

PEO Network Articles Archive 1997 (January thru June)

Mining Your Own Business

Going back to your former prospects can dig up business gold

When a qualified prospect says “No,” it can happen for two simple reasons. The first reason is that you didn’t give them the “right” information. Everyone uses different filters to process information. Are you a bottom-line person? How do you feel when the detail-oriented sales person drowns you in information? Many times a PEO prospect will say that they are not interested when, in reality, they don’t understand what you are talking about and they just don’t want to appear stupid.

The second reason people don’t buy is that they don’t like you. It may be nothing personal. You’re just different and people like people similar to themselves. Think about it, have you ever not bought something you really wanted just because you didn’t like the salesperson? You probably would buy it from someone else who didn’t spend a dime attracting or educating you. All successful sales people are masters of rapport, the chameleon-like trait of instantly becoming just like their prospects.

The answer to this sales dilemma is simple, and it brings us to the first of our “free” prospect lists. You can increase your sales opportunities by teaming up your salespeople and having them exchange old leads. You can do this in one of two ways, depending on the pool of salespeople you have to draw from. Team up salespeople who are complete opposites and/or give the lead to the salesperson who is most like the prospect in personality. You’ll have the most success with matching the sales person to the prospect.

The next free prospect list can be obtained by asking current clients if they have a file of “Certs.” Very simply, certain companies are required to retain a file of “proof” that vendors and/or customers have adequate insurance coverage in place. The scenarios as to why this is required are endless. A common example would be a general contractor being required to maintain a “Certificate of Insurance” (Cert) on subcontractors proving that they have Workers Compensation and Employer Liability coverage. This Cert is a recap of all P&C lines of insurance including carrier, expiration date and limits of coverage. If you can make a copy of the Certs, great. If not, copy down the name of the company, broker of record and expiration date. Use the expiration date as the time not to call on them. Ideally, you want to have them as a client three months before the expiration date.

The last two free prospect lists are very obvious and easy to access. The most important question is: “Are you using them?” When is the last time you were in your local library? Do you have any idea how much free information is in the library such as D&B lists, manufacturers directories, association lists, etc.

Finally, when was the last time you contacted old customers? Think about how your PEO has changed in the last three years: hopefully it’s providing higher levels of service and better quality vendors. Dust off those old boxes of terminated clients and check in with them. Maybe they have changed ownership, maybe they regret leaving, maybe they have improved their financial picture. And maybe, just maybe, they are willing to give you another chance.

Turning “No” Into Money

You’ve recycled prospect lists and contacted old clients, now what? You’ve spent valuable time and money educating and marketing to these companies. Keep the ones that you feel qualify for your program and sell the ones who don’t qualify. For example, you’re a full service PEO that bids on a per employee basis and this prospect doesn’t qualify because they are in a high risk category with too many part time workers. You could sell this lead to a PEO that specializes in high risk and charges on a percentage of payroll. These leads can be sold from \$10 to as much as \$250 per name.

Finally, if your company policy allows, you could trade unqualified leads with a sales person from another company with a target market that is different from yours.

Writing Winning Sales Letters

Ask your client to write a letter about your service that highlights a success story. This letter should be addressed to your PEO client’s customer base and is to be written on the client’s stationery.

The key to success is two-fold. First, the objective is to have it opened and read, instead of thrown in the trash along with all of the other junk mail. Secondly, it presents a strong third-party reference. Once mailed, you must follow up with a phone call offering a “special” for your client’s customers. This special should be for a limited time and should offer a “great deal.” After all, it didn’t cost any thing to get this prospect list. (You may want to offer to

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reimburse your client for the cost of stationery and postage.) Reimbursement might take the form of waiving the set-up fee or giving one month of free administrative service.

This is a highly selective marketing technique not to be used on all clients. Otherwise, you couldn't keep up with all of the leads, and you may be marketing to companies that don't qualify for your services. Keep this as your secret weapon only to be deployed at strategic times.

Get your client when in a mood for reciprocity. The potential for reciprocity is high when you first bring a client on board and solve one of its big problems, such as eliminating a high insurance renewal or adding a401(k) .

This is usually a good time to ask a long-term client to agree to one of these highly compelling and effective sales letters—when the client may feel obliged, and when there is a great “success story” to write about.

SAMPLE LETTER:

ABC Tool & Die Company

100 Main Street, Anywhere, USA 00000

February 28, 1997

Mr. Tom Jones

President

XYZ Manufacturing Company

123 Oak Street

Anywhere, USA 00000

Dear Tom:

I'm taking a moment out of my busy schedule to fill you in on an incredible opportunity. As a valued client of ours, I want to share a story with you. I've never done anything like this before, and I want to assure you that I'm not being paid to write this letter.

Last year, I got out of the “employee business”. Yes, it's true. You can outsource the burden of having employees, and greatly reduce the associated liabilities. I have to admit that I was skeptical at first. That's why it took me a year to write you this letter. But, last week, something so amazing happened that I couldn't keep it to myself.

We hired a new guy three months ago, and by the 30-day mark, he was limping and claiming to have twisted his knee with no witnesses. You know what that means—a \$30,000 claim at the least. Well, my “professional employer organization” investigated this guy and proved fraud. They notified me that he had filed both a health insurance and an unemployment claim.

This PEO integrates payroll, payroll tax administration, employee benefits, workers compensation, human resource compliance and risk management into one comprehensive program.

One of their representatives will contact you next week and explain the program in more detail. I highly recommend that you sit down with him and seriously take a look at what his company can offer.

Our shop is more productive, safe and profitable than at any other time in our 50-year history.

Sincerely,

Bill Smith

President

Note: It's important to follow up the above letter with a phone call and a special offer. ■