

How to Have a Well Organized, Superior Business with Excess Profits

Time & Practice Management for Financial Advisors

How to Accomplish 15 Hours of Results
in an 8-Hour Day



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Introduction

The average advisor can accomplish 300% more than he now does because he currently wastes time and effort in activities that have little or no revenue-generating value. This guide is a lot more than just how to organize your time—is strikes at the very heart of how you perceive and therefore organize what you do.

For example, you may attract prospects that waste much of your time. What if you attracted prospects who were ready to buy at the first meeting or that never said “I’ll think about it?” What if you knew how to sell so that you did not get resistance but in fact rapidly led the client to see the solution for themselves? Or what if you had other professionals sending you dozens of prospect annually, ready to do business?

You may in fact be very efficient at doing the wrong activities. So we will attack the most common mistakes of effectiveness to generate a very significant increase in your financial results and then look at the efficiency of how you run your day.

I divided this program into two sections:

1. Strategic Practice Management
2. Tactical Practice Management

The strategic issues deal with how you need to think about your business and think about yourself. For example, if you are a one-person operation or have maybe 2 or 3 assistants, I bet you view yourself as a worker in the business, with you doing lots of the labor. You rarely think of yourself as the CEO of a company or the main shareholder of the company. As soon as you view yourself in these roles, you begin to make better business decisions.

As a shareholder, you are concerned about return on investment and the net profit percentage. Let’s assume this is your income statement:

Commissions and Fees	\$400,000
Salaries to staff	\$100,000
Salary to CEO	\$175,000
Office and marketing expenses	\$125,000
Net profit distributable to shareholders	\$0

From a shareholder's perspective, this is a lousy business as it earns no profit. The CEO (you) generates just enough to pay market-rate salaries to himself and staff; nothing is left over for the business owners. Given that you own this company, what action should you take? You should replace the CEO because he is doing a lousy job of generating any profit for you!

In fact, you have a lousy business because you create no equity (equity is the discounted present value of future profits generated). Since you generate no profit, your business is worth nothing as the minute you stop working, all income stops. This simple realization should make you understand that you need some major restructuring if you want to build anything of value.

As the CEO, your job is to allocate both capital and human resources to those activities and projects with the highest payoff. Which activities in your business have the highest payoff? You probably don't know. If you did, instead of doing 50 different things each week, you would do only the three activities that actually generate profit (as the other activities have no value).

I know you may have obtained this program in order to get the secrets of time management (and you will), but if you don't first absorb the strategic issues and change your thinking, the tactical issues won't take hold.

The tactical section addresses how you use your time and what items you prioritize. So let's deal with the big stuff first, the strategic issues of practice management, and we'll drill down into changes that you can implement as soon as tomorrow morning.

people who will come to seminars. People in their 40s and corporate executives are too busy. So, you must focus on retirees and small business owners because those are the people who have time to attend seminars. Notice that the types of people who you choose as a target market will then dictate the products and services you offer. For example, you would not offer investments in stock options to seniors, but you would offer estate planning. Because you choose to build your business by marketing with seminars, your business must be local. People must be close enough to you to attend a seminar (you will not be doing business with people who live more than 20-30 miles away).

Seminars lead to face-to-face appointments so you will either need a nice office near your prospects or be ready to go to their homes and offices. This also dictates that you have a nice wardrobe.

Notice that the initial choice upon which you build your business dictates everything else, such as office location, how you dress, the types of people you prospect, and how you prospect. The truly successful business builds everything around the initial choice of focus.

Here's an example from my business. My target market is seniors. Therefore, I market with seminars because they like to meet people face-to-face in a non-intimidating venue. I manage a lot of blue chip stocks, sell annuities and provide estate planning—the services that seniors want. My office is close to where they live. I prospect in only THREE zip codes with a high senior population and my office is right in the middle. I am in an elevator building so they don't need to walk up stairs. My building has parking because they come to see me. My business name is Senior Resources. I wear light colored shirts and dark ties (same as they do). Notice that everything I do is built around my initial focus for my business.

This is the first downfall of a practice—when your business is unfocused and you take any client with a few bucks to invest. You can never build a business of any value this way.

Seniors are one of the best target markets

They have the highest net worth of any other group and they are the largest net savers

There are 34 million seniors and they are easy to reach during business hours

Strategy Mistake #2 – Are You a Sales Professional or Sales Laborer?

The thousands of producers I have observed are mostly sales laborers. They spend their days...

- Answering the telephone
- Opening mail
- Handling inquiries
- Resolving problems
- Scheduling appointments
- Calling prospects
- Reacting

Take a hard look and see if you are doing the same. Read on and you'll find a way out.

In between the activities above, you have client appointments. The client appointments, the opportunities to make your money, get sandwiched in between the activities that generate no money. In other words, you have two appointments consuming a total of 3 hours a day and the other 7 hours you spend in non-revenue-generating activity.

Although I have often heard doctors criticized for their lack of financial understanding, they know so much more than the average financial planner about running a business. Look again at the above list of laborer activities. Does your doctor do any of these activities? No. He spends his time in appointments, back to back, all day long. The entire day is one day-long, fee-generating party.

Your doctor is a professional, not a laborer. Are you a sales professional or a sales laborer? If you don't like your answer, here's the way out.

Refuse to do the laborer activities by hiring someone to do them. Your first reaction to my suggestion will be something about not having enough money, or when you finally earn x amount, that's what you'll do, or someday when....

You've got it backwards. When your doctor first opened his practice, he hired an office manager who acted as receptionist, and he hired a nurse. He hired two people before he had one patient! Then he could spend his time visiting with other established doctors generating referrals, spend some hours a week on the staff of a hospital and generate billable services and pursuing the activities which would build a lucrative business with an abundance of clients. Your doctor pursued a simple financial concept that many producers don't get: invest today and reap the rewards tomorrow. Sure, you tell your clients that, but look at your business to see what you actually believe. You don't take your own advice.

Too many producers are so focused on minimizing today's expenses that they will never create the tomorrow they desire. Most advisors don't understand the simple model of a successful professional practice. The model is that you do everything to **maximize the most valuable resource for its highest and best use**—your time must be spent in selling activities. The time for those activities must be created BEFORE the activities occur. You must create a CONTEXT before you can create the CONTENT.

Let's make sure that's clear. I see a lot of producers focused on generating more business. But that's "content." How can you generate more business, if you already work 12 hours a day? Can you put more water in a jar that's already full? The new business has to "fit" somewhere and if your operation has no space for it, you cannot increase your revenue. Therefore, you have got to make space (context). Before you make any changes, just be sure that you have created the context for any new content.

So:

Make the necessary investments to have a real business. These investments include hiring an assistant, funding an efficient marketing program, subcontracting activities that

have no revenue-producing value (more about the specifics in the tactics section). Do you know any successful business that has not made investments? Then its time you starting thinking like a CEO and shareholder about investments, return on investment, profit margin, terminal value of your business, and other indicators of economic success.

After you make an investment (e.g., hiring a new assistant), you may not see a payoff for 3 to 6 months. After all, when General Motors builds a plant, do they get an immediate payback? But with a little patience, you will notice a transformation. You will wake up one morning and notice that your operation is one step closer to being a real business as you begin to make profit on the new employee's labor! Instead of doing all of the activities that don't generate revenue, you spend your day meeting with clients, prospects, referrals, referral sources, networking, giving talks, writing articles—all of the activities that only a professional can do, the items you cannot delegate. When you're a sales professional, people refer business to you, you have more appointments, you get larger clients and your monthly income is hitting new records.

You're skeptical that this risk will work? Here's a tip. If you want to see how extraordinary you are, you've got to raise the stakes. You've got to take risk beyond your comfort zone to operate at a higher level. If you need a reminder to stay on track, just call your doctor's office to make an appointment and see how many weeks you have to wait for an opening.

So make the investments you've been putting off. The minute you put yourself at risk, it's amazing how creative and motivated you get and how you see new opportunities to reduce your risk and generate more business. In other words, cause your own discomfort and watch how you take positive action to restore your comfort.

Strategy Mistake #3 – You Attract the Wrong Prospects

Some financial producers use prospecting methods that produce the *wrong* prospects. I define a wrong prospect as someone who is not really interested, not qualified or hard to deal with. In essence, someone who wastes your precious time and if they do become a client, they consume so much of your time that you wish they weren't a client.

You generate these prospects when you use unfocused mass marketing models. For example, if you call a list of people over age 65 attempting to obtain long-term care appointments, you are generating the wrong prospects. You have no idea if these people are interested or qualified. So you waste a lot of time cold-calling and then meeting people who are not qualified or interested. I call this being a “sales laborer.” You waste large amounts of time on non-revenue-generating activities.

With such prospecting, you begin the relationship by giving the power and control to the prospect. You ask them for an appointment. They can accept or decline and they have the control. You go after them. Wouldn't you rather they come after you?

Wouldn't it be smarter if you only met with the interested, qualified people and spent more of your time in a sales presentation? Wouldn't it be better if you attracted these interested people to you and practiced as a “sales professional?” Here's the secret to attract qualified and interested prospects: set up your marketing so that prospects must indicate their interest before you ever make personal contact. Let them ask for your contact!

Rather than cold-call your list, send a well-written direct response mailer (you can find my article on Direct Mail That Works at <http://www.javelinmarketing.com/show/cgi/articles>). Even if you get a just a 1% response to 1000 pieces mailed, that's 10 interested people who took action. They contacted you and requested something of you. You start off in control of the relationship.

When you call them, you qualify them and eliminate half. You get 5 appointments. These are the same 5 appointments you would have gotten with the cold-calling, but look how much easier this was. Instead of talking with 1000 people, you talked to 10 people. Instead of meeting with 10 people, you met with 5. You saved maybe 25 hours of your time and spent \$500 on postage and mailing. (In other words, had you cold-called, you valued your time at \$20 an hour for the mailing cost you saved—is that all you're worth?).

Because you now know that you can get more appointments by sending more mailers, you will not be so desperate for every appointment. You can qualify people well and weed out those that have a low probability to become a client. You spend your time meeting with the most promising prospects and your close ratio rises because you meet with more qualified prospects.

Or what if you ran an advertisement, "Avoid Mistakes in Buying Long-Term Care—Free Guide Available," in the local senior magazine. You then have a few people to call who are interested and motivated. You have saved your time and limited the prospects you deal with to those who take initiative. These are the types of people you want as clients. You don't want people who must always be convinced, which is the type of prospect that you generate with unfocused, mass marketing. Sales laborers spend time with prospects that need convincing. Sales professionals spend time in sales presentations with interested, motivated prospects who take the first step.

Or what about inserting a flyer, "90% of Seniors Have Inadequate Health Protection," in the daily newspaper for your next LTC seminar? In our tests, 10,000 inserted flyers (for about \$500) generate 25 people to a seminar. You give a presentation to 25 motivated people at one time and then have individual appointments. Seminars make super-efficient use of your time because you give the same presentation at once to 25 or more people and speak to motivated prospects. People who attend seminars are

motivated, since they need to schedule the activity on their calendar, get ready and drive to your location.

If cost is your hang-up to pursue smart marketing as illustrated above, consider that you almost insure that your income will *not* increase because you waste your sales time on prospecting activities. Even if you have no money available for marketing, take a \$500 (or \$5,000) loan from your credit card. Not only can you make several-times return on your investment, but you'll be motivated to earn and pay off this advance before your credit card statement arrives.

If you want to be a bigger producer, a fast method is to invest money into your business, not your time. It's the model used by the most successful companies in existence today—invest money up front and grow large and profitable quickly. Invest the money so that your time can be used for appointments with qualified prospects. As a great teacher once said, “You need to put wood in the fireplace first before it gives off any heat.”

If you're been tired of chasing prospects, are burnt out and feel that good prospects are scarce, shift your prospecting methods to produce qualified prospects and renew your career.

Prospecting can be hard or easy

Make it easy with proven systems

www.javelinmarketing.com

Strategy Mistake #4 – You Run Your Business as a Project Rather than a Process

Many financial advisors treat each individual client as a custom, individualized project. Unless you have clients who will pay you a lot (i.e., you earn at least \$15,000 annually per client), you will never have a good business with this approach.

Your business must be set up as a process. Every new client gets the same services and products. Sure, they may get them in different proportions, but every client who gets the “moderate portfolio” had better get the same stocks or mutual funds or you set yourself up to spend too much time on each account, providing personalized service when it’s not necessary and not being paid enough to do so.

My clients are all retirees. I only use two basic building blocks for each portfolio—investment-grade preferred shares and a blue chip stock portfolio (the Dow Dividend Strategy). Some clients may have 70% of their portfolio in the Dow Dividend program and others may have 30%. But they don’t get to tell me, “I’d really like some small cap stocks in my portfolio—can you tailor that for me?” You can guess my answer. Prospects must either use the process I have in place or find another advisor. You must take the same approach to grow a large business.

A really good business uses a cookie cutter approach to dealing with clients. That does not mean clients get some impersonal program. It means they get a great program because you have honed the creation of your services and products that you offer to the exact needs of the finely-focused homogeneous market you service. If you cannot treat each client in a similar fashion, then you have not adequately focused your target market.

Does Intel design a new chip for each customer? No, they don’t do projects. Their business is a process, producing millions of the same chips per month.

Should every business be designed as a process? No. Estate planning does not often lend itself to a process, and each client may need an individualized program. Just make sure that when you work on a project basis such as estate planning, you get paid a lot. You need to choose—does your business have 20 high-value clients with custom services or 300 moderate-value clients that receive a standardized package?

Let's take examples to make this clear. Do you think attorneys charge a lot? They must because it's difficult to make a process out of the work they do. Each client is a separate consulting project. But notice that doctors set themselves up as a process.

The family doctor deals with four basic conditions:

- Muscle or soft tissue problems
- Joint ache
- Cold/flu symptoms
- Headache

He deals with these conditions by giving a prescription and prescribes the same drugs over and over. For conditions outside of the routine, he refers the patient to a specialist. Each patient is part of a process, an assembly line, not a separate project.

Each patient gets 20 minutes:

- 4 minutes for the doctor to ask questions
- 8 minutes to observe the patient
- 8 minutes to administer a treatment, prescribe a drug or refer to a specialist
- NEXT PATIENT, NURSE!

Take a lesson from other professionals.

Strategy Mistake #5 – No Exit Strategy

How will you retire? If you don't have a plan, you never will.

Is your business set up to be sellable? Would another financial planner want to buy it? A local bank? An insurance agency or a broker dealer? In most cases, financial planning practices are such a business mess that they are unsellable. Here's why:

There is usually little done to cement the client allegiance (can your client articulate the investment program you have for them?). In many cases, the planner has no specialty, no perceived expertise and clients are not tied to the planner or his firm. There is no stream of continuing income, or it's tenuous (if you've been selling mutual funds on commission, you don't have much to sell). Each client portfolio is different from the next. It's a mishmash that no one else wants to touch. There is no staff that has been developed for continuity to retain assets and relationships. The clients always deal with the planner.

Here's how to create an exit strategy and really retire:

1. Identify the buyer of your business. If it's another planner, start asking planners what would be valuable to them in buying a practice.
2. Get your client-handling systematized so that it's a process (i.e. everyone must pick from a moderate, conservative or aggressive portfolio—NO other choices). All clients will get the same services or products. No mishmash allowed.
3. Incorporate a residual income in everything you do.
4. Build in the features that potential buyers tell you they want.

Know how much you want for your business and find out how much revenue or assets you need to control in order to get that price (read articles, which you can find on the Internet, that tell you how much financial practices sell for). Then set your business plan to reach those revenues or asset goals.

Strategy Mistake #6 – You Waste Time on Things You Think Are Important

Reading the *Wall Street Journal*, *Investors Daily* and whatever you think you need to do to stay current provides no revenue. Today's news HAS NO BEARING on your ability to give quality advice to clients, advice that is focused on the long-term. Quality advice is not dependent on the issues in today's newspaper:

- What Alan Greenspan thinks or says
- Who the next president is
- The latest proposal in Congress

If you think I'm off-base, consider this. If you could not have read these newspapers or received any information on the above items in the last 5 years, would your clients have been any worse off? No. Because if you are doing right by them, this day to day gossip in the press is useless. (Numerous studies show that less turnover leads to higher returns. So maybe the less news you know the better).

There is a notion among some "professionals" that knowledge is power. This is false. **Applied** knowledge is power. It makes no difference if you know every permutation about how to select IRA distribution strategies. The planner who spends his time communicating what he knows and marketing himself (even if he knows half what you do), has a more lucrative and vibrant practice and is getting more referrals. So stop getting so smart. Learn to apply what you do know rather than gathering more information that stays in your head.

I am not stating that knowledge is unimportant. But the average financial advisor spends way too much time accumulating knowledge that they never monetize. First, convert what you know and the value you deliver into revenue, then gain further insight through education.

The key to having a great planning practice is to run a great business. A great business is about:

1. Identifying your key success factors and tending to them above all else;
2. Marketing to the right prospects;
3. Implementing systems that your employees can follow without your input;
4. Having a business model that generates revenues when you're on vacation;
5. Organizing your time so that it is spent only on your distinctive competence (i.e. do only what you do best).

If you want to read articles or attend conferences that will help you:

1. Read articles in the *Harvard Business Review* about running a business.
2. Read *Barron's* once a week if you must read an investment publication.
3. Go to a conference where you learn how to market or you learn technical aspects that can help your clients (new services or products that will increase your revenue).
4. Read research on investor behavior and optimal sales and marketing approaches.

More important than to know more is to more powerfully *apply* what you already know.

So, figure out what you do really well and do nothing but that. Hire staff to do everything else so that your great talent is fully leveraged with time.

Strategy Mistake #7 – You Don't Have a Coach

Americans are really bad at getting what they want. Here's plenty of evidence:

- The millions of people on a continuous diet to get thin
- The people who buy one exercise machine after another to get in shape
- The planners who keep attending professional meetings thinking this will increase their revenues
- The single people who complain about how hard it is to meet a “nice gal/guy”
- The married people who complain about their spouse

The list could go on ad infinitum.

The answer to this dilemma is to get help. Get a coach.

Life is a flow. Right now, you may be flowing in one direction. You keep giving to your clients. You keep emptying the vessel. How does your vessel get filled? If you're a coach to your clients, you also need a coach. You need to complete the cycle.

A coach helps you get what you want. When you start to get off track with your goals, the coach brings you back. When you start seeing the barriers, the coach shows you they're fictitious. (FEAR is an abbreviation for False Expectations Appearing Real.) When your thinking gets perverted, your coach shows you the logic. When you cannot see what's in your blind spot, your coach can tell you.

If you want to keep going down the road alone, you're losing the benefit of someone's insight, a person that can see what you're doing from the outside. It's a view you can never get from the inside.

See this source for coaching:
www.financial-advisor-coaching.com

Strategy Mistake #8 – No Marketing System

When it comes to marketing, many planners wing it. They get some referrals. They do a seminar occasionally. A client invites them to speak at their church. They try this tri-fold mailer from the mutual fund company. It's a continuous process of trial and error, and mostly error.

Each of these marketing techniques is employed without being refined. They are anemic techniques and generate anemic results so the planner gives up and makes the next anemic attempt.

Any one of the above techniques can be used by a planner to generate more prospects than he has time to see.

I know a planner who has refined his referral system. He didn't take one stab at it. He refined it over 18 months and now he must limit its use or the system generates too many referrals.

I always did seminars. One seminar a month created all the appointments I wanted. If I did a seminar a week, I could support 4 planners. It took me a few years to really refine the seminar system to a no-fail method. And it's still developing as I am always trying something new.

Some financial professionals are great direct mail marketers. I know a gal who is one of the top insurance people in the US—by using direct mail. She didn't try it once and then conclude that it did not work. She kept at it, kept testing different verbiage, colors, postcard sizes, and now she gets a consistent 4% response. She only wants to work 3 days a week and does. If she wanted more appointments, she would mail larger amounts.

These are not examples of people who got lucky. These are people who got committed to a system and determined to make it work, so they kept experimenting and tweaking until they had a system that filled their appointment calendar.

So develop a marketing system (or use an existing program) that produces a continuous flow of clients. Keep refining it—continuously. Get tenacious and get rich. Don't just try something once and if you don't get instant results, abandon the plan. Tweak it until it works. Didn't it take Thomas Edison 10,000 tries to invent the light bulb? Then why do you expect instant success?

***These marketing systems help you
quickly generate clients for any
financial product or service.
They have already been tested and proven.
www.javelinmarketing.com***

Strategy Mistake #9 - Poor or No Sales Skills

If you were born a natural salesperson, you're lucky. I have lots of academic degrees and credentials and could not sell to save my soul. Most people are not born with sales skills and it's not a matter of being smart, it's a skill you've got to learn.

I took the Dale Carnegie sales program when I started my career, and I have kept gathering sales skills and studying what's available. While many professionals I know also got formal training, a greater number have had no training and keep winging it. They don't understand that the biggest reason they have five times as many prospects as clients is because they can't sell! When you hear, "I'll think about it," or ""We're going to wait a while to make a decision," that means your sales skills are inadequate

Too many people think that the more you tell, the more you sell. It's just the opposite. If you speak more than 1/3 of the time in a presentation, you blow it. Your job is to ask questions.

If you want to close a lot more sales, do nothing but ask questions for the first half of your client interview. The payoffs to asking questions are enormous. Questions increase your sales in 5 ways. Questions

1. Direct your clients' thoughts
2. Find the necessary facts
3. Determine the "emotional facts"
4. Increase your stature and credibility in the prospect's eyes
5. Maintain control of the conversation

Direct Your Prospect's Thoughts

How would you like to make your prospects think what you want them to think? You can indeed direct your prospect's thoughts with your questions. Before we proceed,

would you make a mental picture of a large gray elephant for me? With this simple question, I can make you form a mental picture and you can consistently direct your prospects mental activity in the same way. I know one super sales person who asks prospects, “What are your plans when your health fails?” Immediately the client’s thoughts and mental pictures turn to scenes in a hospital bed or wheelchair. Questions are your most powerful tool for closing more sales.

Just the Facts, Ma’am

Additionally, questions allow you to find out the facts (how much money they have, how much taxes they pay, how current investments are allocated, what insurance they have) and protect yourself. You must have all of these facts before you can ever ethically and legally discuss any recommendations (know your client rule).

Emotional Questions

More importantly, questions allow you to determine emotional preferences: what you like/do not like, what’s comfortable/uncomfortable, what do you move toward/away from? Do you feel comfortable with the stocks you own, or nervous? If you became disabled tomorrow, what would you feel remorse about not having completed? These feeling questions are critical. They keep you from making recommendations that will never fly with your prospect.

Junior financial advisors often think their job is to do the “best thing” for the client and to have lots of product knowledge. The best thing for a particular prospect might be tax sheltered growth and the advisor therefore recommends a variable annuity. But if the prospect is afraid of market fluctuations, then this recommendation is dead in the water before it is spoken! Therefore, the “best thing” is an appropriate recommendation that your prospect also feels comfortable with. And you can only know what’s comfortable by asking questions.

Gain Stature

Questions communicate to the prospect that you are a professional and that you are thorough, that you get all the facts before you make recommendations. You position yourself as a true advisor, a knowledgeable expert, rather than salesperson. (Think about a visit to the doctor. Notice how he relentlessly asks questions and hesitates to make any diagnoses until he is 98% sure? If you did the same with your prospects, your closing ratio would soar.)

Maintain Control of the Sales Conversation

Questions allow YOU to control the conversation. If the prospect starts firing questions at you, and you jump to answer them, who is in control of the conversation? You've lost control and the probability of a sale is very low. Picture an intersection full of traffic. Do you want to be the cop in the center directing the traffic or one of the drivers being told to make a left turn? Questions allow you to stay in control of the sales conversation.

As you see, not being versed in the lost art of asking questions can cost you dearly. Where can you learn this skill? The best books I have seen are Neil Rackham's *Spin Selling* and *Spin Selling Field Book*.

Even when you do start to tell, end each explanation in a question and give your statements real power, as in this example:

“This mutual fund has had a five-star ranking, the highest rating, for the last 15 years. And you do want the best, don't you?”

By ending every explanation or paragraph in a question, you have the prospect “buy in” and you also test their temperature. If you ask the question above and they stare into

space or start squirming, you know right away something is off, that you are misreading the prospect. You can then ask, “*That fact seemed to make you uncomfortable. Did it?*”

Employ questions for a powerful increase in your closing ratio. That would be great, wouldn't it?

***Our research shows that only 15% of financial sales professionals have had formal sales training.
The result is lost sales.
You can learn scientific techniques for closing more sales.***

Strategy Mistake #10 – You Don't Refer to A Specialist

Your doctor is a smart businessman. He deals with only a few issues and does not get distracted. Your family doctor knows about:

- Colds/flu/allergies
- Pains in the soft tissue
- Headache
- Joint problems

For everything else, he refers you to a specialist and moves on to his next patient. He does not go to the library to see how much he can learn about your neurological problem. Yet, when the typical advisor's retired client asks, "My son has a business and he wants to set up a 401(K) plan, can you help him," the advisor replies, "sure!"

Bad answer. If this is not your specialty you need to refer this business away. It's the only efficient thing to do.

One reason that the public does not have a professional image of financial advisors is because of their refusal to specialize. Doctors refer patients to specialists like crazy as do lawyers. Do what other professionals do. Save your time for your area of expertise. Build a network of specialists in your community to whom you can refer business (and who can refer business to you).

Section II – The Tactics of Practice Management

Technology—Use It in Your Business or Get Crushed

Some people are business slob. They have piles of papers on their desk, overflowing in-boxes and they typically waste two hours a week just looking for things. This of course is an impediment to large production, so if this is you, it's time to change your ways.

Here's how: Make every attempt NOT to handle paper. Personal computers make this possible. If you need a lesson on using file folders in Microsoft Windows and how to set up an organized nested structure, then take a course in Microsoft Windows from New Horizons or from Fred Pryor Seminars. If someone sends you a document, don't print it and then put it in a file folder. Place it in an electronic folder. You can easily find it later if you have an organized structure and if necessary, you can use the search feature in Windows. (Note that you can speed up the search feature by using the indexing feature, which few people do). Alternatively, you can download free Copernic Desktop Search (<http://www.copernic.com/>) with even more powerful search and indexing features across a network.

If you don't go get formally trained in using computers effectively, at least call the local high school and have a kid come to your office twice a week and be your tutor. I was fairly amazed the other day when an advisor offered to give me a list of other advisors he believed I could assist yet he did not know how to attach the file to an email. I was on the phone with another advisor this week and when I gave him a URL to visit, he did not know where to type this in his Internet browser. Use of a computer in 2004 is the same as knowing how to type in 1965—you can't get by without it. Signs that you need computer training:

- You don't know how to get your address book from your PC into your phone
- You meet people at their homes or offices but don't use a laptop because you don't know how to use the illustration software
- Your prospect file is on 3x5 cards
- You don't know how to insert your photo into a letter or email it

Now some people will say that they delegate all that kind of thing to an assistant. That's great. But what happens when you need to get something done now and your assistant is out for 3 days?

If you must handle paper, then have file folders well labeled. If you think this is all elementary advice, then why is it that some people, and maybe you, don't do it? Do you have some idea that the time it takes to stay organized is time that could be spent on something "more important?" I promise you that the time it takes (30 seconds) to make a file folder and place it in the right drawer so you can quickly find a document later, enables you to out-produce most people by two to one. I have a virtual library at my fingertips so when I need any item, I know where I have it and so can you if you stay organized from the beginning.

Next, develop an orientation to handle all papers only once per day. All incoming mail or other papers go into your in-box, which you process once daily. You don't touch any papers other than at that time. Information for calling clients should all be in a contact manager like ACT or Goldmine. In fact, any human being you may ever want to contact should have a record in your contact manager. We have a rule in our firm—if you talk to a person immediately get their contact information into Goldmine because we will probably need to contact them again. We have a "vendor" database so two years from now we won't have to look for an invoice to find out, "who did we buy those special envelopes from?" It will be at our fingertips by doing a search on "envelopes" in our vendor database. If you are not computer literate, then you now have important criteria for the assistant you need to hire.

By the way, one great thing about contact management software is the ability to set alarms to remind you of appointments or remind you to contact someone even 18 months later. If you sell an annuity that comes to term in 5 years, you schedule a call in your contact manager in 4 years and 10 months and you never need to think about it. It's money that you will be certain to address because you have a system for doing so. The

bottom line is this—if you think short term, you will never grow a large business. You must be programming your business for next month, next year and for 5 years out.

If you are thinking, “who’s got time for all of this?,” the answer is, “there is no way to ever be a large producer until you stop wasting time on unproductive activities that result from disorganization.” This is one of those areas that when you get structured, it pays dividends forever.

The same goes for anything you find on the Internet. Put these pages in your “favorites” folder in your browser. You also want to be more efficient in the way you communicate. Stop reaching for the phone so often. It’s a terribly inefficient device. The telephone was invented in 1860 and it’s shocking that you use a piece of technology that’s 145 years old as your main means of communication. The phone is in fact a huge waste of your precious time for a couple of reasons:

First, you call them and they are not in, then they call you and you are not in, and then.... Unless you enjoy playing telephone tag, the phone is very inefficient.

The phone is also an ineffective communication device. Most of the population is visual as their primary receptive mode. You remember and interpret information most accurately that you see. The phone is an audio device so you tend to forget or misinterpret what people say and so does the other person. Have you noticed that large firms will record phone conversations because they know that audio recollection and accurate interpretation is so unreliable?

On the phone, you tend to talk too long. A conversation that should take 1 minute stretches to 12 minutes because the chit-chat starts or information gets repeated or needs to be reviewed because it was misinterpreted the first time around. Now multiply by 3 times a day and you’ve wasted 30 minutes a day—a three full weeks a year. The three weeks when you could have been meeting with CPA referral sources, attending a professional meeting, designing and implementing your seminar series, etc.

The phone was invented for two-way communication and most communication is one way. Most phone calls are used to ask for information or provide information, i.e. they require information to flow in only one direction. Most calls don't require that both parties communicate simultaneously. Such simultaneous communication is only required when you must reach a joint decision with the other party or the purpose of the call is to forward a relationship.

Email solves all of the above problems and inefficiencies.

Free email accounts are great, but don't use them as they make you look unprofessional. First impressions matter, including your email address. Which advisor makes the better first impression—the one who emails you from bob@yahoo.com or bob@affluentinvestors.com? You get your own domain name when you have a web site or you can just register a domain name, skip the web site, and use the email address.

Email allows you to send the same communication to many people—you can't do that so easily with a phone.

Most email comes with an auto responder, which allows you to reply automatically (e.g. "I am out of the office this week").

Email allows you to store templates with answers to questions you answer again and again. This saves retyping. Hit a couple keys and the same 500-word answer is off to your client.

And when you begin emailing others, they do the same to you. This allows you to avoid numerous interruptions during the day when you stop a project to answer the phone only to learn that your dry cleaning is ready to be picked up.

I once had a colleague ask me how I sold so much. I explained that I did not sell more than he did; I simply sold faster. If you can sell faster, you can increase your income tremendously. Instead of making 100 sales in a year, you can make 150. What would that be worth in additional income?

Appropriate use of INEXPENSIVE technology can easily add five hours of sales and revenue-generating time to your week. That's 20 hours per month—enough to make an additional two annuity sales and generate another \$4,000 to \$12,000 in commissions. To use technology to sell faster, read on.

Please don't try to save money when using technology. For example, are you sharing a fax line with your phone? This does not work and never has. I promise that you are missing phone calls when your fax answers by mistake and there have been times when people have tried to fax you and could not because your phone answered. Stop saving a measly \$17 a month and install a dedicated fax line (or better, get a free fax account from efax.com). You now waste time trying to get the information you should have gotten in the first place and you may be missing valuable information or calls altogether.

By the way, regarding saving money, that's a foolish goal in the financial services business. No single financial advisor has even 1% of the market in your town. Delivery of financial services is highly fragmented and therefore, it's easy to gain market share from others. It's certainly possible to double your income in a year by using the right strategies and not wasting time. If you can increase your revenue by 100%, isn't it a foolish focus to try and save \$200 a month by cutting corners? Rather, spend your time on increasing revenues, not saving the crumbs of cost cutting.

More Recommendations

Get a fax machine that gives you a report that your fax went through to the recipient so you can stop wasting time calling after each fax to ask, "Did you get my fax?" You can find machines for well under \$200 to do this. Or get an outbound web-based

(efax.com) or PC-based fax program (Winfax by Symantec) that indicates successful fax delivery.

Free email accounts are great, but not if they don't accept large attachments (e.g. 10 MB or larger). Lots of useful email is sent with large attachments (e.g. your photo to be included in an article) and most free email accounts only accommodate attachments of 1 MB. If your email does not allow such size attachments, get a new email account, even if it costs you \$19.95 a year.

Make heavy use of the Internet. You want to make heavy use of the Internet because it provides valuable information you can use to make money. For example, I have written a monthly newsletter for years in which the articles offer an analysis, more information or a calculation of some financial decision (e.g. whether to convert a traditional IRA to a Roth IRA). Readers ask me for the analysis and where do I get it? From the Internet. In other words, by knowing where to find information that others do not, you can turn that into a sales advantage and a marketing tool.

Customers and prospects like to see items that have been published because published documents have credibility. Published documents include items from the newspaper, magazine and from the Internet (please note that product brochures and sales pieces have no credibility and that's why your prospects never read them). You can find almost any information on the Internet in a few minutes, print and email (or send) to your prospect to support your point. This information will have credibility with your prospect.

Regarding Internet searches, realize that no single search engine indexes more than 15% of the pages on the Internet. Therefore, you want to use a tool that searches multiple search engines simultaneously. Many Internet users use Dogpile (www.dogpile.com). I prefer Copernic (www.copernic.com), which is software that runs on your own computer and performs a search on ten search engines at once and provides a single output list. The software is free. Neither service includes Google so do searches on Google in addition.

Don't waste time waiting for Internet pages to download or for your computer to log on. Get a DSL line or Cable connection, which is always on (no need to dial up to the Internet) and your pages will load in lightening speed. It's a really foolish waste of time waiting for Internet pages to load over your 56k modem. Our DSL line is \$39 per month and allows everyone in our office to use the Internet at 4 times the speed of a 56k modem. It's always on. Additionally, you need a high-speed connection to attend many educational webinars, web-based teleconferences or view recorded video over the web.

I am amazed when I call financial professionals and get a busy signal. That should never happen. Do you want to lose business? Call the phone company—for about \$8 a month they will give you a voice mail line so that even if 20 people call you at once, they will get your voice mail system and can leave a message. Make sure no one ever gets a busy signal. If you have your own voice mail system, make sure that you have more lines coming in to your office than there are employees. Otherwise, when everyone is on the phone, the next incoming caller will get a busy signal. It will cost about \$17 per month to add a line.

Subscribe to services like Value Line (stock information) and Morningstar (mutual fund information) on CD ROM. They will together cost you less than \$1000 per year. They provide you the information necessary to show a new prospect how their stocks and funds have been performing and which items should be sold (and invested with you). Without this convincing third party evidence, is it any wonder that some prospects are not just accepting your word for it? There is nothing more powerful to convince a prospect than printed, third party evidence. I use these tools to free up millions of dollars annually to place under fee-based money management.

All solutions I discuss in this section have the following monthly costs:

Separate fax phone line	\$17
Email and high speed Internet access	\$39
Voice mail to eliminate busy signals	\$8
Subscriptions—Value Line and Morningstar	\$75
Total	\$139

Have you been saving this \$139 monthly while your efficient competitors are grabbing the sales that could have been yours?

How much you earn each year is a fraction:

Dollars divided by time

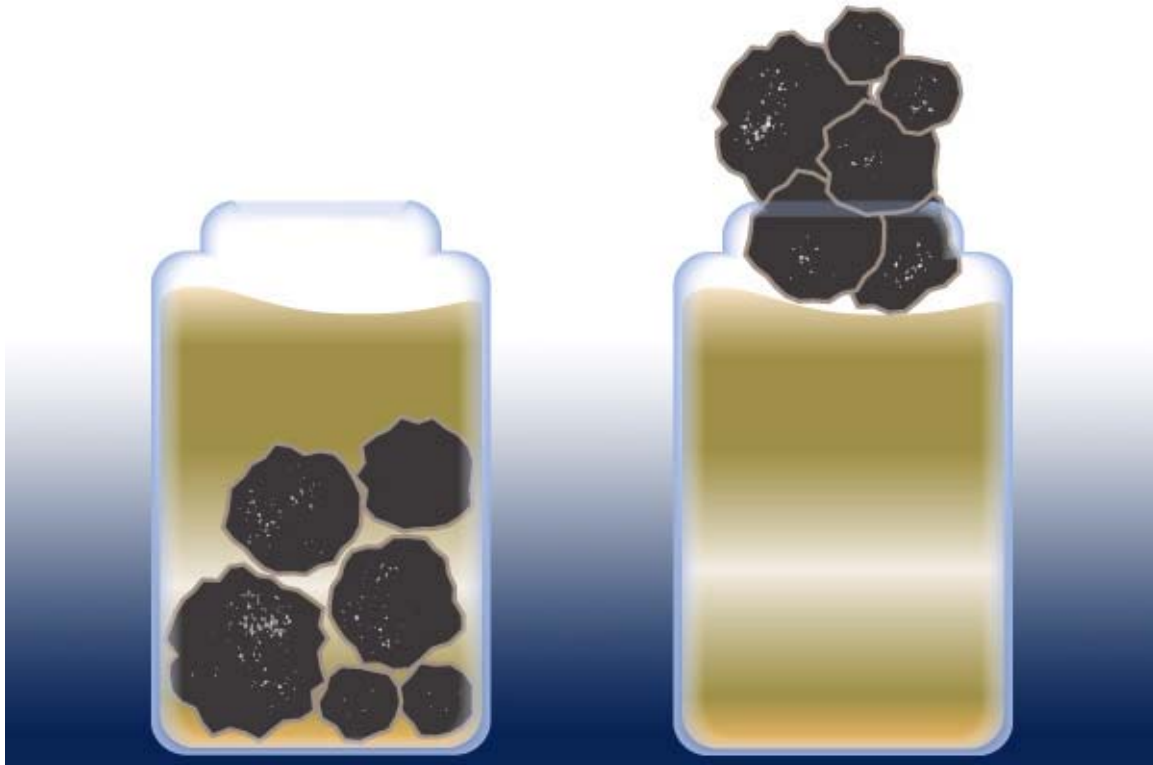
***To earn more, you can increase the numerator or
shrink the denominator.***

***Your time is what you sell,
Waste it and you squander income.***

Time Allocation

Time “management” IS ESSENTIALLY TIME ALLOCATION—doing the activities that matter the most as opposed to the activities that matter little. The visual representation of this concept is as follows:

If you have a jar (your day) and you need to fill it with the maximum number of items to get done (rocks and sand), you will get more into the jar if you put the big rocks in first (the important stuff) and then fill the sand around it (the little stuff). Therefore, you want to schedule the big rocks first.



Get your high priority items (the big rocks) onto your list first. If you crowd your day with the little stuff (sand), there will be no room for the important items.

Of course there are seemingly more things to do in a day than you have time for. The first way to handle this is to have a maximum of 6 items on your to-do list each day. This

takes 10 minutes to prepare at the end of each day. You list the six things for the next day and also indicate what was accomplished today. It looks like this:

Items for 8/10/04	Accomplishments for 8/10/04
Call the next CPA on my list for lunch	Done, set for 8/17/04 at noon
Call 10 clients and set appointments for conversion from commissions to fees	Left 6 messages, 2 appointments set, 2 no answers
Place ad for new assistant	Done, used on line service—already see 3 responses in my email
Take calendar and set seminar schedule for 2005	Need to check our vacation schedule to complete this
Call Gold’s gym—do they have a trainer I can use?	They recommended I call World’s gym—will put on tomorrows to-do list
Call that guy I met at MDRT about his need for alliance with me	Called and left phone message—sent email also. Out on to-do list for 8/17 in case I don’t hear back

At the end of each day, you fill in the right side with what you accomplished and then you make your new list for the following day. You spend 10 minutes making your list for the next day and documenting what you got done today. This little discipline will have a HUGE impact on your accomplishments.

The advantage of listing only 6 items is that

- a. You won’t feel overwhelmed
- b. You have a much greater chance of completing them and feeling empowered which leads to even greater personal productivity
- c. It forces you to list and focus on the most important items

Think of the times when it seems you have accomplished a great deal in very little time. It almost seemed like a time warp in which time shut down for you while you accomplished a list of to-dos. Well, that can happen often when you have six things on

your list and you just do them, when you make up your mind, that if nothing else gets done, come hell or high water, you will get your list completed that day.

I KNOW THIS SEEMS OVERLY SIMPLISTIC, BUT HERE'S WHY IT WORKS. Currently, you do many activities daily. The problem is you really don't see which activities have the biggest payoff. Some are a waste of time and produce nothing, while others produce tremendous profit. For example, maybe you invested 60 minutes having lunch with a CPA and that CPA now sends you 8 wealthy clients a year. That one hour you originally invested has produced a tremendous payoff.

Or maybe, you called a few radio stations to suggest a financial show on senior issues. That three-hour investment produced the invitation to do the radio show which you now use to fill a seminar every month, saving thousands of dollars in marketing costs and gaining unparalleled credibility. So, you can see that some activities produce most of the benefit.

Unless you arrive at work each day having thought about the most important things to do that day **BEFORE** the day starts, you will get swept into low payoff activities. You are wired up as a human being to react to your environment rather than proact (more about that later).

Think of your business as a football game. The coach and the players spend hours going over and over the plays on paper, in practice sessions and watching videos. They master what they will do **BEFORE** they get on the field. If you are like the average advisor, you wait to get on the field to make your game plan. **IT WON'T WORK—THE OPPOSING TEAM (daily distractions) WILL CRUSH YOU.**

By having a list of only 6 items, you focus on items that will produce super results and the other items that seem so important are actually those that produce little to no results. These will never make it onto your list as long as you produce the list before game time.

The other reason to enter each day with the written list is to guard against your natural inclination to react. It's easy to succumb to and involuntarily react to the environment (e.g. answer a ringing phone, open mail on the desk, handle an unimportant request) than to willfully determine your actions each day. That's why 90% of the people are workers (they are told what to do by the business owner) and only 10% of the people decide what needs to get done (the business owners).

Now of course, you will say that you have too many interruptions and never get through your to-do list each day. Good news—we can solve that for you.

Currently, you allow other people to determine how you spend your day rather than you determining how you spend your day. For example, do you answer your phone when it rings? I don't, because if I answer my phone, someone other than me determines how I will use the next few minutes. If instead I return all my calls from 4 to 5 pm from my voice mail, then I determine how my time is used.

At first you may think that it's crazy not to answer your phone because maybe it's a business opportunity. However, if you keep a log of the next 10 calls you receive, you will find that 90% are poor uses of your valuable time and generally distractions. Rarely does your phone ring with a business opportunity. If it did, top executives would not have 3 levels of assistants to screen their calls. They would take all of their calls personally.

You answer your phone because you have nothing more important to do. You allow interruptions because you don't have a list of 6 life-important issues to complete that day.

And if the incoming calls are of any value, perhaps your voice mail message should say "The best way to reach me is by email. My email address is...". By receiving an email rather than accepting an incoming call, you determine when your time will be used for activities rather than delegating this to someone else.

Time Blocking

You gain time discipline through time blocking.

Perhaps you have seen an interview of an Olympic athlete. When asked how they train, the response is usually something like:

Each day I get up at 5 am. I stretch and do calisthenics for 30 minutes and then I do 30 minutes of yoga. Then I run 5 miles. This is followed by breakfast—a regimen that includes 90 grams of protein.

At 7:30, I watch videos of my past performance and critique them with my coach. From 8:30 to 11, I am in the gym practicing my routine. From 11 to 12 I take lunch. Then at 1 pm....

You won't become an Olympian just because you discipline the use of your time. But you cannot become one if you don't discipline your time. It's a necessary condition to high productivity and performance.

When I was a full-time producer at a major securities firm, here is what my day looked like:

8-9 am: Looked in the computerized records to see if any securities were maturing in my client accounts or if clients had money sitting in their accounts or my records showed money coming due from another source. I looked through the firm's fixed income inventory for any attractive bonds or preferred shares that would be suitable for my retired clients or I called the fixed income desk to have them find what I was seeking. I pulled up the list of clients to call to do business—either to invest loose cash or rebalance their equity portfolio. Of course, all of these records were computerized so there was no time wasted looking for information.

9-11 am: Talked to 10-15 clients and made transactions.

11-12 noon: Made any needed appointment setting calls (e.g. from the direct mail program that my assistant ran or to set up a lunch with a CPA). I also got my assistant securities licensed so that when someone called and said “I decided to buy that bond Robert called me about on Monday,” she could go ahead and make the transaction and not take any of my time or attention.

12-1 pm: Lunch and brief meeting with assistant (my assistant handled all incoming calls)

1-5 pm: Met with people on my appointment calendar—either people that came to my seminars, people that responded to direct mail or clients coming in for a review or to discuss additional business.

5-5:30 pm: Wrapped up the day with my assistant, giving her any necessary instructions or paperwork that needed to be processed from my appointments.

I kept my door closed all day and had a sign on my door for the other brokers: “Don’t enter. See my assistant Lisa.” Did the other brokers think I was the most cordial guy? No. Did I produce 23% of the entire office revenue? Yes.

(If you think that you cannot do the same because you don’t have an afternoon full of appointments each day, that’s because you don’t have adequate marketing systems in place, which is beyond the scope of this program. You can get help to fill your appointment calendar at www.javelinmarketing.com/products).

How did the other brokers spend their day?

1. Waiting for their phone to ring because being reactive is so much easier than being proactive.
2. Wandering into each other’s offices to talk about inconsequential issues (e.g. “the game”).

3. Doing research on securities, research that they could simply purchase for \$500 a year or use the firm's research service.
4. Doing the activities of a sales laborer—paperwork, deciding who to call, and activities other than being on the phone or in an appointment.

They would engage in every possible activity other than those activities that generate high revenues.

You may wonder when I did seminars or worked on my business. I did seminars on Saturday mornings and worked on my business for 2 hours after the seminar. Yes, I did work 5 ½ days a week but would you do the same to generate \$1 million in commissions per year? Or if you only want to work 4 days a week, settle for \$700,000 a year?

You must have a daily time schedule. Keep your door closed insuring certain periods to get things done, like making the 15 calls a day you promised yourself to do.

The third issue to time allocation is in doing the things that have the “greatest strategic life importance” each day. Typically, these are the items you don't want to do. For example, you made a strategic decision to get 50% of your new clients from professional referrals (e.g., CPAs and attorneys). So you set a goal to have lunch with at least one professional a week. But you are nervous about picking up the phone and calling a professional out of the phone book. You worry about stuff like you'll seem stupid to most CPAs, or you are not prepared or you're not sure you add enough value.

Here's the great news. The things that have the most strategic leverage for you are typically the items you least want to do. So each time you have that aversion feeling, it's a simple sign from the universe you are on the right track! Dig in and do that thing now to which you are averse. Relish your discomfort!

For the last 8 years, I have not been working with retail clients but rather helping average financial services professionals to become top financial services professionals.

For months now, I knew I needed a personal assistant, for activities separate from the work that the 30 people in my company already do. Yet for some reason, it never seemed like the right time to add that person, or I couldn't quite decide on the criteria for the position.

All that hesitancy is our mind's way of maintaining the status quo. Your mind is a machine that is designed to insure your survival. If you are eating three meals a day, not in danger of attack and not feeling any pain, your mind sends every cell in your body the message "don't do anything different—we are surviving so let's keep it that way." So whenever you look to expand your horizons, gain leverage in your life or take on the next big thing, your mind says "oh no" and you get that feeling of trepidation. In turn, the logic part of your brain even manufactures logical reasons why not to take action.

All parts of your mind are pulling for your survival. After all, back in cave man days, survival was everything. If you were safe from animals by staying in the cave, you stayed in the cave. Cave-man days are long gone and your survival is not at risk. But the leftover protection mechanism is still active and keeps you from the progress and changes you desire. In other words, we are born procrastinators (as are your prospects clients) with the desire to stay in the cave rather than wander out and possibly get eaten.

The more you do the scary things, the better you get, the lower the aversion and one day you wake up a huge producer because you have done all of those high leverage strategic activities that produce the big results. The big producers work a 40 or 50-hour week just like you do. The difference is that they spend their time on activities with big payoffs. If you have got to go to work everyday anyway, why not do the stuff that will make you rich?

Stephen Covey illustrated it best in *Seven Habits Of Successful People*.

Time Organization

	<i>Urgent</i>	<i>Not Urgent</i>
<i>Important</i>	<p>Crises</p> <p>Pressing problems</p> <p>Deadline-driven projects</p>	<p>Prevention</p> <p>Relationship building</p> <p>Recognizing new opportunities</p> <p>Planning</p>
<i>Not Important</i>	<p>Interruptions</p> <p>Mail, reports, meetings</p> <p>Proximate pressing matters</p> <p>Popular activities</p>	<p>Trivia, busy work</p> <p>Mail, phone</p> <p>Time wasters</p> <p>Pleasant activities</p>

You can either spend your time in the lower right quadrant (not urgent/not important) or spend it in the upper right quadrant (not urgent/important). In lieu of a daily to-do list to which you commit and in face of your proclivity to react, the odds are against you for high productivity. You now understand why there are so few extraordinary producers.

Let's summarize. You master time allocation by

1. Blocking your day so that interruptions become next to impossible
2. Making a to-do list with the most important strategic life items first
3. Limiting your to-do list to 6 items maximum

Delegation

All that little stuff that must get done, the stuff you waste so much time on: yes it must get done. But *you* don't have to do it.

The math is really simple. Your time is worth \$100, \$200, \$500 an hour because of the generous fees and commissions in our business. So only someone very bad at math does the little stuff that they can get done for \$18 an hour.

Now let me address this Catch-22. If you are newer in the business, you have a conversation that goes like this: “If I had an assistant, it would free me up to do more productive revenue generating activities. But I can’t afford an assistant right now.”

And so your revenue stays mired in this circular reasoning. Let me solve this dilemma for you—beg for or borrow the money to get an assistant. You may tolerate the negative cash flow for 120 days. But you get help because you will never get out of the rut unless you invest in your business.

Or, you may have help and often have the thought, “I’ll just do this—it will take me only 20 minutes and it will take my assistant two hours.” Two hours at \$18 an hour is \$36. Twenty minutes of your time is worth a lot more than \$36, so stop doing anything that you can delegate to an assistant or subcontractor.

In my first position, I worked for a firm with 150 representatives. They all complained about the paperwork and there was constant begging to management to hire assistants. After a few weeks of management doing nothing, I asked for permission to hire an assistant from my own pocket. They had never had such a request and after checking with the lawyers, they agreed. By the end of my second year, I was the #1 producer at the firm. While I was selling, my peers were doing paperwork.

Hiring Assistants

You write out a description of what you want:

Expanding financial planning firm needs service assistant with 2 years experience in an investment or insurance sales environment. You need to know how to read investment and insurance statements and handle incoming client service inquiries. Must have pleasant phone manner and good phone voice to set client appointments. Must be super-organized. Must have very good knowledge of MS Office and facility working with PCs (you will take a short quiz).

Please email resume with salary history to you@yourbusiness.com

Place this advertisement in your main daily newspaper, in Craigslist at www.craigslist.com (if it operates in your area) or other local on-line job board.

If the assistant will be doing a lot of phone work, don't ask them to send a resume. Rather, in the advertisement say "call this number." The number is a voice mail line and here's the message you record:

"Thank you for calling about the assistant position at our firm. It's a great atmosphere with great benefits. At the tone, please leave the following information:

1. What work you are doing now
2. Why you are making a change
3. Any personal goals you want to accomplish in the next 3 years

Then, please email your resume to you@yourbusiness.com."

By having your prospects call a voice mail, you get to hear how they sound on the phone and call back only those with good phone presence. You'll be shocked at how

many people call and hang up when they are asked to speak spontaneously. And this saves you a ton of time because you spend time interviewing 3 people instead of 12.

Next, you call firms where this person may already work.

For example, if you are an insurance professional, you call each of the large insurance companies that have offices in your area. When the receptionist answers you say “Hi, who is this? Are you the regular receptionist there? Great. I am an independent insurance agent and I am looking to hire a top-notch assistant and pay them well. Is there anyone in your office that has been thinking of leaving?”

If they say “no” or “I don’t know”, you then say, “Great. Does the issue of changing jobs ever come up among the people who are supporting the agents there? Would you take my name and number and if someone mentions they are looking, would you pass it along to them?” If you are in the securities business, you call the large securities firms and ask the same question.

There are plenty of people at large firms unhappy with the advancement potential or the bureaucracy or working for 4 professionals pulling them in different directions. They would love to have one boss in a small firm where they get respect and a decent salary.

Let’s make a distinction between a service assistant and sales assistant. A **service** assistant is someone that is super organized and could be an accountant.

These people perform the following activities:

- Answer the phone and handle 90% of the calls completely
- Send literature
- Do most client retention activities—birthday cards, holiday gifts, etc.
- Open mail
- Schedule appointments
- Handle client service issues and “follow-up”
- Handle the flow of paper

These people are more introverted (see personality profile below).

Hire a **sales** assistant to:

- Call suspects
- Set up seminars
- Cultivate host-beneficiary relationships (more on this later)
- Conduct a “find the money” campaign with existing clients
- Run your referral system (for an auto-pilot referral system, see www.javelinmarketing.com/roodman)

Sales assistants are “people” persons. They are extroverted, handle themselves well with people and would not do well in a service assistant’s position requiring detail orientation. For this reason, you NEVER attempt to have one person do both jobs as no one person will be effective at both.

Rent, Then Hire

Call the temp agencies in your town. Tell them what you are seeking. They can often get someone for you under the following arrangement:

1. You will pay \$25 an hour for this person. If you want to hire them full time within 90 days, you pay the temp agency \$3,000 and that person is yours.
2. If you rent this person for the entire 90 days, you can often hire them with no payment to the temp firm

This arrangement might be great for you because they have already screened people; you can check someone out for a week or two and get rid of them if they are not great or hire them if they are great.

Screening

You screen people in the following ways:

1. The appendix includes a PC literacy test. You have the person do this as you watch (you will need to alter this to match the file names and drive assignments on your network)
2. You have them take the personality profile in *Please Understand Me* by Keirsey and Bates. If you are hiring a sales assistant (someone that needs to be more extroverted, likes talking with people, etc) and the personality profile says they would make a good accountant, then you know you have a bad match (but this person might make a great service assistant). See the appendix for more details on the profiles you seek.
3. I personally also like to give an IQ test because I want smart people working with me. Go to www.queendom.com and have them take the classical IQ test. You want scores above 120.
4. In addition to the above, I highly advise you do two other things to screen out a lot of bad candidates. Give them the math test in the appendix. If they don't get nine of those right and can't do that by hand then they're certainly not going to be your service assistant; they're not the person you want in that job. You'd be shocked at how many people don't get more than five out of ten correct. These would be things that any third grader should be able to do and you'll be shocked, unfortunately. In addition, I would give them a little writing test. Just ask them to write two paragraphs about what they did on their summer vacation or why they went to the college they went to or whatever. Just have them write something for a couple of paragraphs so that you can read it and again, unfortunately, you'll be surprised how illiterate many Americans are but that, in any case, will make sure

you're picking somebody who can do simple math, who can write and who has the right personality fit. If you do those three things, it will help screen in the people who can really do some good business for you to help you run your practice.

5. Interview for talent, not experience. For example, if you want someone that thinks on their feet, then ask "what would you do if..." and see how they think. It's much more important to hire someone with the right talents (things that cannot be learned) than the right experience (things that smart people can learn quickly).

You must train your assistant and should devote several hours to that the first couple of weeks. Then ½ hour per day thereafter until they do their job better than you ever could. As you train them, you must document and build the assistant's procedure manual so that all processes are documented.

Get them licensed. They will not only better understand what it is that you do, they can help you generate revenue and not bother you with small issues (a securities transaction or completing an insurance application).

Outsource Your Assistant

Instead of employees, you may want to outsource the support you need. Visit http://www.msvas.com/ms_find.asp or www.totaloffice.cc or http://www.assistu.com/client/client_how.shtml.

These sites allow you to find independent contractors that work on their own so you don't need to manage employees. Many work for other financial advisors so they know and understand the business. If you need occasional work done, you can get projects done by listing your project at elance.com or guru.com.

The ONLY Three Things You Need To Do

The last time I checked, there were only three activities that generate revenue for you:

1. Meet with Existing Clients to Retain or Generate New Business

THIS MEANS KEEPING IN CONTACT WITH YOUR CLIENTS. Existing clients are your most fertile source of additional business and most advisors are so wrapped up in getting new clients, they miss this easy source of business.

Now, let's say you're thinking, "but my clients don't have any more money." Then you're not prospecting rich enough people (beyond the scope of this program but amply covered at www.javelinmarketing.com/products). Or, you have not designed your business so that your clients generate a continuing source of fee income. When you do, the purpose for staying in frequent contact is maintaining the relationship that produces the fees.

Or, you're thinking, "But I only sell annuities and they don't want any more annuities." Last time I checked, you were free to offer other insurance products and get a securities license and also offer investments. Or, in most states, there is no license needed for insurance or estate planning consulting and you can charge fees for that. It's simply insane to win a client's trust and then earn only 25% of what you could from the relationship. So get the licensing and education you need to expand your services and earn more from each client relationship.

And even if you are adamant about only offering one product or service, then you need to get an education in comprehensive financial planning so that you recognize opportunities for other professionals. For example, when you meet Mrs. Smith and she has done no estate planning, you refer her to your estate planning pal. You can either split fees or commission (check your state's rules) or get cross referrals from the attorney. Either way, you earn more from your clients.

The frequency of client contact also impacts your success at getting referrals (www.javelinmarketing.com/roodman).

2. Meet with Prospects to Generate New Business

Notice that I said “meet with prospects” not “generate prospects.” Professionals should never prospect.

The act of prospecting is the act of converting a suspect (someone you know nothing about) into a prospect (someone with interest and money). Professionals never do this converting or identification. This is done by:

- An assistant
- The post office by delivering a mail piece that will have prospects respond
- The newspaper that carries an ad to which prospects will respond
- A telemarketer
- Another professional who sends you clients
- Your clients who introduce you to their friends and associates

Prospecting is a low-end grunt activity to be delegated to people happy to do it. Either get an assistant or subcontract. Once that system identifies a person who has interest and money, they become a prospect (as opposed to a suspect) and only then do you contact them. Again, marketing is beyond the scope of this program but you’ll get plenty of insights at www.javelinmarketing.com/products.

3. Design and Train Assistants and Subcontractors in Procedures

Since you won’t be doing the grunt work, you need to make sure that others do it right. You must design and document procedures for others to follow.

- How they should answer the phone
- How to keep your appointment calendar
- How to handle each type of service issue
- How to follow up on client referrals

Every process that someone must do must be documented in detail. I know this does not sound fun, but here's what happens if you don't do it. You will hire Mary as your business manager. She will be with you for four years and take care of everything. You have a great life. You make a good living, you leave the office at 4 pm, your clients love her and she handles just about everything. Then, she tells you one day she must move across the country to take care of her sick mother and she must leave tomorrow.

You're screwed. Your entire operation is in Mary's head. You don't even know where to pick up the mail each day! You then realize that there is a mail box at the end of the hallway but you don't know where she kept the mail box key! Detail after detail that makes your business run must be on paper, in great detail. It must be on a hard drive of your computer network and backed up on a CD or tape that you have at home.

Only by having every process documented (and under safekeeping) can you avoid the calamity when Mary leaves. If you have good documentation, upon Mary's departure, you simply have 2-3 tough weeks as you hire another superstar. When hired, you hand them the procedure manual and tell them "here's your job—do everything in this procedure manual."

You will need to document these procedures initially and then you must, every 3 months, sit down with your assistant and review the procedures because they will change and you've got to have the changes documented.

If you find yourself doing any activities other than the three listed above, you know you're still operating as a sales laborer rather than a sales professional and wasting your valuable time. I suggest you tape these three activities to your wall and look at them each day.

Advanced Practice Management

Work on the Business, Not in the Business

To the extent you work on the business, it will be more profitable and you will enjoy it more. Working on the business is an activity like planning which accountants you will meet over the next 6 months, the documented plan you have for making them more profitable and how you can do business with one another's clients and jointly develop new business. The time it takes to do such planning, working "on" the business saves much time when you go to execute the process.

Planning not only saves time in execution, it allows you to focus on all of the great ideas you have that you never pursue because you never set time aside to do so. When you remove yourself from the day to day to work on the business, you can flesh out the implementation details of those great ideas.

So, you need to have two hours a week when you work on the business. This cannot be at your desk because you will get distracted by the stuff on your desk. Go to the library, to the park, ride the train around town—but get away from the regular distractions. Think about what you want in your life and what you need to do in your business to take you one step closer.

The investments in your business are so obscenely profitable; you will miss them if you don't make plans to pursue them. For example:

- a \$2460 investment to do a seminar results in \$20,000 to \$40,000 of commission (1000% return)
- \$35,000 invested in an assistant produced \$150,000 in extra income for the new time you have available for revenue generating activities (a 400% return)
- \$500 invested in a monthly direct response ad produces \$5,000 a month in commission (1000% return)

In fact, it's shocking to me that financial advisors, who supposedly understand investing, will set up retirement plans for themselves and buy stocks or mutual funds that might return 10% annually. Yet the "shares" in their own business supply the most obscenely profitable returns.

But until you set the time aside to plan out the details of execution for these investments in your business, these great plans will never come to fruition.

Develop Hosts

Eighty percent of financial business done by high net worth individuals is through referrals. Talk to the largest producers—most of their business is referred by other professionals. They don't do seminars (unless to a group of CPAs or attorneys), they don't send direct mail, they don't telemarket and they don't advertise. They have cultivated relationships with the professionals that the wealthy rely on for advice.

Hosts are professionals that already have the type of client you want and can send you business. Most financial advisors think this includes only attorneys and accountants, but there are many other lucrative hosts.

Here's the key to get them to work with you: Show them how you are of value to them. Give before you get.

Let's take some examples. Call a commercial real estate broker and ask him his challenges or barriers to doing more business. He will tell you that many clients won't sell their property because of tax reasons. You then ask if it would be worthwhile to meet and you will show him four ways that commercial real estate owners can sell property without capital gains tax. You meet and offer your services to accompany him on sales calls to help him get listings he would otherwise have not secured. You will help him make more money and you will get these benefits:

1. Each of these real estate owners will soon have a chunk of cash to invest when the broker sells their property.
2. These are rich people that you did not have to prospect but rather, are introduced to.
3. The real estate brokers will refer others to you and continue to ask your help on sales calls.
4. The real estate broker may even share commission with you as you help him get business he would have otherwise lost (check your state's rules about real estate finders fees or commission sharing and disclose any "outside business interest" to your broker/dealer).

This is what large producers do. They show other professionals how they can be of value in building that professional's income. As a result, these rich financial advisors work a lot less and get the majority of their business referred from these professionals.

Business brokers are excellent hosts. They deal with people selling businesses who will soon have cash. These business owners may also have very sizeable qualified plans to close down and roll over.

You could offer a free analysis to the broker's prospects of how the business sale impacts:

1. Their tax situation
2. Their asset protection situation
3. Their estate and insurance situation

Or you could suggest what to do with their qualified plan assets and how to possibly get those assets out of their company in a tax-advantaged way, or what to do with that key man policy they will no longer need.

Luxury car dealers, yacht dealers and airplane dealers are excellent hosts as they have wealthy clients. You call and say, “I can steeply increase your repeat business from clients and it won’t cost you a dime. Can I have 15 minutes of your time?”

You then offer the following: You will pay for a lunch in a nice location for his 200 best clients and you will do a presentation on estate planning challenges faced by high net worth individuals. You will make the dealer look like a king to his clients. This will cost you about \$6,000 to feed 200 people a nice lunch or dinner. You can earn \$200,000 from a crowd like this or \$200,000 from just one “whale” who happens to attend.

These hosts are like anyone. They are interested in one question, “What can you do for me?” When you show them how you can help them build their income, they will be happy to do for you.

This is not designed to be a marketing program. These marketing illustrations are designed to show you that smart marketing has the advantage of extreme time leverage. You now spend inordinate amounts of time prospecting, time that can be saved when you plan the use of your time strategically.

Investing vs. Spending

Much of what I have instructed here does not have a significant cost. However, you may say, “I can’t hire an assistant, I don’t earn enough.” That’s a Catch-22 because if you had an assistant, you would earn more. So you need to do what all successful businesses do—either go get some equity investors to put capital in your business or borrow money.

Unbelievably, I meet financial advisors all the time who understand debt and equity issues of companies they recommend their clients invest in. But when I suggest that they also must treat their business in the same way and raise the necessary capital to make the necessary growth INVESTMENTS, they look at me like I’m from Mars.

If you don't have the money to hire an assistant, run a seminar program, conduct a direct mail campaign, BORROW IT. You will then experience greater profits and pay back the loan. But please don't engage in the crazy paradigm that so many people in financial services use—give me a desk and a phone and I can grow a great business.

No business works without capital investment. Put cash into your business because without it, you cannot grow a business. All you can produce is a struggling life of just keeping your head above water. Let me show you just one plan that will produce all of the income you could ever spend.

	Activity	Cost	Results
First week of month—seminar mailing	Mailing house charges \$2232 to mail 3600 invitations, plus I serve light refreshments for \$400. Total cost \$2632	\$2632	½% attendance=18 households, 9 appointments, 4 new clients at \$6,000 average revenue per year.
Second week of month—newsletter mailing	Mailing house charges \$1656 to mail 3600 (can be mailed 3 rd class)	\$1656	½% response=18 inquiries for more information/analysis offered in newsletter. Two new clients at \$6,000 average revenue.
Third week of month—product mailing about my favorite annuity	Mailing house charges \$1656 to mail 3600 (can be mailed 3 rd class)	\$1656	¼% response of 9 people, 3 become clients at \$100,000 average investment at 6% commission=\$18,000
Fourth week of month—mail another item	Mailing house charges \$1656 to mail 3600 (can be mailed 3 rd class)	\$1656	¼% response of 9 people, 3 become clients at \$100,000 average investment at 6% commission=\$18,000
Totals	14,400 pieces mailed	\$7600	\$72,000 earned of which \$36,000 recurs each year, 12 new clients

The marketing program above requires a monthly investment of \$7600. Yet I invested even less than this to produce an income of \$1 million annually, and so can you.

So you tell me—does it pay to invest \$90,000 a year to generate a seven-digit income? Of course, but very few producers will ever do it. They want the big incomes but won't make the investment.

Take a lesson from a physician on the kind of business you can have when you make the necessary investment.

When you call your doctor's office, does the doctor answer the phone? No, he has a receptionist. (In the financial services business, we call this person a service assistant.)

When you arrive for the appointment, does your doctor take your temperature and blood pressure? No, he has a nurse do that (in the financial services, we call this person a sales assistant).

The doctor sees you **ONLY** when it's time to generate revenue. He gets involved in none of the non-revenue-generating activities of his practice (as you do in yours). As a result, he earns a lot more than you do. He is a professional, because he pays someone else to do the non-professional activities.

And do you see the doctor's staff constantly asking him questions, or do they seem to know exactly what to do? They each have their procedures and they do their business efficiently, thereby allowing the doctor to generate income.

Time Urgency

1. Bring items to their full conclusion as soon as possible.
2. Push an item as far along as possible each time you attend to it.

Here's an example: Years ago I worked in a bank. I sold securities to the bank depositors. When I met Mrs. Smith who had a CD maturing in 2 months, rather than have her come back to see me in 2 months and consummate the transaction at the future date, I did it immediately. I had her sign this letter:

Dear ABC bank,

At the expiration of my CD # 454544567 on May 12, 1986, please close the account and make check payable to Franklin Funds. Mail the check with the attached application to this address:

Franklin Funds
1212 Appleton
San Mateo, CA 94404

Sincerely,

Mabel Smith

I kept the letter for 8 weeks. Two days before the CD was to expire, I handed this letter to the bank personnel and that was the end of it.

I did the same thing when I worked at a larger securities firm. I would have clients sign the same letter and I would either hand deliver or send via UPS to the bank.

I took care of the transaction all at once using this letter. What astounded me is that my peers were having people come back a second time at the CD maturity date to complete the transaction (and losing a lot of sales because people would change their minds).

Here's another example. Never end a conversation without setting a date and time for the next action. If you don't, you will need to have an additional interaction in order to set a time and date for the next action. All the extra communication is a waste of time.

Here's another example. At the end of a seminar, you have people make appointments right there. Why would you willingly spend the next 10 days trying to get them on the phone to set an appointment when you can do it before they leave the seminar?

Here's yet another example. Read emails once and respond. Read mail once and take care of it. Don't have emails piled up in your "in box" or unread mail. Just do it now and you will save enormous amounts of time and more importantly, free your mind from this nagging conversation, "I really need to get to that pile of"

Conclusion

There you have it. All of the practice management pieces to help you implement any marketing plan, to grow your business to any desired size. The next set of issues you face are common to all business and there is plenty already written on these issues:

- How to train personnel
- Compensation programs
- How to motivate staff
- How to share equity in your business
- Working on your exit strategy

These are all very good problems to have, as they mean you have successfully implemented what you have learned here.

Exercises

Put a pad beside your phone. For the next 10 incoming calls, make descriptive notes and rank the call as “important” or unimportant.” If “important,” could it have been handled by an email or was it really time sensitive? The exercise is for you to see that answering the phone is an enormously poor use of your time, allowing others to trap you into reacting.

Appendix

PC QUIZ FOR HIRING ASSISTANT

Before hiring an assistant, administer this quiz. The candidate will do each exercise while you sit and watch them. You will need to change some of the items below to correspond to drives and folders on your PC or network.

These are unrelated tasks:

1. Create a folder on the C: drive and name it “Test1”.
2. Create a new document in MS Word and save it as “Testing” in **MS Word format 6.0** in the directory C:\Test1.
3. Change your default printer.
4. Copy and paste the file Mutual Fund Guide Letter from the D drive to (H:)\temp to C:\temp.
5. Save and close MS Word.
6. Make a shortcut on the desktop for C:\Test1\Testing.doc.
7. Find all documents in the directory “D:\test materials” that contain the word “old” in the body of the document (not the title).
8. Create a new Excel spreadsheet, H:\excel-test. Create a column that shows the totals for the week and a row that shows the total dollar sales for each day.
9. Create a PDF document from H:\excel-test.
10. Print the document to the HP LaserJet 8000 printer.
11. On the Internet, find who was the highest paid golfer on the PGA tour from winning PGA tournaments in 2003.
12. Download and install software from Lavasoft.

New Hire Math and Writing Quiz

Complete these math problems:

1. $236 + 579$
2. $968 - 432$
3. 379 divided by 34
4. 6% of 142
5. 123×48
6. 140 is what percent of 1400
7. $\frac{2}{3} \times 40$
8. 126 divided by 12 multiplied by 16

Write 3 paragraphs about your favorite vacation:

1. Why you chose to go there
2. The two things you liked best
3. What you would do there or see if you went back

Profiles from Keirsey and Bates for Service vs Sales Asst

Get a copy of *Please Understand Me* by Keirsey and Bates, which contains a personality profile. Once your prospective employee completes the profile, you want to look for these types as explained in the book:

For service assistants:

ESFJ “The Provider” – social contributor, tireless in their attention to detail, personable and talkative

ISFJ “The Protector” – satisfaction through caring for others

For sales assistants:

ESTP “The promoter” – your perfect sales assistant

Interview Questions to probe for talent

Why, other than getting paid did you respond to this job posting

What's your dream job?

Are you more a loner or team player?

What's the most clever thing you ever did that's a good example of your street smarts?

Tell me about a time when you had little direction and you had to figure it out.

What was your college major? Why did you pick that—it does not seem very practical

What two personality traits do you think make you superior to other candidates for this position?

If I took all of your friends (people that have never worked with you—they just know you socially) to a party and after they had 4 drinks and I asked them “quick, give me two adjectives to describe you, I would here what two words most often.” Tell me about that.

Same question but I took all of your bosses to a party-- what two adjectives would they use to describe you?

Give me an example of something that you want to know more about—that has always interested you

Weekly Checklist to Work on Your Business

Take two hours a week out of the office (and out of your home) to work on your business. A library or hotel lobby is a good place to go. Here are the questions to ask yourself:

- What are your top two priorities for your business as it fits into the goals for your life?
- Do I have a process operating to bring me closer to fulfilling those priorities?

If you don't have a documented process, then this is what you need to do:

Picture the priority as fulfilled, then work backward in time.

- How did the item get accomplished?
- What steps were taken?
- By who?
- If someone you don't now know, how do you find that person?
- If you need information, who can provide it to you?
- If you need capital, where will you get it?

If you do have a documented process:

- Are you making the anticipated rate of progress?
- Is there expertise or personnel missing to facilitate progress?
- Is there capital or information missing and where can you get it?

List not more than three actions that you can do in the next week to move your progress forward. Often the actions are fast, such as making a phone call or sending a letter. Sometimes it's best to list only one action if that action will take several hours.

List your actions for the upcoming week related to making progress toward your priorities.

1. _____
2. _____
3. _____

If your priorities are not seeing progress and you find yourself in the same place three weeks in a row, you may need more concentrated training (www.financial-advisor-training.com).

Other Resources

Get a web site—it's inexpensive and vastly changes your image by sending prospects there before you meet them. Check it out: www.financialvisions.com