

Cold Calling is a Numbers Game

The Probability of Success



Subject: Cold calling, Sales, Success, Prospecting

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Any way you look at cold calling, it's a numbers game. The more you call the more likely you are to gain business. The inverse holds true also. The aim of cold calling is to turn a long list of leads, into a long list of meetings, into a long list of sales so you can get a long list of zeros behind your earnings. Simply stated, you need to convert your stack of leads into a stack of cash using your telephone.

Another way of viewing this is to use the **Law of Probability** directly addresses your chances of success in a given activity. You can calculate the probability of success (i.e., the likelihood of a desired outcome) if you understand how your chances improve with ever attempt.



As an engineering student in college, we studied the laws of probability and how they were calculated. The example I remember best is the **sack with the color balls**. In this sack there are 10 balls. Nine of the ten were white and there was one green ball in the sack. The professor started out by asking, what is the probability of you reaching into the bag and pulling out a green ball. The probability of you getting the green ball (i.e., $P(g)$) was easily calculated by taking the number green balls (1) and dividing it by the total amount of balls (10) in the sack.

$$P(g) = 1/10 = .10 \text{ (multiply 100 and you get 10\%)}$$

The chances of you pulling a green ball out of the sack on the first try is 10%. Not a bad probability, but not great. So let's say you go ahead and reach into the sack and pull out white ball leaving only nine balls in the sack with the green one still in there. Now, the probability of you pulling out a green ball on the next try is calculated as such:

$$P(g) = 1/9 = .11 \text{ (multiply 100 and you get 11\%)}$$

As you can see, your chances of getting a green ball improved slightly from 10% to 11%. This isn't a great improvement. Let's see what happens to your chances of getting the green ball as you continue to pull white balls out of the sack. Again, we'll assume the green ball is pulled out last. Why last? I don't know...because life seems to behave that way. We either get lucky right away or luck waits until the very last moment to show up. Since we didn't get lucky upfront, let's assume that luck isn't immediately with us and won't show up until the end. Here's what the probabilities would look like:

White Balls	Green Balls	Total in Sack	Probability $P(g)$	$P(g) \times 100$ %
9	1	10	.10	10%
8	1	9	.11	11%
7	1	8	.12	12%
6	1	7	.14	14%
5	1	6	.16	16%
4	1	5	.20	20%
3	1	4	.25	25%
2	1	3	.33	33%
1	1	2	.50	50%
0	1	1	1.0	100%

As you can see from the table, your probability $P(g)$ of getting a green ball out of the sack dramatically increases after the sixth ball (25%) is pulled leaving only four in the sack. In the last row of the table you can see that there are zero white balls left and only one green ball. So the chances of you pulling out a green ball with only one ball left are 100%. If you move up a row where there is one white ball and one green ball left in the sack, you can see that your chances of getting a green ball are 50% (i.e., a 50-50 chance).

Now you're probably wondering, "Victor, thank you for the math lesson...hated it. So how does this apply to prospecting and cold calling?" Great question.

I mentioned that prospecting is all about converting a stack of leads into a stack of cash. So let's drop the 't' in stack and think of a sack. In your sack you have all these leads. Every time you pull a lead (i.e., pick up the

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phone and call a potential client) out of your stack and make a call, the probability of you getting an appointment or sale increases with every lead (ball) you pull. The green here symbolized cash, money, mulla, dinero, etc.

Keep making those calls...the green ball is bound to turn up!

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