

Hitting the zone

B2B telemarketing firm adds new division, clients with proprietary sales analysis tool

BY LISA BIANK FASIG | lfasig@bizjournals.com

Being an accountant, Jim Mullaney has a tendency to approach challenges methodically, often with a formula in mind. If he can project the statistical possibilities – if 50 sales calls result in an average of 15 sales – he can narrow down the goal into a pretty tight area. He calls it the Red Zone.

Eighteen months after developing this sales tool, Mullaney's company, the business-to-business telemarketing service Edoc Marketing, is undergoing its first operational expansion. His sales through July are tracking 62 percent above his 2006 revenue for the same period, at almost \$193,000, compared with \$205,000 for all of last year. For 2007, he projects to reach sales of \$386,000.

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such as workplace safety training. Edoc's employees work as five-member teams, reporting directly to the client from their separate home offices. But they do not try to sell the services; instead, they seek to set up appointments between Edoc's clients and their prospective customers. It is up to Edoc's client, then, to land the sale.

"We're getting them into the Red Zone; it's up to them to get into the end zone," Mullaney said.

Since he created the Red Zone analysis tool, his client list expanded to 25, from 11, while his business structure can accommodate only 30. So on Oct. 1, he plans to launch his first division, to be headed by one of his longest-serving employees. The goal is to establish 20 clients in 18 months. When 15 clients are landed, a third division is launched, and so on.

He credits Red Zone for the growth. The process is a statistical analysis that calculates the amount of possible business Edoc could put before its clients. It can begin with 250 contacts, the minimum number Edoc will sign on. Edoc's workers then will make three rounds of calls. In the first round they will call three times and attempt to reach as many decision-makers as possible. In the second round, they will call just those they did not reach and leave one voice mail. In the third

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round, they will call those with whom they had left a voice message.

Based on his 10 years of experience, Mullaney said his employees will probably get to speak to 30 percent of the prospects and book eight to 10 appointments, plus identify 15 to 20 leads that are a good fit but did not book an appointment.

Using the feedback from the calls, he said, "appointments will get better and better over time."

This is why the 250 contacts must be well-suited candidates, rather than businesses dialed up willy-nilly. After an appointment is booked, but before it takes place, Mullaney's staff will ask the client what additional items of information it wants to know about the prospect, to further determine whether the appointment will lead to a sale.

Then he calculates the money. If Edoc books eight to 12 appointments a month, that translates to about 100 a year, plus leads. If the client can land a sale at a rate of 30 percent, and the average piece of business is \$50,000, that equals \$1.5 million of new business, not to speak of the potential business from the leads. In return, Edoc charges a minimum of \$21,760 for the first year of service.

Even if his calculation is only right by about 10 percent, Mullaney said, it's still \$150,000, plus whatever business the leads generate.

Using this calculation, Mullaney said Edoc has put \$9.5 million in potential business before its 25 clients, with 1,030 appointments and 717 leads. His success rate for landing new clients is 29 percent as of July, compared with 12 percent in 2006.

Among those client is John Austin, president of Beagle I Inc., a Los Angeles-based maker of industrial flooring. He hired the firm two years ago after one of Mullaney's employees won him over.

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"Her name was Angie, and I began to ask her questions," Austin said. "By the time the conversation was over, I asked Angie to quit her job and work for me." She declined the offer, but she did land him as a client. "I hired Edoc and got Angie," Austin said.

Mullaney said he always had a plan for growth in the back of his head but didn't know how to approach it. He didn't want to franchise or license because he would sacrifice some control of the operations. Then the idea hit him: "Why not set up a way where staff can still be employees, but partners?"

He bounced his plan off Ralph Lowenstein, a Service Corps of Retired Executives counselor who has been advising him since 1998. Over the years, the men have had 42 meetings to discuss Mullaney's company. Not all were easy. For many years the company could not pull a profit, Lowenstein said, but Mullaney stuck with it.

"His determination really proved him to be right. He developed a business model that I think from here on out

can do nothing but prosper and grow," Lowenstein said. "He's the spark plug that's made this work."

An example is an exercise Mullaney took on last year. He analyzed every company in the *Inc.* 500 and rated them as potential clients. He was stunned to see many of the companies were in industries he avoided, such as financial services, because he didn't think he could make money. Soon he began approaching them, with luck. Edoc's closing ratios went up.

With Edoc's new division, those practices will be passed on. The division will be headed by Lynne Barnes, who has been with Edoc since its beginning in March 1997. Barnes collaborated with Mullaney on developing the Red Zone analysis.

The plan to expand through divisions, she said, proved to her that Mullaney wanted to reward the people who had stuck with him.

"I hope it to be a very healthy competition between Jim's and my division," she said.



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Edoc Marketing Division Manager Lynne Barnes, from left, President Jim Mullaney and Marketing Team Manager Tina Wildey discuss strategy.