**How Much Is Enough?**

**Carlyle Fletcher, CLU**

In today’s fast-paced world, we have found that many people are busy—too busy for long-winded presentations. Also, many of our second and third interviews are not materializing. In other words, they are simply not being kept. So, when we get an opportunity to meet with a prospect or client, we have to make full use of the opportunity given.

This presentation is intended to enable you to do a complete sales presentation from approach to close, from beginning to end, in 30 minutes or less. Our approach is not intended to replace what you have been doing to become successful but to give you an added option to use in circumstances that demand it, e.g., when prospects give you half of their lunch hour or run away from work to meet with you and have a limited time.

## Meet and Greet the Prospect

This is a very important step in the sales process. This segment establishes the connection, especially if you are meeting with prospects for the very first time.

I am sure you have met with people before, and although they would have spoken to you for a long time, you still do not feel the connection. On the other hand, there are other people you meet who immediately make you so comfortable that you feel as though you have known them all your life.

What is the difference?

The difference lies in this segment—what you do or say to help improve the connection. For some people it comes naturally; for others, like me, it is a learned skill.

How do we do it?

First, you ensure that you have the right person.

For example: “Good morning. I am looking for Mr. Brown—John Brown.”

When you find him, you give him a warm greeting: “Mr. Brown, my name is Fletcher, Carlyle Fletcher. [The repetition helps the person in remembering your name.] We have an appointment today. I am so glad you can make it.” (I do not ask if he has the time. I assume he does. Give people as little opportunity as possible to postpone.)

As I say this, I move my right hand slowly and partially forward. (I do this because there are some people who, for health or religious reasons, do not believe in shaking hands, and we must respect that.) If my prospect is one of those people, I simply slide my hand back down to my side with no noticeable embarrassment. If, on the other hand, people stretch their hand out, I grasp it and give them a firm handshake and a welcoming smile.

How long does this part of the presentation take? Depending on the circumstances, you, the agent, will be the judge of this.

If prospects take some time off work to meet you or give you half of their lunch hour, you will contain this segment to a minute or two. If, on the other hand, you meet prospects in a more comfortable environment, such as their home, and they appear relaxed, this segment can be longer, and you can get to know your prospects a little better.

In the shortened version, you will talk or ask questions of prospects to get them talking, such as, “How long have you been with this company?” “Are you enjoying it here?” People like to talk about themselves, and if we can find a way to get them to do that, they will like us more.

In the longer version, the conversation can go a little further to talk not only about the prospect, but also about your company and your business.

This is how we get our prospects to like us.

## Disturbing the Prospect

There are many traditional presentations that can work to great effect in disturbing the client. Each one can be equally effective. How effective it is, however, depends on how well the agent has mastered the presentation.

Here, I will use the importance of income.

* This lays the foundation for a proper discussion on the subject of insurance and financial planning.
* It establishes the general problems of life and puts things in proper perspective.
* These are facts of life that none can dispute.

Everybody works for an income, and everybody wants a steadily increasing income, not some today and none tomorrow. But income, as far as we know, can come from only two sources: one is you at work and the other is your money at work.

This income is needed to provide us all, first and foremost, with the basic necessities of life, basic necessities such as food, clothes, shelter, and education.

In life, however, there are three big hazards that can affect the continuance of income:

1. Old age
2. Disability
3. Death

When any of these come into your life, or mine, it destroys our ability to earn an income, and it is only the money we have saved and invested that will be left to provide three meals on the table, clothes on our back, and a roof over our head. Therefore, if I say to you that income is the most important factor in our economic life, you would agree with me.

This is what life insurance is all about. It is intended to create a reserve to ensure that if we live too long, die too soon, or become disabled, there will always be sufficient income to provide for the necessities of life.

In this part of the presentation, we exercise what we call “controlled participation.” We allow prospects to say what we want them to say.

This segment ends with these words: “Our company has developed some plans to help people do just that, but in fairness to you and your family, we feel the best approach we could take is to look at the extent of your financial responsibility, quantify it, and see if there is a need for more life insurance and if so, how much.” This sets the tone for the next step. Here we get permission to proceed and to seek the personal and financial information that is needed to properly assess the prospect’s situation.

## The Financial Needs Analysis: How Much Is Enough?

What information is really needed to assess someone’s financial situation? Our industry has seen many fact finders and financial needs analysis forms, some ranging in length from four to 15 pages long. While information is good, obtaining all this information in a timely manner can sometimes prove to be a major challenge. As such, it delays the actual sales process, and, in some instances, the sale never materializes. Our method is intended to work with the barest information necessary and obtain the additional information at subsequent meetings when the prospect becomes a client.

This approach can be likened to that of an emergency medical team dealing with an accident victim. They deal with what is critical to save the patient’s life and leave the rest to be done when the victim makes it to the hospital.

Our information can be put in to two broad categories: personal information and financial information.

### Personal Information

#### Name

We seek the correct name as listed on the prospect’s driver’s license, passport, or national identification card. The reason we ask for the correct name is because, in many parts of the world, people have different names, such as home names or nicknames or aliases. The real name of the great football legend affectionately known as Pelé is actually Edson Arantes do Nascimento. When we finish this presentation, we will be going straight into closing the sales and writing the application, so we want to get the information correct.

#### Date of Birth

We ask for date of birth because people calculate age differently—some use the age at their last birthday, some use the age at their next birthday, and some use the age nearest their birthday. With the date of birth, we can correctly calculate the prospect’s age.

#### Occupation

This tells us about job stability and degree for physical risk involved so that we can calculate occupational rating.

#### Income

Income tells us about affordability when we are recommending solutions.

These questions can be doubled up to save time, e.g., “What is your correct name and date of birth?” or “What is your occupation and income?”

#### Spouse Information

If the prospect is married, you can gather similar information about the spouse. “What is her correct name and date of birth?” “What is his occupation and income?”

#### Children

If the prospects have children, you can ask for the names and ages of the children. You might ask why I switched from the date of birth to ages. The reason for this is simple. Female prospects seem to have this innate ability to remember the date of birth of all of their children regardless of how many there are. Some men, however, are not so blessed. We may have two children, and try as we might, we cannot remember their date of birth. In addition, men will gladly use it as an opportunity to put us off to a next time that often never materializes. So, what we can do is use approximate ages if prospects cannot remember exactly, and on review we can make whatever adjustments necessary.

#### Insurance in Force

The next set of information we require is insurance in force, and this can be divided into a few broad categories: company, type of policy, sum insured, premium, and why.

The reason we ask why they purchased this policy is to ensure that what they need to protect is protected. A person might have purchased a policy to leave a legacy for his mother whom he loved dearly. This policy cannot, therefore, be used to provide for his wife and children, so other provisions will have to be made.

That is all the personal information we need. We will, however, need some financial information, since the exercise is a financial needs analysis.

### Financial Information

Our financial information can be broken down into three broad categories:

1. What you have
2. What you owe
3. What you need or want

Our presentation should be so simple that even a 10-year-old child can understand it. Anytime we become too complicated, we will lose some of our prospects. There are many highly successful people in this world who are limited academically.

#### What You Have

Accountants and financial people refer to these as “assets,” but normal folks like you and me can refer to them as “what you have” for simplicity. This will comprise things like property, cars, money, and so on.

What is most important, though, is how we ask the question. We can do it like this:

* Tell me, Mr. Brown, the house you live in—is it owned by you?
* If it is, approximately how much would you say it is valued at?
* Do you own any other properties?
* How much would you say they are worth?
* Do you own any vehicles?
* How many and what are their values, approximately?
* Do you have any other investments you would like to list?
* What are they, and how much are they worth?
* If you have to put a value on your cash or liquid assets—e.g., cash at bank, credit union balances, etc.—how much would you say they total?
* Is there anything else you would like us to list here?

Then I would say, “John, let me congratulate you on all that you have achieved, but let me ask you a question. If you had died last night, John, what would you like your wife [her name] and your children [names] to do with these things you have accumulated?” I would go through each item, asking him if he would like his family to keep it or sell it. I make a note next to the asset so that he and I will know what can be disposed of and what will be kept. I have found this very useful when meeting with the widow of one of my deceased clients.

#### What You Owe

In a similar way, I would ask the prospects about their debts:

* Is there a mortgage on your home, and approximately what is the outstanding balance?
* Do you have any loans outstanding against the other properties? If so, how much?
* Any motor vehicle loans?
* Any other loans not mentioned before?
* What is the average monthly balance outstanding on your credit card?
* Are any of these loan insured? (If it is, please ensure that you ascertain which policy is covering the loan. Is it one listed under insurance in force, or is it a separate creditor policy? This is important to ensure that proper provisions are made.)

#### What You Need or Want

This is where we determine the clients’/prospects’ needs or wants. It comprises some fact finding and feeling find questions and helps us to quantify the needs.

We do it in order of importance.

##### Debts

First, we must transfer the total of uninsured debts, because our debts do not die with us. People we owe expect to be paid even after we die. This balance is transferred from the “what you owe” total to the “what we need/want” total.

##### Support and Maintenance

The next item on this list is support and maintenance. When we die, the loved ones we leave behind have to continue living. Money must therefore be found to continue paying the bills. We work out this amount by asking prospects approximately how much of their income is used to support their household on a monthly basis. Whatever amount they tell you is then extrapolated as follows: “Your monthly contribution is going to be needed for 12 months of the year, do you agree? Well, we need to multiply the amount by 12.” Then we establish for how long this support will be needed. We may ask the question in this way, “As parents, it is our responsibility to support our children until they can support themselves. Tell me, up to what age would you want to provide that support for your children?” If they say to age 23, then we go on to calculate as follows: “If your last child is now 5, this support will be needed for another 18 years, to take her to 23. Is this correct?” So, we will multiply the annual figure by 18 to establish the total amount needed for family support. To see them through to that age, it is necessary that we go through this segment slowly and carefully, ensuring that prospects are with us every step of the way. We cannot sell them on it if they do not understand it.

##### Education

One of the most important needs for people with children is education funding for them. Everyone wants the best for his or her children, and we have to help put it in proper perspective. We don’t just ask prospects if they want to provide an education fund for their children. We tell them that the best jobs go to the best educated: “I am sure you will like your children to be among those, wouldn’t you? How much do you think their tertiary education will cost?” Whatever figure they come up with, we will say this: “It may or may not be adequate in our opinion, but this is one item we can discuss further at policy delivery or review time.”

##### Spousal Support

Many individuals want to provide support for their spouses, and we should give them the opportunity to do so. On the other hand, there are many individuals who feel they should not provide support for their spouse; do not try to convince them otherwise. Our job is to help prospects quantify the things they want for their family, not to change their value system. Our job is to help them clarify and quantify the amount required: “Do you want to leave her a lump sum or an income for a particular period? If so, how much and for how long?” If prospects do not want to provide for their spouse, move on. Don’t try selling them on its importance because we believe it is right to do so, because we could lose the sale in the process.

##### Other Needs

“Is there anything else you will like to include in your financial plan?” Help them brainstorm. “Is there a parent or other relative you will like to provide for?” “Would you like to leave a startup fund for your children when they graduate from university?” “Is there anything else?” “Is there a charity or institution that you support that you will like to leave something for?”

##### Last Expenses

This is not something that many people like to talk about, but it is real, and as such, we must deal with it. How do we deal with it? We can that say that one of the things we encourage people to provide for in their financial plan is last expenses. Last expenses will include funeral and associated costs, medical bills incurred prior to one’s death, legal and other professional fees, and other incidental charges. “If you are to make a provision for these things, how much would you put aside?” The amount will vary from person to person, depending on their customs and beliefs and their own personal experiences with members of their own families who might have died before. When we have completed our list of needs/wants, before we total it, we seek reassurance from the prospect. We do that by asking, “Is there anything else you want us to include in your plan? Is there anything here you feel you will like your family to do without?”

Having dealt with those, we then proceed to total the needs/wants. We will now point out to the prospects that this is the amount that must be found in the event of their death. “Luckily, however, because you have purchased insurance, the companies listed above will come forward and pay the amount listed under *Sum Assured*.”

In addition to that (if there are assets the prospect said the family can dispose of), say, “If we sell these assets, it will raise the sum of *X* dollars.”

After deducting these from the total needs, we point out to the client what the balance is. We say to him, “Mr. Brown, after deducting insurance proceeds and monies from sales of assets, there is still a huge deficit. Mr. Brown, if you had died last night, where would your wife [name] and your children [names] find that kind of money?”

Silence.

When you ask the question, stay silent and wait for an answer. The first person to answer normally loses. Silence can sometimes speak louder than words, and this is one of those times.

When he answers you, reinforce the problem by asking, “Does this worry you?” When he answers this question, then you can proceed to offer some comfort.

“Mr. Brown, if I can show you a way where through small, manageable deposits you can solve this problem, you would be interested, wouldn’t you?”

You now have license to move to the next step.

## Presenting the Solution

For the purposes of this exercise, when presenting the solution, we focus strictly on the benefits of our product recommendation and how it will address the prospect’s needs:

Mr. Brown, the program I am recommending for you will do for you and your family the following:

Should you die, this program will give to your loving wife and children the sum of \_\_\_\_\_\_\_\_ to continue living the quality of life you will want them to.

Should you be diagnosed as having a critical illness, this program will give you the sum of \_\_\_\_\_\_\_\_ to ensure you can afford the best medical treatment available.

And if you live as I hope you will, at 65 this program will give you back the sum of \_\_\_\_\_\_\_\_ to help make your retirement into the holiday you deserve. This will require you to save with us the sum of \_\_\_\_\_\_\_\_. Is this figure comfortable for you?

If it is, you proceed to the close. If it is not, you ask him what a comfortable figure is for him. When an agreement is made to an amount, we proceed to the close. The features of the policy can be discussed at policy delivery, of course. If prospects have questions or require further clarification at this time, these will be dealt with here; other than that, we proceed to close.

## Closing the Sale

How easy or how difficult it is to close the sale depends on what we have done before this point. If we just try to sell a product, then closing the sale will be a lot more difficult. If, on the other hand, we did a proper job taking prospects smoothly through the process I have just shared, then closing the sale becomes much easier.

The first step in closing the sale is implied consent. You did a good job, and you got agreement from your prospects at each stage; therefore, the logical thing to do is to complete the administrative work to put in force the recommendation.

At this stage, you go straight to filling out the application, starting with the simplest and easiest-to-answer questions, such as “What is your home address?” or “Where would you like us to send your correspondence?”

Either one of two things is going to happen—either prospects go along with you and complete the exercise or they might object. If they object, we are told that we should ignore them the first time they do and continue with the process. If they object a second time, then we stop and deal with their objections and try to reassure them with the three Fs: Feel, Felt, Found. Say, “Mr. Brown, I can understand how you feel. As a matter of fact, most people, when going through this process, feel the same way, but what they have found is that by having taken action, they experience some peace and satisfaction never before imagined.”

These are traditional closing methods that we are all accustomed to. In addition to these, there is this:

C—Choice
L—Loss
O—Obligation
S—Seek out the hidden objection
E—Example or motivating story

These we are all familiar with. The first we may want to use is the “S close” to find out why the prospects do not want to proceed at this time. After that, we can use any of the above as we see fit.

Motivating stories are always effective when done properly because they appeal to prospects’ emotions. All along, our presentation has been based on logic, but where logic fails, emotion can help us win.

## Conclusion

What we have just seen is that this entire selling process can be completed in half an hour. It is able to hold prospects’ attention from beginning to end. It is able to establish specific needs. It is able to offer a clear solution to the problems uncovered. It is able to motivate prospects to take action *now*.

Most of the sales presentation is not original. The importance of income is not necessarily new to you, and the closing techniques mentioned are all too familiar. What might be new to you, however, is our fact find or Financial Needs Analysis.

Like any other learned skill, to derive the full benefits from it will require that we practice using it to make it our own. The example dealt with related to a person who is married with children. The presentation can also be adapted to use with single people.

Remember, every agent’s desire is to increase sales, annualized premium income, first-year commissions, and to maintain a healthy persistency. This method has helped us do just that by increasing our fact-finding and closing interviews.

We feel certain that if done properly, it can help you too.