**Process and the 12 P’s of Performance**

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## **The 12 P’s of Performance**

### **#1 Prospect (Up!)**

Recent surveys have again confirmed the fact that less than 5 percent of financial advisors ever speak with their clients about the subject of life insurance, and only 14 percent of them ever ask for introductions to new prospective life insurance clients.

Thus, seven-tenths of 1 percent of advisors are asking for quality introductions.

What an opportunity for those of us who sell the world’s safest asset class—life insurance—and who ask for referrals!

Why do so few of us ask for quality introductions?

The answer can be found in William Shakespeare’s play *Measure for Measure*, where Lucio says, “Our doubts are traitors, and make us lose the good we oft might win, by fearing to attempt.”

Prospect up and focus on your top 20 clients for introductions to new people who possess three specific characteristics:

1. Responsible family people and businesspeople
2. Able to make a decision based upon facts
3. Blessed with excellent economic resources and/or growth potential

Ask them, “Who are your three best friends? I would like to meet them.” Ask and you will receive!

### **#2 Process (Have one!)**

A systematic process or game plan will eliminate inefficiencies in your business day and keep you focused on productive priorities.

A process takes us through the sales relationship maze as we “target, know, sell, and serve.”

My writings and recordings, which are available in the MDRT Store, share my process, which works and will help you qualify for Top of the Table.

To quote the late Paul Harvey, “When you have a talk that works, don’t change the talk; just change the audience.”

Your process is your talk, be it asking for the referral or the appointment or the facts or the order. So know your lines as—to quote Shakespeare’s *As You Like It*—“All the world’s a stage. And all the men and women merely players.” Know your lines and be prepared to deliver them with conviction. Have a process!

### **#3 Preparation (There is no substitute!)**

John Wooden, Hall of Fame coach of the UCLA Bruins men’s basketball team, was asked what the key was to his team’s seven consecutive National Championships. He answered with one word: “Preparation!”

Christopher Plummer, one of Canada’s greatest actors, appeared for the first read-through dress rehearsal of *The Tempest* at the Stratford Festival in Stratford, Ontario, where all the actors read their lines in the first walk-through of the play. However, he recited from memory everyone’s lines and left his supporting cast aghast at his commitment and work ethic. His was the essence of preparation.

Customize material you use with each prospect’s interests, goals, and objectives using books, language, hobbies, background, and third-party pieces to support your case.

In the words of many, “Prepare for the worst and hope for the best.”

For, as a well-known quotation says, “The will to win is meaningless without the will to prepare.”

And in the words of Sir Baden-Powell, the founder of the Boy Scouts and Girl Scouts, “Be prepared!”

### **#4 Preview**

As my clients and prospects became older and their planning matured, I realized that a traditional approach involving detailed fact finding first and recommendations second was losing its impact, since most affluent 60- and 70-year-olds had been there and done that with regard to having the estate planning T-shirt.

So I remembered the advice of Stephen Covey, who said, “Begin with the end in mind,” as adults learn best when they know what lies ahead and where it is leading.

Thus, thinking of movie previews and automobile showrooms, we created a “showroom example” of what we do, and we share that with our prospective clients once they have agreed to “the deal before the deal”:

Mrs. Prospect,

I would like to share with you an example of the kind of work we do on three basic conditions:

First, you will recognize that this is proprietary information and not share it with anyone until you agree that you would like to see a personalized example for yourself, which we shall review in detail.

Second, anything you share with me today about your particular situation will be kept in the strictest confidence.

Third, if you like our ideas and ultimately decide to implement them, you will do so with us and not with anyone else in our business.

Are you comfortable with this?

We then share a showroom example of what we do and how we do it, which encompasses our “7 Whys” as to why we are in business:

1. Preserve capital
2. Reduce income tax
3. Redirect current tax loss to create an asset from a liability
4. Eliminate estate tax
5. Increase yield
6. Enhance intergenerational wealth transfer
7. Magnify philanthropic impact

A preview will quickly determine if you have a prospect for your services or not and improve the efficiency and focus of your most precious asset—time.

### **#5 Patience**

“Success by the inch is a cinch but by the yard very hard.” So said a wise person many years ago.

Time allocated to relationship building produces trust and allows us to educate our prospects and have them become clients and, ultimately, advocates of us and our services. However, it is natural for our prospects to ask themselves questions like these:

* Who are you?
* Why should we meet?
* What are you selling?
* How does it apply to me?
* Why have I not heard of this before?
* It sounds too good to be true—is it?
* What about my other advisors?
* How do I fund it?

Patience is a virtue, and it will separate you from the crowd while allowing you to build a trust relationship with your prospective clients, answer their questions, and deal with the challenge of how one “eats an elephant”—one bite at a time.

Be patient, and good things will generally result.

### **#6 Persistence**

Dress up and show up and see the people and love them—again and again and again and again and again and again.

Edison, Ford, and Lincoln all had many setbacks, which, in the words of my good friend George Sigurdson, are simply setups for comebacks!

Think of situations like these that you have experienced at various levels in your career thus far:

* A $6 Chinese lunch with an 80-year-young prospect that five years later turned into an annual premium of $4 million
* The servicing of a term policy that resulted six years later in a $2 million annual premium sale

Educating your clients as to how you can help them—as Tony Gordon says, “get what they want”—often takes time and persistence for which there is no substitute.

My motto is “A no is not a never, and never is not forever.”

So—see the people, again and again and again . . . and again and again.

Be persistent!

### **#7 Passion**

With it comes greatness, but without it, at best, mediocrity.

The Hamilton Tiger Cats of the CFL have won 15 Grey Cups—8 in the modern era. Are their fans passionate? You bet they are!

How about:

* Wayne Gretzky
* Rory McIlroy
* Wolfgang Amadeus Mozart
* The Stanley Cup Champions

Passionate all!

How about the legends of MDRT: Barbaro, Blessman, Baker, Feldman, Granum, Gordon, Levine, Mehdi, Savage, Sullivan, Todd, Wolf? Talented and skilled, yes, but above all *passionate*!

My dad, Joe, who was a 40-year icon in the Canadian life insurance business, always said, “In order for the prospect to be lukewarm about an idea, the salesperson had to be red hot!”

So be passionate and impact your performance.

### **#8 Prosperity**

What is your prosperity factor?

For many years, I have used an ancient formula that says if our clients allocate 20 percent of their capital over a seven-year period into a safe financial instrument where the money cannot ever be lost, the yield from that capital will create an income that will prevent them from ever having another bad financial day for the rest of their lives . . . even if they lose the other 80 percent!

Do the math—test it: Take 20 percent of your clients’ capital base, let’s say 20 percent of $10 million, which is $2 million allocated into a “safe barn” over a seven-year period. That should produce, even at today’s low interest rates, at least $60,000 a year, which would mean that, along with Canadian government social security benefits, the gross income of a 65-year-old couple would be in the neighborhood of $80,000 per year (after tax with proper integration). Assuming their home was paid for and they were debt-free, this should allow them to maintain their lifestyle and be financially safe for the rest of their lives, even if they lost the other $8 million!

While $80,000 is not living a lifestyle of the rich and famous in a luxury yacht, it does provide for a very comfortable “lifeboat.” In all the novels I’ve read about survival at sea, I have never read about survivors complaining about the quality of life in the lifeboat that ultimately saved their lives.

We recommend that our clients invest the 20 percent over a seven-year time frame in the safest asset class in our country, if not the entire world, one with a 275-year history—cash value permanent life insurance, commonly known as whole life.

In my 51 years in business, the only complaint I have ever received from someone who did this was to ask me, “Bruce, why didn’t you get me to buy more of this?!” I can live with that.

Authors Niall Ferguson, Barry Dyke, Guy Baker, Ben Feldman, and John Todd all speak to the power of this asset class and the incredible financial instrument it is. It is the “prosperity factor” for our clients, and they love it.

Separate yourself from the crowd with your prosperity factor!

### **#9 Professional**

Be a pro and let it show—in your dress, language, meeting room environment, and preparation!

We believe in the words of Mrs. Sonja Thomas Bata, founder of the world-famous Bata Shoe Museum in Toronto, that “the difference is in the details.”

We call the details “putts.”

As you know, most golf tournaments are won not with the driver but with the short irons and the putter.

Such is the case in selling. “You drive for show but putt for dough.”

Take care of the details, and the results will look after themselves!

What details?

* Books of interest dealing with subjects of interest to your clients
* Books about your products
* Handwritten notes
* Prepared agendas
* Outline of the steps to be taken (the process)
* Personalized meeting summaries
* Tailored policy summaries and regular service audits
* Personalized valuable documents binders

Let folks know that this is not your first rodeo. Be a pro and let it show!

### **#10 Path**

It took me three years to qualify for MDRT. Actually, I was not going to make it in even my third year; however, the passionate encouragement of MDRT member George Merchant of Sarnia, Ontario, pushed me over the top when, in December 1968, I “caught fire” as a result of his input and challenge and made 26 sales in 24 days to qualify for the 1969 Annual Meeting—by the skin of my teeth!

At the First-Time Attendees Orientation, both the late Alain de la Villabrae from New Orleans and I realized that while we had barely qualified compared to other first-timers, we were in the Yankee Stadium of the life insurance business among the industry legends, who had earned the right, year after year, to be there.

We were definitely not on the “pitchers mound” as they were but far out in the outfield bleachers; however, the key was that we were there, among the top 2 percent of life insurance salespeople in the world, and our lives would never ever be the same again.

So think, believe, dream, and dare, and include MDRT on your professional path as an absolute necessary stepping-stone for the rest of your life.

As Nike says, “Just do it!”

### **#11 Priorities**

MDRT member Tony Williamson’s book, *The Courage to Conquer,* says a to-do list should have but three items.

Ben Feldman, MDRT legend, told us for years to “break it down.”

Sean Covey, in his book, *The 4 Disciplines of Execution*, says to have a “WIG”—a Wildly Important Goal—then to have all your team buy into it and set up accountability measures or processes to deal with, manage, and accomplish it.

My first sales trainer, the late Jack Fowler, told me, “Successful people do first what unsuccessful salespeople never quite get around to doing.”

Dan Sullivan, of The Strategic Coach, emphasizes putting the focus and priority on your “unique capabilities” and then delegating everything else.

There is no substitute for prioritizing your daily activities—do the hard ones first, and the rest will all seem super easy.

Prioritize, prioritize, prioritize!

### **#12 Personal Faith**

Whatever your faith walk is, it’s important to me, as it may be to you, to have a personal relationship with your Creator.

Recognizing that there are thousands of advisors here from all over the world and that there are probably many faith walks present, regardless of how you describe it, the spiritual dimension is an important part of the Whole Person concept.

For instance, as a Christian I follow Jesus of Nazareth, while you may follow or relate to other disciplines that affect and guide your lives.

In the final analysis—most of us are overcomers—a personal faith has enabled me, and I am sure many of you, to deal with and overcome some very serious storms in our lives.

Let’s face it—there are always at least three storms in our lives: the one we just survived, the one we are in, and the one that is just over the horizon.

Baseball legend Ernie Banks stood on the Main Platform of MDRT in Chicago and said, “Life is like a baseball diamond: First base is the physical, second base is the mental, third base is the social, and home plate is the spiritual. If you want to get home safely, you need to have a spiritual life.”

MDRT great John Savage started every one of his talks by saying, “If you don’t have a personal faith, then get one!”

A personal faith has also led me to the book of Proverbs, which affects my daily life in the marketplace.

* “As iron sharpens iron, so one brother (or sister) sharpens another.”
* “If one gives an answer before he hears, it is to his folly.”
* “Listen to advice and gain wisdom.”
* “A good name is worth more than silver or gold.”
* “Gold there is and rubies in abundance, but lips that speak knowledge are a rare jewel.”

So, in the words of both Ernie and John, cultivate a personal faith as it will significantly help you and your performance.

In conclusion:

1. Prospect up.
2. Have a process.
3. Prepare.
4. Preview your presentation.
5. Be patient.
6. Be persistent.
7. Be passionate.
8. Share your prosperity factor.
9. Be a pro.
10. Include MDRT on your path.
11. Prioritize.
12. Have a personal faith.

Put the 12 P’s to work in your practice, and your performance will produce amazing results that will qualify you for Top of the Table year after year.

## **Process**

My process consists of four parts, or quadrants, each of which is related to the other and follows a progression through the relationship building, which takes place with the prospect whom I hope to turn into a customer, then a client, and then an advocate of our products and services.

### **First Quadrant: Target**

For years, my process has been based upon a referral system, which creates virtually an unlimited source of qualified prospects for me, all coming from satisfied clients. I have made it a practice over my 51 years in business to generally not ask anyone who has not done business with me for referrals. I much prefer to call upon the good offices, good will, and reference support from an individual who has experienced and benefited from my services, thus putting me in a position where I believe I have earned the right to ask for the client’s help. At the end of the initial phase wherein which a policy is being delivered to a client, I always make it a practice to do the following:

John, I want to take this moment to thank you for your trust and confidence. I appreciate the fact that you have become a client and look forward to being of creative service to you over the years that lie ahead.

As you know, John, I’m in a people business and thus rely solely upon the goodwill of my clients for introductions to new people to talk with. It’s important that I be focused on the same quality of person as yourself. While I don’t expect you to know anyone who is in the market for life insurance, I do expect that you will associate with people who possess, like yourself, three specific characteristics that set you apart from the crowd.

The first is a sense of responsibility, which you have. The second is the ability to make a decision based on fact, which you can. The third is excellent economic resources and/or growth potential, which, as you know, you have.

Again, John, while I don’t expect you to know anyone who’s in the market for my products or services, I do expect that you will associate with people who, like yourself, possess these three characteristics. Who are your three best friends?

In this era of gatekeeper, email, text, electronic screening, limited attention spans, and many other defensive systems, which the prospects can throw up around themselves, to my mind, the bunker-busting bomb is a personal referral. It cuts through all of the defense mechanisms just as a laser cuts through steel. The reason for this is that there is a personal connection between the referrer and the referee, which, once made, will elevate your position well above the crowd and cause the recipient (i.e., the prospect) to at least pay attention for a moment or two, thus giving you an opportunity to make an appointment.

Our process does not involve a telephone call initially. The next step is a letter. Having asked my clients for their introduction to new people to talk with, in 75 or 80 percent of the cases, I immediately get two or three names. The most I’ve ever received in one sitting is five, with an average of three. However, in 10 to 20 percent of the cases, I’ll get this answer: “Well, Bruce, I’d really like to help you, but you know I haven’t made it a practice of referring my friends to, no disrespect, life insurance salesmen. However, please know that if a friend of mine ever said, ‘I’m looking for a good person in the life insurance business,’ you’d be at the top of my list.”

To which I would say:

Well, I can appreciate that, John. However, let me be a little more specific. You see, most people in our business spend most of their time looking for new people to talk with and very little of their time serving their existing clients. We don’t do that. We spend the vast majority of our time working on existing client situations, helping our clients design, implement, and fund their programs, and very little time asking or searching for new people to talk with. Thus, in order for me to be able to devote a similar percentage of my time to looking after you and your business and family’s life insurance program, you will give me your help now that I’ve earned it, won’t you? So, who are your four best friends?

Or John might say to me, “Well, look, Bruce, this is great. Let me think about it. I’m a little pressed for time today. Give me a minute or two and let me think.” To which I will say, “Absolutely, John. Take all the time you want. As a matter of fact, how much time would you like?” To which John will say, “Give me a month.” I will say, “Fine, you’ve got a month; I’ll call you in a month.”

And in a month, I call. I say, “John, it’s Bruce calling. Do you have a moment to talk on the phone?” John says, “Yes, I do.” I say, “Great. A month ago, you said to give you a month. Do you have some introductions for me? My pen is ready. Who should I be talking with?” And then John says, “Well, Bruce, I feel really embarrassed. I’m terribly sorry, but I haven’t really done anything about this. Can you give me another month?” And I say, “Well, for sure, John. You’ve got another month.”

Now, in some cases, the month, upon month, upon month turns into a year, and we’re sitting back down for the annual review meeting, and you get the picture. Quite frankly, the longer people take, the better the quality prospects I’m generally going to get because they can’t put it off any longer, and they’ve really got to focus.

Once we get the names, we then write a letter. And the letter is very simple and straightforward, and it’s accompanied by our brochure, which again separates us from the crowd.

For years, I sent a cartoon attached to the letter, and I’ll share the cartoon with you in a minute. The letter says:

Dear Fred,

While we haven’t met, John Smith speaks very highly of you. As a result, I would like to meet you in order to learn some specifics about you and your particular situation. In anticipation that arrangements for a mutually convenient appointment can be made, I plan to telephone you in the near future.

Kindest personal regards,

Bruce

cc: John Smith

A copy goes to the client and the original to the prospect. Now, the cartoon that I attach to this letter has been very effective, and I still use it from time to time. It’s a picture of a medieval king rushing out of his tent to address his troops, who are all armed with spears, bows and arrows, and swords. The king ignores the suggestion of two of his knights who want him to look at a new weapon—a machine gun! The caption under the cartoon is the king speaking over his shoulder to the knights saying, “No, I can’t be bothered to see any salesman—we’ve got a battle to fight!”

The analogy is that we have “machine guns” for sale in a financial planning world of spears, swords, and bows and arrows. That cartoon has opened the door to many good situations for me. Today, I send the same letter, but I send a copy of our brochure. It’s a sophisticated, good-looking brochure that costs $25 apiece, and it separates us from the crowd. What we then do is take the copy that goes to the client and write a note on the copy:

Dear John,

Many thanks for your introduction to Fred. As promised, please call him and say a few good words about our relationship, which I would appreciate. I’ll keep you posted.

Best regards,

Bruce

Now, 50 percent of the time, John calls Fred, and 50 percent of the time he doesn’t. The letters go out—the original to the prospect, the copy to the client. And I do not phone right away. The reason I do not phone right away is because the prospect and his gatekeeper are expecting my call, and therefore they are armed and ready and waiting for it. So I am not going to call them. I’m going to wait three, four, five, six, seven, eight, nine weeks before I make the call.

In my 30s, I waited three weeks. In my 40s, I waited four weeks. In my 50s, I waited five weeks. And now, in my 70s, I wait generally a month and a half to two months. Why? Because just as a piece of Atlantic salmon tastes better after it has marinated for a while, your prospects will be much more receptive to your call after they have marinated in the knowledge that it is coming.

When you call, this is what happens: “Good morning. May I speak with Fred Jones please?” “Yes, you may. Can I tell him who’s calling?” “Absolutely you may tell him who’s calling; it’s Bruce Etherington.”

“Is he expecting your call?” “Yes, he is expecting my call, as I am following up on a letter I sent him some time ago.”

With that, 99 percent of the time I’m through. The phone rings, and it’s picked up by Fred, who says, “Fred Jones here.”

I say, “Fred, it’s Bruce Etherington calling. Do you have a moment to talk on the phone?” He says, “Yes, I do, but Bruce who?” “Bruce Etherington, a friend of John Smith.” “Oh, you’re the life insurance guy.” I say, “That’s right.” “Yeah, John’s talked to me about you.”

Now here’s my process line: “Great, Fred. I hope he said a few good words. In any event, when in the next six to eight weeks do you think you and I can find an hour to meet one another?”

Eighty percent of the time, this is the response: “Well, let me see. Next week I’m busy, the week after that I’m out of town, but the third week of June, I look pretty good.”

“Fine. Would Tuesday the 14th be convenient, or would Thursday the 16th suit you better?”

“Well, Thursday the 16th looks fairly good.”

“Good. Would 10:00 in the morning be convenient, or would 2:00 in the afternoon suit you better?”

“Well, 2:00 in the afternoon looks pretty good.”

“Terrific. Now, Fred, I’m located at 372 Bay Street on the 18th floor, and if you’d be good enough to meet with me here, we’ll have an efficient hour together. Looking forward to seeing you here then.”

That was the process back in my 30s and 40s. Now I do most of my business in my clients’ offices because of cross-country travel. But it isn’t any different. Before I was doing business with clients who were in a six- to eight- to ten-block range of my office on Bay Street, the financial center of Toronto. Now I’m doing business with people who are all across the country. However, the process is the same: “Would Tuesday the 5th be convenient, or would Thursday the 7th suit you better? Would 10:00 in the morning be convenient, or would 2:00 in the afternoon suit you better?”

It’s the choice between something and something rather than something and nothing. The process works.

You’ve heard of the 10, 3, 1 process—10 suspects, 3 appointments, 1 sale. My numbers are 10, 8, 7—10 referrals, 8 appointments, 7 sales within a year of meeting the individuals. And that’s only because of the process, and the process is based upon the Golden Rule of “doing unto others what you yourself would want them to do unto you.” Thus, step number 1 is finding the qualified prospects and setting an appointment with them.

### **Second Quadrant: Know**

Know your prospects. Know their goals and objectives. Understand what it is that they want to achieve. Charles Green’s famous trust equation says that trust equals three numerators divided by one denominator. The three numerators are reliability, credibility, and intimacy. The denominator is self-interest. So let’s look at this.

1. Reliability: How reliable are you in terms of showing up on time, in terms of following up with what you said, in terms of delivering your promises?
2. Credibility: How credible is the information you share with your prospective clients? Is it, in fact, true? Is it based on fact, or are you just making things up?
3. Intimacy: How well do you understand what it is that your clients want to be able to achieve? Are these their goals you’re trying to achieve or your goals?

Then, you divide those three numerators by one denominator, and the denominator is self-interest. So if all you do in a meeting is talk more about you than listen to the prospects about them, you are not going to build a very effective trust relationship because the denominator will be larger than all three of the numerators. So what we try to do in the knowing is to get to know our prospects and get to know what’s important to them, because obviously this is a test meeting for both of us. That is, do we want to do business with this person? And, for the prospect, does he or she want to do business with us? So I’m going to give you two knowing examples—one that I used from age 30 to age 60 and the other that I’ve used from age 60 to age 75 (almost 76, God willing).

First, I would start off with “the deal before the deal.” And the deal before the deal is an idea, a concept that I got from my dad 50 years ago. He was an icon in the insurance business and really understood the psychology of people and selling and buying and relationship transactions. So I took his idea, which he gave to me when I was a young, struggling salesman making presentations to which people said “thanks a lot” and then took the ideas and did business somewhere else. So I took his idea and modified it, and here’s what I have used ever since—for 30 years (ages 30‒60).

Fred,

It’s great to meet you. What I’d like to do today is simply ask you a number of questions based on three conditions in order to learn something about you and your particular situation because I have no idea if I can be of any assistance to you. On the other hand, I may be able to be of help to you and your family, but only if I understand what’s important to you today. So the first condition is that anything you share with me will be kept by me in the strictest of confidence.

The second condition says that I’d like to have some time to think about what you share with me, and if I feel that there is something that is going to be helpful to you and your family, then we’ll arrange for another meeting. If I don’t feel we can help you, I’ll tell you so right up front.

The third condition is that if we continue to dialogue, and you like our ideas and decide to implement them, then naturally we would expect you to do so with us and not with anyone else in the insurance business. Are you comfortable with this deal before the deal?

Ninety-nine percent of your prospects will say, “Yes, I’m comfortable.” They’ll respect you for thinking outside the box, for separating yourself from the crowd, and they will wind up sharing the information with you and ultimately becoming a client. We will then launch into the discovery questions and do so as follows. We’ll say, “OK, let me start off with a question that seems kind of general, but it’s really quite specific.” (This is really Dan Sullivan’s relationship question, which I have turned into what I call the “three-year question.”) “Fred, if we were sitting here three years from today, looking back on those three years prior to today, what would have to have happened in your business and personal life in order for you to feel that you had made good to excellent progress?”

That’s a powerful question, and the answer to that question is going to drive, significantly, where you’re going to go in terms of the prospect’s mission, vision, purpose, and goals. It’s going to tell you what’s important to the prospect. And that will fulfill, to a great deal, the intimacy factor.

The next question would be “OK, let’s back up a little bit. Tell me a little bit about your family, your background, and where you went to school.”

“Who are the people whom you most trust in your life?”

“If you had to go to somebody for advice today, who would that person be?”

“Who’s your lawyer, who’s your accountant, who’s your banker, and who’s your investment advisor?”

“Do you have a financial advisor?”

“Do you deal with a multifamily office?”

“What’s the most money you’ve ever lost in a business deal?”

“What’s the most money you’ve ever made?”

“What’s been the best financial decision you’ve ever made?”

“What’s been the worst?”

“Who gives you your financial advice today?”

“When you make a financial decision, do you and your spouse or partner make it together, or do you make it and tell him or her, or vice versa?”

“Tell me about your kids.”

“Tell me about your hobbies. What do you like to do when you’re not working?”

“Tell me about your charitable interests.”

“Do you expect to be financially responsible for anyone else other than your immediate family?”

“On the other hand, do you expect to inherit any capital in the near future that would change your lifestyle?”

“What do you think is the most important thing you can teach your children?”

“What do you know about life insurance?”

“Do you own any life insurance?”

“Did you use a specific formula in arriving at the amount of life insurance that you decided to have?”

“What would be your net worth today if everything you owned less everything you owed was added up and put on the face of one check? What would the number be?”

“You’re a business owner. If someone walked through the door of your business today with a blank check and said to fill in the number, what would the value of that business be? What would the number be that would have to be on that check in order for you to be willing to consider selling?”

“If you died last night, what percentage of your income would you want to continue to flow to your family, while they were growing up, and then for the rest of your spouse or partner’s life?”

“If you became disabled or critically ill last night, would your cash flow suffer?”

“Do you buy lottery tickets?”

“What are the educational plans that you and your spouse have for your children?”

“How would you like to be remembered?”

“Is there anything that you fear?”

“How is your health?”

So having asked these questions over the course of 45 minutes to an hour, one winds up with a pretty good idea of who this prospect is, including annual income, capital base, investment strategies, investment results, monetary philosophy (i.e., the questions “What is the importance of money to you?” and/or “What is the most important thing to you in your life?” and/or “Are you a person of faith?” etc.).

So that’s the process that I followed for some 30 years. It’s pretty obvious, as you’re going through it, that there’s going to be another meeting, and when there is another meeting, that other meeting is going to be focused invariably on a number of things, including the subject of life insurance. It could be a will review, it could be a trust review, or it could be a buy-sell agreement, but it will also include life insurance. And, in that next meeting, I would propose certain steps be taken. In the majority of cases, the clients took them. And I wound up doing 150 to 200 and, in some cases, 250 applications a year.

So from age 30 through age 50, I would have appointments at 7:30 a.m., 9:30 a.m., 11:30 a.m., 1:30 p.m., 3:30 p.m., and 5:30 p.m. I booked six appointments a day. That was for four and a half days a week. So that’s basically 30 appointments a week. Maybe 10 to 20 percent—call it 20 percent—would cancel, so that would be six, and so I’d have 24 meetings a week. Run 24 meetings a week over a 40-week period, and you’ve a got a lot of meetings—960, in fact! Over a 20-year period, that totals 19,200 meetings. Malcolm Gladwell has told us that we need 10,000 hours at our specialty to become an outlier. Therefore, 19,200 hours should qualify!

Let’s suppose it’s four meetings per case—that’s 240 applications! Some meetings were more, some were less, but that’s the scenario.

Now shift forward to today.

First of all, I no longer see six people a day but rather two to four, with an average of three meetings a day, 30 weeks a year.

People who tell you they can do at 74 what they once did at 34 did not do a lot at 34!

Second, these meetings are held in the offices of our clients in the four cities in Canada in which we do business—Halifax, Toronto, Calgary, and Vancouver.

I realized moving into my mid-50s that my clients “had the T-shirt” for financial planning. They had their lawyers, accountants, financial advisors, and stockbrokers, and they didn’t see a reason for introducing a new person into their alliance of trusted advisors. Therefore, it became very important to me to find a way, once I got in, to do something different because they didn’t want to take an hour to an hour and a half to “open their kimono,” open their T-shirt, if you will, on the subject of financial planning until they saw what was in it for them. What’s in it for them? Stephen Covey said that adults learn best by knowing up front what’s in it for them, what the purpose of the process is, whereas children want to know at the end. For kids, it’s a mystery or an adventure story, and they like to follow the storyline and be surprised at the end. However, adults want to “begin with the end in mind,” to quote Covey.

So, I hit on the idea of “the showroom.” Now, we get the showroom concept from the movies or car dealerships. When you go to the movies, you see previews of the coming attractions. When you go to the car dealership, you see previews of what the dealers hope will be a coming attraction in your driveway, and they try to entice you into acquiring one of their products—a movie or a car.

I was reminded of the nursery rhyme my mother shared with me as a child in England about the pieman who would come down the high street of the town selling his pies. And it would be “Pieman, pieman, show me your wares. . . .” And you would pick a sausage pie, a pork pie, a beef pie, an apple pie, or a cherry pie from his tray but only after seeing what he had to sell, and so “the showroom” was born. The showroom is a brief summary of what it is we do, and that is preceded today by our “7 Whys.” We basically begin as follows: “Look, we don’t know anything about you other than that you come highly recommended. However, before we take any of your time and talk about your financial dimensions, we thought that it would make sense for us to describe to you the business that we’re in and why we’re in business. Simon Sinek’s TED Talk called “Start with Why” is on YouTube, and he talks about the importance of being able to articulate to a person *why* you are in business. So here are the seven reasons we’re in business. And if any of them appeal to you, then we should keep talking.”

1. Income tax reduction
2. Tax loss redirection
3. Yield enhancement
4. Capital preservation
5. Estate tax elimination
6. Intergenerational wealth transfer
7. Philanthropic magnification

At the end, the prospective client simply looks at this and says, “This is very interesting.” And we say, “How many of these are you interested in?” And the client says, “All of them” or “Three of them” or “Two of them,” but nobody has ever said, “None of them.” This then allows us to focus on the specific area of interest in which the client has expressed interest.

We now have a prospect saying to us, “This is the area I’m interested in.” We then say, “Well, tell us why,” and then we gather some specific intel on the client relative to the particular subject to which he or she has referred.

So, once again, the three-year question: “If we were sitting here three years from today, looking back on the three years prior to today, what would have to have happened in your business and personal life in order for you to feel that you had made good to excellent progress?” What happens then is we get the clients talking about themselves, and now we’re into a brief overview situation, which in many cases expands into financial data backing up the reasons why they said they were interested in items one, three, six, and seven, or whatever the numbers are. So it’s a slightly different tactic; however, it’s the same strategy. The strategy is to know your client. Remember Charles Green’s Trust Equation—this deals particularly with the intimacy factor.

### **Third Quadrant: Sell**

The synonym for *sell* would be *educate* because we are in the educational business. It’s all about education. And what we are doing is we are educating, we’re enlightening the prospects about the services we bring to the table and how we can help them in the areas in which they have already said they’re interested in talking about (i.e., tax reduction and/or tax redirection). And so we present a showroom, and the showroom is based on a very simplified series of pages of examples that deal with income tax reduction, tax loss redirection, yield enhancement, capital preservation, efficiency of yield, estate tax elimination, and charitable magnification. At the end of this, the client generally says, “Well, I had no idea! This sounds too good to be true.” In general, we deal with two main questions or statements: “Why haven’t I heard of this before?” and “This sounds too good to be true.”

So we say,

Well, let’s address each one of those. You probably haven’t heard of this before because, even though this asset class has been around for 275 years, over 150 years in Canada, of the 100,000 or so financial advisors in Canada, there are about 6,000 of them who are licensed to deal with this instrument. Now, the technical name of the instrument is a mouthful—it’s called “investment-grade, cash value, permanent life insurance.” Its street name is “whole life.”

We’ve simplified it. We call it what it is because people buy what they understand, and they don’t buy what they don’t understand. The name we use is the “insured deposit fund.” You make a deposit, it’s life-insured, and it grows a tax-sheltered fund.

Of those 6,000 people licensed to deal with this asset class in Canada, there are probably 10 percent of them who are really doing something with it. There are another 10 percent of the 10 percent, or 60, who are working in the wealthy marketplace, and there are 10 percent, or about six advisors, in Canada who, like myself, deal with multimillionaires and billionaires. So we’re sharing ideas that billionaires put into place, which are obviously going to work for multimillionaires and regular millionaires because these ideas are scalable.

Now again, let’s put this into perspective, as to credibility, the resources that are brought to the table for you, the client. I belong to an organization called the Million Dollar Round Table, and it’s been in business for over 80 years. It’s the world’s preeminent association of financial advisors. We have members in over 80 countries. We have over 7,000 people attending our Annual Meeting, and our membership of some 51,000 advisors represents about 5 percent of all financial advisors in the world. In 1977, a special group inside the Round Table was formed, called the Top of the Table, which represented about 3 percent of the members of the Million Dollar Round Table, which is about the same today. Since 1977, there are only 12 individuals who have qualified for Top of the Table for at least 39 years. Three of them are in Canada, and I’m one of the three. So to say that the ideas I bring to you are credible and my performance is reliable, and that they are going to be based upon my intimate knowledge of your mission, vision, purpose, and goals, with a focus on helping you and not on helping me, would be a fair statement. However, while that is no reason to do business with me, it’s certainly no reason not to.

Another reason why you haven’t heard about this in this way, in this manner, is because this material is proprietary. It’s a result of 50 years in business, and it’s worth millions of dollars of time, education, energy, market testing, compliance, computerization, actuarial, mathematical, and tax, accounting, and legal analysis. It’s priceless, and it’s yours, as long as you like it and decide to fund it.

Now, as to why it sounds too good to be true. Yes, I know. This probably does sound too good to be true. These kinds of yields in the 1 percent interest world we’re living in today no doubt sound too good to be true. However, let me ask you a question. Could you describe for me, if we had bumped into each other in the waiting line to board an aircraft, in 10 words or less, how the $150 million worth of steel and plastic stays in the air? How does it get up there, and how does it stay there for five hours to fly from Toronto to Vancouver, or three hours to fly from Toronto to Orlando? I’ll bet you that less than 2 percent of the people on board could explain how it stays in the air, and yet 100 percent of the passengers get on board and trust their lives to something people are operating yet which they cannot explain or which they do not understand.

By the way, the answer to that question—how does the aircraft stay in the air?—is this: The air, when the aircraft is moving, flows more quickly over the top of the wings than it does under the bottom of the wings, and that creates what’s known as “lift.”

So let’s address your question that it sounds too good to be true. Getting on an aircraft and avoiding a six-day drive from Toronto to Vancouver and getting there in five and a half hours instead of six days probably sounded too good to be true 75 years ago. On the other hand, pull your device out of your pocket, and you’ll see a device that has more computing power in it than the Apollo 11 moon shot team had, and yet here we are using this for virtually all of our business days, all of our business times—everything to do with our lives—and yet how many of us can explain how it works? Sounds too good to be true, doesn’t it? So, yes, this entire talk about the insured deposit fund does sound too good to be true, but we’re happy to educate you to the point where you come to believe, as most of our clients do, that, yes, it is true, and I’d better get some of this into my portfolio.

Now, as a reinforcement or third-party piece of influence, let’s talk for a minute about the book The Pirates of Manhattan. Let’s talk about chapter 7 in The Pirates of Manhattan and the fact that 98 percent of the 6,000 banks in America put between 20 and 30 percent of their Tier 1 capital into this investment class. The reason is that analysts have found that over the last 75 years, the average rate of return on the New York Stock Exchange for Fortune 500 companies after tax and commission is 5.8 percent with a variance or volatility factor of over 15, whereas the average rate of return inside a cash value permanent life insurance policy over the same period of time for someone between ages 35 and 55 is 5.1 percent without any volatility and a standard deviation of 1.5.

So we give the client Barry Dyke’s great book, *The Pirates of Manhattan*. And if you don’t have a copy, get a copy, because chapter 7 says it all. It deals with life insurance. Chapters 8, 9, and 10 deal with other applications of life insurance and why businesses and individuals should own it as the world’s safest asset class. Chapters 1, 2, and 3 talk about the pirates of Manhattan and the negative factors that caused the 2008 market crash and economic recession.

So what is selling? Selling is educating. And educating is taking the time to build a trust relationship with your client and sharing the facts and figures. We have assembled an insured deposit fund (a whole life) information kit with various articles about the instrument coming from people, other than salespeople, such as accountants, lawyers, business owners, and satisfied clients. We also show the financial facts of the various insurance companies we do business with and the historical performances of their whole life funds. Education—there is no substitute! As the book of Proverbs says, “Gold there is, and rubies in abundance, but lips that speak knowledge are a rare jewel.”

### **Fourth Quadrant: Serve**

George Lucas said, “The best way to pursue happiness is to help other people. Nothing else will make you happier.”

Serve is what leads us to target. Because we serve our clients as we meet with them once, twice, three times, or four times a year, depending on their circumstances and their growth, depending on their goals and objectives and their needs and how often they change, and depending on their family members’ health and economic requirements. And no two people are alike, as you know. No two people are the same. We’re all snowflakes. We’re all raindrops. We appear the same on the surface, but once you get underneath, you know we’re not the same. The fact is that as we serve our clients, as we build that trust relationship, we earn the right to ask for introductions to new people to talk with. And it brings us right back to target. But if we don’t educate our prospects properly, if we don’t do what’s right for them, as Abe Lincoln said, “You can fool all the people some of the time, and some of the people all the time, but you cannot fool all the people all the time.” And, therefore, as long as we’re in the business of not fooling anybody, as long as we’re in the business of being reliable and credible, as long as we’re in the business of putting our clients’ interests ahead of our own, we will earn the right to ask our clients, and they will be happy to refer us to more people than we ever thought was possible. After four, five, six, seven years in the business of doing this regularly and systematically, we will have a vineyard full of wonderful prospects from which to choose and with whom we can do marvelous business.

My first life insurance trainer, Jack Fowler, told me 51 years ago that people will buy life insurance an average of seven to nine times in their lives. He was right—personal, family, kids, grandkids, nieces, nephews, retirement, business, key person, deferred comp, buy-sell, estate taxes, philanthropy, you name it—we have a ton of opportunity as long as we do what Ben Feldman told us over and over again to do: “Look after your clients, and they will look after you.”

So how do we SERVE?

* **S**ee clients at least once a year for an update (or more as required).
* **E**ducate yourself about their changing circumstances and how you can help.
* **R**eview what they have purchased from you and others.
* **V**erify that what they have is still good and still works, and if not, then make the appropriate changes.
* **E**nlighten them as to how you and your services and products can help them help themselves and others in the most efficient and effective ways possible.

And, most importantly, prepare:

* Read the file.
* Know your client’s situation.
* Review why you recommended what the client bought and if not, why not.

There is no substitute for preparation, which when combined with caring, produces magical results.

So my process is target, know, sell, serve.

From my early days in the business, when I asked university students if their future was worth $7.50 a month to the marketplace, I focus upon today where the prospect must have at least $25 million of capital, with my top 20 clients having in the average range at least $50 million to $75 million—a journey of growth, challenge, adversity, triumph, and mistakes.

Let’s recognize that the great writer Oscar Wilde said that the word he liked to use to describe the mistakes he had made in his life was *experience*. I have had a lot of experience because I’ve made a lot of mistakes along the way. But this business is a great business. It’s a great cash flow business; it’s an incredible capital business. I said to my two boys when they came into the business some 14 and 4 years ago, respectively, “You will be underpaid for the first five years, and then you’ll be overpaid for the rest of your life!” Well, it’s the truth, and it doesn’t necessarily take five years, as both my sons, Michael and Jay, know.

I encourage you to have a process, because without a process, you are just like an airline pilot without a flight plan. And who would ever want to board the aircraft? If you think you can just wing it by the seat of your pants, you’re wrong. If you were to interview the vast majority of Top of the Table or MDRT members, particularly Top of the Table members, you will find that they have a process. They have a system that allows them to focus their energies, their efforts, their time, and their talents on a specific niche market, which they choose to serve, and then to be effective and efficient in the serving of their clients therein.

So may I wish you good selling and encourage you to see the people and love them, while always using a process.