

September 2009

NAIFA's

# advisor Today

Creative strategies and business advice for insurance and financial advisors

How to Make Your

## Sales Soar



44 How to use  
life insurance to  
enhance your  
multiline practice


50 NAIFA members visit  
D.C. to help shape  
health care

72 Make the most of  
Life Insurance  
Awareness Month





WE WENT TO SOME OF  
THE BEST IN THE BUSINESS  
TO BRING YOU THESE GREAT  
IDEAS THAT ARE GUARANTEED  
TO LIGHT UP YOUR SALES  
AND PROPEL YOU TO THE TOP.  
HAPPY SELLING!



# How to Make Your Sales Soar

**R**esearchers might write enough about sales to fill a thousand bookshelves, but their conclusions often don't resonate with everyday advisors looking for practical ideas to boost their production levels. So to separate the steak from the sizzle, we asked some top performers for the most effective ideas they have used in their quest for more sales. Here's what we learned. ▸



**Remember that your real job is to teach.** In his 26 years in the business, Phil Cavender of the Cavender Financial Group in Murfreesboro, Tenn., has learned that taking a show-and-tell approach with his prospects and clients can create lucrative relationships because they get an education instead of just proposals.

"People just want to work with somebody who knows what they're talking about," says Cavender, who has been a Top of the Table producer for seven of the last eight years. His approach is to teach clients how external economic circumstances apply to their problems rather than just discussing how various products work.

The role of taxes and fees in the investing world is a hot topic for Cavender, and it's a segue into how changes in tax laws affect 401(k) plans and IRAs. The discussion of inflation presents a particularly great educational opportunity—one that some producers often fail to seize. "They may plug 3 percent in their little model . . . but they don't go through what inflation really does."

Cavender doesn't use illustrations until he's ready to close on a transaction, but he does make sure he shows his clients the facts that back up his analyses. "I use lots and lots of third-party resource stuff," notes Cavender. "I have file folders for each of the things I'm talking about—taxes, qualified retirement plans and all the problems in them. I have stuff on inflation and I have a file folder for everything. I'll use my own Social Security statements."

This approach adds value. "At the end of a meeting, I've never had somebody say: 'Oh yeah, the last guy told me that,'" says Cavender. His approach also stimulates his referral business. "It's almost like I've got people who are out there looking out for me," he adds.



**Display "conversation starters."**

Like many other professionals, Marc Silverman, CLU, ChFC, president of Silverman Financial in Miami, has a reception area in his office. It's the kind of space many professionals use to display plaques and other symbols of professional success. But Silverman, who says he has accumulated





## A SHOW-AND-TELL APPROACH WITH PROSPECTS CAN CREATE LUCRATIVE RELATIONSHIPS.



about 80 plaques in his 25 years in the business, says displaying them all in the reception area can be a mistake that could actually detract from the authoritative image plaques are often meant to convey.

Silverman suggests placing pictures of recent travels or unique artifacts in the reception area instead because they spark conversations that deepen the client's understanding of the type of person the advisor is. "Those are conversation pieces," he notes. "I don't think people really care about the plaques except for yourself and maybe your family."



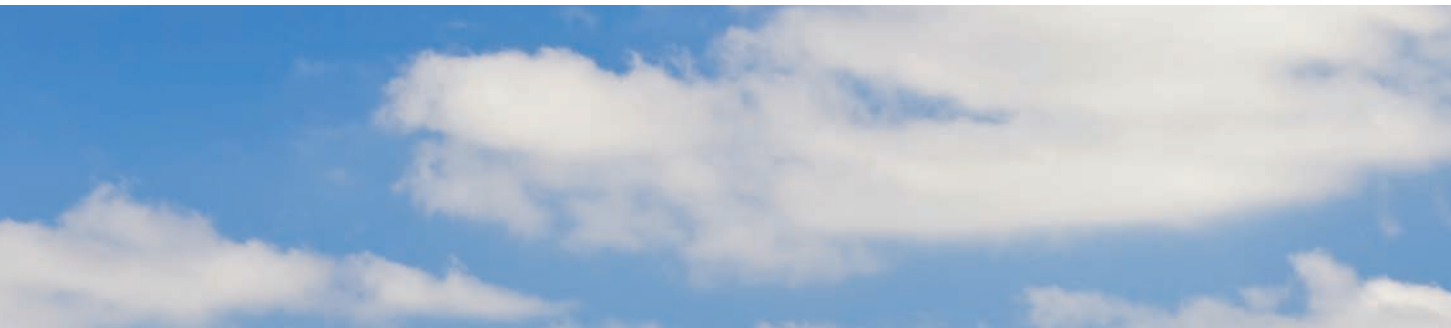
**Develop relationships with advisors who give referrals.** Even though you may have great relationships with other producers, some just won't give referrals—and it's nothing personal, says Jim Pittman, CLU, CFP, with Insurance Consulting Services in Portland, Ore. After all, there is very little upside for an advisor to make a professional referral because it jeopardizes his "one-of-a-kind" image. Pittman recalls how one advisor put it to him: "If I tell him you're great, then we're like even. Even if you're, like, pretty good, I'm in trouble."

Pittman says the key is to sift through your contact list and develop relationships with advisors who proactively assemble teams on behalf of their clients.

Meeting in person is crucial to determining whether the advisor makes referrals. "That's what you want to figure out in the first 30 minutes because you will waste a ton of time, energy and money," says Pittman, who adds that there is a bit of a Catch-22. "If you don't go see them and spend time to develop a relationship, you'll never get a referral. But then, it's a waste of time if they don't give referrals to anybody," he says.

It can take years of quarterly contact to cultivate a referral, Pittman adds, but it pays off. "You'll get the phone call: 'You know, I'm working on this deal and I need to know more about this.' And you'll never hear who the client is. That's sort of the toe-in-the-water deal," he explains. Then the advisor might let his client meet the referral briefly. "They're going to be there at the meeting, though. They're going to control things," Pittman notes. "Then when you're really down the line, they just call up and say, 'you're going to get a call from Fred...just take care of him.' But that does not happen in 60 days. It happens in about three to five years."

"What you've got to figure out is whether they are the types of people who connect people together," Pittman concludes. "Will they take the risk to stick their necks out with their clients? There aren't a lot of them." ▸





**Fill the “box.”** Showing clients how investments create future guarantees is big right now. When it comes to life insurance, Guy Baker, CLU, MSFS, managing director of the BTA Advisory Group in Irvine, Calif., says he earns business by showing clients how the “box” philosophy of permanent insurance can generate guaranteed death benefits.

Life insurance can be a tough sell, though. “Most people tell us they want the insurance but don’t want to pay the premiums,” says Baker, who cofounded the National Association of Family Wealth Counselors. This is often why they buy term insurance, he says. “But knowledge is power.”

Baker explains to his clients that they can either “pay the curve” by continuing to buy progressively more expensive term policies as they age or they can “fill the box” by buying permanent policies.

“First, tell them all life insurance is term insurance,” Baker explains. “The mortality curve for all life insurance is the same. It depicts the cost of insurance for life and has to equal 74 percent of the death benefit at life expectancy. It is a mathematical fact.

“So the real question is not whether or not you are going to pay the mortality curve; the question is, with whose money. You can pay the curve with your money or with investment returns. By prefunding the curve, you must fill the cash value box. If you keep the box full, then compound interest will help pay the curve.

“So you have a choice, Mr. Prospect,” Baker continues. “You can pay the curve or fill the box. The only way to guarantee your policy will live as long as you do is to fill the box.”



**Ask prospects to bring in family photographs.** Andrew Lord, CLU, ChFC, founder/operating partner of Essential Planning in Portsmouth, N.H., has each client bring in a family photograph to his office. Though the idea behind this is to help him keep names and faces straight, it does have a nice side effect: It generates referrals and prospects.

“While we try to have staff interact with the clients at every opportunity, there is still a need to ‘humanize’ the file—to get everyone on the same page in realizing that there are *real people* with *real life issues* behind the dollars and cents

they represent,” Lord explains. He asks for the picture at the first or second periodic review after the planning process is complete. “We also scan the photo into the electronic file, paper clip it on the inside of the hard file, and hang it on our ‘wall of fame’—a long corridor people pass through on their way to the conference room area,” he explains.

The pictures do more than just hang there, however. “We review and create a family tree in the file, taking notes of the lives of immediate family members,” he explains. “This means we are intimately aware of all that is going on and the ‘life issues’ that everyone is having. After all, our client’s most important goal tends to be the well-being of his family members, financial or otherwise.”

Lord, who is a NAIFA National Quality Award winner, says the strategy gives him perspective, pays handsome dividends, is a wonderful tool for generating references and, most importantly, signals to clients how much they care.



**Use email for more than just sending out newsletters.** With so many people looking for ways to empty their inboxes, it’s easy to understand why a fear of being perceived as a spammer might keep you from marketing yourself via email. Though it’s true that email messages pile up quickly for most people, it’s also true that customers want email messages about things they care about. In fact, a 2009 study released by Texas-based marketing company Epsilon found that almost 60 percent of consumers got a better impression of companies they did business with when those companies sent them email messages. The bottom line is

## THE ROLE OF TAXES AND FEES IN THE INVESTING WORLD IS A HOT TOPIC FOR CAVENDER.



that email can boost your sales—if you use it in a targeted, thoughtful way. Chris Everett, president of Everett College Funding Solutions in River Forest, Ill., and a general agent with MTL Insurance Company, Oak Brook, Ill., is living proof. “Whenever we hold a seminar, we’ve found it very helpful to notify our entire database by email in addition to any mailings we do. We usually add three to five more attendees that way.”

Everett buys a prospect list, to which she adds her own database. This database includes about 750 names of clients, prospects, past seminar attendees and people who have contacted her via word of mouth from friends and associates. She uses Emerald Tools to manage the list. “It was actually one of two or three services from our broker-dealer recommendations,” she adds.



**Learn how to turn silver into gold.** For many producers, success means appealing to and earning the trust of one crucial demographic: seniors. D. Scott Brennan of The Brennan Group in South Bend, Ind., has some useful tips for winning them over.

First, remember that seniors may have unique expectations. “When preparing a proposal,” Brennan explains, “remember to avoid small-type font.” It is also often best to schedule meetings with senior clients in the early to mid-morning hours. “And of course be prompt,” he adds.

## SUCCESS MEANS APPEALING TO SENIORS.

Second, “decommoditize” the transaction with seniors, and realize that a handshake and your word carry a tremendous amount of weight. “They enjoy conducting business with younger people, and place a high value on personal relationships,” Brennan notes.

Third, be sensitive to the senior’s stage in life. “Remember that these clients have likely lost friends and loved ones, perhaps recently. Reminding them that they will one day pass away is not necessary.”

Brennan adds that working well with seniors has other benefits, too. “Senior clients always know other older people who could be potential clients.”

**Put some soul into your seminars.** Holding seminars is nothing new, but Grady Jennings, CLU, ChFC, ChLAP, president of The Dignity Group - Ontario in Ontario, Calif., has transformed the typical event into an inspiring experience that makes clients of almost everyone who attends.

Jennings, a general agent with MTL Insurance Company, Oak Brook, Ill., gets this inspiration from his son, who was born with Down syndrome in 1990. After learning first-hand how complicated and intimidating financial issues are for families with special-needs children, particularly when it comes to qualifying for state programs, Jennings became a specialist in the field and began speaking to support groups and agencies. His goal was, and still is, to teach other families how their financial decisions could optimize their eligibility for state aid, as well as their children’s legal, health, education, residency and other arrangements.

The local “Mom’s Weekend Away” camp for mothers of special-needs children is a typical venue for Jennings. “I try to have two or three seminars a month,” he explains. “For example, there’s a program out here at Cal State San Bernardino...They run two classes five days a week for families with kids with autism.” Jennings runs a week-long seminar in each of the classes, which include about 20 families. “Now I go back intermittently to the different classes when they have new people come in,” he adds.

Jennings says he often gets instant results, hearing from those who are in immediate need. Another 10 percent to 15 percent of the attendees contact him within a month, another 20 percent within a year, and the rest within five years.

Parents of special-needs children are notorious targets for scam artists, so it’s a tough group to win over. “I knew it was going to take about a three- to five-year process before these families would really build trust in [me], and then we just really built a huge network of families who now refer us to other families.” Despite the recession, the referral network has gotten so large that Jennings now gets referrals from people he’s never met. □

*Tina Orem is a regular contributor to Advisor Today.*