HOW TO CONDUCT A PROSPECT INTERVIEW & CLOSE MORE SALES

With a special section on increasing appointments on the phone by 300%

by

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Before teaching you how to close more sales, it's important to know…

Most Companies Get the Big Picture Wrong

Never have salespeople do prospecting or marketing and never have marketing or prospecting people do sales. If you hire good quality salespeople, why would you ever waste their valuable skills and talents on the grunt work of prospecting?

I suppose some companies think that since they pay salespeople on commission that the prospecting work salespeople do is free to the company. That is really backward thinking.

If you want to maximize your revenue and profit, divide these functions. Prospecting is grunt work which can be done by low level, untalented, low skilled people. For example, if you want a person to make 200 cold calls a day, then hire somebody for $12 an hour to do that. Alternatively, you can give the option to your salespeople to earn 10% lower commission, but you will fund a telemarketer for them.

In my companies, I have always separated these two functions and achieve great results.

I look for the best salespeople I can find. These are people who have been in the top 10% of producers in their previous sales jobs and when I interview them, they demonstrate both talent and learn skills to achieve great sales results. I do not have them do any prospecting. Rather, the company funds and advertising and direct mail program to drive leads for the sales staff. In this way, I preserve my skilled salespeople to close sales and get referrals to pursue.

Think about this. Is it easier to get a salesperson to pick up the phone and make an outbound call or for them to answer the phone for an inbound call??? Since it's much easier to get people to answer an inbound call, why would you make it hard on them? Why would you stand on top of talented sales people to do something they don't want to do, which is cold call?

In my industry, financial services, the current paradigm at large investment firms is to have the financial advisor, the professional and the closer, also to do their own prospecting. This is insane.

Since these large companies have the myopia of thinking they get the prospecting for free, I urge the individual financial advisors to hire their own prospectors. The sales person can have prospecting done by hired telemarketers, or it can be outsourced for a direct mail program or purchasing leads from a lead generation company or any other method where the professional removes himself from the grunt work of prospecting.

I sometimes hear from the professional that they can't afford to hire a prospector or outsource the function. I have only one question for these folks, "what business on the planet can grow and prosper without making some investment?" If you don't have the money, borrow it. That's exactly what Fortune 500 companies do.

If you have been combining these two functions of prospecting and sales, please fix your model immediately.

How to Select Easy Prospects

In this program, I illustrate what I do to open managed money accounts and close product sales. Although the examples I use are from my industry, these same tactics can be used exactly as you read for any professional providing services:
Accountant
Attorney
Mortgage Broker
Real Estate Agent

The principles are also equal effective for any product and service. However, the method to use the principle may need modification.

The mistake many of us in this business make is to wear down difficult prospects until they invest or buy. Wearing down prospects results in going home tired and frustrated. Instead, there is a way to set up your business to find only those prospects that are interested and serious and deal only with these types of people. I need to explain to you how I come to have appointments with these motivated prospects. You will also see how the difficult prospects are weeded out.

Recommended MarketingModel for Efficiency and Profitability

All of my prospecting requires the prospect to respond to me as the initial step in our interaction. For example, many of my prospects come to me through attending my seminars. I send out seminar invitations (direct mail) as the first step in this process. Those who call and reserve a seminar seat are the people I want to meet. From those who attend the seminar, 65% make appointments to see me. These are the people I especially want as new clients.

Please adopt some method that has the prospect respond to you. This could be an ad in the newspaper, the direct mail piece, an email, a Facebook or Google ad, completing a form found on your website. If you pursue prospects, you place yourself immediately in weak "one-down" position (the prospect is "one-up").

When I send out seminar invitations, I do not follow up by phone to those people who do not respond. To call people who do not respond would be cultivating prospects who are harder to deal with, harder to get motivated. In fact, if you have been holding seminars by cold calling to get people to attend, you probably get a lot of unmotivated people at your seminars. That's because when you call, you can talk people into attending. I am not interested in these weakly motivated prospects, and I advise you to drop them also.

By dealing only with the people who call of their own volition to attend my seminar, and then meeting with the people who request an appointment with me, I am weeding out the less motivated or difficult prospects. I am in fact selecting only the most interested, motivated people. We do not call the seminar attendees who do not request an appointment, as this would be cultivating weakly motivated prospects. Instead, they stay on a mailing list for one year. They continue to receive additional seminar invitations and receive my monthly newsletter. I give them plenty of opportunities to come to me. If they do not, they will never hear from me in person because I only want to meet with motivated people.

Similarly, I use a direct marketing system in which people respond to me because of my advertisement they see in a printed publication or from a postcard they receive.   I then send out a free booklet that they call to receive and wait for people who receive it to call me. I run similar ads on the internet offering a free report.

I then send the report which provides instant credibility (samples here). A few days later I call these prospects. But I never talk them into an appointment. In fact, I will not go to their home. They must come into my office to meet with me. As a result, whenever I meet with prospects, they are motivated and interested.

Last, I often charge fees to weed out people who are not serious. Attendees at seminars are told that they can take advantage of one hour with me for free. I tell them my normal rate is $250 per hour. At the end of the first meeting, I tell them I can prepare some recommendations, and that will take three hours of my time. The charge is $750. If they say, "We'll think about it," I am glad. That just saved me three hours of my time preparing recommendations and then meeting with them again only to be told, after wasting my time, that, "We'll think about it." Wouldn't you rather weed out the procrastinators first than after wasting 4 hours of time?

Please have some method to weed out poor prospects so that time can be devoted to the strong prospects. I realize that many who read this do not feel they have such an abundance of prospects to weed out anyone. <u>That's because you do not have any prospecting or marketing system</u>. Don't know how to build one? Is there anything you can't find on the Internet?

If it seems like I have some luxury in not chasing prospects, I do. It's because I do enough marketing—a seminar every month, running the direct marketing program and cultivating referrals from other professionals and clients (all of these marketing systems area available to financial advisors and life insurance agents at www.wealthyproducer.com). So the first rule of closing more sales is to do enough marketing and/or prospecting so that you can choose the easy people, stop chasing prospects and dump the losers immediately.

If you cannot charge a fee (you must be a registered investment advisor to charge fees for investment advice or a licensed insurance consultant in some states to charge a fee for insurance advice), then you must qualify them as follows:

After the first appointment, which you use to gather information (give general recommendations at the first appointment, not specific ones), you ask:

"Folks, I will be investing 3 hours of my time to gather the reports on your investments, put together some estate planning recommendations as we have discussed, and give you some alternatives on increasing your cash income. If these make sense to you and you feel that the recommendations will help you, is there any reason that would keep us from working together?"

With this introduction about making your sales easier by selecting easy prospects, let's discuss the how a great sales presentation flows.

Anatomy of a Great Sales Presentation

I constructed this model from the three best books I have read on sales:

SPIN Selling
Question Based Selling
Influence: The Power of Persuasion

You need to ask five sets of questions before you provide any solutions:

- Rapport Questions
- Background Questions
- Feeling Questions
- Impact Questions
- Solution Questions

Keep in mind that even if selling to a large company, you sell to an individual. And that individual has the same hopes and fears as you. He won't take a big risk of a purchase that can get him fired. He will take a small risk that can make him look like an innovator. There is no such entity as "the company" as a company is simply a collection of individuals.

Too many sellers offer solutions too quickly before they know what the client will buy. You **can** know what the client will gladly buy when you know what they are thinking. You learn what people are thinking by asking them questions. If you learn to do this well, it is like mind reading. Clients take my recommendations virtually 100% of the time because I only recommend what they want.

The Overlooked Mystique of Questions

Sellers who have taught themselves to ask questions and be buyer-centered think of the questions only as a way to extract information. That information will then be used to make a purchase recommendation to the prospect.

Questions have far more power.

They can be used to gain agreement and develop the buyer's positive inclination to do business. Those who study sales tactics will know the simple technique of the tie-down. The tiedown is simply repeating what the buyer has told you and appending a question that will get a yes response. Here is an example.

"Mr. Smith, if I understand correctly you are more interested in reducing your taxes than earning more income. Is that correct?"

The value of the tie-down strengthens your prospect's faith that you understand where they're coming from and gets them in the habit of agreeing with you. It also helps you build your case piece by piece, instead of having to stop and handle objections every five minutes. It's simply a matter of getting "small purchases" before you ask for the larger purchase that must be accompanied by money.

The next value of questions and I think the most powerful, is their power to direct the prospect's thinking. Even better than knowing what your prospect is thinking, how would you like to have them think the thoughts you desire? You can do that with questions.

If I ask you, "how rich do you want to be?" I have forced your brain to focus on the elements of the house you want to own, the car you want to drive, the charities you want to fund and other elements of what "rich" means to you. My question has directed your thinking.

By the way, this is why most survey results are useless. The survey is funded by an institution seeking a particular outcome. How the question is worded will influence the answer of the respondent. Respondents will answer differently to these two questions:

"how rich do you want to be?"
"how much money do you need to feel financially secure?"

So get the prospect thinking as you desire by asking the right question with the right words. If you do not feel you can do this, the author provides sales script writing services.

Last, questions are great as a pattern interrupt. Suppose your prospect objects to some feature of your product and it's the first time you have heard this objection. You do not have an answer. Ask a question. Here's an example.

Prospect: I think the fees in this mutual fund are high
You: If you were to own this mutual fund and it doubles in value as it did in the last five years, how would you use your new wealth?

New rule for you: when you get lost in a sales presentation, ask a question that moves the prospect's thinking toward a purchase. Let's look at types of question. I have used the same category titles as used in SPIN Selling.

Rapport Questions

First, you build rapport by asking some questions about them. Spend at most 5 minutes on this:

- *How long have you lived in (city)?*
- *Are your children here?*

- *What did you do before you retired?*

Don’t say dumb things like “ beautiful day today, huh?” Ask about THEM.

Do not spend more than 10 minutes on this chitchat or the prospect will not view your time as valuable. It is simply not valuable to invest a lot of time building rapport with lots of time devoted to chit chat.

Yes, it is true that people buy from those they like. But lengthy chit chat may not help the buyer like you. Just the opposite may happen.

Background Questions

To create a feeling of need for your services in the prospect’s mind, you have to uncover problems in their current circumstances. To uncover problems, you must first understand the buyer’s current circumstances.

Of the five areas we will discuss, inexperienced sales people find this the easiest. Why? *Because asking background questions isn’t very difficult*. They are relatively safe questions to ask, they encourage the buyer to talk (taking pressure off the seller), and although they do not move the sale forward, at least they do not move the sale backward. They are also a necessity in almost every large sale of any kind, so the seller feels he is productive.

In the hierarchy of value, background questions are just above rapport questions. They help you get the information you need but do not positively influence the buyer.

What’s wrong with background questions? First of all, it is well-established that the more sophisticated (and wealthier) the prospect is, the less he is going to want to answer a lot of personal questions about their current circumstances. For this reason, if you really want to impress the sophisticated buyer, do so by asking background questions sparingly.

In fact, you will need to ask few if you have them bring to the appointment their list of investments and their tax return (and other specific documents that they have a concern about, e.g., their annuity contract or life policy). Again, inexperienced salespeople ask too many background questions as they consider background questions safe.

In fact, asking too many can be quite dangerous because you can easily alienate the sophisticated buyer before you have even got off the ground. Obviously, you need this information to build a case for them buying your product or service. As a result, it is best to focus on questions that are most likely to uncover problems. For instance, if someone has come into your office with interest in purchasing mutual funds, you might ask them:

- *Are you diversified in bonds as well as equities?*
- *Do you put the maximum allowable amount into your IRA each year?*

- *Have you owned mutual funds before?*

These questions are pertinent, require only brief answers and provide you with information that will very likely prove very useful later in the sale, as we shall see.

Your focus should be only to ask background questions that have a clear purpose and are relevant to problems that you can be of help with through your products or services.

Remember: The sole purpose of asking background questions is to create a foundation in which you can uncover problems in their current situation. Don't ask too many. Get the information you need and move on.

Feeling Questions

Background questions are questions about the facts (e.g., How much do you have in the market?). Feeling questions ask how the client feels about the facts (e.g., Are you nervous about your money in the market?).

While inexperienced salespeople tend to ask too many background questions and rely too heavily on them as a basis for recommendations, they tend not to ask enough feeling questions. Why? Because they are harder to ask. It is easy to stay in your comfort zone of asking many background questions, many of which do not have a focused purpose.

Feeling questions are the "meat" of a sales conversation. They reveal the want.

Every day I hear sales people talk about fulfilling a buyer's need. I immediately know these are poor salespeople because buyers do not buy what they need. They only buy what they want. As evidence, let me point to the 2/3 of Americans who are overweight and *need* to lose weight but have not altered their diet. What they *want* and buy is cheesecake.

The reason inexperienced sellers are hesitant to ask feeling questions is they fear being seen as prying or negative. The truth is you are more likely to annoy the sophisticated buyer with background questions than with feeling questions. They came to you for a reason — to investigate possible solutions to a problem. If you ask questions relating to their problems in the right way, you are well on your way to making the sale.

This is not to say that the inexperienced seller isn't justified in feeling a little apprehensive about asking feeling questions. Asked at the wrong time, or in the wrong way, they can blow up the prospects of a sale in seconds. Here are a few things to remember about when NOT to ask feeling questions:

1) When the buyer has a high degree of emotion connected towards a certain subject. For example, if your background questions uncovered that the buyer has a large stake in a "socially responsible" mutual fund, you could be getting

yourself into hot water by asking, “Are you concerned that you may be getting less of a return on your fund than a similar non-socially responsible fund?”

2) After they have just made a big decision. For instance, if you uncovered that the prospect has just made a large investment in what you are certain was a bad investment, you could very likely be seen in a negative light to ask questions that seem to contradict the wisdom of their decision.

3) When they already own one of your products or services. By casting aspersions on something they have purchased from you in the past, you could be killing the goose that laid the golden egg. The reason clients continue their relationship with a financial professional is that they continue to trust them. If you cast doubt on something you have sold them in the past, it could very well damage their regard for your current recommendations.

Asking feeling questions requires a combination of tact and courage. Common sense about phrasing questions regarding sensitive issues is important but remember: the feelings you uncover are going to be your only ammunition you have in finalizing a sale. Without uncovering feelings, you are seriously hindering your ability to establish a desire for your products or services.

Now that we’ve discussed dangerous areas to ask feeling questions, here are the correct areas to ask them:

1) Early in the conversation. Right after a few focused, pertinent background questions is the time to begin exploring problems that you hopefully can solve with your products or services.

2) In relevant areas. The sophisticated buyer will feel he is in the hands of an attentive and thoughtful professional if your feeling questions relate directly to the background questions he just answered. The idea here is to take what you know about their current situation and show your understanding of it by exploring its weaknesses and drawbacks in a tactful and resourceful way.

After that, you ask about the effect that these problems will have in the buyer’s larger financial picture.

When you do ask a feeling question, do not miss the opportunity to drill down.

You: how do you feel about your current financial situation?
Prospect: not good
You (drill down): what is that?
Prospect: I planned to have accumulated a lot more by this age
You: (drill down) What do you think has impeded you from accumulating more? (This could make the prospect feel bad about themselves and that is OKAY. A very powerful

technique to influence people is to create darkness before the light, the light being your solution).

Note that your general orientation is that feeling questions may be too personal or intrusive. Err on the side of intrusion. Go ahead and ask the question you feel may be too intrusive as these are the questions that are often not asked by other sellers and are the "key to the kingdom."

Impact Questions

Once you have gathered an adequate amount of background information to help you make the sale and have identified at least one problem (preferably several), you can begin to relate the problem(s) to the buyer's larger picture, their long-term goals, and their deeper desires. In short, you are going to search for the hot buttons that are going to create a strong emotional motivation in the buyer to act by purchasing your product or service. For instance, if you offer estate planning services and you have uncovered that the married buyer does not have a living trust — exposing his estate to hundreds of thousands of dollars in needless taxes — your questioning might take this route:

- *The extra taxes that your estate generates could easily pay for your grandchildren's education instead of going to the government, couldn't it?*
- *How would your spouse use that extra money to make their retirement more comfortable?*
- *What impact would it have if you had a sudden illness?*

By asking these types of questions, you have taken a problem that you have uncovered and developed into an issue that will very likely motivate the buyer to act. You have deepened the weight of a problem by determining the *impact* of that problem. Again, having the prospect feel bad should not be avoided as long as you have the remainder of your conversation structured to bring light.

For larger sales to sophisticated buyers, these sorts of questions will be the most effective in helping you clinch the sale. People who have become successful by spending much of their lives making important decisions are trained to view things regarding the larger picture. By making it clear to them how a smaller problem relates to a much larger potential problem, you will have won their undivided attention in explaining how you can help them solve that problem.

An important note: *Eighty percent of your business will come from twenty percent of your clients. This is, for the most part, true. Since decision makers have much more money than non-decision makers, you will be doing yourself a favor by paying special attention to questions aimed at professional decision makers. That is, questions that show foresight in correcting small problems that may lead to bigger problems in the future — this is how decision makers are trained to think and they will respect you for presenting yourself on their level.*

Impact questions of this nature are harder to ask than background questions, but asking impact questions effectively will bring you within striking distance of the sale.

It's important to realize the reason why impact questions are the hardest questions to ask. They require the most preparation. Of the five types of questions to master, this is the area that flows the least. Background questions are easy. Feeling questions, while more difficult, progress naturally from the information you collect and can be formulated on the fly if you know what you're doing.

It is difficult to spontaneously develop buyer problems into a clear picture of their consequences. Even the best salesmen in the world have to think about these kinds of questions beforehand. For them to be effective, you have got to understand the values that the buyer is likely to have about the issue. Further, it will be very helpful if you can explain related issues to the buyer that he might not realize. Lastly, you have got to be able to make a direct connection between the problems you have uncovered, developed and presented and relate them directly to your product as a solution. Once you have mastered these three steps, "closing" is child's play. **Often the buyer will close himself.**

That is the key to being a master seller – have the buyers close themselves. The idea of persuading or convincing are terms used by untrained sellers.

The other advantage of impact questions is that they take abstract financial concepts and make them concrete. To you and I in the financial services business, saving taxes is concrete, but to our prospects, it's just an abstract idea. Here's how to use impact questions to make financial decisions concrete

You: I think we can cut your taxes in half. If we could, what impact would that have for you?

Prospect: I don't know.

You: You mentioned grandchildren. Any way you could use that extra money for them?

Prospect: Yes! I have a great idea. I would take them on a cruise—that Disney cruise over the holidays!

In the above conversation, just by asking the impact question, you have made an abstract concept, that doesn't motivate our prospects, into a concrete vision in their life. You have given "saving taxes" real meaning for them.

And you wonder why in the past your prospects did not get excited as you about saving taxes, earning more, or getting better growth investments. It's because you have failed to ask how these issues would impact their life, And when making your recommendations, you must remind them, "by taking this annuity, it will put you on that cruise boat with the grandchildren. Shall we proceed?"

Solution Questions

In large five-, six- and seven-figure sales of financial products to sophisticated buyers, *closing **is** offering solutions.* Sound simple? It is. The trick is getting to this point.

Let's review our progress so far:

1) You have learned enough about their current situation by asking background questions.
2) You have uncovered at least one problem with their current situation (hopefully more).
3) You have developed these problems into a larger concern that affects their broader picture and leads directly to a clear-cut solution — *your product/service*.

By this point, in a well-organized sales presentation, the buyer has an acute awareness of at least one problem he may have thought about before and hopefully one or two more that you brought up that he has never thought of — adding to the urgency of taking action. At this point, all you need to do is confirm that by addressing their hot buttons, they will become a client:

- *If we could develop a plan that would remove all financial risks to your wife, would that be a reason for proceeding?*
- *Lower taxes by 20% while getting stable income—is that what we need to attend to?*
- *Having investments that preserve principal—it sounds like that's your major concern that we need to solve?*

You then get into your recommendations AFTER you have completed the five types of questions and know EXACTLY what the prospect wants. It is important not to offer solutions too early. Many inexperienced salespeople make this mistake. Remember, before you offer your solution you have first to identify, clarify, enlarge and confirm why they want it. By doing so, you will be significantly increasing your chance of a sale when you finally do offer a solution.

As a senior manager, you may be thinking that there is no way your sales staff has the finesse to pull off these questions. You may be right. And it may be time to hire better quality candidates that DO NOT have a sales background. After reading the above, you may come to the conclusion that those with psychology degrees or acting training may be best qualified.

Closing the Sale

The word "closing" has for many years received special status in the sales industry. "Master Closers" are seen as special figures, and many (if not most) salesman spend much time, energy and money seeking out a closing mentor, the idea being that if they could just learn the mystical secret of closing, then they would have the success of their dreams.

As solid evidence of this "closing" culture in sales, many publishers of sales manuals will not consider publishing a book on sales unless it has the word "closing" in the title. Different techniques even have different names: there are assumptive closes (How will you be paying for that?) alternative closes (Would you like that in red or in blue?) standing-room-only closes, and who could forget the famous Ben Franklin close?

Here's some news for you:

In financial sales to rich people, closing techniques like this don't work.

Closing gimmicks like the assumptive and alternative close work great if you work in an electronics store selling boom boxes and calculators. As a matter of fact, they work for most or all smaller sales and here's why: if I make a mistake on buying the wrong calculator, I'm out fifteen bucks. If I make a mistake on how I invest my retirement money, I could screw up my whole retirement — not to mention the legacy I hope to leave my family.

Furthermore**, as the level of sophistication of the buyer increases, the more likely they are to be annoyed by closing techniques and the more likely you will lose a sale by trying to "close" him.** Many salespeople within the closing culture will just shrug their shoulders when an angry prospect storms out of their office as a result of a pushy salesman trying to close them. Why does the salesman just shrug his shoulders at this lost sale? Because he considers it a necessary part of the closing routine. He knows that nine people might storm out or slam the phone down, but the tenth one will buy. In fact, this is true.

There will always be a small percentage of low-end people who respond to high-pressure closing techniques regardless of the size of the transaction. They will respond to robotic and structured sales scripts. The problem is, the larger the sale, the smaller this percentage becomes. Most financial salespeople instinctively know this although they may not admit it publicly. Why? For two reasons. Because it works enough of the time for them to make a living, but more importantly:

Because they don't know any other way.

Closing without "closing"

Closing a large financial sale using the same techniques that work for clock radios will guarantee you mediocrity.

If you try to "close" a well-educated, wealthy sixty-year-old retiree who spent forty years in business, he's going to walk right out of your office, and you deserve exactly what you get. Chances are he's dealt with salespeople all his life, and he does not want to purchase financial services the same way he buys a clock radio.

For large sales of financial products, successful salespeople ask intelligent questions in a very particular sequence that can be boiled down to four sentences:

First, you ask background questions about the potential customer's current situation. Next, you try to uncover one or more emotionally-motivated problems. After that, you ask about the impact that these problems will have in the buyer's larger financial picture. Last but not least, you offer solutions.

Please realize that although this seems incredibly simple, talented and dedicated sales professionals spend years and years perfecting this sequence. To master it will bring you wealth.

Then, you merely need to say to the prospect after presenting your solutions: "If that makes sense to you, then we just need to complete these forms to gain these benefits (as you pull the forms in front of the prospect for signing)."

In summary, if you tell me that your favorite dessert is chocolate cake with raspberry sauce and I offer you a chocolate cake with raspberry sauce, you will want it. That's what selling is. Asking enough of the right types of questions so that you know what the prospect wants and then offer it. They will say 'Yes." Most advisors don't ask enough questions to know what the prospect wants.

Introduction to the Video
(video is available to only those who have purchased this sales course)

The first two presentations are the first and second appointment for comprehensive financial planning. I typically use a two-appointment system to close investment management prospects. At the first meeting, I inquire as to their circumstances and determine if they are right for me and vice versa. The second appointment is the closing appointment.

The other video situations are product sales. If you only sell long-term care or annuities, these presentations will help you. They assume a one-call close. One-call closes are fine when you only sell one item. If you want to be a financial advisor and gather all of the assets, anything less than two appointments will not be effective.

Below, you will find a description of what I feel is important in the video. Read this description before watching the video so that you can watch for these important "markers" on the video. After you watch the video, read the description again and ask yourself, "Is there anything I saw in this sales approach, that if I implemented, would help me close sales?"

Write any observations on a 3x5 card "Actions to Take at Each Sale." Just before walking into an appointment, read the items on this card. It will take you 60 seconds to read them. Do this for the next 3 weeks before each appointment (a total time investment of 30 minutes!) and your sales success will soar.

Presentation #1—First Financial Planning Meeting

I use the five types of questions reviewed above to ascertain the prospect's desires and what they will buy. The information I need is 90% provided by their tax return and list of investments. (Please download "How to Read a Tax Return to Uncover Business Opportunities" — you will need adobe acrobat reader to read this file, a free download from www.adobe.com).

I need to know obvious issues like:

- How much is your pension?
- Social Security?
- Income from 403(b)/TSAs?
- Any other sources of income?

Tell me about your assets:

- How much is your house worth?

- Do you have stocks? Bonds? Mutual funds? Annuities?
- Investment property? Raw land?
- Any expected inheritance?

A few questions about your insurance:

- What type of medical insurance do you have?
- Do you have Long-Term Care insurance?
- What about other insurance?
- Do you have a living trust? Who drew it for you? (Get the attorney's name.) Were you pleased with his service?

Even though the prospect brings in their tax return and asset list (or copies of their investment statements), I like to have them tell me about what they earn and what they have as it **reveals how they feel.** I always look at their papers to corroborate what they tell me and also to learn about what they forgot to tell me.

By the way, always mark down the accountant's name and address from the tax return. Then, once the prospect becomes a client, send a letter to the accountant telling them you have a mutual client and name them. Do the same for the attorney. See the letter on the following pages.

The trick to approaching CPAs and attorneys is not to ask them for business. Rather, tell them you have business for them! Of course, once you are at lunch and have listened to them for 45 minutes and mumbled something about being able to refer clients, you then say something like, "Have you ever heard of the Dow Dividend Strategy? In case you might have some clients that match with what I do, here's how I manage their money."

As I conclude the first meeting with a prospect, I give them the big picture of where they are at and the major issues that are messed up or I provide a picture of their situation as it could be (if they work with me).

This "success" is a result of:

1) I only pick motivated prospects who contact me.
2) I give them a big picture that shows I understand what they want and where they want to go. I discuss not only their financial situation but their life situation.
3) I'm probably the first person who has digested the whole picture for them.
4) They have some dissatisfaction with their current adviser. (At my seminars, I indicate to attendees why their current adviser isn't doing right by them. Even if they come to the seminar thinking their current adviser is good, they leave with significant doubts.)

At the end of the first meeting, schedule a second meeting. You need some time to analyze their situation and give them recommendations.   NEVER give solutions at the first meeting. You run too large a risk of, "We'll think about it." Rather, schedule a second meeting so that you have time to prepare the evidence. Your ecidence shows why they need to change what they are doing and why your plan is better.

In the next section, you will see the “financial plan” that I prepare. I do not use financial planning software. I have found the following tools totally sufficient:

- MS Word
- MS Excel to produce some simple spreadsheets
- Morningstar Principia Pro for Mutual Funds (on CD ROM— 800-735-0700) so I can show them how poorly their funds are doing, how high the fees are or the poor tax efficiency.
- Value Line (quarterly 1700 stock service on CD ROM— 800-634-3583) so I can show them how their stocks are really doing.

Note that you must get a fee for preparing your recommendations.

The second appointment is the closing appointment where I present my analysis and show the prospect why they need to do business with me. To ensure that I do not waste my time, at the end of the first appointment, I tell the prospect there is a charge for my analysis—typically 2 to 3 hours at $150 an hour. I am not looking to make money; I am looking to screen out tire-kickers. If I do not screen them out at this point, I might waste my time (my most precious resource) preparing an analysis and presenting it in a second meeting only to hear, “We’ll think about it.”

If you cannot charge fees, then you must screen them out as follows at the end of the first meeting: “Mrs. Jones, I would be happy to analyze your investments and show you which ones are serving you and those that are not. Also, I will gather quotations from three different LTC companies and recommend which one would be best. Last, I will review with you two alternatives for handling your estate tax situation. It will take me 3 hours of my time to prepare a quality analysis; I’d like to set a time next week to review all of that with you (schedule the appointment—a firm date and time, preferably exactly one week later). If you agree with my recommendations, is there any reason we will not be able to move forward when we meet next time?”

If you follow this two-appointment process and qualify the prospect well at the end of the first appointment, you’ll waste less time and have more second appointments with serious people.

How to become a Registered Investment Advisor and charge fees is beyond the scope of this program. If interested, we have a program all about setting up an independent practice, how to become an RIA and how to charge fees for your time as well as for managing portfolios. You don’t really need to know about the stock market as there are plenty of great systems you can just follow. More and more professionals, including life insurance agents, are profitably getting into the money management business.

Notes I take at First Interview

M/M SMITH

MRS. TURNS 62 4/20/99
MR. TURNS 65 4/14/99

JOE INHERITED MOM'S HOUSE IN MORAGA — BAD CONDITION
CLEAR

SON MARK LIVES IN THEIR RENTAL HOUSE IN FREMONT (VALUE $350 $140K MTG, SON PAYS)

BOTH RET'D AIRFORCE

SS $400/MO.

MR. PENSION 27K/YR.

MRS. PENSION 700/MO.

~~[illegible]~~ FX & FKINX 16K/YR ← INVESTMENTS MOSTLY INHERITED

HAVE USED PRINCIPAL FROM INVESTMENTS

HOUSE IN FREMONT IN PARENTS & MARK'S NAME

MORAGA HOUSE NET PROCEEDS $480-$500K

MICHAEL IS OTHER SON

HAVE LTC INSURANCE - PENN TREATY $4178/YR.

21K ANNUITY PURCH '97

TRUST	186
IRA	73
HOUSE PROCEEDS	480
INVESTABLE FUNDS	739

DESIRED PRETAX INC.D 5000 /MO × 12 60,000/YR. AFT TAX

∴ AFT TAX INC. BEFORE TAX 80,000/YR.

FROM PENS & SS 40,000/YR

REQ'D FROM INVESTMENT $40,000

$40,000 ÷ 8% = $500,000 CURRENT INCOME

239,000 ANNUITIES FOR LATER

80,000/12 = $6666/MO.

1333 FED TAX

5332

How SeniorResources Assists Clients

SeniorResources is a professional firm working exclusively with mature senior investors to protect their financial assets and standard of living. Services provided:

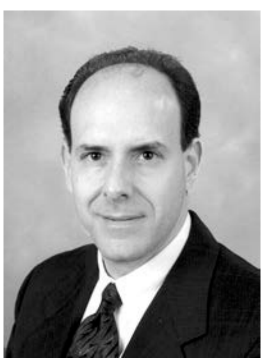
Estate Planning—We show you how to avoid estate taxes which are paid by single people with estates over $650,000 and couples with estates over $1.3 million. Even if you have a living trust, you will still pay estate taxes unless you take steps to avoid them.

Long-Term Care Protection or Qualification for Medi-Cal—We act as brokers (not salespeople) to find you the best coverage within your budget for Long-Term Care protection. Call for our article "Six Ways To Reduce Long-Term Care Insurance Costs".

Investment Management (no commission, fee only) to Increase and Protect Your Income—specializing in safe blue chip stocks. Our mechanical system, which eliminates poor judgment and errors in reasoning, has beaten the market by an average of 44% annually over the past 25 years.

Annuities and Insurance—Get the highest returns to shelter assets and defray taxes. Call our office to learn of the highest annuity rates in the country (925) 935-5488. You won't see these rates from your broker.

SeniorResources educates seniors about their alternatives and then assists them to implement the proper solutions. The firm holds seminars monthly in the Bay Area, usually in the East Bay. Seats are free, please call for time and location.



, president of **SeniorResources**, is a CPA, a Certified Senior Advisor (CSA), a Certified Public Accountant (CPA) and holds an MBA from Harvard Business School. He is licensed with the State of California as a Registered Investment Advisor. Larry has taught financial topics locally at UC Berkeley and University of San Francisco and Boston University. He has taught thousands of seniors Retirement Planning at the Piedmont, Berkeley, Richmond and Alameda Adult Schools. He is author of *Retirement Investing* and many articles on investing and estate planning.

Phone today with questions or to see if we can help you. There is no charge for an initial meeting.

, President
SeniorResources
***Main Office*:**
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SeniorResources A Registered Investment Advisor Serving Investors Age 60 and Better

1700 N. Broadway, Suite 405
Concord, CA 94520
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Fax: 925-935-5991

February 13, 2017

Mr. Mike Jenkins, CPA
1111 Towers Court
Smithville, CA 95111

Dear Mr. Jenkins,

I recently met Mr. and Mrs. Smith, your clients that speak highly of you.

They recently became my clients also. I have assisted them with an investment program to provide consistent income and also provide growth for the future.

Since I deal with clients age 60 and above like the Smiths, I may have many more clients in need of your services.

Could we have lunch in the near future so that I can learn more about your practice and determine if some of my other clients could benefit from your services?

Most any Wednesday or Thursday works well for me at noon. Is there an open date that matches on your calendar?

Sincerely,

, CPA, MBA
Certified Senior Advisor

Presentation #2—Second Managed Money Meeting

We make some small talk. Remember—people do business with people they like, not with the person who has the best return, the best annuity or the best product. I show that I understand their situation and their circumstances.

When we turn to the financial issues, I first reconfirm their objectives. Following, you will see the financial "plan" I have prepared for them. In explaining how preferred shares work, I select an issue of a local bank they know. TIP—always sell what is familiar to people. If you need to introduce a new idea, relate it to something they already know or understand.

Sometimes people will not voice objections. So you will notice in the financial plan, I show pros and cons of each investment category. This not only shows them that I am on their side and showing them a balanced view, but it allows them also to say, "What about (objection)?" The worst thing in selling is the unspoken objection. You can't handle an objection of which you are unaware.

Because I hopefully provide enough opportunities for objections during the sale, I never really need to "close" the sale. The conversation just flows naturally into having the client sign transfer forms. At the first meeting, I posture the second meeting so that the prospect understands they will be shown recommendations to accept or reject. They come to the second appointment ready to move forward.

After I conclude the sale (clients have agreed to transfer their accounts), I warn them and set their expectations about the market. I expect that several times in the future, I will need to remind them about taking the long-term view (because they will forget this quickly when the market has fallen 20%). So I start this process at the beginning of the account and warn them that there will be times when their account goes down. (In fact, I heard that Merrill Lynch did a study which showed that 9 out of 12 monthly account statements during the year show losses in the client's account. On average, only three months show a positive return. Fortunately, those three months are large enough to generate positive returns in most years).

Following are the printed recommendations I prepare.

Alternatives and Recommendation for
Mr. and Mrs. Smith
March 9, 2009

Objectives:
Capital Preservation
Meet or exceed retirement income goals
$40,000 annually from portfolio in addition to
$40,000 annually from pension and social security

Conservative Option
Fixed Income Investments
Preferred Shares

Preferred Shares

Preferred Shares are issued by major corporations. They are purchased by income investors because they provide a secure source of fixed income.

Pros

Relatively high safety
Fixed, locked in interest
Higher interest than CDs or Treasury Securities
Liquid
Estimated current yield 8%

Cons

If interest rates rise, you will not receive more
If interest rates fall, the company will likely redeem the shares at the first call date

Cost to invest:

$25 per issue paid to Waterhouse Securities

Recommended Preferred Shares

S&P Rating	Description	Symbol	Div Rate	First Payment	Price	Current Yield	Yield to Call	Call Date	Call Price
BB+	Trinet Corp Realty 8.08%	TRIprC	0.5	2/25/98	21.94	9.12%	12.44%	10/8/02	25
BBB-	Placer Dome 8.625%	PDGprA	0.539	3/28/98	24.94	8.64%	8.73%	12/17/01	25
BB+	TCI Communication Financing	TFIpr	0.545	6/30/99	26.125	8.34%	5.97%	1/31/01	25
BBB_	Taubman Centers series A	TCOprA	0.518	3/17/98	23.42	8.85%	10.52%	10/3/02	25
BBB-	Gables Residential Trust	GBPprA	0.518	2/27/98	24.125	8.59%	9.56%	7/24/02	25
BBB+	Public Storage	PSAprG	0.554	3/7/98	25.125	8.82%	8.53%	12/31/00	25
A	Pacific Tel Finance	PACprT	0.472	3/28/98	25.31	7.46%	6.76%	1/9/01	25
BBB-	Conseco Financing Trust V	CNCpT	0.5725	5/19/99	25.42	9.01%	8.42%	11/19/01	25
A-	PG&E Capital 7.9%	PCGprCA	0.49	3/30/98	25.31	7.74%	6.99%	11/27/00	25
BB	Cal Federal Pref Cap 9.125%	CFP	0.57	3/30/98	26.875	8.48%	7.57%	1/30/02	26.14
BBB	Avalon Bay Communities	AVBprF	0.5625	5/1/99	24.66	9.12%	9.84%	2/15/01	25
BBB	First Industrial Realty	FRprA	0.59375	5/17/99	24.75	9.60%	10.21%	11/17/00	25
BBB	AT&T Capital Corp	NCD	0.515625	5/1/99	26	7.93%	7.21%	11/15/03	25
BBB	Canadian Occidental Petroleum	CZXpr	0.609375	6/15/99	26.25	9.29%	8.40%	10/30/03	25
BB+	AICI Capital Trust	AIFprT	0.5625	6/15/99	23.78	9.46%	10.73%	9/30/02	25
BBB	NVP Capital I	NVPpr	0.5125	6/30/99	25.66	7.99%	7.18%	3/31/02	25

Conservative Growth Option
Blue Chip Stocks

Dow Dividend Strategy

The Dow Dividend Strategy is a proven system for selecting "blue chip" stocks (those included in the Dow Jones Industrial Average). The system has outperformed the market substantially over the last 25 years and provided excellent protection of capital during bear markets. Past performance is not a guarantee of future results.

<u>Pros</u>

Most conservative industrial stocks
Historical growth of capital has been superior
Liquid
Low Turnover

<u>Cons</u>

Can decline in value

Cost to invest:

$25 per stock transaction paid to Waterhouse Securities
Annual management: 1.5% on first $100,000, 1% on remainder

Recommendation

Total Investable assets

Invest as follows:

Place Joseph's IRA into blue chip stocks	**$70,000**
Place Current Trust Assets into blue chip stocks	**$185,000**
Place proceeds of home sale into blue chip stocks	**$45,000**
Place proceeds of home sale into preferred shares	**$200,000**
Place proceeds of home sale into deferred index annuity	**$235,000**

Resulting portfolio:

Blue Chip Portfolio	**40%**	**$300,000**
Preferred Shares	**26%**	**$200,000**
Index Annuity	**31%**	**$235,000**
Current GE Annuity	**3%**	**$20,000**

Income to be drawn $10,000 per quarter (less income tax) from blue chip and preferred portfolio. Annuities to be deferred until needed.

*** estimated after house sale**

Long-Term Care Sale

In presenting Long-Term Care, there are three things I find helpful to know:

1) Has there been any experience with LTC in the family? If so, I keep relating my presentation to their own experience.
2) Secondly, I need to know if they make decisions emotionally or intellectually.
3) Last, I need to know how control-oriented they are.

I attempt to determine these answers early in the interview.

Additionally, as you will see from the attached spreadsheet quotation, I show him the components of the total cost. That way, he can decide which features he wants (it allows him to think independently). (This spreadsheet is nothing more than the numbers from the company rate book typed onto an Excel spreadsheet.)

Additionally, my conversation with him tends toward policy features and their details. With someone less inquisitive/analytical, I do not go into such great detail. I simply sell the "good sense" and the "risk aversion" aspect of LTC. How do you know which type of prospect you have? By asking questions.

More than 90% of the policies I sell are of the comprehensive type providing care inside and outside of the home. I will not sell a home-care only policy because this violates the basic rule of insurance—always cover your worst risk first. So, even if the prospect wants only home care, I explain why they must have a comprehensive policy or I won't sell them a policy.

So how do I get the prospect to make a decision and stop procrastinating? I tell them:

"I cannot offer you this insurance even though we have been discussing it. Only the insurance company can do that be reviewing your medical records. So you don't even need to make a firm de4cisons today but we should make sure you can qualify. We need to apply for the policy by simply completing an application. There is no physical involved. The insurance company will get a copy of your medical records from your doctor and hopefully approve you. Then, you get a copy of the policy to review for 30 days. We'll meet and I'll go through it with you. So, by the time you need to make a firm decision, it will be twooo months from now. Let's get evaluation process started"

The above works especially well if they have a birthday coming up within the next 10 weeks. I tell the prospect, *"By applying now, we stop the clock because your age is locked in as of today. If you apply after your birthday, your cost will be 10% higher. Doesn't it make sense to get this dated before your birthday, stop the clock and then you still have 2 to 3 months to think about it?"* Since 30% of all LTC applications are submitted just before birthdays, this is a compelling presentation I often use to get the prospect to complete an application.

With this close showing the prospect that they have no risk in completing an application and that they can always back out, I get prospects to move forward.

When the issued policies arrive in my office, I have the clients come in to review them and I get the check (or have them sign a monthly auto-draft form).

I also review the booklet "Avoid Mistakes in Buying Long-Term Care Insurance" at this meeting. (Copy in the plastic sleeve in this binder.)

Long-Term Care Quotations

		Mr.	Mrs.
Bankers United			
	Basic Premium	81.61	100.32
	Inflation Protection	63.66	71.22
	ROP	78.45	102.92
	Total	223.72	274.46
Penn Treaty			
	Basic Premium	96.48	118.49
	Inflation Protection	63.66	72.25
	ROP	123.31	146.87
	Total	283.45	337.61

Product Presentations

Following are written scripts that can help you master the question types.

Please read all of the scenarios as we make points in one that may not be repeated in the other scenarios.

Scripts

Financial Planning

Background Questions

Do you have any life insurance or annuities?
No.

Do you think your tax situation or income has changed since last year?
No.

Will you start taking your Social Security next year at 62?
Yes, that's my plan.

Feeling Questions

Do you feel your taxes are too high?
Yes.

How do you feel about your investment return?
These investments haven't done a thing!

What do you like about your current portfolio?
I get a nice statement each month.

Do you feel you have enough income?
No, I will need more income.

Impact Questions

Other than providing you more money to spend, how do high taxes affect you?
They erode the estate I could leave.

What impact do your low investment returns have on your family?
If they were better, maybe I could take them all on vacation.

Why not just put all your money in the bank? What problems could that cause in the future?
Have you seen what banks pay? It doesn't even keep up with inflation!

Solution Questions

No one can forecast the future of the market, but if we lowered the risk in your investments, what benefit would that have?

I’m retired, so risk is of course important. I’ll feel better.

I can’t promise you a specific return, but if we lowered both the taxes that your current investments create and also the buried fees, how would you use that extra money?
My wife likes to travel and so do I.

What will it mean for Mrs. Smith if we can generate the income you need to live comfortably and still have some funds put away for growth for the future?
She’ll stop complaining and that may be the biggest return of all!

Long-Term Care

Background Questions

Before you can make a suitable recommendation of any insurance or financial product, it is obviously necessary to know something about the prospect's situation. The rut that many inexperienced salespeople get into is asking too many of these types of questions. The more sophisticated the buyer, the less they will enjoy answering too many background questions — especially if they are not well-focused on the issue at hand. You will risk the prospect becoming bored or impatient. Nevertheless, a few background questions are necessary. Your background questions should be well-chosen and highly focused and they should pertain only towards issues that you can address with your product or service. Why do inexperienced salespeople ask too many? Because they are easy to ask and they feel safe.

Do you have a Medicare supplement policy?
Yes, I would never think of not having one.

Do you have dependents?
No.

What are the ages of your children?
30 & 35.

Do they have children?
Yes, they both have children

Note that every one of the above answers will be used later in moving toward a sale. Have every client provide their list of investments and tax return and then you will not need to ask a slew of financial questions because you will have the answers on those documents.

Feeling Questions

Feeling questions invite the customer to state their needs and desires. These needs and desires are the raw material which you will need to develop to create a strong enough feeling of urgency to close the sale. They are harder to ask than background questions, but they are also more valuable in providing you with the information you will need. Keep in mind that it is very important to tailor your problem questions towards problems you can solve. It is counter productive to uncover problems that you cannot solve.

What are your plans once your health changes?
Well, we haven't thought about it much.

Does that worry you?
Yes, it does.

Do you want your kids to take care of you?
No, we definitely don't want that.

Is there anyone to take care of you?
Not really.

Were you hoping to contribute to your grandchildren's education?
Yes.

Impact Questions

Impact questions ask about the complications or effects of the problems you have exposed. These questions are very important. They are used to increase the size and intensity of the prospect's problems. Asking them correctly will have a very powerful effect on your success.

Okay, so if I read you correctly, you would like to have assets to help grandchildren but those assets could be consumed if your health changes?
Yes, that's correct and that's a concern.

I see. Is anyone else saving for the grandkids' education besides you?
No.

What if your grandchildren could not go to the best school because of lack of money?
That would be terrible. My youngest wants to be a doctor and I don't have to tell you what that costs.

To make sure that funds are available and not consumed for your health care, why would it be such a big deal to have one or more of your children take care of you?
Oh, they've got their own families, jobs, dogs, cats, it would be awful.

Solution Questions

The solution questions will be most effective if you link them to the prospect's previous statements and responses. Think of all the pain you have caused by getting the prospect to confront the flaws in his current situation. So far the conversation has been about finding problems, clarifying problems, developing problems into larger problems and relating them to other, unforeseen problems. These are all necessary steps. If you have done your job correctly, then by offering a solution (your product) you will be offering the prospect a release from pain.

Well, if it were possible to have a protection that covers in-home care in case of illness, and require very little use of your own funds, what benefit would that have?
Peace of mind to know that I won't be a bother to my kids and that I have something for the youngsters.

And if you had a way to protect your home, your investments and all your other property, would that be helpful?

Yes.

If you could pay 1% of your assets to protect the other 99% and take care of you, would that seem reasonable?
Yes.

Once you get affirmative answers to these questions, then your solution, your product, will be readily accepted. There won't be many, if any, objections because you have taken the time to determine what's important to your prospects, to understand their "hot buttons." If you have a product or service that addresses the hot buttons, then you don't need to "close" the prospect—they've closed themselves.

Hopefully, you can see by proceeding with questions about the prospect's concerns; you don't waste a lot of time talking about daily benefits and the other technical choices about the policy that you already know are best.

Annuities

Background Questions

Do you currently have any annuities?
Yes.

Can I ask how much?
About $100,000.

I see you paid $50,000 in tax last year. Will that be the same this year?
Yes.

Feeling Questions

Do you feel you have enough income?
Yes.

Then it would be comfortable if any new investments do not generate current income?
Right.

Are you concerned that you won't be able to maintain your current lifestyle?
Yes — I am concerned about 20 years from now.

Impact Questions

If your income level were to fall, how would that affect you?
I might have to liquidate investments or sell my house.

And if that happened, then obviously you would not be able to leave that to your family?
Yes.

Is that a concern to you?
It's my biggest concern.

How would your wife be financially if you were to pass away first?
That's a big concern for me. I'm not sure.

Solution Questions

If I could show you a way to ensure your wife's financial comfort and supply you both a comfortable lifetime income, would that be of interest?
Sure.

If we could also keep your taxes from increasing, would that also be beneficial?

Yes, greatly.

And you are happy to defer income today for greater financial security in the future?
Yes—my old age.

Clearly, a tax-deferred annuity will fit exactly with the desires of this prospect. We know with high certainty he will agree because such a recommendation matches precisely the desires he just told you about.

Mutual Funds

Background Questions

What was your investment return last year?
Probably 4%.

How much would you say you have in the market in total?
Most of it is in the bank.

And do you own a home?
Yes, two.

Feeling Questions

So, with your current investments, do you feel that you pay too much in taxes each year?
Oh, yes, definitely.

And would you like to reduce some of those 1099 forms?
Yes, definitely.

Do you feel the fees in your funds are high?
No, I think they are about one percent.

Impact Questions

If you could reduce taxes, how would you use the extra income?
Vacations.

If we found some investments that provided a higher return, how would that effect your retirement future?
It would give me a bigger nest egg, a more secure retirement.

So you would use the higher return to build a feeling of security for your future?
That's exactly right.

Solution Questions

Well, if we can reduce the fees you are paying as well as see if all of your investments are really suitable. Would that make sense?
Yes, it sure would.

You are retired and flexibility is important. I assume you would prefer liquid investments?
Yes.

Although you have not mentioned risk, is it correct for me to assume, that given you are retired, investments that protected your principal would rank high as a priority?
You bet.

The answers to these questions lead right into recommending a low-fee, low volatility, low-turnover fund and show him how those features produce benefits precisely matching to his answers.

Overcoming Objections

When you properly ask all of the questions as indicated here and make your presentation based on what the prospects told you were their desires, you will not get objections. You only get objections when you don't get all of the questions answered or did not listen to their answers. Consider objections a sign that YOU did not do a good job so that you can learn for the next time.

However, due to popular request, we have included the responses to common objections.

Some General Rules

1. You don't need to handle every objection. Sometimes people say things for no reason; it's just what comes to mind. So you may just ignore some objections.

2. Make sure you have an objection and understand it before you address it. You may ask before responding, "Why do you say that?"

3. Try not to answer an objection head on, but rather, let the prospect answer it for **themselves by asking them questions rather than giving answers/responses**. You must end your addiction to answer all the time and learn to ask questions.

ANNUITIES

"I don't want to tie up my money"
What's that mean?

"I need my money available if anything happens."
Like what?

"Like what If I get ill?"
Don't you have good heath insurance?

"Yes, but what if I have a long term illness?"
Oh, That's a very valid issue. Is that your major concern?

"Yes."
With this annuity, you can take all of your money out if you need it for long-term illness. Would that be okay?

"It's not federally insured."
Tell me why that's important to you

"Because I don't want to lose my money."
Do you think that the only good guarantee is a federal guarantee?

"Yes I do."
Well if you want safety, I recommend you just invest in CDs?

"The interest is too low."
It seems like you don't like either of my suggestions—the annuities or the CDs, so I don't think I can be of any value to you.

(In most cases, the prospect will say, "Well tell me about this annuity idea."

"What if the company goes bust?"
Excellent question. How do you think we can avoid that problem?

"By picking a safe company."
What do you mean "safe?"

"It's a top rated company."
You tell me if this would be good enough. The company is rated AA+ which puts them in the top 6% of insurance companies. They have assets in excess of their liabilities of $4 billion. Do you think a $4 billion cushion will be safe enough?

"What good is tax deferral if I have to pay tax on the money anyway?"
That's a good point. You're saying what's the difference if you pay the tax later if you have to pay it anyway, is that right?

If I showed you that you came out ahead, would this annuity make sense for you?

In that case, lend me a million dollars right now. I will pay you back when I die? While I have your million dollars, I can invest it and enjoy the interest, which is mine, even though I need to pay you back the million.

That's the same with an annuity. You get to keep the tax money in your account that earns more interest, which you keep. You get the benefits of the government's money working for you for as long as you want to keep the annuity.

Start With $100,000		
	Taxable Account Earning 6%	Tax-Deferred Account Earning 6%
Year 5	$121,665	$133,822
Year 10	$148,024	$179,084
Year 15	$180,094	$239,655
Year 20	$219,112	$320,713

Would you rather have $320,713 to draw interest from or $219,112?

"I hate annuities."
It sounds like you had a bad experience. What happened?

What kind of annuity was it?

How do you think that experience could have been avoided?

I think you're right. That's why I want to show you an annuity that does not have that feature.

This annuity, not the kind you had before which is called a _______ annuity, provides these 3 benefits. Let me show you how it works and then you'll tell me if this meets your desires.

Long-Term Care

"I don't need it."
I certainly hope you never do.
What are your plans when your health changes?

"It's too expensive."
Many people feel that way.

Which insurance do you have that's not too expensive?

That's right, they're all too expensive except for one time. Do you know when insurance is not too expensive? When you collect on it.

If you had this insurance and ten years from now collected $250,000, would you think it was a good deal?

You are a logical person. I'll bet you want to have the insurance that's most likely to pay off. You have homeowners and car insurance, don't you? Out of these types of insurance below, which do you think you'll most likely collect on:

Chance of Collecting on Insurance:

Risk of you being in a car accident............................1 in 16
Risk of your house burning..1 in 88
Risk of long term illness of people over age 65.........1 in 2

"I'll just shoot myself if I need to go into a nursing home."
Why would you ever go into a nursing home if you can get insurance to provide professional care in your home? I say if, because I'm not sure you can qualify.

"I'll wait until I need it."
That reminds me of the guy who called the insurance company and said, "I need some homeowners insurance real quick." What's the rush replied the insurance company representative? "My house is on fire and in 10 minutes, there won't be anything left!"
Do you think they sold him the homeowners insurance?
Why not?
That's exactly right—you can't get insurance when you need it. So when do you need to get insurance?

That's right—before you ever need it.

Mutual funds

"I don't want to pay a load."
I don't blame you.   Let me ask, have you ever lost money in a fund?

I know people don't like to talk about it, but what percent did you lose?

The load is about 1% annually. Do you think having myself and a team of professional managers at the fund, watching your money on a daily basis might be worth 1% and keep you from making a mistake that could lose you another 20%.

"They always go down after I buy them."
Funny how it seems that way (then proceed because this objection is not a substantial objection that needs to be addressed. If it comes up again, then address it as follows).

I know what causes that. Would you like to see one way to avoid it?

(People who buy hot funds, just after they have run up in price, often get in right when the fund is starting to decline. Solutions—don't buy funds that have just been hot!)

"Is it insured?"
Why do you ask?

I don't know, I guess it's not because it involves stocks.

"I don't like the stocks in this fund."
Why's that?

"I think I've heard some bad things in the news about some of them."
Which ones?

"I don't really remember."
Do you think a track record is important?

"Yes."
If I told you that this manager has compounded the investors' money in this fund 12% annually for 20 years, would you feel better about the quality of these stocks?

Life Insurance

"I don't need any."
I respect your opinion. Why do you say that?

"Because I don't have any money for it."
If you could get it free, would you want that protection for your family?

"Of course?"
Why?

"Well my family would have a hard time if I dropped dead."
Like how?

(Let your prospects feel the pain for themselves by allowing them to explain the ramification of their own death).

I guess you don't want that to happen?

"No."
How much insurance do you think you should have?

(You are now on your way to closing a sale if they answer this question)

"I don't have the money for it."
If your income were 10% higher, would you get more insurance for your family?

"I don't know."
I guess it's not that important to you what would happen to them if you died?

"Well of course it's important to me."
Well you seem a little ambivalent about it.
(Let the prospect continue to "prove", as you continue to doubt, that his family is important. A sale will follow if he proves his case)

"Insurance is a rip off."
Why do you say that?

"They take the money and build large skyscrapers on the backs of people paying the premiums."
Why do you think people buy it?

"Because they're stupid and get ripped off."
What would you say if you met some really wealthy and smart people that had life insurance? How would you explain that?

"They must know something I don't."
So If I told you that two very smart business people like Malcolm Forbes had $200 million of life insurance and Sam Walton had even more, then you'd want to know what they knew. Is that correct?

"Yes."
Are you sure you want me to explain it to you?

Managed Money / Wrap Accounts

"I never heard of that money manager"
Why do you think that is?

"I guess they are not well known."
There are over 30,000 money managers in the US. Have you heard of many?

"No, not really."
Do you find it surprising that out of 30,000, you don't know this one?

"No, not really."

"That fee seems high"
In comparison to what?

"I don't know... it just seems like a lot."
Well maybe your money is not that important to you?

"Oh no, it's very important to me."
Then you want to hire a top-notch manager to make sure it's protected and grows?

"Yes, yes I do."

"Why not just invest in mutual funds"
Yes, you may want to do that if you don't care about turnover costs and higher taxes (remain silent until the prospect speaks again and you will be positioned to proceed showing them the advantages of an individually managed account).

Closing More Appointments on the Phone

The main reason for failing to close appointments on the phone is attempting to close too quickly. People are happy to make appointments with you when they determine it's in their interest. Please note that vague offerings such as:

- A financial review
- To see how I can help you
- To improve your financial situation

are NOT compelling and do not appear to be in the prospect's interest. People do not want these things. People want:

- to take their grandchildren on vacation
- to feel secure in knowing that when they die, their spouse will have adequate monthly income
- to be relieved of the burden of a financial dependent adult child

Nothing herein applies to cold calls. I have never made a cold call in my life and do not understand why you would ever waste your time doing so. You can always have people respond to you first by:

- Responding to your seminar invitation
- Responding to your postcard offering a free booklet
- Responding to your advertisement offering a free booklet
- Being referred
- Having a telemarketer cold call

Assume that someone has called for a free booklet in response to your ad. You are now making the call to secure an appointment.

When you call, your script is simple. In the regular print (non-italics) I have included comments so you can understand why you say each sentence:

"Mr. Jones? Hi, Mr. Jones. A few days ago you ordered a booklet from our office called Annuity Owner Mistakes.*" I just want to be sure it got to you.*

Yes, but I haven't read it.

"*That's okay. May I ask, what was it that motivated you to call for the booklet when you saw the ad?"*

This is a critical question—"what was it that motivated you to…." When you ask that question, people start revealing their concerns. If they say something like they were "just interested in some information," you ask:

"*Do you have an annuity?*"

If they say no, I say thank you and HANG UP! I am not interested in talking to people other than annuity owners (in this case, when they have called for a booklet targeted at annuity owners) and do not want to waste my time educating someone who wants to learn about how annuities work! The average advisor wants to try and talk this person into something else—desperate for any sale of anything. But that's what makes an average advisor average. If you design a program to attract a particular type of prospect and they don't fit the requirement, then move on!!! Stop trying to squeeze water from a stone. Once you learn how to market, you have an abundance of prospects, so you don't need to beat on every one of them.

If they say yes, I ask:

"*What rate are you getting?*"

For those people with annuities, I ask them what rate they are receiving. You can then proceed to tell them that the rate may be uncompetitive and how they can 1035 at no cost.

Other questions I ask:

"What company is your annuity with?"
"Do you know how safe they are?"
"Have you been happy with the rate you have been earning?"
"Have you been happy with the performance (variable annuity)*?"*
"Do you know if your company is safe?"
"Do you have any concern that if the stock market crashed, you could lose a lot (variable annuity)*?"*
"If you could have the same safety, but earn more, would that interest you?"

Note that I keep asking questions until I find a hot button. Here's an example:

What rate are you getting?

I think about 4%.

Wow, that's low—what do you think?

Yes, it's terrible.

If you could increase that rate by 25% and it wouldn't cost you anything—would you be interested in earning more?

The reason I ask is that you can earn a higher rate from top quality annuity companies. Would you want to know more about that?

Yes.

How would you enjoy the extra income?

I'd take another vacation.

I'm not sure you can get out of your current annuity. But I can check. What's the best day of the week for you and I would be happy to meet you and look at your annuity and then I can tell you what flexibility you might have?

If I ask about the rate and the prospect is happy, then try another angle:

What's the safety rating of your annuity company?

I don't know.

Would you like to know?

Yes.

Why is that important to you?

Because I don't want to be with an unsafe company and lose money.

Okay, then I think I can help you. I have safety reports on every major annuity company that I can explain to you. What\'s the best day of the week for you and I would be happy to meet you and look at your annuity and then show you what the safety is?

Here's the point—you keep asking questions until you find an issue of interest, then you tease it out with follow-up questions until the prospect is "hungry" for what you have. Notice in the first dialogue, I ask "How would you use the extra money?" Make them hungry for it!

Do you notice in the above dialogue, after the prospect says they want to know the safety, I don't jump right for the appointment but I ask—"why is the safety important for you?" Make them want it—don't offer or ask for the appointment too early. That's exactly what most advisors do. The jump too early before the prospect is hungry and they get nothing.

People need a compelling reason to meet with you—a clear and simple benefit. Not something vague (e.g. a financial review, a second opinion, to earn more), but rather, something specific—to earn 25% more so you can take another vacation.

You are so desperate for the appointment that you jump too early, never get the specifics from the prospect and you can't close the meeting.

Here is a separate post explaining why you do not introduce yourself in the first sentence.

Getting appointments is like taking tests. You learn the materials, and then you spit it right back at them. It's the same dealing with prospects. You find out what's important to them by asking questions and if you can offer it, then you spit it right back at them in an offer. But you must be patient enough to find out what's important to THEM, not what <u>you think</u> should be important to them!

This is not some theory. Let's assume I ask you about your favorite dessert:

What's your favorite dessert?

Chocolate layer cake.

What do you like about it?

I like the taste of chocolate and the contract of the cake, which is a little dry with the smooth chocolate icing.

What do you drink with it?

I like coffee the best.

Hey, would you like to come over and have some chocolate layer cake and coffee with me?

You bet!

That's all selling or "selling" phone appointments is about. You ask people what they want and then you offer it to them and watch them say "you bet!"