

## The Multiplier Effect of Worksite Sales

Joseph W. Himelick, ChFC, MSFS



Joseph W. Himelick, MSFS, ChFC, is a 21-year MDRT member with 10 Court of the Table and seven Top of the Table honors. A past member of MDRT's Program General Arrangements Committee, he is an MDRT Foundation Bronze Knight. Himelick's career in the financial services industry began more than 25 years in the work-site marketplace. He since has spoken at several national meetings and workshops.

*ING Financial Advisers, LLC  
8911 N. Capital of Texas Hwy., Suite 1300  
Austin, TX 78759  
Phone: 512.794.1351  
E-mail: joehime@aol.com*

---

**I/R Code: 2400.00**  
**Cassette: A0532**  
**CD: C0532**

Each of us has had client experiences that have provided insight and context to our professional lives. A few years back, a client of mine, who is in his late 60's, went to the doctor for an annual physical. Of note, this client is a marathon runner and takes great pride in taking care of himself. His test results were in and his doctor informed him that he was in excellent physical condition. The doctor, having reviewed the test results, asked if my client had any questions. My client stated, "My wife and I are getting older, while I know that things don't work the way they use to, it's difficult to know sometimes whether or not something is due to a physical decline due to aging or if it's something else. In my wife's case, she doesn't hear as well as she use to. I don't want to embarrass her by confronting her, but how do I tell if it's more serious?" The doctor provided my client with some broad guidelines on how he might determine how serious his wife's hearing problem was.

With his doctors' advice in mind, my client returned home to report his excellent check up and to determine how serious his wife's hearing problem might be. His home is a long narrow structure. Upon his arrival, he entered the house through his front door. Upon entering the house and closing the front door behind him, the client exclaimed, "Honey I'm home!" There was no response, but that was really not a surprise as the house is long and narrow. My client continued to walk through the house towards the kitchen. As he got to the kitchen, he stopped as he spotted the back of his wife, preparing dinner at their stove in the distant corner. Once again he stated, "Honey I'm home!" Once again there was no response. Now my client was very concerned about his wife's hearing. He slowly approached his wife, who was still preparing dinner, with her back to him. As he reached his wife, he placed his hands out and gently put them on her shoulders. With a smooth motion he turned her around and then moved his hands to the cheeks of her face. As he looked into her eyes he, for the third time, stated "Honey I'm home". She, in turn, took her hands and placed them on my client's face, and said, "FOR THE THIRD TIME, I'M HERE".

## The Multiplier Effect of Worksite Sales *(continued)*

In this case, my client had a genuine concern about his wife, but his assessment of her ability to hear, as well as his, couldn't have been more incorrect. In his disciplined approach to his physical well being, he had forgotten to check on one of his most important senses, the ability to hear, and the wisdom that comes from really listening. In this case his doctor gave him a clean bill of health, but failed to give the client the right tests or maybe even ask the right range of questions.

While it's certainly a career choice as to the level of relationship, fact-finding and product deliverables that we each want to offer, it's important to keep in mind that our client(s) may perceive that we are their planner. In other words, what does your client perceive your role as? Distributor of their employer sponsored plan, financial planner, product specialist? Just as important, how do you perceive your relationship with the client?

I will pose a series of questions I encourage you to consider during the session and after. I would never presume to know your business better than you do. Just as the opportunities with a client are often realized by asking the right questions, our own business evaluation needs that same kind of consistent review as well.

In working with various financial services professionals for the last 25 years, I have often wondered if the financial service specialists at times walk by or away from more business than they may have actually developed. In any event, I believe we would all agree that the needs and financial status of a client is continually evolving. With that in mind, it's fair to ask how our practice and interface with existing and or prospective clients will allow us to stay in touch with our clients current circumstances.

An excellent example of how we capitalize on both a specialty approach and can expand into a broader exchange with a client (needs and products) is within the worksite marketplace. Our entry into these marketplaces normally comes as a result of the sale to the employer of a pension plan that might include: 401K, 403B, 457, etc to name a few and or a group benefit plan like health, disability, life, etc.. The sale of these employer sponsored plans can provide the financial services professional with the oppor-

tunity to make additional sales. While many would be familiar with the opportunities of additional worksite sales, few take the opportunity of these relationships to develop more significant individual relationships.

Of significance, try this test: answer these 10 questions relative to your own practice.

1) If you lost the employer sponsored case that you sold, how many clients would you still have?

It's certainly important to determine what portion of the worksite business is represented by your practice.

2) To what degree are you confident that the products you currently represent in the marketplace will continue to be competitive?

We have all experienced business/company transitions that result in a company exiting a marketplace. Furthermore, we have certainly seen cases where, in order to obtain market share, companies appear to initially enter the business at a nominal rate of return.

3) Are you confident that the company (s) you presently represent are committed to the marketplace you work in for the long term?

Certainly to the degree you are presently involved in the worksite market, that future success is predicated on having access to a company (s) that want to continue to be a force in the niche you market to.

4) Does your current arrangement with your broker or company allow you the latitude to change companies or are you limited in how changes can be made?

Certainly termination charges on certain contracts are an issue as well and need to be considered as part of any transition to another company's product.

5) How many times have you visited with a client only to learn that a product you could have offered them (IRA, life, disability, pension plan etc.) was purchased through someone else?

When these events occur, are you despondent that the client did not buy from you or are you comfortable with alternative sales being completed through another source?

6) When you review your client database, what percentages of your clients have more than one product relationship with you?

## The Multiplier Effect of Worksite Sales *(continued)*

Past industry studies have indicated that when there are 3 product relationships with a client, there is more than a 90% chance that the relationship will continue for at least 10 years. Where there is a single product, this percentage reduces to approximately 60%. Certainly where you are dependent upon a single approach to a client, there cannot be the assurance the particular product you are selling is the most important financial services product they should be considering at that time.

7) Does your current approach to your clients provide a platform to develop additional sales?

Are your clients aware that you can sell different products? Do your current prospecting strategies allow you to capitalize on different financial needs that are identified?

8) What kind of relationship do you want to have with your clients? Is it one that you genuinely feel will deliver the long term professional rewards and success that you seek?

For virtually all financial service professionals, there is a great deal of satisfaction which is experienced when a sale is completed. The real issue is how the next sell/need of the client can be determined and completed. For many, a normal extension of a healthy and proactive client relationship is the continuous discovery of a client's current circumstance. That, in part, is the sign of a very healthy relationship.

I would presume that each person in this room considers that an open and honest relationship with their clients is critical to long term success. Let me add some context here, when you are having a bad day or there are events which prompt frustration or delay, how do you answer the question "How are you doing?" I believe for many of us this question has become a conversation ice breaker; that in most cases we do not offer nor do we receive a completely truthful response. At issue for each of us, is how we get the client to feel comfortable and confident enough in our abilities to provide genuine feedback.

Try this question during an interview: What are you worried about? How often do we presume the role of identifying the need without attempting to understand what

the client is really concerned about? Even if that concern has nothing to do with the product we are discussing.

9) As you consider your or your firm's skill sets, can additional sales opportunities be matched with appropriate expertise and products? Is your practice prepared for the transition?

In today's complex business environment, it is virtually impossible for one person to be an expert in all fields. Furthermore, there are business decisions that need to be considered in the context of those lines of business that can generate profits for your business. Nonetheless, even if you decide to expand your practice, there needs to be a process by which you determine the necessary skill sets that will need to be available to support these new lines of business and prospecting/fact-finding methodologies.

10) When you consider the range of products you want to sell, which ones can you distribute at scale and match with the appropriate sales skill sets?

Kenny Rogers once sang that you need to know when to fold them and know when to hold them. Just as our client's circumstances change, our practices require continuous review. Much like we ask clients to evaluate and commit to new ideas, we each need to evaluate our own practices on an ongoing basis as well.

When we consider what brought us to the worksite marketplace there are a variety of attractions that are worthy of review:

- having access to a number of sales opportunities that are sponsored/facilitated by the employer

The worksite marketplace generally allows you access to a larger number of prospects in a limited geographic area/location. Furthermore, in part based upon the number of times you might visit that location, you have the opportunity to spend more time with your clients. This also makes servicing existing business easier as there is a relatively large possibility that outside of the service issues, the potential for new business, even if you have just sold a single product, exists unlike an individual sale. These opportunities can come from employee service

## The Multiplier Effect of Worksite Sales *(continued)*

meetings, enrollments, conversations in the hall, etc. As you explore alternative products for the marketplace, it is imperative to keep in mind that the employer sponsor should be kept abreast of what you are doing. There are some worksite marketplaces that do not allow alternative products be sold at the workplace. However, this is generally the exception and not the rule. By keeping individual employee relationships going while servicing these cases keeps the door open to other products upon the termination/separation of service of the employee.

- to some degree, the employer is prompted to offer these benefits to their employees in order to stay competitive in the workplace

The agent can play a critical role in identifying to the employer the reasoning behind offering different benefits. As benefit costs change, tax laws adjust to different savings opportunities, or employees feel more comfortable in identifying their benefit desires to you the agent vs. the employer. In each instance, the agent can play a critical role in the worksite environment.

- while the steps to the sale may be more extensive than those on an individual basis, when the sale is closed, the potential number of sales are significantly greater

All of us at one time or another has encountered the client who wants us to check into a particular need, but whose product is outside our normal business activities. In worksite, while this can certainly still happen, the agent has the opportunity of determining what products they might want to expand to or partner with another agent/firm. With the potential of adding payroll deduction for various products and/or making individual sales, the scalability of sales is enhanced when marketing in the worksite environment.

Thus far we have discussed the marketplace in a strategic sense. Now let's transition to a tactical view. In reviewing the worksite opportunity, it's worth discussing your view of the marketplace. Of even greater significance, how does your current worksite opportunity look?

- 1) Are you adding new cases? There certainly is truth to the old phrase you are either growing or dying. Do you find yourself trying to hang on to the same clients as the competition offers a wider and more comprehensive set of services? Do you feel that it's becoming more difficult to expand your practice using a singular or limited product platform?
- 2) If your income is dependent on worksite, how solid are the 20% of cases that produce 80% of your income?

Have you reviewed your book of business to determine where the top 80% of your income comes from? This exercise can be extremely insightful as to determining the vulnerability of your income. As many business coaches suggest, such an approach can also be an indication as to where your time is most valuable.

While this information is certainly not new, I would encourage you to complete the exercise on at least an annual basis. As to servicing issues, in my experience, 80% of my problems come from substantially less than 20% of my clients. From time to time in my own practice, I ask my staff to provide feedback, along with my own, to see if there are clients that we feel should be eliminated from the practice. Yes, there are clients that we actually approach and suggest that they might want to consider taking their business elsewhere. Most of the time, these outcomes are the result of the clients seeming unhappy with us, regardless of what we do. If the client is going to be forever complaining or unhappy, then they simply do not represent the kind of relationship that we are focusing on for the long term.

- 3) Can you continue to add cases and maintain the level of service and relationship development on existing cases?

Is your servicing strategy built around employer sponsored meetings (annual reviews for example)? How does your current practice connect to the individual employees needs?

- 4) What is the potential for adding new cases given how you determine your prospects?

## The Multiplier Effect of Worksite Sales *(continued)*

I've been fortunate in my career. In most instances, my clients are better at asking for or suggesting referrals than I am in seeking such opportunities out. However, for growing practices there is always the continuous dilemma of where the next business will come from. The point being, do you define your prospects as the employer, the employee or both? A close friend of mine was once asked to list out his 20 most important relationships. In his case, he listed the names of 20 institutions (hospitals, non-profits etc.). When asked who the key contacts were at these institutions, he could name a person for only half of the institutions that he had already listed. Steel and bricks do not buy our products. The last time I checked, these elements are difficult to develop relationships with as well.

- 5) What cross selling opportunities have you identified and which ones are you presently taking advantage of?

When we consider our clients, we should recognize the difference in those clients that represent the type of relationship and income we are professionally attempting to achieve. As many of you here who participate in coaching programs will attest to, one of the keys to a successful practice is to multiply those relationships to the point that they dominate your sales.

In your own case, have you determined a definition of an ideal client and figured out how many there are in your existing practice? In my case I want to have about 250 of these relationships, none of which are employers. While the ideal relationships are individuals, the vast majority have grown from an initial contact via a worksite related activity. The definition of an ideal client, in my case, is dependent upon the income the client relationship produces or can connect me to. In addition, the clients feedback and perception of our services, and my determination of the value added that I bring to that clients table are equally important factors. In some cases the ideal client is an individual, while in others it is a family (even multi generational). While I believe that I bring expertise to the client, in a larger sense, I'm one member of the team. In most cases I recommend that the client

have an attorney and an accountant (tax preparer). If we (financial planner, attorney, and accountant) are part of the client's financial services team then it's important that we be aware of each other's role.

Worksite marketing is an exceptional platform to make multiple sales on an efficient and profitable basis. While not all employees will desire your full range of services, discovering their needs and providing the product platform to address their particular circumstances can be the start of an exceptional long term relationship.

In my particular case, I started in the 403b marketplace. Obviously, with pension reform, the ability to sell additional qualified plans and to increase the contribution levels of existing clients has increased dramatically. This was my point of entry to the majority of my existing clients.

Now my ideal clients have product relationships that include wrap/brokerage accounts, annuities, long term care, life insurance, 529 plans etc... The largest source of my income now comes from wrap/brokerage accounts, although this is still less than 50% of my gross revenues.

My ideal clients live across the United States. I'm pleased to report that this offers my wife and me the opportunity to travel to virtually any major city and spend time with clients, who based upon their life long relationships have also become friends. There are even occasions where they travel to Austin, Texas which is my home and office location.

Our professions, by their very nature, can be a source of both positive and negative energy. As I look back and forward in my career, I think of the clients who have asked me to be their pall bearer, or when I was the 2<sup>nd</sup> person called after the funeral home, the clients who credited me with their successful retirement (both financially and psychologically). While in many cases I feel I received far too much credit for their programs success, it pleases me nonetheless that the client thinks of me in this way. Of course, not every client relationship is this close or meaningful. But overall I have to say that while a CEO can impact thousands and thousands of people's lives with their decisions, I can have a deeper impact, one client at a time.

## **The Multiplier Effect of Worksite Sales**

This profession provides an environment where, while looking at a client in the eye and working with them over their lifetime, the every day ups and downs simply become part of a far greater and meaningful life-long professional journey.

My belief is that if you take these questions and

insights and apply them to your practice and marketing techniques, you will be prompted to take some type of beneficial action. My formula has been successful for me. It will not work the same for everyone, but there are treads of commonality. I wish each of you the greatest of success.