

Issue Seventy One

LAUNCHPAD



Dialling for a dollar - Perfecting your cold call

Most of us loathe the sound of those two words, 'cold calling'. It can be labour intensive and takes a fair amount of courage. We worry that it can often be seen as annoying to the receiver, putting us at a disadvantage from the beginning. However, if you're willing to put in some effort, there are some top tips to help you to make cold calls effectively.

Result

What's the outcome you're trying to achieve? Write this down and keep it top of mind when you're planning and making your calls. This may help you to make the calls shorter and more succinct - a benefit to both you and your client.

Preparation

Write a script for your cold call. Make it brief and to the point then practise it again and again, until you feel confident to use the script without needing to look at it (but always have it close for backup). You may also like to try rehearsing with a colleague or family member. This may feel silly, but once again it will give you the courage and confidence to go into each call. Just saying the words out loud will help you become comfortable so you sound natural and fluent. It also helps you weed out any phrases that feel false or unconvincing.

Knowledge

The more you know about your product or service, the more confident you will appear to prospective clients. This knowledge will make you feel more confident too. Quite often the person on the other end of the phone will know very little about what you're trying to sell, so do your research, learn all the ins and outs of it to arm yourself for any questions that may be fired your way.

Persuasion

If your prospect needs your product or service, you can use this to sell your point. Let them know the 'who, what, why, how and when' of what you're able to provide. Ask relevant questions and really listen to the answers, so you can reflect back to them on the 'what's in it for me?' principle. Knowing what's in it for your customer will help you reiterate the importance in what you're trying to sell. Add a call to action. 'Would you like us to come out and demonstrate?' 'Would you like a sample so you can test it yourself?' 'Can I send you our catalogue?'

Competitors

Before you make a cold call, know your competitors and establish the difference between them and you, between their product and yours, between their service and yours. Make this difference evident to your prospective client in a diplomatic way and prove how what you're offering is a far better deal.

Debrief

After each call, take a minute to reflect on what went well and what didn't. Make a note for next time and always remember to congratulate yourself on a job well done.

With the right planning and practice, your cold calling confidence will increase, making the whole process much easier over time.

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How do you know what to insure?

It's a bit of a Murphy's Law principle that businesses often don't really come to grips with their risk management plan (or the lack of one) till some random accident takes out a key manager or lead hand and it hits everyone what it will mean for the business.

No one can plan for everything but every business should have a sound grasp of the kinds of risks that might hit them hard. And every business should put strategies in place to minimise risk and deal with it, if the unthinkable happens.

When you are thinking about insurable risk for your business, emotion can sometimes derail the process unless you put a framework in place to assist in the decision making process. You also need to assess whether you can manage risk through your own resources first.



There is no one rule to apply to insurance risk as everyone's situation is different. However, start by brainstorming up every conceivable risk. Then divide your list into two columns:

- What are the potentially catastrophic events that may affect your business? What are the events that could result in financial loss, cause you to substantially change your lifestyle or force you to close down your business? These are ideal risks you should think about insuring for.
- What are the risks that might potentially cause you to suffer losses but which you could manage out of your own resources such as cash assets? Generally, you may not need to insure against these risks.

Whenever they start to work through their insurance plan, most people tend to think about things rather than people - the buildings, the vehicles, plant and equipment. You also need to factor in the impact if key people were suddenly not there to make everything run smoothly.

Do a double take and consider whether you've really taken human capital risk into account. What would be the effect if you couldn't work for six months, for example? Who are the other key people in your business? What would be the impact if they couldn't work for six months or if they couldn't return to work at all?

Often people make the mistake of over or under insuring in the wrong area and find there are gaps in their risk management plan. For professional advice in structuring your risk management plan connect with your local insurance consultant. If you're not quite sure where to start, talk to us first to help break it down.



FYI...

Human capital: in a business, human capital is the sum of all the intangibles that people bring to the business without which the business would be so much the poorer. It's the knowledge, skills, experience, the attitudes, creativity, training and judgement that help a business reach its goals, grow and succeed. Human capital is the total capacity of the people in the business. It is another form of wealth which can be directed to accomplish the goals of the business.

See our page 4 article on assessing and planning for human capital risk.

'... if you're looking for more profit, the challenge is to do more good things'

Jason Jennings, *Hit the Ground Running, A Manual for New Leaders*



Just Breathe - how to cope when the heat's on

We've all heard the saying, 'the customer is always right.' Behind closed doors, this may not always be the case but as a business owner, manager or customer services representative, it's the number one rule you need to follow. By doing so, you can try to defuse a potentially tricky situation and, if you don't succeed, you can at least walk away with your head held high and your dignity intact.

Take a minute. You may not have all the facts but the best possible outcome is for you and the customer to feel okay about the outcome, for any interested onlookers to see you and your team are professional under fire, and for the customer to tell their friends - not how angry they are but how great your solution was and how well you responded to them. Have your endgame in sight.

However it's not always easy to keep your cool in these sorts of situations, especially when the customer may not be right. This of course can mean tempers may flare. The person in question may also be firing nasty words your way or blaming you personally for something that has gone wrong somewhere in the transaction. This is where it's difficult to keep calm and not put your hackles up. Here are some things to remember when the situation becomes potentially hostile.

It's not all about you.

First and foremost, don't take it personally. The thing to remember is that it may not even be you or your business that set this tirade rolling. Some people wake up on the wrong side of the bed, with everything turning to custard from the moment their feet hit the floor in the morning. You too have had these mornings. Dropping everything you lay your hands on, hitting every red light on the way to the office, spilling coffee down your crisp white shirt. It's often that one last moment in someone's day that will tip the scale and whoever comes next is just unlucky to be in the firing line.

You were here once.

You know what it's like to get your knickers in a knot when things just aren't going right. Practise understanding and try to see the situation from the customer's perspective. At the same time, you need to remember that you're the one who can help here. Take your time in listening to the customer; in fact, it's best not to say much at all until they've got it off their chest. You will notice that this will actually give them time to calm down and blow off steam but will also allow you the time to understand the situation, take accountability and respond decisively. Knowing the whole story and having more knowledge about the customer and the scenario will allow you to make an informed decision on what can be done next.

Smile, don't smirk.

Maintain poise but don't be arrogant. Stay positive and don't let your personal emotions get in the way. Remind your client that it's going to be okay, because it is. By remaining fearless and maintaining confidence, your client will regain confidence in you. It is you after all that they are relying on to fix the situation. You can be the hero in this. Almost everything we do in life comes down to our attitude and this is no different so be as accommodating and encouraging as you can be.

It can be a game changer answering the phone or being confronted with these types of situations. Your day can instantly be flipped upside down. It's important not to let it affect you too much. Always try to ensure that the transaction ends on a happy note and that all parties are satisfied. By doing so, you will actually walk away from the situation feeling elated rather than deflated and your customer is likely to return.



'Almost everything that can go wrong in a business has a human capital component.'

David Creelman, CEO of Creelman Research

Human capital risk - what is it and what do we do about it?

When you are in the process of assessing your business risk and putting together your risk management plan, make human capital risk one of your focus areas.

Human capital risk is a term which covers whatever arises out of not managing an organisation's human capital well. This includes:

- catastrophic workplace events such as disabling illness, injury or death
- losing staff to rapid turnover
- a team member committing fraud or misappropriating assets
- negligent hiring or retention, such as where an employer fails to complete necessary background checks on a new hire and, as a result, employs someone who is dangerous or untrustworthy
- complacency, where the organisational culture is one of 'I don't know' and 'I don't care' and the business drifts or runs aground because of this



When you review the risk management strategy for your business, assessing risk is not so much about analysing how likely or unlikely it may be for an event to occur. Over the last few years we've certainly witnessed that extreme and unlikely events occur far too often for comfort. It helps to analyse what the cost to the business would be if any of these risks occurred. Could the business take the hit or do you need to have strategies in place either to avoid them altogether or cushion the blow? And what sort of strategies might be appropriate?

Where catastrophic events pose a danger to the business through the loss of key people, an insurance package might cover funds to help cover shortfalls through the transition and replacement costs, as well as funding a shareholder's share of business debt, and purchase of the deceased or disabled partner's share of the business. Backup strategies might also include developing a leadership programme, more effective delegation of responsibilities, mentoring and training.

If staff turnover's an issue, is there something else going on? Are pay points far lower than those of competitors? Is morale an issue? Are the business' recruitment strategies just not finding the right fit for the firm? You might look at what your competitors are doing but you could retool recruitment and training processes to increase employee retention. If staff are leaving because for lack of a clear career path, could the organisational structure offer solutions? You might also look at organisational culture and introduce measures to improve morale, engagement and a positive outlook toward the business and customers.

The potential damage a fraudster could do to a business is truly horrifying. It's hard to come back from the direct costs to management, as well as the damage to the brand, team morale, and vital relationships with partners, suppliers and regulatory bodies. However, it is possible to create a climate which minimises the possibility. Strategies might include screening employees at pre-employment as well as screening suppliers and third parties, thorough internal controls and audit processes, as well as a clear code of conduct and awareness training for the whole team.

Whatever your assessment of business risk, a risk management strategy that meshes with every aspect of the business is crucial. Regular review and energetic follow through will help to minimise risk and create a stronger organisational culture alert to possibility and adaptive to change.

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

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