

# The Result Source



## **Cold-Calling 2.0:** The Next Generation of Prospecting

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## Executive Summary

**“If you have not invested in teleprospecting, you are depriving your company of a significant productivity tool”**

Let's face it. Cold-Calling has gotten a bad rap.

If you still think of cold-calling as an ineffective waste of time, phone spam or money down the drain, then this paper is for you. In fact, many “experts” have said that cold-calling is dead. But, to paraphrase Mark Twain, the rumors of the death of cold-calling are GREATLY exaggerated.

You will learn in this paper why, despite the lingering myth that cold-calling is dead, it still works. And we will show you here why it is still one of the most effective ways of generating new business. We will prove it with examples of companies that have successfully implemented cold-calling — known as teleprospecting — and yielded incredible results.

We will discuss the difference between cold-calling in the past, and how companies are using cold-calling today as a strategic form of prospecting to open new markets and to generate exponential sales results.

There are a million ways to make cold-calling a nightmare, and it's easy to dismiss it as an ineffective strategy. But as this white paper will demonstrate, companies such as Salesforce.com have used these new cold-calling methods to generate \$50 million in new sales (\$500 million in market capitalization) — and all within a 10-month-period.

In this discussion, we will outline why cold-calling as we know it today should be banished to the history books to make room for the next generation. We will describe a new method of cold-calling that will do for sales just as Web 2.0 did for the Internet. That's why we're calling this new generation of prospecting Cold-Calling 2.0 (CC2.0). It's what is needed to compete — and succeed — in today's business world.

We will show you how to move beyond the old model of “smile and dial” model of cold-calling, affectionately called Cold-Calling 1.0 (CC1.0), and step to the head of the class. We're not asking that you set aside everything you learned with CC1.0, just that we advance to the next level, where the rewards are many.

We like to call it an evolution to success.

By using CC2.0 principles, companies have met and exceeded their performance goals. How? It's all about abandoning outdated prospecting methods and being the fastest to get in front of the people who make decisions. It's about adopting the most effective ways to generate new sales. We will show how you, too, can surpass your sales targets by shifting your strategies from the old to the new with CC2.0. What's important to understand is that CC2.0 doesn't change what cold-calling is all about. What it does is change how cold-calling is delivered. That's why CC2.0 is an evolution, not an evolution.

You will see that CC1.0 models pitted you against your prospect. It was you using your skills to sell a superior product. With CC2.0, it's a total package. It's about using people and technology to your

advantage. Like Web 2.0, it's always finding new improvements that will open new doors — and sales.

In this paper, we will look at strategies and tactics of successful CC2.0 companies and the potential awaiting those who adopt these exciting new principles.

**“73% of B2B Technology or Professional Services clients invest in teleprospecting resources either internally or insourced resources.” — Sirius Decisions**

## Introduction

**“Customers’ buying processes have evolved in our world of ubiquitous, instant, global communication, but companies’ selling processes have, for the most part stayed the same.”**

**Thomas Stewart, Editor, Harvard Business Review, August 2006**

If the above quote by Thomas Stewart, in the special sales issue of Harvard Business Review, didn't serve as a wake-up call to companies in the selling business, they had better listen up now. Because the numbers are in. And the evidence is beyond question: the status quo isn't working. Selling processes, especially cold-calling, must undergo a transformation if they are to keep up with today's business world.

### The B2B Lead Generation Problem

With all the options available for marketing in the business-to-business environment, it's hard to know which tactics will make the difference and provide that elusive competitive edge. Different experts recommend different strategies, some only web-based, some only event-based, some direct mail.

Successful business-to-business companies know they must use all strategies at their disposal to attract new prospects.

Cold-calling, however, is the only tactic that personally connects with the client and can move leads through the sales cycle at a rapid pace.

### The Big Picture

While evolutionary development adapts to continuous change, it is less useful when discontinuous changes occur — think dinosaurs vs. comets. And there have been, and continue to be, several discontinuous changes impacting sales:

- The 24/7 Economy: Business is being conducted at the speed of light, thanks to instant access in the Internet world. Gone are the days when response times were measured in weeks, or even days. Now it's access 24/7.
- The Smart Consumer: Again, thanks to the Internet, consumers are smarter than ever. Even before they speak to a sales rep, they're surfing the web, gathering facts and figures and consumer reviews — even checking out technical 3-D drawings. They want knowledge, not hype.
- An Efficient World: Technological advances have surged ahead to meet the demands of global competition. But these advances often drive down prices, cutting profit margins.

With all the changes that have, and continue, to reshape the way we live, why then are today's sales practices still modeled on those good old days that no longer exist?

Why do so many managers still believe that forward-thinking is asking the same old question: “OK, folks, what’s it going to take to get more leads?”

Like most people, sales managers are creatures of habit. It’s easier to do the same old — especially if it worked in the past — than to try something new. They might also be afraid of failure. After all, change is risky.

But is it profitable?

The fact is, change is good for the bottom line. Staying still — living in a static environment — does not breed success.

### Who Can Benefit The Most From CC2.0 Principles

1. Companies with a direct sales model (or who use channel partners with direct sales models) selling a product valued at more than \$10,000.
2. Companies that have sales reps engaged in cold-calling as a means of generating opportunities.
3. Companies looking to increase their pipeline of qualified leads using cold-calling methods.

### The Focus

It’s important to distinguish between cold-calling as “telemarketing” and cold-calling as “teleprospecting.”

Traditional telemarketing models are primarily used to gather information and to drive people to events. Examples of this would include:

1. Contact Discovery
  - Develops a list of key contacts within assigned accounts for further marketing activities.
2. Contact Profiling
  - Surveys the account to gather intelligence about potential opportunities, but does not attempt to set sales appointments.
3. Event Marketing
  - Drives people to marketing events.

Teleprospecting models, however, are the most traditional uses of cold-calling, and the type of cold-calling we will focus on in this paper. Primary examples of teleprospecting include:

1. Appointment-Setting
  - A model of cold-calling to help develop new relationships or increase activity in new markets, or for launching new products.
2. Campaign Qualification
  - Follow-up on recent marketing campaigns, event attendees, or other inquiries to set sales appointments.

In this paper, we will focus primarily on cold-calling as a means to setting sales appointments and qualifying leads. Although the other forms of cold-calling are important and relevant, they don’t have the direct impact on the sales cycle as appointment-setting. In fact, cold-calling is best used to move contacts into the sales pipeline and to qualify them quickly.

## Who Does the Cold-Calling In an Organization?

Cold-calling in one form or another is conducted by most salespeople, and anyone else responsible for the sales of their company's products. In fact, anyone who speaks with new customers for the first time could be considered "cold-calling," and this can be done by inbound telemarketing reps as well as outside reps.

That being said, the cold-calling function in the form of appointment-setting is moving toward becoming a specialized role in many companies, and is performed by a dedicated inside business development rep, or outsourced to a cold-calling firm.

Which option is best? The numbers tell the tale.

While most outside reps may be able to carry out 80 to 100 dials per week, a dedicated resource may be able to do between 250 and 375.

This means that outside reps are setting a lower number of sales appointments and spending less time speaking with clients. The reason lies in the fact they are not dedicated (or focused) on the cold-calling function, and it becomes a challenge to balance between other responsibilities. Since outside sales reps tend to be an expensive resource, many companies have moved to splitting these roles and having dedicated cold-calling done either internally or through outsourcing.



### Cold-Calling 2.0: What The Next Generation of Cold-Calling Looks Like

We have defined Cold-Calling 2.0 as the process that takes advantage of technology, process improvement and collaboration — teamwork — in order to focus sales knowledge on aligning steps in the sales cycle with those in the buying cycle. For collaboration to be effective, the sales rep must operate in the preferred format of each person he is working with, be they inside or outside the company. More often than not, that will involve doing things smarter.

We defined first-generation cold-calling, or CC1.0, as the method that has sales reps working alone — rep versus the prospect — using their skills to sell a superior product that they hoped would be enough to turn into a sale. They're happy that technology is making their job faster, but they're not thinking how they could use it differently.

We said that it was important to understand that CC2.0 doesn't change what cold-calling is all about. What it does is change how, and when, cold-calling is delivered in the sales cycle.

In a nutshell, Cold-Calling 2.0 is:

1. Teamwork, with increased communication between sellers, buyers and teams in between. Technology — including the latest available in the Web 2.0 universe — will play a key role in the Cold-Calling 2.0 process, from first contact to number-crunching to the methods employed to facilitate collaboration.
2. Incorporating knowledge of the buying cycle — what do buyers really want and why? — into the sales cycle, changing the way sellers sell and buyers buy. Again, technology will play a key role in this integration.

There is no doubt that using technology to align the buying and selling processes will improve your bottom line. Companies that have adopted these CC2.0 practices are already reaping the rewards. Those which refuse to move beyond CC1.0 are missing an opportunity to make every aspect of selling that much more effective. And in doing so, they risk losing out on big profits.



## The Differences Between CC1.0 and CC2.0

As mentioned earlier, the impetus to change is slow — even when the benefits are obvious. Which explains why it's still business as usual for many companies, even as they see their profit margins shrink. Rather than adopt new solutions, they will just speed up what they have already been doing — and hope for the best.

All sectors of the economy have been forced to do more with less — and with fewer resources. The pressure is on to cut costs, while still delivering quality. At some point, something has to give. A new way of business must be found.

The companies that thrive and survive have figured out that the same old isn't going to cut it. Now, it's the sales sector's turn to shape up and adopt a new way of doing business.

But meaningful change cannot happen without first examining what works and what doesn't. And for sales, especially the front end, that means taking a close look at CC1.0 and asking: "Is this working?" It's just not enough anymore for managers to pluck a few figures from the sky — based on yesterday's performance, rather than on future trends — throw them into the metaphorical pipeline and expect massive profits to magically pop out the other end. Today's sales managers need solid numbers, based on solid facts.

They need to invest in a new system.

And the benefits can indeed be great, if you apply the Pareto principle — also known as the 80-20 rule — that says 80 per cent of your sales comes from 20 per cent of your clients. Looked at in a different way, 20 per cent of your investment will net you 80 per cent of your goal, while the remaining 20 per cent will cost you 80 per cent of your investment.

That's where investing in the next-generation cold-calling comes in. For although CC1.0 has helped deliver solid sales over the years, it is no longer effective in today's fast-paced, technology-savvy world. When you consider how buyer behavior has changed since the introduction of Web 2.0, you can see why sales reps who continue to rely on the same tactics that might have worked well for them for in the past no longer stand a chance. But add cold-calling with technology and you're back in the game. With Cold-Calling 2.0, you have what you need to target your prospects and deliver what they want.



## Synchronizing Buying and Selling Processes

It's difficult to sell something when you don't know who you're selling to, or what they need. The problem is, CC1.0 principles do not have what reps need to blend the buying process in with the selling end of the equation. And as many a frustrated sales rep knows, not being in sync with the buying process will not only make the selling job more difficult, it could cost a sale. Not knowing what the buyer wants at a given moment in his cycle is bad enough. Combine that with the fact that CC1.0 involves no face-to-face interaction with the prospect and the problems can become insurmountable.

With the next-generation of cold-calling, these tools are available to bring the seller and buyer closer together. And used efficiently, CC2.0 tools will work wonders.

As mentioned earlier, technology — and collaboration — are the keys to CC2.0. Imagine no longer feeling like you're working in a vacuum, leaving voicemail messages about a product you're not sure the prospect really needs right now. With CC2.0, you can use the latest technology, such as alerts on a company's website, to track your prospect's interest in a particular product as they surf your site. Now, the sales rep can know exactly when the buyer will want to hear from him. And the buyer will get what he needs from the seller exactly when he needs it. The technological collaboration that CC2.0 offers is not only a handy tool for the sales rep, it can also give his manager a firm grasp on that metaphorical sales pipeline.



## How Salesforce.com Created a CC2.0 Company

According to Aaron Ross, founder of Salesforce.com, the company created a "Cold Calling 2.0" sales development team that netted \$50 million in recurring revenue in 10 months (that's an extra \$500 million in market value). He credits this incredible success to:

- Investing in a year of preparation to define the process and methodology before scaling the team;
- Creating a team 100% focused on outbound prospecting;
- Developing a process that created **PREDICTABLE** results;
- Leveraging their own Salesforce.com tools every way possible to measure, track and report on their successes;
- Developing their people and expertise through training;

- Earning executive trust and commitment with audited, proven results.

Although Salesforce.com is a role model for all companies looking to move to this system, it was not easy. It took dedication and time to develop a cold-calling model that would prove to drive results.

## What it's going to take for YOU to become a CC2.0 company

Transitioning from chaotic cold-calling to process-based cold-calling using CC2.0 principles isn't going to happen by rushing out to buy the latest technological gadgets. We call CC2.0 process-based because, well, there's a process to achieving it.

As CSO Insights describes the next generation of cold-calling in its Sales 2.0 study, CC2.0 is "built upon a foundation of sales process and is guided by a vision of working smarter, not just harder. It is powered by an engine of amazing technology and fueled by information that is accurate, timely, and previously unavailable."

The end-goal of transitioning from CC1.0 to CC2.0 is to see the buying and selling processes in sync with each other, giving the sales pipeline a two-dimensional perspective that will make it more likely that a deal will close. It's complicated stuff. And a quick fix isn't the answer to "working smarter." But follow the process outlined here and you can make that transition a success.

## If you can only do 3 things to become a CC2.0 company ...

Before we get to that, I recommend that you don't take shortcuts and go after new technologies in the pursuit of CC2.0 success. In our experience, that tends to distract people from perfecting the basics first. After the basics and process are proven, then you can accelerate things with new technology.

The three areas we suggest you focus on are:

1. Separate the core sales and marketing functions of the business, so that cold-calling for the purposes of qualifying and nurturing prospects is carried out by a different department than the one with direct accountability to the bottom-line results;
2. Put a strategic plan in place for that new department;
3. Focus on incremental improvements as the plan is executed.

And that, ever so briefly, is how companies become CC2.0 successes.

Now, let's go a little deeper. How do you already make this work?

### 1. Separate the Core Sales and Marketing Functions



In any organization, it is crucial to understand the different roles in the organization and developing

processes to optimize each of them. These roles include:

- Marketing / Branding
  - Demand Creation
    - Sales Management
      - Account Management

For the purposes of this whitepaper, we will suggest that we need to place cold-calling in the sales development silo of activity. Cold-calling in the past has been the domain of either marketing (campaigns, follow-up on events, etc.) or in the sales department (appointment-setting).

We suggest a new paradigm that many successful CC2.0 companies have undertaken, which is to separate the cold-calling function as a different department with different metrics and responsibilities. The Demand Creation department's responsibility would be to primarily nurture and convert leads to qualified opportunities, then passing them off to the Sales Department. Cold-calling becomes an integral part of the demand creation event as it is usually the first live interaction with the prospect. This live interaction becomes the most critical link between the marketing cycle and the sales cycle. In essence, it converts a "lead" to an "opportunity." This is the key advantage that CC2.0 companies bring to the table: the ability to transfer a cold lead to a qualified sales-ready opportunity. It is at this point that we see companies able to manage a process that has, in the past, been difficult to manage.

## 1. Get a Plan in Place

To achieve Step 2, it is important to delineate between CC1.0, which is all about doing, and CC2.0, which is all about process and knowledge. This involves following what we have researched and found to be crucial steps in the development process, outlined below:

### 7-Step Framework:

- A. Knowing your return-on-investment, performance measures and benchmark numbers
- B. Smart target marketing
- C. Messages that generate a positive response
- D. Lead nurturing process
- E. Cold-call process
- F. Tools to manage data and process
- G. People and skill development

### A. Knowing Your ROI

If you want to be a true CC2.0 company, you must be able to accurately forecast future sales and know how much those sales are costing you. Do that and you will reap the rewards.

It's crucial then, to be able to determine your return-on-investment (ROI) for all your marketing and

sales initiatives while hunting for sales. Determining how much you will spend, and where, depends on who your prospect is.

For example, relying on Google Adwords, which are proven to offer targeted leads with good ROI, would be a smart marketing move if you have a business-to-consumer (B2C), or a very specific, product to sell.

However, if netting your prospective buyer will involve complex, multimillion-dollar deals — such as those involving government contracts, for example — then it's smart to team up with the people who know government best: the lobbyists and other high-ranking officials. In this case, forming a consulting partnership or friendly collaboration is the best way to get leads. And while this will be expensive, the end reward — a multimillion-dollar sales contract — will make this marketing venture well worth the cost.

Of course, if you're like most B2B companies that sell an unspecific product, you need to be careful where you place your marketing dollars. No one place is right or wrong. But do your homework and be cost-conscious. There's no sense signing on to an expensive marketing program that has a lousy ROI.

When you do your homework — and the math — you can join the select few who not only talk about improving their forecast accuracy, they have actually done it. Number-crunching, with accurate data, is the key to allocating your resources the smart way. And a better ROI usually translates into a better bottom line.

While accurate forecasts should be every company's goal, sadly it isn't. A recent survey by CSO Insights found that 22 per cent of all forecasted deals end in "no decision." Why? Ask most sales reps that question and they'll tell you it's because they were forced to chase bad leads. Not because they didn't know a good lead from a bad lead, but because the old pipeline just didn't hold enough quality opportunities.

But improving your ROI isn't that difficult when you plan and prepare. Start small and you will see the difference accurate forecasting makes. Once you've got the formula down, you can begin to measure your results. Of all the lead-generation methods, the one that enjoys some of the highest ROI is, not surprisingly, cold-calling. But cold-calling by itself is not as effective as employing it in tandem with other marketing programs.

For more information about how you can start estimating your cold-calling ROI, please visit our website at: <http://www.theresultsource.com/systemdesignroi2.html>.

## **B. Smart Target Marketing**

Building lists is one of the least appreciated skills — and most arduous tasks — in developing effective marketing campaigns. Sure, your marketing team may already have identified target companies based on industry, size, location and other key demographics. But your message will fall on deaf ears if you end up calling the wrong people because you weren't able to find any contacts that fit the profile provided.

That's why building an accurate customer profile, and finding contacts that fit that match, should be the No. 1 planning task for CC2.0 companies.

Again, technology can help. Thanks to trigger-based mapping technology, reps can define individual profiles — everything down to behavioral quirks — without knowing the names of specific companies.

For example, your rep can let you know that his research shows that selling your personnel-related services can benefit from a change in top management and an office relocation. Armed with this information, the territory analysis technology “crawls” the web looking through press releases, real estate notices and myriad information sources to gather the pieces of what looks like a good lead. When the system’s pre-set triggers are reached, the rep is notified by email and a prospect is born.

According to one account, a large computer company was only looking for two additional prospects per quarter for each of its reps. More than that, it decided, and the reps would be spending too much time on research and chasing “suspects,” and not enough time following solid prospects. Still, the system, which had been programmed so that only qualified opportunities triggered email alerts, paid big dividends.

Of course, companies could broaden the electronic crawler’s parameters so that multiple alerts could be generated. But the bottom line is that the reps would not be spending all their time doing research. Instead, they are being hand-fed opportunities they likely would not have generated on their own. If accepted as leads, these alerts can be fed directly into the company’s CRM system, without the rep having to key in data.

The same speedy info-mapping technology can be used to focus on known accounts, with reps alerted to any company changes that could, for example, place a contract in jeopardy. The technology also eliminates the need for the traditional newspaper clipping service, which would see the rep pouring over an entire news item when a key sentence is all he needed.

Since the leads that trigger the automatic emails are only as good as the information that was fed to the system in the first place, introducing the mapping technology to your company will require reps to do more strategic thinking. Knowing what factors will help create the perfect prospect is a good thing. And while the rep is directing the research, the technology is freeing him up to follow leads.

### **C. Messages that Generate a Positive Response**

In the CC1.0 model, the purpose of cold-call was to “always be closing.” In an iconic scene from the 1992 movie *Glengarry Glen Ross*, the cryptic sales manager, played by Alec Baldwin, was sent to “motivate” the team. His rant was ABC — Always Be Closing — because anything else was for “losers”. The focus on closing a client, rather than finding out if the customer was qualified for your product or service, has been both the strength — and the weakness — of CC1.0.

#### **In the world of CC1.0, the first call typically looked something like this:**

- I. Discuss the pitch, “value prop” and how great your company is for most of the call.
- II. **Success** = new Stage 1 Opportunity  
A call resulting in no new opportunity is considered a failure.
- III. **Next steps**  
In-depth demo or in-person sales meeting to discuss purchasing processes, competitors, etc.

**In the CC2.0 model, the analysis begins by asking the question, “Are we a fit?” The rest of it might look something like this:**

- I. Brief introduction for context, focus on learning about the prospect’s business for most of the call.
- II. **Success** = enough understanding to place them in one of 3 buckets:
  1. Good Fit Now (Set Next Step)
  2. Good Fit Later (Build an Internal Champ)
  3. Waste of Time
- III. **Next steps**  
Business issues and goals discussion that requalifies / confirms the processes and mutual alignment of both sides.

But why are reps using the phone call to learn about the prospect’s business? Why didn’t they know who they were dealing with before they made the call?

The problem is a lack of information. More than 70 per cent of firms queried said that some effort was required to find basic information — such as customer information, competitive analyses and strategic account plans — in preparing for calls. Of these, one in six said they could rarely find such information.

And yet today’s savvy buyers — armed with information gleaned from the Internet — are demanding that reps have a higher level of call preparedness.

In this technology-driven world, information is king. A CC2.0 rep must understand his prospect’s business needs, and clearly show how his company’s product can address those. With CC2.0’s total package, he’ll get the help he needs getting his message ready.

CC2.0 tools focus on the best ways to identify the challenges faced by prospects, what questions to ask them, how to differentiate your offerings from those of the competition, and how to facilitate the buying process. To successfully shift the focus onto the buyer, sales reps need access to call pre-planning tools.

Filling this need are new technologies designed to deal with structured data, such as industry references, and unstructured information, such as PowerPoint presentations, from both internal and external sources. Armed with this wide array of information, reps can now properly prepare for initial prospect calls. How did the prospect respond to previous campaigns? What about current contracts? All this information should now be at the rep’s fingertips.

But while technology is making life easier for reps preparing for initial calls, 70 per cent of firms report that accessing needed information still requires a level of effort that ranges from “some” to “significant.” This is problematic, especially in the early stages of the sales cycle. When first contact is not face-to-face, it’s difficult to communicate, especially when you haven’t a clue what motivates the person on the other end of the line. The last thing you want is for the prospect to end the call prematurely because you failed to catch his interest.

A successful CC2.0 sales organization can be built by providing the most relevant support material to its outbound calling team in a timely fashion. This means going beyond simply providing reps with a library of hundreds of documents to sift through. Instead, your CRM system should be able

to automatically present the documents most appropriate for whatever stage the deal is at. These documents can be as specific as conversation guides, or questionnaires that help sales reps ask the right questions in the right order.

Whether meeting face-to-face or remotely, the CC2.0 sales rep can't quickly establish trust and rapport with prospects if he/she is not well-prepared before each call. The CC2.0 work style is all about efficiency, pre-call planning and targeted conversations, all supported by web technologies that automatically feed the relevant information to outbound calling reps when it's needed, without forcing them to search for it.

Remember, a company that works to provide its outbound calling team with the information it needs will reap the rewards.



### **D. Lead Nurturing**

#### **80% of all B2B sales happen 12 months after initial contact**

Think of lead nurturing as building a relationship with a new friend. Just like you would with a friend, you should foster a strong relationship with your prospect through meaningful communication, regardless of his timing to buy. So don't call your prospect up every few months to find out if he is "ready to buy yet?" Would you pester a friend with a request for a favor? Remember, lead nurturing is all about building solid relationships with the right people.

Lead nurturing can help you understand the concerns that your prospect may have in the buy cycle. And when you understand those concerns, you are in a good position to show the prospect more fully how your product can solve his problems. And your prospect will appreciate you for it.

According to Brian Carroll of InTouch Lead Generation, "Lead nurturing helps people find the answers to these questions and reminds them of the benefits of working with you. You're creating value by giving them useful information in bite-sized chunks."

The length and breadth of your nurturing program will vary, depending on the type of solution that you're selling. The buying cycle will also dictate how long your program will last. If there's a long lead time, you'll want to space out your campaign, but will usually want your sales people involved at about six months before a potential purchase.

A lead nurturing program involves more than a few phone calls. Typically, it can feature a series of letters, emails, voicemails, success stories and events. It could also involve white papers, or even webcasts, if they are meaningful to your prospect.

### A Typical Lead Nurturing Plan:

|          |  |
|----------|--|
| Day 1:   | Phone call "introduction" and send email to follow-up                          |
| Day 21:  | Send e-newsletter and leave voicemail to promote product/service/special offer |
| Day 35:  | Send email of recent customer case study (preferably a related company)        |
| Day 45:  | Call from sales person personally invites prospect to live or teleseminar      |
| Day 75:  | Mail case study and personalized letter  |
| Day 100: | Email a recent article-of-interest link  |
| Day 120: | Email "touching base" note   |
| Day 145: | Mail follow-up letter with free report   |
| Day 160: | Prospect calls you - Qualified lead  |

### E. Cold-Call Process

As mentioned earlier, the quality of collaboration between sales and marketing directly impacts ROI. The challenge that many organizations face is that their sales process is a pipeline that, when you look into it, is nothing but a black hole. And no one, it seems, knows what is going on inside that black hole until a sale happens. No one, that is, except for the sales team. To make matters worse, only 20 per cent of the leads that enter the pipeline ever see the light of day. The other 80 per cent go into the black hole and stay there.

Many companies must also face the fact that their sales and marketing teams are often at cross purposes. They disagree about the sales process. And some don't even understand it. And many don't understand the buying process faced by their prospective customers. This all makes it particularly challenging for marketers, who are trying to measure their revenue contribution and lead-generation ROI.

That's where CC2.0 and process comes in.

Although process mapping is a well-known technique "for creating a common vision and shared language for improving business results," it hasn't been widely adopted by sales and marketing departments. In an article published on Six Sigma, Michael J. Webb, president of Sales Performance Consultants, sings the praises of process mapping, but warns against some of the mistakes that occur when the technique is not used properly.

"Leaders in both large and small sales organizations often make mistakes that undermine the potential of process mapping. A common result, for example, is that salespeople ignore the process and operate outside the system," writes Webb.

CC2.0 companies use process, tracking and metrics to help reps better manage their lead pipeline and sales pipeline results. By combining processes and technology, CC2.0 companies are able to produce significantly more timely selling opportunities, helping to close the gap between marketing and sales.

What focus on process can also do for companies is to change the shape of the sales funnel. In CC1.0 models, large quantities of leads need to pass through the funnel in order to make the required sales numbers squeeze out the bottom. In a CC2.0 model, sales leads stay in the marketing funnel longer and are recycled through the process to better match customer buying cycles.

Although in 2007 up to 84 per cent of firms are reported to have a formal sales methodology, only one-quarter of reps consistently used their company's adopted methodology more than half the time, and only 10 per cent did so all the time.

In effect, all that training and talk of processes is adding up to zilch in terms of productivity.

If companies want to successfully make the transition from CC1.0, they will have to ensure their sales reps follow the process. CC2.0, after all, is built upon a foundation of sales process. Guiding that process is a vision of working smarter. And powering it all is technology that feeds the information sales reps need to plan their calls. Without process, there is no deal.

A typical process that we use with our clients is a standard 10-step lead and sales funnel definition. See Appendix A for an overview of this type of lead definition methodology.



### F. Tools

The mighty Customer Relationship Management (CRM) system, touted as the best thing since sliced bread and the secret to sales, sales, sales, appears to be getting the same treatment by sales reps as process/methodology.

According to CSO Insights, 67 per cent of companies reported that they had CRM in 2007 (down from 79 per cent a year earlier). Of concern is the user adoption rate. Though better than sales methodology adoption rates, the survey shows that numbers for consistent use (above 75 per cent of the time) of CRM have leveled off the past couple years at just under 60 per cent. This means four in 10 sales reps are rarely using the technology.

Meanwhile, one-third of firms surveyed by CSO Insights reported significant improvement on sales performance as a result of CRM. Yet a key pillar of sales effectiveness, as mentioned earlier in this report, is knowledge and information facilitated by the CRM tool. Information such as customer objection handling, competitive analyses and strategic account plans.

While complaining that they don't have the information they need to properly prepare for their jobs, cold-callers are ignoring their training, their companies' sales processes and methodologies and the tools, such as CRM, designed to help them. Results show that most companies are "struggling to control and contain their sales organizations."

Deploying tools to manage the CC2.0 process is fundamental to ROI knowledge access and reporting capability and is a step that cannot be over-emphasized.

### G. People and skills

A successful transition from CC1.0 to the next generation will require transforming the product-pitching rep — the guy focused on selling products and doing deals — into the person who can sell. The latter is the CC2.0 sales rep, who is building trust through transparency and honesty, and employing the art of conversation to nurture his prospect, instead of just talking at him.

### A successful CC2.0 rep is:

1. Organized: He knows exactly what he needs to do every day — and does it.
2. Passionate: He cares about the company he works for, the product it sells and finding a solution to his prospect's problems.
3. Into self-improvement: He believes that becoming an expert requires ongoing education.

Good cold-calling talent is hard to find. And getting harder, as demand for sales talent continues to grow. According to data gathered from employers between 2004 through 2007, two-thirds of firms said they planned some increase in the size of their sales force. And this at a time of high turnover rates (35 per cent in 2006).

And stats show that the time it now takes to get a newly hired rep up to full productivity has increased a whopping 32 per cent during the past four years.

What CC2.0 companies have learned is that they will have to invest in training and development if they want the best cold-callers working for them. This means thoroughly training outbound cold-calling reps before putting them on the front lines — so they can learn what they need to know before they make their first call.

Many companies, after evaluating their internal resources and capabilities, may decide to look outside their organization to outsource some, or all, of the cold-calling responsibility.

If you are considering outsourcing your cold-calling programs, make sure you ask the following questions:

- Does your organization have a cold-calling competency, or is there a desire to develop one?
- Is there urgency to deliver qualified opportunities to the sales cycle?
- Is there a new product/service that can be managed outside the mainstream sales resources, or do you need to integrate outsourced cold-calling into existing sales processes?
- Can you include an outsourced cold-calling service as part of the overall marketing mix, to co-exist with internal resources and provide flexibility?

## Execute, Measure, Reflect – The Key to Process Improvement

A critical difference between Cold-Calling 1.0 and CC2.0 is that the opportunity for meaningful feedback is built into the latter system.

CC1.0 solutions focus on helping sales reps do more of what they are already doing — regardless of whether it works. That's because the CC1.0 tools are designed to capture and record more data, not to improve performance or to help reps sell more. It's the opposite in the CC2.0 environment, where the focus shifts to helping reps change how they work so they can become more effective.

Once a standard is defined and used as the basis for tracking opportunities, meaningful feedback is possible.

Reporting has been the weakest link in most systems. Some sales managers don't bother to take the time to sift through the performance figures and turn them into an opportunity to teach their

reps how to sell more. And this lack of coaching is often reflected in the reps' poor performance. But many managers do offer coaching, and their mentoring has paid off.

### For feedback to be meaningful, it must meet 5 tests:

1. **It must be relevant:** What worked for you as a manager 15 years ago might not work today. Base your advice on current performance measures, market conditions and customer expectations.
2. **It must be timely:** Even quarterly performance reviews are meaningless in terms of coaching. To be effective, it's best to give your advice regularly. That way, the rep can put it into practice right away.
3. **It must be personal:** Zero in on one rep's performance at a time. Harking on the sales force average isn't going to help the rep know what he's doing wrong, or right.
4. **It must be accurate:** You need measures in place that accurately measure performance. Otherwise, it will all be a matter of opinion. And that's a recipe for unhappy campers.
5. **It must be consistent:** If you want the rep to concentrate on his lead nurturing skills, then don't tell him that one week, only to tell him next week that he should have been doing something else.

The idea is to agree on specific measures that, if improved over time, will benefit the rep. As a sales manager, and a coach, your goal is to improve performance and consistency. It's also an opportunity to identify, and then share, best practices across the sales force.

## Summary

Companies keen to adopt the CC2.0 system need to be realistic — and patient — if they expect to reap the rewards. Here are six common mistakes companies make when starting down the road to CC2.0 stardom:

1. Expecting instant results from the initial cold-calling program
  - Qualified opportunities can't be developed overnight. It takes a minimum of two to four weeks — or more - before you can start seeing real momentum.
2. Not preparing follow-up materials (emails, newsletters, brochures, etc.)
  - Our goal is to develop a relationship with our prospects. You need to develop relevant materials to inform the seller over time.
3. Hitting too many accounts, too fast
  - Instead of calling 100 accounts once, start calling 10 accounts 10 times to really understand needs and call patterns.
4. Persistence – Don't give up too quickly
  - Keep in touch with prospects. Don't give up until you get a "no" from the real decision-maker. Finding a fit takes time.
5. Understanding what a good lead is means making faster, better decisions.
  - Don't waste time marketing to dead-end prospects, time is money. In this case, money lost.
6. CC1.0 Activity Measurements
  - Don't depend on activity measures to dictate success. The old measurements such as "Dials per day" is meaningless. What we are after is conversion rates. How well are your reps at getting agreement to move to the next marketing step?

## Conclusion

CC2.0 methodologies and processes are a powerful set of tools that empowers the cold-call rep to recognize, measure and incorporate the buying cycle into the selling cycle. With the two cycles in sync, the sales pipeline for the first time has a two-dimensional perspective that will make it more likely that a deal will close. CC2.0 is about knowing what the buyer wants. It's about using technology and teamwork to your advantage. CC2.0 is an evolution to success.

CC2.0 is "built upon a foundation of sales process and is guided by a vision of working smarter, not just harder. It is powered by an engine of amazing technology and fueled by information that is accurate, timely, and previously unavailable."

### **Where do you want to go?**

**For more information about how to become a Cold-Call 2.0 company, please contact us for a free consultation at: [sales@theresultsource.com](mailto:sales@theresultsource.com) or call us at 416-366-6222.**

### **Tools and Resources available from The Result Source**

- **ROI Calculator**
- **Target Market Identifier Worksheet**
- **List Management Worksheet**
- **30-Second Commercial Messaging Process**
- **Resistance and Objection-Handling ProForma**
- **Gatekeeper Strategy Workbook**
- **Strategic Lead Nurturing Workshop**
- **Salesforce.com Customization for Cold-Calling and Lead Nurturing**
- **Cold-Call Skill Development Workshop**
- **Managing appointment-setting goals for sales reps**
- **Hiring, training and compensation for the cold-call oriented rep**

## About The Result Source

Based in Richmond Hill, Ontario (Greater Toronto Area), The Result Source has been helping our clients since 2001 with our innovative sales and marketing solutions.

We work primarily with business-to-business companies to increase their sales by optimizing their lead generation processes.

We focus on cold-calling as a strategic means of lead generation, but we believe that cold-calling is exponentially more successful when it is part of a strategic plan involving many marketing tactics.

### **Consulting Services**

Cold-Call Fast Start Bootcamp  
Inside Sales Program Design  
Go-To-Market Lead Generation Strategy

### **Coaching**

Gold Cold-Call Skill Development, Program Design and Team Management  
Personal Training Acceleration  
Platinum Coaching Programs for Business Owners and Managers

### **Training**

Cold-Call Training Programs  
Training Programs for Business Owners and Managers

### **Outsourced Services**

Business-to-Business Telemarketing Programs  
Quick Start Programs

### **Recruiting Services**

### **Public Speaking**

Appendix A

## Sales Development Process

### The Result Source Opportunity Generation Process:

#### Lead Generation

#### Phase 1 – Name Collection and Importing Leads into Database

Unqualified leads generated from trade shows, advertising, directories, etc., are given to the Sales Development Department for follow-up and evaluation.

#### Phase 2 – Sales Development Process

Phone calling begins using our 3-step process to get through gatekeepers, decision-making pitch and objection-handling.

#### Phase 3 – Disqualified – No Potential

After analyzing the prospect's current situation, the prospect is disqualified based on defined criteria. No further action.

#### Phase 4 – Qualified – No Current Need

After analyzing the prospect's current situation, the prospect is qualified as an opportunity, but there is no current need. The prospect is managed with education and follow-up, until such time as a need arises.

#### Phase 5 – Qualified – Future Need

After analyzing the prospect's current situation, the prospect is qualified as an opportunity and there is a future need within the next 12 months. The prospect is managed with education and follow-up, until the need becomes immediate. Appointments are set with prospects, where there is a future need, in order to build a relationship.

#### Phase 6 – Qualified – Immediate Need

After analyzing the prospect's current situation, the prospect is qualified as an opportunity with immediate potential. An appointment is set and the prospect is passed over to a sales representative. A lead report is generated and sent to sales representative before appointment. Appointment is confirmed by Mahogany Solutions (NEEDS CHANGE HERE).

#### Opportunity Generation

### Client Sales Process:

#### Client Consultation

#### Phase 7 – Specific Needs Confirmed

Prospect has discussed needs and is ready to start working toward a solution.

#### Phase 8 – Solution Developed

A solution is presented to prospect.

#### Negotiating and Closing

#### Phase 9 – Solution Accepted

A solution has been agreed upon.

#### Phase 10 – Solution Implemented

Sale has been approved and the implementation phase begins.

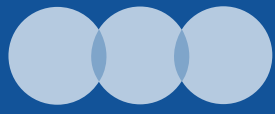
## About The Author



### **Marguerite Mcleod-Fleming, President**

Marguerite Mcleod-Fleming is the President and Chief Catalyst of The Result Source. In operation since 2001, The Result Source helps companies get in front of more qualified prospects through her sales consulting and appointment-setting services. Marguerite has worked on more than 100 programs with local and international companies. During this time, Marguerite has defined a new approach to cold-call process development, and delivers seminars and bootcamps to organizations keen to build sales forces that consistently deliver high-quality results. She has recently authored *Cold-Calling 2.0: The Next Generation of Prospecting* Whitepaper,

which is available at: [www.coldcall20nextgen.com](http://www.coldcall20nextgen.com).



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