



Point of View

Why Salespeople Are Leaving

by Joanne S. Black

Endless cold calling leads to frustrated salespeople, reduced profits, and wasted time. Then why do we drain the energy and enthusiasm of our new employees by forcing them to focus on such an outdated sales technique? There is a better way. Knowing who to contact and how to contact them is an invaluable skill for all new salespeople to learn.

We hire salespeople, indoctrinate them with product knowledge, show them how to fill out timesheets, medical forms, benefit forms; give them a smattering of our business culture and the way we sell; then give them a phone, a list, and a desk and expect them to figure out how to build their territory fast enough and well enough so that they can make the kind of money that we promised them.

They end up pounding the pavement or cold calling from their phone, and then we wonder why they can't bring in the business after all the training and money we spent on them. Frustrated, most of them leave, and we start again.

The actual cost of hiring and training a new employee is one and a half times their future yearly salary, plus benefits. There are other costs to consider when a salesperson leaves and must be replaced. These include loss of productivity once the salesperson has decided to leave, the cost of recruiting, the possible loss of our competitive insights if they go to our competition, the loss of productivity once the new person comes on board, and loss of sales opportunities and clients while the territory goes uncovered.

When I talk to new salespeople and ask them how they're building their business, most say that they are cold calling. Why? "My boss says I have to" is the frequent reply.

Ask any of these new salespeople if successful individuals in their organizations are cold calling, and the emphatic answer is, "No!" Veterans build their business because of the relationships they've established. They're actively working their referral network, yet they expect the new folks to do what they had to do when they started — which is cold call.

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Data I've collected from people who engage in cold calling shows that a real estate agent can make more than 300 calls to get one new client; a stockbroker makes more than 200 dials to reach 30 people, to get 5 appointments, to get one new client — if he's lucky. These aren't great odds.

Instead, we should focus on the right kind of activity: building business through referrals. Everyone loves to receive referrals because they shorten the time it takes to close the sale, reduce or eliminate the competition, increase your credibility, and minimize price objections.

Get Started: Four Tips

- Clarify roles and responsibilities. Everyone in the company is part of the sales team — whether they have “sales” in their title or not.
- Determine metrics for success. Decide how salespeople will be measured on sales activities as well as revenue and profit targets.
- Ensure that salespeople know how to ask for referrals so that they get in front of the clients they want to meet and who want to meet them.
- Hold managers accountable for reinforcing sales behavior and ensuring a viable referral-selling process.

If we give salespeople the tools and skills they need and reward and recognize results, just watch how much business we close! And how many salespeople we keep for the long run.

Take the first step...

**Build a referral system that will leave your competition in the dust.
Call Joanne Black at No More Cold Calling™ NOW! 415-461-8763.**



Joanne S. Black

*Joanne Black is America's leading authority on referral selling and the author of **No More Cold Calling™ The Breakthrough System That Will Leave Your Competition in the Dust**, from Warner Business Books. She developed her No More Cold Calling practice in 1996 and now reaches thousands of people each year. Her Referral Selling System has increased the performance of many top companies including: California State Automobile Association, CCH Knowledge Point, Charles Schwab, Colliers International, KPMG, The Marlin Company, and The Mechanics Bank.*