

48 Hours with the King of Cold Calls

A Salesman Par Excellence Talks About the Rewards of Cold Calls
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The marketing sophisticates say cold calling is dead -- that it's too expensive, too untargeted, and too ineffective to pay off. Chuck Piola, 15,000 cold calls and one fast-growing company later, disagrees.

Center City Philadelphia on a raw winter morning. Chuck Piola bursts out of his black Mercedes singing in full throat (this time it's the Drifters tune "Under the Boardwalk," handled off-key but with feeling) and scans a cluster of skyscrapers. He points to a building with particularly striking architecture. "Let's try that one," he says.

It's the Bell Atlantic Tower, 52 stories tall. He strides quickly through the lobby, carefully avoiding eye contact with the security guards. In the elevator he glances at the buttons and pushes 40, a shot in the dark. The elevator rises, and Piola pops out. Straight ahead is a law firm he's never heard of before.

"I wonder if you could help me out?" he asks the receptionist, opening with his favorite line. "I represent NCO Financial Systems. We specialize in discreet recovery work for companies having trouble collecting receivables. Our clients include Bell Atlantic, a lot of doctors and hospitals, and even the Philadelphia 76ers. I happened to be in your building, and I wondered if I might see whichever partner handles your finances." His tone is upbeat and cordial.

The receptionist, polite but skeptical of unannounced visitors, gives him the once-over. He seems to pass. "That would be Mr. L.," she says. She points to an inside line. "You can use the phone back there." Alas, Mr. L. is not available. Piola thanks the receptionist and leaves a business card.

By the elevator, a tall gentleman is meticulously fitting wraparound glasses behind his ears. A detail man, notes Piola as he strikes up a conversation.

"Beautiful offices," he remarks. "Are you with the firm?" The man is. "Arthur Newbold," he says, extending his hand.

At a glance, Piola notices that Newbold's shoes are unshined and his slacks pressed carelessly if at all. Either a nobody, Piola thinks, or someone so high up that he's past the \$900 suits, all the show. Piola decides it's the latter and again makes his familiar pitch. At the end he mentions Mr. L.

"No, no," says Newbold. "The person you want is Rich Rizzo. He'd handle that."

Piola thanks him and returns to the front desk with the new information. Newbold, it turns out, is a partner, and the receptionist sits up a little straighter at the mention of his name. She cheerfully provides Rizzo's number and again offers the inside phone. Rizzo picks up, and, yes, he is interested in learning about NCO Financial. But today is impossible, he tells Piola. They agree to an appointment two days hence.

"Bingo!" says Piola. The first cold call of the day, and already things are looking good. The 400-lawyer firm has millions of dollars' worth of outstanding fees, and Rizzo is the partner who handles finance.

True cold calling -- the face-to-face pursuit of unqualified prospects -- has long carried a whiff of the unseemly. But today it is in complete disrepute. By some estimates, a single industrial sales call now costs \$400 or more, what with

travel expenses, support costs, pay, and benefits.

Few companies want to risk that outlay on a crapshoot, so they equip their reps with leads generated by telemarketing, direct mail, and trade shows.

"The days of sending a foot soldier out in the field to randomly call to qualify are over," says Gary Hultgren, director of sales training at Moore Business Forms, a \$2.5-billion company in Lake Forest, Ill. "Cold calling has almost become a dirty word because of the economics. I don't see how anybody does it anymore."

Gary Hultgren, meet Chuck Piola. In a 15-year sales career dating back to when he sold phone-directory advertising door-to-door, the former high school history teacher estimates he's made some 15,000 cold calls. He thrives on "going in raw," as he puts it, taking the business to the street.

In 1986 he teamed up with Michael Barrist to revive NCO Financial Systems Inc., a collection agency started by Barrist's grandfather in 1926. Today, with 63 employees, they operate from a sprawling suite of offices in Blue Bell, Pa., near Philadelphia. Their client base -- 64 when Piola started -- has reached 1,700. Their computer-directed machines generate some 120,000 collection letters each month. And NCO's billings have reached \$3.5 million a year, growing so fast that the company has made the *Inc.* 500 three years running.

Piola, the executive vice-president, heads a sales staff of six. And he credits the company's rapid rise not to some highfalutin marketing system but to old-fashioned shoe leather -- walking in doors and telling his story.

Sure, he's heard that cold calls aren't cost-effective; he just doesn't believe it. "Some accounting operation crunched those numbers," he says, dismissing the point as though waving away the merest gnat. What the bean counters ignore, he contends, is the multiplier effect. "When you cold call, you maximize your opportunities. You meet people. You can thread a sale from one person to another, and you never know where it's going to lead."

On this day -- the first of two he's set aside to work Philadelphia's high-rent district -- it has already led to Rich Rizzo. Piola says he never would have reached him through direct mail or telemarketing. Rizzo took the call, Piola says, because he mentioned Arthur Newbold.

"You've got to put yourself in a position to meet somebody who'll be receptive, and that won't happen unless you see people," he explains. "The goal of the cold call is to get the appointment. You have to at least get up to bat."

Back on the street now, he darts into Two Logan Square, another tower.

In an hour he works his way down the building, hitting 10 companies -- law firms, insurance outfits, ad agencies, investment banks. At each stop, of course, receptionists protect the entrance. Getting past them on the phone can be tough -- that's their power base. But face-to-face cold calls are rare enough now that this defensive perimeter is easily penetrated. "Nobody knows how to handle cold calls anymore," Piola says. "I get through because there's no system to stop me."

A little charm goes a long way, too. Piola spends a few minutes with each one he meets, tossing a compliment or two, cracking a few jokes. He smiles a lot, which comes naturally. "You've gotta love people to do this job," he says. "And I sincerely do." In the windowless world of the high-rise receptionist, Piola's presence is like sunshine. That makes an impression.

He's much the same each time he meets a potential client. He looks for something to talk about, some common ground. It can be a picture on the office wall, the view, or failing that, something general -- the traffic, sports, the economy. Rarely is he stumped for a topic. "The salesman's job is to find the hot button," he says. "You have to become real to them, because up to that point you are just a business dude. The ice hasn't melted at all. You can get so fancy on sales techniques that you forget to be a nice, regular guy. But that's what sells."

At Two Logan Square, however, he finds no takers. Not one to gnaw on rejection, Piola cuts into another office building. He wanders into more law offices and securities firms. Then, peeking out of the elevator on the 21st floor, he spots some big game -- Sun Refining and Marketing Co., part of giant Sun Co.

Here he finds no human face out front, only locked doors and a card-key entry system. But there's a phone on the wall, and he manages to lure out Larry DeAngelis, the general credit manager. DeAngelis doesn't have much time to chat, but he and Piola exchange cards. When Piola telephones, the next day, DeAngelis agrees to a meeting two weeks later.

Out on the street at noon, Piola blends in easily with the lunchtime business crowd. He's wearing a cashmere topcoat over a double-breasted, blue pin-striped suit. A quiet paisley tie is knotted crisply on a starched white shirt. He always shines his shoes the night before he cold calls, so his wing tips glisten. He has an expensive leather briefcase, cuff links, and an Omega watch.

His outfit is no accident. Collection agencies suffer from a shabby, Columbo-like reputation. Piola knows that and counters it. Cold calling is both an art and a science, he says.

It requires a fluent understanding of body language, the ability to talk to people on all levels of workplace society, and above all, a carefully cultivated image.

Today, working Philly's business elite -- "the suits" -- Piola wants to project a conservative, understated look. "People have to buy *you* before they'll buy your product," he preaches. "They are buying your polish, your conviction, even your grooming. It helps a lot if you look successful. People have to know immediately that you're not some bimbo."

Over lunch at the Corned Beef Academy, Piola recounts a war story -- his recent cold-calling conquest of Pittsburgh National Bank (PNB). He'd flown to Pittsburgh to service an account at Mellon Bank; NCO collects its delinquent credit-card debts. The appointment ended early, leaving a few hours to kill. So Piola walked into PNB and scanned the directory. He found the name of the VP for credit policy. Let's call him Ted.

"I go up -- I'm now on the top floor of the bank," Piola says. "I ask the receptionist where I can find Ted. I've just missed him, but she buzzes me into the executive area to see his secretary. The glass door opens, and I walk down this hallway with Persian rugs and mahogany paneling, to Ted's office."

It turns out that he's not the person to see. Neither are the next two people Piola is referred to. "Meanwhile," he says, "I'm walking around this place like I own the bank -- you need to feel that way when you cold call. You can't be intimidated."

Finally, he finds the vice-president in charge of the whole recovery department. She won't see him without an appointment, or so he's been told. But after hearing what NCO does, she ushers him into her office. "I was there for an hour," Piola marvels. "We talked about everything, even philosophy. She slaps me on the back when I leave and writes down the name of the guy I needed to call."

The upshot: PNB gives him some \$350,000 of sour consumer loans to collect, on a one-third contingency basis. That works out to about \$115,000 for NCO.

"It blows my mind," Piola says. "At 11 o'clock I was outside on the street. Five minutes later I'm in the sanctum sanctorum of one of the country's 20 biggest banks. It shows you that this interference thing is just a head trip."

This day in Philadelphia yields no such luck. On the last of 25 calls, he takes a wild stab at the regional headquarters of the Internal Revenue Service. "People owe it money, right?" he says. The commissioner, however, declines to be seen.

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Early the next morning Piola guns his Mercedes back into the city. First stop, a car wash. Part of the "aura" of cold calling, he explains, is feeling good about yourself. And that goes for your car, your socks, and your tie. "You don't want any irritations," he says. "Maybe I'm being picayune, but all these little glitches that bother you during the day can crimp your performance when you get that 30-second shot in front of the right person. If my socks keep falling down or I don't like the tie I'm wearing, I'll go buy new ones."

Maybe clothes are on his mind, for his first call is on Nan Duskin, an upscale women's clothing store on Rittenhouse Square. He already has the account; he just wants to touch base with Larry Gustison, the vice-president and chief financial officer. Gustison is busy, but he waves Piola in.

"Chuck can always see me," Gustison says. "But as a rule I hate cold calls. It's rude to think you can just come in and take time, especially if you don't know the person."

Piola chews on those words as he drives across town to Wills Eye Hospital. "Larry's right," he says. "You don't want to fight people, you want to sell them. And he's very busy, which is unusual.

I think most people go to work wondering what they're going to do for lunch. So I don't buy this business that nobody can see you without an appointment."

On a good day, Piola can make 30 cold calls, do three or four presentations, and schedule an appointment or two. He operates on "the assumptive." His attitude is that people want to see him -- or *would* if only they knew his business. "We're talking about management of accounts receivable, which can be a nightmare."

Cold calling his way through the hospital now, leaving cards everywhere, he encounters, by chance, Ruth Humm. She's been in the medical management field for 15 years, and Piola has worked with her before. She's glad to see him. "Chuck always has some good jokes," she says.

Humm is new to her job managing an ocular-oncology practice, and assumed Piola had a contract with it already -- 70% of NCO's client base is medical. Since he's here, however, she does have one thing: a New Jersey man, already reimbursed by his insurer, has stubbornly refused to pay the eye surgeon.

Piola warms to the challenge. "After four or five months in our system he's going to get 45 or 50 attempts," he says. "We'll send letters; we'll do skip-tracing; we'll get a neighbor to tell us where he works and go after him there." Humm seems pleased. "Our secretary here is the first bulldog," she says, "but Chuck is the Great Dane with the louder bark." She hands him the file and signs a contingency contract. It's a \$2,800 account.

That's small beer compared with his final quarry of the day -- Independence Blue Cross, a monster insurance company. Like most, it has unpaid premiums, overpaid claims, and the like. A few months earlier Piola had left an NCO brochure for John Foos, the chief financial officer. Now, driving over, he gets on the car phone to a secretary he met that day.

It's not Foos he wants, she says. It's someone named Tom Ford, the manager of corporate cash. "Manager of corporate cash," Piola muses over the phone. "Nice title." The secretary chuckles.

Minutes later, he's on the 40th floor, executive real estate at the Blue Cross headquarters. Tom is not the guy to see, either, Piola learns, and he gets another name. He hits one blind alley and then another. Eventually, he's directed to Rosemary Park, senior VP of the risk-management division, down on 41. Yes, indeed, Park says, she is very interested in a presentation. They set a date.

What probably influenced her, Piola reflects later over a Dewar's and water, is that he had started at the top, with John Foos. "His name counts everywhere in that building. The fact that I had never even talked to him didn't matter. I'd paid my dues because I had tried to see him, and then using his name was like hard currency around there."

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In the end, however, Rosemary Park canceled the meeting, saying something had come up. Rich Rizzo at the law firm kept his appointment, but nothing came of it. Oddly enough, it was Larry DeAngelis at Sun Refining and Marketing who provided the most promising breakthrough of those two days.

"Chuck is the only person who has ever made a personal call on me for that kind of service," DeAngelis says. "I was impressed."

The business he gave NCO wasn't large -- two corporate collection accounts totaling less than \$10,000. But as Piola sees it, it could be the start of something big. "What turns me on is that a small company like mine was actually able to go in and do a deal with a *Fortune* 50 company like Sun," he says. "And it happened on a cold call."

