

# KellerCenter Research Report



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# INSIDER: Smart Calling – Eliminate the Fear, Failure, and Rejection from Cold Calling

Clint Justice, MBA Candidate

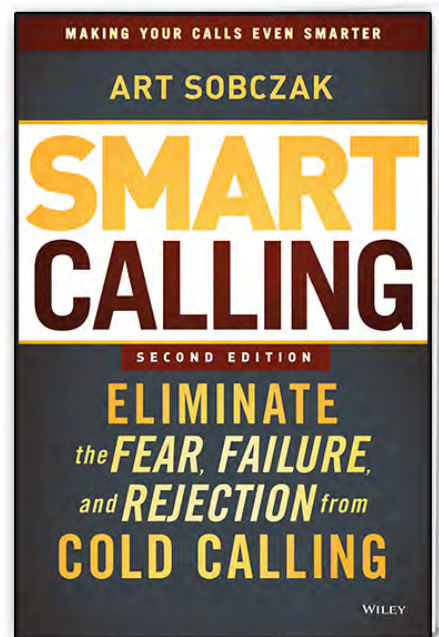
When you think of cold calling, does a knot immediately form in your stomach? How often do you use cold calling to generate new leads for your business? For many real estate agents, cold calling invokes emotions of fear, distaste, or a simultaneous mix of both.

*Smart Calling*, a 2013 book by sales trainer Art Sobczak, proposes a better approach to customer prospecting. With his Smart Calling methods of acquiring intelligence, using the correct sales process, and creating value for the buyer, Sobczak suggests telephone prospecting is an essential part of a business' sustainability and growth. Though much of the real estate industry is built on relationship referrals, the techniques of generating Possible Value Propositions (PVPs), creating a successful pre-call plan, scripting components of the sales call, and meeting specific objectives are shown to generate high responsiveness and help gain commitments on future deals.

## THINK POINT #1: Create Value for Your Prospect

In a [joint study](#) conducted by Baylor University and Keller Williams Realty International (KWRI), a group of 50 real estate agents were asked to call a randomized, generic list of numbers from a region without previous marketing exposure. Agents were asked to make cold calls for one hour a day over a two-week period. During that timeframe, 6,264 calls were placed, 1,774 calls were answered and 19 successful appointments were scheduled. The study resulted in a 330:1 call-to-appointment ratio, revealing that cold calling prospective clients can be tiresome and seemingly unfruitful.

One common mistake that salespeople make in conversations with prospective clients is to present reasons why the purchase should happen from the *salesperson's* perspective, rather than from the *buyer's*. Because of this, many potential sales are lost to the nearsighted perspective of the salesperson. A solution to this problem can be found in the creation of Possible Value Propositions (PVPs). With a focus on *future outcomes* instead of *present benefits*, PVPs create real opportunities to identify with the needs, pains, problems, and desires of the prospect. Some potential PVPs you might consider using include ways your real estate firm has cut costs or reduced expenses, ways you have innovatively solved home buying problems for clients, and ways you have differentiated your services from the



competition by creating measurable value. Generating a PVP list begins to transform your interaction from a *cold call* to a *Smart Call*.

*What outcomes do I typically focus on in my conversations with customers? What PVPs can I develop that will make add value for my prospect's business?*

## **THINK POINT #2: Creating a Pre-Call Plan – Get to Know Your Prospect**

With your written list of PVPs in-hand, you can continue preparing for the conversation with your prospective buyer. As the most crucial piece to the Smart Calling framework, the pre-call plan provides an outline for successful contact with the prospect. Gathering information about the company and individual can be a burdensome process, but utilizing media outlets such as Google Alerts, company websites, and social media sites (e.g., LinkedIn) can provide a plethora of relevant information. (For more on how to utilize LinkedIn as a resource, see the June 2013 KCRR INSIDER article "[LinkedIn for Business Development](#).")

To maximize the amount of information gained about the prospect before conversing with him, utilize *social engineering* techniques with screeners, gatekeepers, professional assistants, HR, and their company's customer service department. Intentionally-engineered conversations with individuals from the prospect's company will help you to gather the names of influencers, identify the current problems the company may be facing, pinpoint recent projects that have been implemented, as well as gain the support of those who surround and potentially influence the decision maker(s).

When prospecting via a phone call, there is no correct formula as to the appropriate time of day to contact your prospect. The element that matters most is that it becomes a part of your routine. Those who establish and maintain routines will produce results.

*What are my pre-call and pre-meeting routines? Have I successfully utilized social engineering to discover the needs and wants of my prospects?*

## **THINK POINT #3: Making Calls Count – The Value of Scripting**

The opening statement you make in a sales call is another important factor in gaining a commitment from the prospect. Phrases like "*I just wanted to see if I could ask you a few questions*" and "*You sure are a hard guy to reach!*" immediately place the prospect in a defensive state of mind, creating an unnecessary barrier to overcome. Similarly, asking for a decision too early can lead to a premature end of a budding conversation. The two objectives of an opening statement are to: 1) move your prospect into a positive frame of mind and 2) transition the buyer into a questioning phase to promote two-way conversation.

Practicing your opening statement is fundamental in producing confidence and piquing the interest of the prospect. The easiest way to ensure success in your initial conversation is to build

a tailored script. While scripts have carried a robotic or impersonal stigma in the past, a well-planned script can deliver powerful value through precise word combinations that will elicit the response you desire.

Resistance is common in prospecting conversations, but is easily overcome through scripting. Most objections are instinctive responses, similar to an automatic reflex. One successful technique used to combat resistance and help collect additional insightful information about a prospect is *Pattern Interrupt*. Interjectory words like, “Oh,” “I understand,” and “I see,” are used to break the cycle of the prospect’s automatic response, allowing you to pivot him to another exploratory question. Consider *pattern interrupt* questions like, “How satisfied are you with your current property size?” or “What are the top three things you would want in a new home?” In the same way, active listening and a well-placed pause increase the likelihood of gaining unsolicited information from the prospect and create time to formulate your next question.

*Do you improvise your opening statements? How can you ask Smart questions that lead to further conversation instead of yes/no answers? What questions can you prepare to “interrupt” the prospect’s likely objections?*

#### **THINK POINT #4: Putting it All Together – Gaining Commitment**

After you have successfully developed PVPs, researched your prospect, drawn her interest with a well-practiced opening statement, and addressed her major objections, it is time to recommend next steps and gain a commitment.

Different than traditional cold calling, Smart Calling entails setting both primary and secondary objectives that accomplish something specific in every conversation. These objectives can be as minor as getting an agreement to speak in the future or simply challenging an objection set forth by the prospect. The fear of rejection is often the reason for avoiding prospecting calls, but Smart Calling allows agents to approach each conversation with the expectation of gaining some sort of commitment.

Sobczak’s ACTION model serves to maximize the effectiveness of a conversation and commits the prospect to do something for further engagement:

- **Authority** – Who are the decision-makers and what journey will the decision take?
- **Commitment** – What will the prospect commit to do as a result of the call?
- **Timing** – When will s/he buy, and when will your next call or meeting be?
- **Interest/Need** – What is s/he interested in and why?
- **Overview** – Did I summarize what will happen in our next call or meeting?
- **Notes** – Did I capture all relevant information about the prospect from the call?

When you make it to the decision phase, it is important to specifically *ask* for a prospect's business, and not *wish* for it. Asking for business generates action and invites the prospect to make a decision now. Wishing for business informs the prospect of what you have, but does not call him to take the next step.

Again, the key to “winning” in every conversation is to establish a primary and a secondary objective, no matter how minor it may seem. Not every call will uncover to a warm prospect, but with secondary objectives you open the door for future conversation.

Another tip to build confidence over time is to end every prospecting session on a positive note. By leaving the office having met an objective, you are more willing to continue with the routine going forward. Challenge yourself to stay until you have a positive experience.

*What are some primary and secondary objectives you can set for cold calling? How can you continue to build your prospecting routine into a Smart Calling routine?*

## **Conclusion**

Author Art Sobczak provides essential Smart Calling tools to maximize every conversation with prospective clients. By creating Possible Value Propositions, a pre-call plan, scripting components of the sales call, and meeting primary or secondary objectives, you can become a Smarter Caller and build a foundation for prospecting success.

## **Recommended Reading**

Sobczak, Art (2013), *Smart Calling: Eliminate the Fear, Failure, and Rejection from Cold Calling*, Hoboken, NJ: John Wiley & Sons.

## **About the Author**

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Clint is a graduate student from Atlanta, GA. He received his BA in Psychology with a minor in Business Administration from Baylor University. Before pursuing his MBA at the Hankamer School of Business, Clint worked in the financial service industry, focusing on banking and retail consulting. He is currently concentrating in Finance with plans to transition into a management consulting or financial advisory role.

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