

## Firing Up Your Cold Calls

**Networking gets you into parties, but business success often demands doing deals with complete strangers.**

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(Business 2.0) – Ask someone in your office to give a speech to colleagues, and he might get the jitters. But dare him to pick up the phone and pitch a business deal to a total stranger, and he'll probably go into hiding. Nothing triggers deep-seated fears of rejection quite like the dreaded cold call.

In recent years, cold-calling--whether by phone, e-mail, or in-person visits--has fallen out of fashion, eclipsed by the popularity of networking. But limiting your business contacts to friends and friends of friends means that the best people and opportunities might be inaccessible to you (especially if your friends' friends aren't very connected). "If I'm getting ready to hire a sales rep and they tell me, 'I go to all the networking functions,' I run from that person like the plague," says Paula Tompkins, CEO of ChannelNet, a 130-person online marketing company in Mill Valley, Calif. "They're going to spend all their time at parties and events--and come back with nothing."

In fact, some of the biggest commercial empires in history--from Standard Oil to Microsoft--were built on cold calls. But mastering the art requires more than Gatesian fearlessness. There are tricks to this trade. Learn these rules and you'll have access to the best deals and brains on the planet--and not just the ones you hear about from friends.

1. Dial when defenses are down. In Star Trek, spaceships go in for the kill when opponents lower their shields. Think about your cold-call "target" the same way. Every big kahuna has secretaries and other filters to stop you from getting through, so place your call when the screeners are out. Just after daybreak or after dinnertime are ideal because any exec worth his six-figure salary will be on the job, but the help won't be. The unconventional timing can also impress your prospect, demonstrating your willingness to work long hours to get results.

Matt Cheney, CEO of Renewable Ventures, a San Francisco solar power developer, lives by this rule. Cheney, who raises money from financial institutions that take advantage of "green" tax credits, recently spotted a hot prospect on the program of an insurance industry conference: a VP in charge of the real estate division at a major insurer. Cheney's staff cold-called the executive to seek his help in financing a \$25 million portfolio of solar power projects, but after two weeks the man hadn't returned messages.

Then, in early October, Cheney himself dialed the would-be financier at 8 o'clock on a Thursday night and talked to him for 10 minutes--"a lifetime," Cheney says. The man has since assigned a three-person team to bring Cheney's project into his investment portfolio.

2. Co-opt the gatekeeper. Of course, you can't cram all of your calls into the early morning and evening, so what do you do between 9 and 5, when executive assistants are on the job? Mark Lojacono recommends a mildly shocking one-liner. Lojacono is CEO of SalesMasters Solutions, an outfit based in Danville, Calif., that makes cold calls on behalf of small technology firms to high-level execs at Fortune 1,000 companies. He describes a typical call: "The gatekeeper will answer the phone and sternly state the name of the executive and company. Then we'll have a comeback like 'Well, that's a cheerful voice for a Monday afternoon!' It tweaks the gatekeeper's brain. If they're in the middle of reading an e-mail while juggling your call, they will usually stop and engage you."

Lojacono says the assistant, caught off guard, will volunteer more information than he otherwise would. For instance, Lojacono usually tries to enroll the assistant's help in confirming the target exec's e-mail address and phone extension. In late October, Lojacono's 20-person staff of cold-callers broke six new accounts in a single day on behalf of Acteva, the online event-registration firm, by charming the gatekeepers for vice presidents at huge companies like Sears.

3. Find something--anything--you have in common with the person you're calling. If you meet someone you're attracted to at a social event, the first words out of your mouth probably aren't an invitation for a date. Instead, you introduce yourself and look for common threads--a shared alma mater or astrological sign, for example. Look for overlap with the person you're cold-calling too.

Last year Tab Pierce, a sales rep for Thomson NETg, a vendor of online training courses, was not getting any of his calls or e-mails returned by the woman in charge of information security at Russell Investment Group, the asset management firm that oversees the Russell 2,000 index. Using a subscription directory service called Jigsaw Data, Pierce found a man in the woman's department who also had the last name Pierce. The salesman then dialed his namesake, and within a few hours the target executive herself was calling back to set up a meeting. "My name is in my e-mail address, and that's usually enough to tickle someone," says Pierce, who makes a habit of looking for fellow Pierces at whatever company he's cold-calling. "It's a weak thread, but it's a thread nonetheless. I want the person to go, 'Oh, this guy's a cousin or something.'"

4. Buy before you sell. If possible, try out the product or service of the company you're planning to cold-call. That way, you can introduce yourself as a knowledgeable customer. ChannelNet's Tompkins takes the practice a step further, conducting exhaustive market research about the companies she cold-calls. By the time she's on the phone, she's dangling a carrot: She's a heavy user of the company's products, offering informed market intelligence.

At the end of last year, Tompkins's staff cold-called an IT manager at Hallmark, the greeting card company, and described how ChannelNet would redesign Hallmark's website to drive more foot traffic to brick-and-mortar stores. But nothing happened. So Tompkins visited Hallmark stores in Michigan, posing at some of them as an ordinary consumer--what retailers call a "mystery shopper." A store manager tipped her off to the name of the person at headquarters who oversees Hallmark's online strategy, whom she called in February. "I told him, 'We've done some mystery shopping,'" she says. Days later she had a face-to-face meeting with the man. By May she had a deal with Hallmark.

5. Be a little unprofessional. In striving to make a great first impression, cold-calling novices fall into the trap of trying to sound "professional." Their voice-mail messages sound like telemarketing come-ons, and their e-mail smacks of spam--and nobody gets back to them.

Rich Stromback, now CEO and president of Ecology Coatings, a nanotechnology startup in Akron, Ohio, learned while running his last venture, a staffing agency, that a little informality goes a long way. Stromback had targeted Kmart as a new customer and cold-called its HR chief for six months without a response. Then one day he ended his voice-mail message to the man--whose first name was Dante--with an unconventional appeal. "Hey, Dante," Stromback pleaded. "Throw me a bone!" The executive called back in five hours, and Kmart became Stromback's largest customer.

6. Learn to love striking out. In baseball, even the best hitters make outs 70 percent of the time. Likewise, cold calls usually end in a "no," no matter how skilled you are at making them. The key, therefore, is to remember that with each rejection, you're one call closer to a "yes." "People get discouraged because they don't understand how many 'nos' they need in order to be successful," says Stephan Schiffman, author of five books on cold-calling.

Schiffman estimates he's made more than 100,000 cold calls in the past 30 years and still makes 15 a day to CEOs and sales VPs to expand a client list for his training seminars that includes companies like Nextel and CompUSA. He claims his own batting average is pretty good: getting 150 people live on the phone for every 293 numbers he dials. On average those calls lead to 89 physical appointments, from which he closes 10 sales.

"People have a fear of cold-calling only because they don't anticipate those kinds of numbers," Schiffman says. "My motivation increases with each 'no' I get."