closing ratio. Instead of addressing the REAL problem of a low close rate, which almost always has behind it a failure to properly qualify prospects up-front, proposing 500% of quota is merely another way of saying "increase your activity" and we've already established the fact that "increasing your activity" is not the solution to all of life's problems, as many sales managers would have us believe.

The title of this chapter uses the term "Time Wasters" to refer to funnels but "Success Destroyer" would probably be more accurate. As you can see, dwelling on funnel management results only in generating more and more activity without correcting the core problems. It's like taking aspirin to cure chronic headaches instead of eliminating the underlying causes such as stress or poor nutrition. You're only kidding yourself by doing so.

Dwelling and obsessing over funnel management and using it as a tool to plan and conduct sales activities does nothing more than hide the real problems behind a salesperson's lack of success and exhaust the salesperson with high levels of unpleasant, fruitless activity. The solution instead should be as follows:

- Do a better job of finding and attracting good, qualified prospects
- Do a better job of qualifying prospects out instead of presenting a proposal to anyone who shows mild interest just for the sake of listing them on your funnel

and satisfying the imaginary need for “high activity”

- Do a better job of developing proper solutions for prospects
- Do a better job of presenting, overcoming objections, and closing (something that shouldn’t be an issue if the salesperson thoroughly qualified the prospect at the beginning)

Now let’s shift our discussion to forecasts.

Forecasts are necessary, to some extent, in the operation of a business. Any successful business obviously has proper planning behind it and semi-accurate forecasting is necessary to accomplish this.

The problems begin when forecasting is misused by the salespeople, the management, or both.

We all know how salespeople misuse forecasts. The vast majority of salespeople are overly optimistic on forecasts because they want to make the boss happy and at least appear to be on track to hit their numbers. Salespeople routinely leave deals they already know they’ve lost on their forecasts. Personally, I always underestimated forecasts or left deals off entirely because there’s nothing I hate more than some manager who has entirely too much time on his hands breathing down my neck, asking me on a daily basis, “When is this one going to sign? When is that one going to sign?” Either way, the end result is that the forecast is inaccurate and therefore the entire purpose of having them is defeated.

Management misuses forecasts in a variety of ways, from the silly to the downright stupid. Remember the sales manager I mentioned who was obsessed with the idea of funnel management? Well, his boss was obsessed with accurate forecasting and took it to such an extreme that it destroyed morale, made people quit, and caused sales to suffer dearly in the end.

This guy implemented a requirement that all salespeople and sales managers within his organization absolutely must forecast to within 10% accuracy each and every week. He called the forecasted number the “commitment” and nobody was allowed to deviate more than 10% from their commitment. He even went so far as to create elaborate spreadsheets that generated detailed reports as to who was meeting their commitments, who was off-track, if so by how much, and was complete with lots of pretty graphs and pie charts. By the way, you got in trouble for exceeding your commitment by more than 10% just as much as if you fell short by more than 10%. If that isn’t lunacy, I don’t know what is.

(Interestingly, when I pressed him to explain to me why this must be so, he admitted that he had absolutely nothing to do one day and so he spent – or should I say WASTED

- several hours concocting this idiotic plan. He is a grand example of someone who contributes nothing to an organization and should be immediately fired or have his position eliminated.)

The reality of the situation boils down to another one of those basic facts of the selling profession that is so often overlooked:

As salespeople, we cannot control sales. We can only control our sales activities.

In other words, once we've properly gone through all the steps of a sale and "asked for the order," it's out of our hands. There can be a variety of reasons why someone who should buy can't or won't. They're too numerous to mention here. Just when I think I've seen and heard them all, another more absurd one comes along. I've had situations where I had already secured a verbal commitment and it was a sure thing, and I never found out why they didn't buy and never heard from them again. I've had customers sign contracts, then decide to withhold payment and cancel the order. These things happen. Attempting to hold salespeople accountable is irresponsible and unrealistic, and is the act of an upper management that has never been in real-life selling situations. These people leave school with their MBAs, are hired directly into management, and spend the rest of their lives sitting comfortably behind desks, buried in spreadsheets, looking at cute pie charts and graphs. Granted, there are plenty of salespeople out there who are downright lazy, out to collect a salary for as long as they possibly can, and will never make their forecasts or hit their numbers. They should be fired and eventually will be. For the rest of us, who are out to make an honest living and work hard every day, we can only do our best to work smart and hard, improve ourselves in as many ways as possible, and never stop the learning process.

THANK YOU for reading this free preview edition of ‘Cold Calling Is A Waste Of Time: Sales Success In The Information Age.’

To purchase the full breakthrough ‘Cold Calling Is A Waste Of Time’ system, including the complete text of this book, two in-depth audio CDs by Frank Rumbauskas, and a host of amazing bonus products valued at over \$300, please visit:

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- Paul Irvine, Livingston, West Lothian, UK