Blueprint for Success:
A Guide to a Successful Financial Planning Practice

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It's a pleasure to be here presenting my ideas to the world's best sales people. I have learned most of what I do in my practice at MDRT focus sessions similar to this one and now it's my turn to share information and ideas with all of you to, hopefully, allow you to improve your practice and maybe even reach the next level.

I would like to share a quote with you to start: "No one can teach you what they have not done; beware from whom you choose to learn." The reason I recite that quote is because everything I am going to talk about today are things that I am currently doing and that work. There will be no text book, theoretical information presented that might work. Everything works!

I have been in practice for 23 years, and while I have always enjoyed a moderate level of success, it has only been in the last 8-9 years that my practice has flourished. It is a result of recognizing that there are specific components in a successful practice and by identifying them and perfecting them, I have been able to produce more sales and work fewer hours. The importance of this is I have more time to spend with my family.

The title of my talk today is "Blueprint for Success" and I truly believe there is a blueprint, a roadmap if you will, that, if followed, will allow you to achieve a greater level of success than you would otherwise.

As I see it a successful practice has four distinct components that, together, contribute to your overall success. I will explore these and dissect them as they relate to my practice, giving an explanation of each and how they contribute to your planning success. They are:

I. A Business Plan – You cannot get there if you do not know where you are going.

II. A Prospecting System – The best salesperson in the world cannot make a sale if they do not have a prospect in front of them.

III. A Practice Management Team and System – You cannot do it all yourself. You need help to effectively manage your practice.

IV. A Belief System – "If you do not believe in it, you can't sell it".

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Let's explore each one in detail.

I. A BUSINESS PLAN – A renowned chef would not make a dish for the first time without consulting a recipe. A builder wouldn't construct a house or building without consulting the blueprints or plans. Travel across the country without a map? Why? And, so it goes with our practice. Why in the world would we approach our business without a recipe, a plan or a map? I had always enjoyed a modest level of success in my practice, but there was a large degree of uncertainty that went with it. Not knowing what each day would bring may have a level of excitement, but the anxiety surely outweighs it. Flying by the seat of my pants, waiting for the phone to ring or for someone to drop in is not a very good plan. I decided I needed to map out a strategy to overcome the hit and miss plan I was using. I knew how much money I wanted to make and I knew how many hours per week I wanted to work. I also knew what my average sales commission was, how many appointments were necessary to make sales and how many calls or contacts I had to make in order to book an appointment. These are the building blocks used to start building the plan. The business plan will contain all of these items and will lend considerably to your confidence. Let's look at an example. Let's suppose you want to make $200,000/year. If you know your average commission is $1,000, you now know you are going to need to make 200 sales to achieve the income goal. If you are working a 50-week year, you need 4 sales per week. Now, how many appointments do you need to generate 4 sales? That is now the weekly goal. And, how many contacts are necessary for the appointment goal? That becomes part of the plan as well. Remember the 10-3-1 equation? 10 calls to book 3 appointments to make 1 sale. You all might be thinking that this is very elementary and you know what? It is! But how many of you have it all written down? That, you see, is the secret--very simple, clear and concise goals that are written out so that you can refer to them on a regular basis to monitor your progress. Contacts = appointments = sales = desired income. That is the essence of the business plan. Since writing my plan several years ago, my practice has become more consistent and I have been able to grow it as well. Of course, there are other components to consider such as improving closing ratio, increasing sales volume, educational goals, penetrating new markets, industry involvement, etc., that can be part of your plan, as they are of mine, but what I have touched on is just the essence of the business aspect of writing a business plan.

II. A PROSPECTING SYSTEM – Okay, you know the first step is to write your business plan. Now, for the second component—a prospecting system. The best salesmen in the world cannot make a sale if he has no one to talk to! No truer words were ever uttered. In order to be successful, you must have a steady stream of qualified prospects to tell your story. For my practice, prospecting takes two forms—seminars and personal referrals. Seminars have been the mainstay of our prospect stream for the last 10 years. Seminars allow you to leverage your time by telling your story once to a large group of prospects rather than telling your story several times, one prospect at a time. Our approach is a generic financial, estate and retirement planning seminar with no product emphasis. We hold two seminars per month, usually the third week of the month on Wednesday and Thursday. We use a local restaurant that has good name recognition and that also has a private banquet room. We limit attendance to 35 people per seminar and, in the last 10 years, have sold out virtually every seminar. Now, how do we accomplish this? I think it is a result of our advertising methodology. We use an 8 ½ x 11 insert in our local newspaper, targeted by zip code. We have found that if we run the insert for 3 days prior to the seminar and target about 20,000 households that will result in about 70 attendees for the two seminars. The insert is merely an invitation to an information-only luncheon that promises to answer a series of questions that are relevant to our target market. Those questions are listed on the insert and definitely create interest! Reservations are required so call-in instructions are included on the insert. This allows us to capture the name, address and phone numbers of every attendee. We also provide lunch and we give away a couple of gift certificates to local restaurants as well. This sets the stage to get people to attend the seminar, but that is only half the battle. You must convert attendees to appointments and that happens during the seminar! First, no selling and no product pitch!! As previously mentioned, our seminar lasts 2 hours including lunch. We spend the first 40-45 minutes doing a personal commercial. I spend this time talking about myself. I talk mainly about three things… education, reputation and experience. I outline my educational credentials with emphasis on those items that specifically pertain to financial planning (CLU, ChFC, CFP, etc.). Reputation items include my professional and civic affiliations such as Chamber of Commerce involvement, industry involvement, etc. and I conclude with a discussion of my 23 years of experience in the financial services industry. The whole purpose of this first section is to create a comfort level with my audience that I am qualified to discuss financial matters and to crush my competition. I want my audience to be thinking, "this guy knows his stuff!" With this part done, I move to the actual presentation of financial ideas in the question format previously mentioned. Lunch is served about one hour in and I speak right through lunch. I also let my audience know that I only have one goal, and that goal is that they are sufficiently impressed with today's presentation so much so that they would like to schedule a personal appointment for me to review their financial situation and offer suggestions for improvement. I also let them know that the appointment is "information only" and that there are no obligations on their part. Virtually every question in the seminar is answered with an actual example of how our advice has helped a client in a particular financial situation. We end the seminar with a financial services questionnaire to determine whether or not attendees can benefit by coming to see me. The whole seminar lasts about two hours. We offer everyone the opportunity to schedule an appointment and then we let them leave…no obligation. Of course, we will follow up with all attendees to schedule appointments and we typically wind up with about half of them scheduling an appointment. From this we usually convert about half to clients so, overall about 1 in every 4 attendees become clients. The other part of our prospecting system is to obtain quality personal referrals from as many clients as possible as often as possible. We have used all the approaches you can think of or have heard of over the years and they all worked to a certain degree but there was always a certain anxiousness or tension that existed in the process, especially with new clients. You have just made a sale and then you say something like "OK, whom do you know that could benefit by this product or service just as you have?" I don't know about you but I just never got all that comfortable doing that even though I did it. Even when setting the stage up-front by telling them I was going to ask for referrals at the end didn't alleviate that uncomfortable moment. But then we hit upon the idea of promoting referrals rather than asking directly for them. This has been a fabulous boon to our business and can be utilized at virtually any point in the advisor/client relationship. We do not directly ask for referrals rather we promote the fact that we gladly accept referrals. It goes something like this: At the end of a sales presentation, you say "Oh, by the way, I know you probably can't think of anyone right now but if you knew someone who could benefit by sitting down and talking with me you would refer them to me, right?" I am shaking my head up and down as I say this and you know what happens? They shake their head up and down and say yes. All I do at this point is thank them and let them know they can call at anytime to give us the referrals. The beauty of this is that it can be done at any time and the more you do it, the more conditioned your clients become to generating referrals

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for you. Finish a phone conversation with a client and say "Oh, by the way…". Your staff members can also do it every time they speak with your clients as well. Just remember "Oh, by the way".

III. A PRACTICE MANAGEMENT TEAM & SYSTEM. So we have written our plan, and have a pretty good approach to gaining new clients. How do we manage our clients and our workday to maximize results and minimize unnecessary actions? You have to delegate all the administrative actions and every other thing that someone else can do so that you can spend the majority of your time doing what gets you paid! In my office, I am the only financial planner so I need to spend the majority of my time doing that. I do not answer the phone if I can help it. I do not schedule appointments and I do not do minor service work. That is not to say I do not talk to my clients if they want to talk to me; it's just that I introduce them to my team at the beginning and instruct them on what each of us does so that they when they call in they can expect to be transferred to the person that is best able to help them. My team is comprised of me, my office manager and sales assistant and my customer service manager and data processor. My function is to make sales so I do those things that lead to sales…holding appointments and discussing needs with clients. My assistant schedules all of my appointments and manages my calendar as well as the office workload. My customer service manager takes care of client service needs: filing, processing new business and all data input. I will add that each of these staff members know how to do each other jobs so that in the event of an illness, vacation, etc our system isn't disrupted. Now I must confess I did not invent this aspect of my practice and, in fact, finding it was a result of an egregious error I committed earlier in my career. I had a new prospect I had met with who was getting ready to retire and he had a $250,000 account that we agreed would be appropriate to transfer to a variable annuity. He was going to retire in about 90 days and wanted to meet again in about 60 days to do the necessary paperwork. I was to call him in 60 days to schedule the follow-up appointment. I wrote the 'to-do' on a post-it and put it in my appointment book very satisfied that I had this nice piece of business to write in the very near future. Well, I don't know exactly what happened but the post it note got misplaced in my appointment book and I did not call the prospect at the appointed time. When I realized my mistake an additional three weeks had passed! I immediately called the prospect, explained what happened and attempted to schedule the appointment. What he said next pretty much ruined my day to say the least. He indicated that he had been talking with another planner as well and even though he liked me and my plan better, when I did not call when I said I would he decided my follow-up and follow-through was suspect and he gave the business to the other planner! I hung up utterly rejected and so mad at myself I could hardly believe it. I decided at that time to make some significant changes. I enlisted the aid of a marketing company that had been corresponding with me about their computer-centered practice management system that promised to alleviate such problems. The solution wasn't cheap and required a huge time commitment to learn as well, but I did it and am very happy I did. As previously mentioned, each of my team members has specific tasks but our computer system is at the heart of it. There are many contact management software programs available today and I strongly recommend the use of one. Our system is very robust and pretty much dictates what each of does every day. It starts with good data entry. I collect all the information I can from clients and prospects with regard to their financial situation. Items such as CD maturity dates, retirement dates, account types and values, etc are all examples of data we collect. Risk tolerance, investment expectations and previous investment experiences are also items of great importance. All of this gets input into our computer system. If I speak with a client or prospect and tell them I am going to call them in ten days that is input into the system as well. Each and

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every day my assistant gives me a printed report with the day's calls, appointments, opportunities, etc. I can also access this data from my computer. What this has created is a foolproof, follow-up system where nothing falls through the cracks. The only way a mistake can be made is if I choose to not make an indicated call on a given day but then that action would continue to show up on my daily report until I check it off. As indicated, my job each day is to concentrate my efforts on those things that lead to sales. My assistant's job is to line up and schedule those opportunities whether they are phone appointments or face-to-face appointments. My model day is as follows: Mornings are for phone appointments. I try to have 10-15 outgoing client or prospect calls every day. The purpose of the calls can be to get an additional deposit to an account, to review an existing account, to schedule an appointment with someone my assistant was unable to schedule or even just a hand-holding call to reassure a nervous client. This approach allows me 50-75 contacts per week and assures that I speak with all my clients several times a year. By the way, we have a quarterly call built in to the system so that either my assistant or I speak with each and every client every 90 days. We also touch each of our clients on a monthly basis via a mailing and we send birthday and anniversary letters as well. Staying in touch with my clients on a regular basis assures not losing them to my competition. In the last five years, I have lost two clients and one of them I fired! Afternoons are reserved for face-to-face appointments and my goal is 2-3 per day. Going back to the written business plan, 2-3 appointments per day were what were required to hit my income goal. 10-15 appointments per week will make your practice very healthy! All pertinent data collected from phone appointments and face-to-face appointments is input into our computer system and appropriate follow-ups are scheduled and input. Thus when we next contact the client or prospect, we know when to call and, most important, why we are calling! The complete history of calls and appointments as well as all their holdings are available to me at a glance so I can speak intelligently about their financial situation. Using the team approach and delegating specific tasks to team members has streamlined our operation and made us much more effective. The essence is simple: First, do what you do best…making sales and doing those things that lead to a sale. Let someone else manage your calendar, your office and all of the time consuming items that prevent you from maximizing your sales efforts. And finally, let someone else take care of the customer service element of your practice. For us, dividing the efforts into three distinct areas has made all the difference in our productivity and efficiency.

IV. BELIEF SYSTEM- If you do not believe in it, you certainly are not going to be able to sell it. OK, you have a written plan, a prospecting system and a practice management team and system in place so how do you demonstrate your belief in what you do and what you sell? How about owning the products yourself? Does "practice what you preach" come to mind? It should. I can tell you it is a lot easier to sell $1 million life policies if you own one yourself. You can sell a lot more annuities and mutual funds if you own those as well. What we did in our practice, and what I suggest you do, is to compile a "show book" containing all of your personal policies and investment account statements. This, of course, assumes you own some of the products you sell. If you don't, your first step should be to make yourself a client! I own at least one account in each of the product arenas I sell (life, DI, LTC, annuity, mutual fund, REIT, etc.) and I have compiled a notebook containing the policies or the most recent statement or account summary for each one. We update this notebook on a regular basis so it is always current. I keep this notebook in my conference room where I hold appointments. Invariably, when we suggest a client or prospect buy a particular product, the question comes up as to whether I own it as well. It is gratifying to be able to pull out my show book and show them that yes, I do indeed own that product! This has sealed the

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deal on more than one occasion. This simple approach has put many clients at ease and allowed greater sales than would have occurred otherwise. It makes no difference it your portfolio is greater than or less than your client or prospects. If yours is greater, you merely suggest that with diligence they too can achieve similar results. If theirs is greater, you can say that your goal is to be where they are. Given that most of my clients and prospects are 10-20 years older than I am; they are very accepting of this. The point is that you can very graphically demonstrate your belief in and commitment to the products we offer. The second aspect of the belief system is that of our industry. This industry has been very good to all of us and to me in particular. I think it is incumbent upon all of us to believe in and support our future and our industry. The best way to do so is to belong to our trade associations. Organizations like NAIFA provide the career insurance that allows us to continue in our profession and they need and deserve our support by being members. Together, we are all stronger and can assure the future viability of our great industry!

Let's review what has been presented today in our "Blueprint for Success" session. There are four common denominators in a successful practice. First, you must have a roadmap to get you where you want. Write a business plan to get you there. Second, you must have a prospecting system, a way to get in front of qualified prospects on a regular basis so you can tell your story. Third, you must have a team and a system to manage your clients and your activity and fourth, you must have a belief system in your products and your industry that you are always doing your best and providing the best for your clients. Utilize the "Blueprint" and you too can achieve a higher degree of success to make Court of the Table or even Top of the Table. Most of what I have presented today was learned from people like you at meetings like this. I owe much of my success to MDRT.

In closing I would like to recognize the guiding lights in my life. Those that have provided inspiration and motivation to me to achieve whatever success I have: my wife Pam and my four children, without them life truly has no meaning or purpose; my good pal, Van Mueller, who motivated me to reach for Top of the Table and continues to be there for me; and my best friend, Dan Espensen, who keeps me very humble and constantly reminds me to say please and thank-you.

My last thought for you is a quote I try to live by:

"Don't wish it was easier, wish you were better.
Don't wish for less problems, wish for more skills.
Don't wish for less challenges, wish for more wisdom."