

The Cold Call: Alive and Well

Many trainers talk as though cold calling is a dead art. In a recent article one trainer wrote that the cold call was an ineffective and outdated technique, but I disagree. While the cold call is most effective in the business-to-business sales environment, it can be a significant tool for the insurance agent selling in the home.

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Take a look at the calendar for your last three weeks. How many first-time appointments did you have each day? It would not surprise me if you had fewer than one appointment per day. In fact, many agents are barely able to secure two to three appointments per week. For the seasoned insurance agent, that may not present a problem; but in the early stages of building your practice this is the kiss of death. A sure prescription for success is mastering the art of the cold call. I say this because the ability to effectively cold call can turn an empty calendar into a profitable day.

Consider the following scenario: It's a Wednesday morning and you are at your desk. You open Outlook or ACT and take a look at your calendar for the day to find it is completely empty. As you stare at the calendar you remember that you have to complete a proposal for a prospect meeting next week. An hour into writing up the proposal, you head off to get a cup of coffee at your local Starbucks. Along the way you pass a number of businesses, but as you walk up to the Starbucks you notice a new dry cleaners across the street. As unusual as this may be, you decide to walk across the street and introduce yourself to the new owner. You walk in and ask the young lady at the counter if the owner is in and she informs you that you are talking to her. You introduce yourself and explain that you are a local insurance agent who helps business owners ensure that their businesses will remain open even if the owner cannot work due to an accident or sickness. Before you have a chance to order your cup of coffee you have scheduled an appointment to return next week with a business overhead expense disability income policy proposal. You have turned an otherwise non-productive trip to Starbucks into a sales opportunity. Is this a far-fetched example? Absolutely not! Great salespeople are great because they seek the chance to create an opportunity for themselves whenever possible.

As with every other marketing tool we will talk about, successful cold calling begins with the "big idea." The "big idea" is created by translating the features of your products and services into what those products and services do for the prospect. It is translating features into benefits. People do not buy an indexed annuity, they buy the upside potential of market gains without the downside risk of loss of principal. No one cares about a disability income policy; they care about having an income if they cannot work. The "big idea" is your opening statement in cold calling.

Your cold call strategy will depend on the market you are working. The business-to-business market requires a different strategy than the in-home sales strategy. But make no mistake about in-home selling and cold calling because it is still an effective sales strategy. Before we look at the mechanics of implementing a cold-call strategy, let me share the reasons why cold calling should be a part of your overall marketing plan. First and foremost is the fact that cold calling requires no financial expenditure. Other than your energy, there is no other investment. It can be done on the fly without much preparation and finally it can pay incredible dividends. An absolutely mundane day can be turned into the most profitable day of the year in five minutes when you cold call. With that said, cold calling is simply one more arrow in your quiver — and should never be your only tool.

Here is an idea that has helped many advisors grow their business. Regardless of your market I recommend that you add three cold calls onto every appointment. Generally, there is a neighbor on both sides of your appointment as well as one directly across the street. In the business-to-business market your opening should sound like this: "Hello, my name is John Smith and I was across the street at ABC Company talking about an idea that could help Mary Jones (improve employee productivity, create an owners sick-pay plan, etc). I didn't know if this might be an idea that could work for you, but thought I'd stop by and see. With that in mind, can I ask you a couple of quick questions?"

If you sell in the home you simply knock on the neighbor's door and say: "Hi, my name is John Agent and I was visiting the Smiths next door about an idea that will help them guarantee a college education for their daughter. I don't know if this idea can be of value to you but if you have a few minutes I would love to ask you a couple of questions."

The prospect will either say yes or no. It doesn't really matter, because if they say no, you simply thank the prospect for his time and transition to your relationship building strategy, which we will discuss in another article.