

## **Effective Cold Calling – Training**

### **Cold Calling Planning and Organization**

Before you begin to prospect, you have to have a plan! Cold calling will be the most effective method to use when getting started, so let's focus on that.

#### **Plan your Activities**

You have to plan your cold calling activities if you want to be efficient and productive. Plan your day by choosing a geographic area to canvas and set goals for yourself.

Your goals should include:

Number of calls

Number of appointments set

Number of sales

Number of statements collected

Number of business cards collected

Number of presentations

#### **Useful Tips**

Some useful tips for cold calling include:

Block off cold calling time on your calendar every day. This is not something you only do when you feel like it. Make it a daily habit and attack it with enthusiasm and discipline! An example of your cold call planning should look something like this:

Monday 9:30am -1:00pm

Tuesday 9:00 apt/5 -10 cold calls in same area Wednesday 1:00am -4:30pm

Thursday 8:30am -1:00

Friday 1:30aptJ 5-10 cold calls in same area

Plan to cold call 5 -10 merchants surrounding each set appointment.

Choose a specific geographic area to canvas. Minimize driving time and maximize time on foot.

Call on every merchant (except those on the prohibited merchant list). Don't try to "guess" which merchant will be a good one.

Stay organized. Collect business cards and take notes. For example, record the types of business, type of equipment they have, what payment options they currently accept, etc.

Your success will be directly correlated to the effectiveness of your prospecting skills and specifically your cold calling skills. Cold calling requires commitment, dedication and discipline.

Plan to call on all merchants within a strip mall, a shopping center, or stretch of road on a given day. You can often find multiple sales opportunities within a short amount of time by going from door to door.

Cold calling is not simply something you do only on major roads. Visit merchants on less busy roads as well. Avoid “cherry picking” (calling on certain merchants based on their prestige). Remember that you can not prejudge a merchant’s processing opportunities from the seat of your car. You must go into every door.

**So how many cold calls do you need to make to reach your goals?**

**How do you reach that cold calling?**

**The formula for Cold Calling is:**

40-16-5-1

If you make 40 cold calls

16 Decision-Makers will be there.

5 Decision-Makers will be interested in hearing your presentation.

1. Cold Call will result in a sale.

Of course, the ratios improve with experience and practice. For example, a new ISA might need to make fifty to sixty cold calls per day in order to achieve the same results, whereas an experienced ISA may be able to close a sale every twenty to twenty-five calls. (We will discuss how to effectively follow up with the decision-makers who aren’t available.)

Cold calling is a skill that, once developed, will guarantee you success in your selling efforts.

Know What to Look For Before You Cold Call.

**Before you begin to cold call, you need to know what to look for!**

Selling skills and cold calling skills are similar to those of a detective. You want to build

your case before you present it. You start to build your case before you even walk into the merchant’s business location.

Take note of the businesses in the area. What other storefronts surround your prospect? What decals are displayed on the windows? What cards are they accepting?

When you first enter a merchant's location, what do you look for? "Information!"  
What decals are displayed, VISA? MasterCard?  
What kind of equipment are they using?  
Do they have a PINpad?  
Do they have an imprinter?  
Do they have a check reader?  
Do they use a PC?

If you can, watch how they conduct business. What type of merchandise are they selling? Think in terms of what their average ticket size may be. How busy is the location? Think in terms of number of transactions they might process. Do they take orders on the telephone or through mail order? Are there any issues that might necessitate submitting additional information to the Risk department?

The more you know about your merchant and their business, the better your questions will be, and the better your solutions will be. This is the key to effective prospecting and selling.

Now that you know what to look for and why, let's introduce you to the skills you need to get started!

### **Steps to Cold Calling**

Cold Calling is your most effective selling skill to use when getting started. Like any skill, there is a process to cold calling. We will introduce you to a process that has proven to work for First National Bank Card ISO's time and again.

#### **There are five steps to effective Cold Calling:**

- Opening statement
- Make an initial benefit statement
- Ask buy-in question
- Ask for appointment (now/later date)
- Lead into the sales call

Let's examine each step in detail.

#### **• Opening Statement**

When you first enter a merchant's place of business, use a simple greeting and cover each of the following points:

Greeting (Hello, good morning, good afternoon, etc)

If you don't know (May I ask what your name is?)

Use the person's name.

My name is (first and last)

I'm with (My Company)

Use persons name again and ask, (May I ask who the decision maker is, or are you that person?) If that person is not the decision maker (May I speak to them?) Thank you.

In your opening, set a professional tone, remember to smile, determine with whom you are speaking, use their name twice, and let them know your name and the company you are representing.

This will be the merchants' first impression of you, so make sure it is a positive one!

### **Make a Benefit Statement.**

When you meet the decision maker, use that person's name, introduce yourself and your company, and then start with a purpose statement and lead into a benefit statement, which is the reason for your being there.

The beginning of a benefit statement (the "purpose statement") is the easy part.

"The reason for my stopping by is: (Continue with a benefit statement that addresses a Merchant's business needs.)

"I'd like the opportunity to discuss with you how complete non-cash payment system has helped merchants similar to you save a significant amount of money when processing electronic transactions!"

"I'd like to discuss how our single source processing can centralize all your processing, and save you time and money. When you use us, your terminal dials directly into our network. Unlike our competitors, we are able to eliminate the need to go through a 3rd party."

"I noticed outside that you accept VISA and MasterCard for payment. Has anyone ever taken the time to explain how to avoid paying a discount rate on about one-third of those transactions?"

### **If calling on a referral.**

"Joe with Joe's Bar-b-Que suggested I stop by to see you. I was able to reduce his processing costs and expand his payment options." The key to the benefit statement is to make certain your benefit statement is relevant to the merchant's

business.”

Your purpose in the first few moments of cold calling is not to sell processing services, but to sell the value of meeting with you. You’re selling the appointment!

### **Buy In Question.**

Next, you need to determine if the merchant has genuine interest in meeting with you. You use a question that requires the merchant to answer yes.

It sounds like this:

“If I could save you money with your processing, is this something you would be interested in?”

“How does avoiding the discount rate on some of your transactions sound to you?”

“How does centralizing and simplifying processing of your non-cash transactions sound to you?”

“Would you be interested to learn how being directly connected to your processor improves your service quality and saves you money?”

Of course, in the “real world” not all merchants will respond favorably. You may hear:

“I’m too busy.”

“Send me some information.”

“Not interested.”

“What’s your rate?”

“I’m with my bank, and I don’t want to switch.”

### **Possible Responses to Common Objections.**

Here are some examples of responses you can use when the merchant says:

“I’m too busy.”

"I'll come back at a better time this morning. How would 11:00 be? I am confident that you will like what I can do for your business!"

"Send me some information."

"I'd be happy to! We have several services that are very competitive. I need to ask you a few questions to determine what information would be of interest to you."

"Not interested."

"I hear what you're saying. May I ask why?"

"What's your rate?"

"It all depends. We have some of the lowest rates in the industry! In addition you can totally avoid paying your normal discount rate on one third of your transactions. Would you like to know how?"

"I'm with my bank, and I don't want to switch."

"I understand there is a certain level of convenience in dealing with your bank, and my goal is not to take that away. If I could provide you with the same level of convenience and still use your same bank for your deposits, would you be open to that?"

### **Ask For the Appointment.**

Once you get past the initial objection, you then proceed to ask for the appointment.

Asking for the appointment means setting a specific time to discuss the merchant's business needs in depth. Ideally, you want to set an appointment for the present time; however, you have to be respectful of the merchant's time.

Here are some suggestions:

Offer the merchant a choice of two options that fit your schedule. Now or a later date?

If you must make an appointment, schedule it as soon as possible. (within 24 hours)

Respect the merchant's time. Don't try to set appointments during their peak business hours.

Use positive, not tentative language. Here are some examples:

“I am confident that First National Bank Card can offer you savings with your processing. It will take about 15 minutes for us to determine what program will work best for you. Is this a good time to talk or shall we agree on a better time?”

“I would like to suggest that we set up an appointment to discuss this further. This will allow me to provide you with a statement analysis as well. Would now be okay, or would 1:00 tomorrow be better?”

### **Lead Into the Sales Presentation**

Once you obtain the merchant’s okay to proceed, now is the time to lead into your sales presentation. In this section, you will learn a process that has proven to be very successful for First National Bank Card ISOs. When you apply the process, you will use the information you obtain from the merchant in order to present your case.

Question 1: “When someone comes in and makes a purchase and hands you their card, how do you process it?”

Make certain that you hand the merchant your check card when you ask this question. The reason for asking this question first is that you want to know if the merchant has any knowledge about the difference between check cards and credit cards. This information also lets you know how to position your next questions. Confirm with the merchant that they swiped the card.

“So you swipe the card to get approval, the transaction is printed out, and the customer signs. Is that correct?”

Question 2: “When customers make purchases here, how much do you think they are usually spending? Just a ballpark figure.” (Example: they may say \$85.00)

You ask this because you don’t want to make assumptions about the merchant’s average ticket. Let them give you that information. Record the information on a piece of paper so they can see you write the information down. Write it down without altering it. If they give you a range, record the exact range.

Question 3: “On an average day, how many times do you think your customers use plastic to pay for their purchases?” (Example: they may say 7 -1 0 times, then you use 8)

This question follows the second question. Again, record the information just as they give

it to you. Write it in the lower right-hand side of the paper.

Question 4: “When I came in I noticed you are open 6 days a week, is that correct?” (Example: they may say 6)

Record that information next to the number of transactions. Now you have the

average ticket, monthly volume and number of transactions per month. Keep in mind you have not yet asked for the statements!

Question 5: "First National Bank Card currently processes for over 50,000 merchants.

We have found that most merchants are being charged about 2% of their volume when customers pay with plastic, and many are charged a transaction fee as high as 25 cents."

(Example: write down 2% + .25 next to the average ticket)

If a merchant is paying less than 2%, they will likely tell you at this point, mainly because they are proud of it. If they suggest a different rate, ask them if they know what their rate is. Cross out 2% + .25 and record what they give you. If they say nothing, and simply agree with you on the 2% + .25, you can be certain that they have a higher rate.

Summarize Conclusions: "Based on what we have learned, we can calculate that your cost to process these transactions averages to be \$1.70 every time someone pays with plastic. The reason I wanted to have a few minutes with you today is to let you know that with First National Bank Card's complete non-cash payment system, you could be processing many of these transactions for as little as \$.45. In your case this would save you over \$1.00 per transaction!

We know from industry statistics that because of the millions of debit cards that have been issued by the banks, 1 in 4 plastic cards that are presented to merchants today are debit cards. These debit cards have the VISA or MasterCard logos on them and look very similar to credit cards. In fact, these cards can be processed in the same manner as credit cards. The only problem is that you have been paying almost 400% more to process these than you needed to pay. If you were to process these same cards using our debit network and a PIN pad attached to your existing terminal, you could reduce your costs immediately!

In your case, we would be reducing the cost of accepting these cards by almost 75% and save you more than \$70.00 per month. I arrived at this savings by multiplying the number of transactions per day (8), by the number of days in the month you are open (26), divided by 4 (1 out of 4 could be debit), multiplied by the savings per transaction (\$1.35). This savings, combined with the faster cash flow you enjoy with debit, is just part of First National Bank Card's complete non-cash payment system."

Make certain to work the math in front of the merchant so they can see how you come to your conclusion. At this point you have the merchant's complete attention. One of two things will occur:

They will want to see if the math adds up based on their current statements. You will then conduct a merchant statement analysis. (see Module 10, Merchant Statement Analysis)

The merchant will give you strong buying signals. You will then use one of the strategic approaches to further educate the merchant, or ask for the sale!

### **Ask for the Sale.**

Closing is the final step to the sales process, yet studies show that 75% of sales people don't ask for the sale. If you have been able to establish dialogue with the merchant and present a solution that improves the merchant's bottom line, not asking for the sale would seem awkward.

Make certain the solution you present is relevant to the information you gathered from the merchant. Use benefit statements to close, not facts. How well you close is based on how the merchant feels about doing business with you and First National Bank Card.

"Based on what we have discussed, it sounds like First National Bank Card may be able to offer you significant savings for your processing needs. Let's get started with the paperwork now."