

Name \_\_\_\_\_

Date \_\_\_\_\_

## Making Cold Calls

After Chris was admitted to the brokerage 6-month training program, he had to learn the brokerage system and how it worked. Each trainee had a goal of generating at least \$800,000 in new deposits during the training program. Chris was given a list of potential customers on a call sheet to assist in making *cold calls*, that is, calls to people at random who might become customers. From past experience, the company knew that a given number of calls led to a certain percentage of prospects, which led to a certain percentage of customers, which ultimately led to a certain amount of profit for the company.

1. On average, suppose it took Chris 3 minutes to make 1 cold call.
  - a. How many calls could he make in an 8-hour day, ignoring time for lunch?
  
  
  
  
  
  
  
  
  
  
  - b. How many calls could he make in 1 workweek? In 1 work-month?
  
  
  
  
  
  
  
  
  
  
  - c. In the film, Chris found ways to save time. He didn't hang up the phone between calls; he didn't drink lots of coffee and thus avoided the need to take restroom breaks. Using these strategies, he gained 8 minutes a day to make additional calls. With this additional time, how many more calls could he make in a day? In a week? In a month?
  
  
  
  
  
  
  
  
  
  
2. During 1 month, suppose Chris made the number of cold calls you found in Question 1b.
  - a. If 20% of those called became prospects, how many prospects did Chris make in a month?

- b. If 20% of the prospects became customers, how many customers did Chris obtain in 1 month?
      - c. Use your results in Questions 2a and 2b. What percent of the total number of cold calls that Chris made in 1 month resulted in actual customers?
    - d. At this same rate, how many customers did Chris secure in 6 months?
3. Suppose each of the customers in Question 2d made a one-time deposit. What is the minimum deposit, on average, that each customer made for Chris to bring in \$800,000 in deposits into the company?
4. Instead of one-time deposits, suppose customers made monthly deposits. So, the customers Chris secured in the first month made deposits for each of 6 months; the customers Chris secured in the second month made deposits for 5 months, and so on. (Remember that Chris was only in the trainee program for 6 months.) Use the number of monthly customers found in Question 2b.
  - a. If each customer deposited a minimum of \$1,500 each month, how much money did Chris bring into the company during the 6-month training program?

- b. The amount in Question 4a might be too much for many customers. Think about the total number of monthly deposits made by Chris' customers over the 6 months. What would the minimum monthly deposit need to be, on average, for Chris to bring at least \$800,000 into the company?
5. Suppose each customer that Chris secures makes a \$1,000 deposit each month. Find 3 different numbers of customers by month that Chris could secure in order to bring \$800,000 into the company during the 6-month training program. Explain your thinking.