

Title:

Cold Calling Has A Dark Side

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Summary:

New York Times Best-Seller Frank Rumbauskas explains the dark side of how companies use cold calling in an attempt to cut costs at the salesperson's expense.

Keywords:

cold calling, cold call, sales, selling, how to sell, sales training, sales management

Article Body:

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Have you ever wondered why sales managers are so insistent that you cold call?

Have you ever wondered why many companies will not even consider a marketing budget, and instead mandate cold calling, make it a job requirement, and tell you you'll be fired if you don't do it?

Doesn't it seem a bit strange that you'd be paid so much in salary just to run around collecting fifty business cards a day, or making fifty telephone calls when your talents are so much better than that?

There is a reason for all this insanity. It's the dark side of cold calling, and the real reasons why many companies still force salespeople to engage in this old, antiquated method of doing business.

First of all, cold calling doesn't cost the company money. It costs you money. They get to avoid spending money on marketing, and instead they let you do the hard work of cold calling. This is in spite of the fact that cold calling has the lowest returns of any and all sales activities, and therefore leaves you with the lowest possible paycheck.

Second, cold calling doesn't cost the company time. If they wanted to put together a marketing plan they'd either have to hire more employees to do it, take current employees away from other duties, or hire an outside firm to

implement it. Instead, they tell you to do it. This saves manpower and eliminates the need to either hire new employees or hire an outside consultant. The end result is that it costs you time and forces you to waste your valuable time on the lowest-percentage sales activity instead of on something more productive.

The insanity of all this is that trying to save time and money by forcing you to cold call ends up costing the company huge amounts of time and money! It obviously isn't profitable to have salespeople cold calling when it consistently has the lowest returns of all sales activities. However, they do it anyway, with the belief that it's a smart way to cut corners. The fact of the matter is that having salespeople cold call is penny-wise and pound-foolish. It lets companies cut corners in the short term, but with very dire long-term consequences. Cold calling, when relied upon as the main source of new business, frequently leads to lost profits, downsizing and even bankruptcy.

Companies that are succeeding today don't bother with cold calling. They implement a marketing plan that generates qualified leads, and they provide those leads to the salespeople, who simply go out and close them. This is the only sensible way to do business in the twenty-first century.