

Number 119 of Advisorcraft Online Podcasts and Reports... For November 2019

Jim Ruta BA RHU

Page | 1

Prospecting 101

Everything you need to know to find the people you want

You can define “prospecting” as everything you do to inspire a new person to go through your process so you can help them improve their financial security.

Prospecting is the single most important part of the life insurance business. Without new prospects, all we are doing is playing with old money and old clients. When you are only working an old book of business, you will eventually hit a wall and, as practice management icon Al Granum said, you will experience “premature retrogression”. This means your business will start to fall off before you are ready.

A successful life insurance business needs a continuous flow of new people to grow and prosper. Iconic advisors are those that have a system to help them keep meeting new people and inspiring them to meet. They then have an organized system to demonstrate important client financial security issues and inspire action.

But it all starts with that ongoing flow of new people to talk to. Let’s say even old people to talk to about new ideas. Sure, you can prospect in your book of business, but just be aware of its limitations. That only works if you work in conjunction with new business prospecting.

Servicing Books of Old Business

There are those advisors who say that you can keep buying new books of business and that is sufficient to build a business. What they really mean is that you can mine an old book of business for the low hanging fruit (to mix metaphors) and make a living. Agreed.

You can make money this way and even provide a service. But is that all there is in this business? Making money? I hope not. And I never thought so anyway.

I always thought that the goal of the professional agent was to build a high quality, homogenous clientele built around their passion and specialty. This is the most profitable business and the most valuable when sold too.

In my opinion, this remains the highest and best use of a professional advisor and the goal to which all should aspire. This means that you cannot just buy someone else’s

clientele - likely not constructed professionally in this manner and then renovate it to suit your passion. Okay, if you find one right on point, good for you. But if you are not, you are going to be spending a lot of time cleaning up and not building greatness.

What are you building?

Page | 2

I'm reminded of the old story of the man walking down a road who comes upon a stone mason, laying stones. He asks the mason what he is doing. The mason says he is laying these stones in a row. The man comes upon a second man who says he is building a wall with the stones. Finally, the man asks a third mason what he is doing. The third mason says he is building a glorious cathedral.

So, here's the question. What are you building? Are you just laying stones – making money? Are you just building a wall – working on someone else's business? Or, are you building a glorious cathedral – a top quality business that can last longer than you do and will always be a monument to your ingenuity, creativity, enterprise and persistence?

If you are building a monument to your inspirations, then you need to prospect in the marketplace that will give you what you want. Look, all three masons were doing the same sort of work, but their intentions made them, and the work they did, more valuable. You can do the same in your business.

Building a Glorious Cathedral in Business

So how do you build a glorious Cathedral in your business? It all starts with prospecting.

Originally, we started prospecting – hopefully, with those people we knew. Why hopefully? Because your success is ultimately determined by the people you know and the people you care to know. If you don't know anyone and you don't care to know anyone, you will be a dismal failure.

So, if you were inspired enough by the business value you could bring to your friends, acquaintances and family, then you were well on the road to the Cathedral. So, you had to start somewhere.

Then what?

W5 and How!

The number one decision you must make in this business is “Who” you are going to work with. (forgive my grammar) The reason is simple. When you know “who” you want to work with then you can easily determine:

- “What” – you want to sell them
- “Where” – you have to look to find them
- “When” - is the best time to connect with them

- “Why” - they might want to deal with you
- “How” – is the best way to approach them.

When you know that, you have the design of your Cathedral. All of this relates directly to Prospecting 101. You must answer all these questions to be professionally competent and ultimately successful. So, let’s have a look and let me give you some ideas to consider as you answer these questions for yourself – they are all about prospecting.

1. **“Who”** is the first question – and it is by far the most important decision you will ever make in business. Nothing is more important to your long-term success. The answer is easier than you think. These are the people with whom you have natural influence. Natural influence is where you know these people or their kind (a familiar group), you like them and what they do. and they are naturally disposed to like you back. Depending on your background – and the people you know or care to know as I said before, this can be any group. There are no bad markets really, just bad matches of market and advisor. They can be professionals, entrepreneurs, executives but they can also be everyday people. They can be business owners or families. They can be wealthy families; or they can be middle income families. They can be any sufficiently sized identifiable group with whom you have a natural connection; meaning you are familiar with them and they are familiar with you. You know their needs, options and resources. You know their usual problems and how and if they solve them. You know your competition for them. They know who you are and what you do. Does this mean that you cannot move into a new “who”? Like moving up into a business or professional market? Of course, you can, but you have to have learned that natural influence part. When you do, you can make the evolutionary change to the new market. You don’t change over night. You change over time. That way you stay in business.
2. **“What”** you want to sell them is the second matter. When you know who, you can know what products that matter to you matter to them. They have to matter to you first because that’s where your inspiration is. Where you are inspired is where you will persist in prospecting and selling. Decide on the products that resonate the most with you and that you can make resonate for your who. I recommend a “package” of products that can be positioned as the solution to their problems. I’ve talked before about a small package I call “If Money Were No Object”. Remember, because you know these people, you are able to prepare a list of possible solutions before you arrive. Demonstrating your knowledge of people like them helps you connect. The IMWNO package says basically, “If money were no object here is what I would recommend to you. Of course, money is always an object, so my job is to help you arbitrate among your needs, wants and budget so you do what’s right for you and your family and works in your situation.” Then, you ask the questions that get the needs that call for your products and services. These products can be life insurance, critical illness insurance, income replacement, long term care insurance, group insurance, pensions and savings and investments. Anything, that suits your who.

3. **“Where”** you have to look to find your best prospects because they won’t normally come to find you. But, since you know who they are, you also know where they live, meet and congregate. You know where they play and eat. You know what they read and what they watch. You know where they work. This all means that you can find them when you want to talk, market or advertise which is all prospecting communications. You can more effectively target your prospecting and sales efforts. You can focus your marketing. You can put your office near them to make it easier for them to find you. Knowing where means you can be more efficient, effective and profitable in your marketing and prospecting.
4. **“When”** the best time is to connect with them is also very important to your success in connecting with prospects. Timing is everything in prospecting. If you call or drop in on people when they are not there or not available, your efforts will be for nothing. Timing can mean time of the year, time of the month, time of the week or time of the day. For instance, April is not a great month to call on tax accountants. Certain days of the week are bad for lawyers who have to be in court. Business owners are probably easier to connect with before the business opens or right after it closes because they usually control the lights switches– so to speak. Dentists are not usually available during the day because they have patients. Doctors often have rounds first thing in the morning and then office hours. They are never easy to find but there is a time. Commuters have long days and are likely only available evenings and weekends – maybe. Some prospects have lunch or are available for breakfast and can be found then. Entrepreneurs have time control and might be good anytime, especially breakfast. Christmas is a bad time for retailers. Summer might be better, depending on the retail. Think about seasonal business swings for everyone. So, you can see that the who is so very important in your making a connection because it defines the when.
5. **“Why”** they might want to deal with you is critical because this gives you the questions you can ask to inspire them to meet with you. The kind of people you target lets you know the reasons they may want to talk. When you know who they are, really, you can identify their potential rationale to getting together. This means you can ask targeted questions about them that will reveal their concerns to them. Knowing who also lets you think about products that others in their group buy regularly so you can ask questions about them too. “Would you like to know how you can be the beneficiary of your own life insurance policy without dying? Or “Has anyone reviewed your life insurance portfolio lately?” Or “Would you be interested in how you can have the government help you automatically keep your business open if you got sick or injured and couldn’t come to work?” Or “Would you like to know that if you were ever so sick or injured that you could never return to work (or your profession) that you would still have a check for life?” You get the point. These are all questions that come from knowing the why of your who.

6. **“How”** to best approach your clientele is where the rubber meets the road. Whomever and whatever else you know, prospecting only works when you make a connection. There are many different ways that can work for prospecting. The best one for you depends on who you want to work with. For instance, I know a young agent who works with commuters and, believe it or not, travels the subway to sit beside people she thinks might be prospects. Asks about their work. Asks about their family. Asks about their benefits and then asks if they want to talk more. People say yes. I have a client who cold calls dentists because they are nearly impossible to talk to by phone. He uses this to his advantage. He drops off a plain window envelop with a small part of a custom, pretend, American million-dollar bill showing in the window with the dentist's name handwritten on the envelop. He asks for the receptionist to give it to the dentist. Included also is his card and a short letter. He's had as much as a 30% call back with the drop offs. I have another client who sold a lot of term insurance to families to cover mortgages. He took one day a week to hand deliver 250 prospecting letters in envelopes off to families in new neighbourhoods. He usually had a call by the time he got home. Another client does dinner seminars and they more than they pay for themselves a few times over. Maybe you just find your best prospects at sporting events? Maybe you are involved in your community and an ad in the local weekly sets the stage for your contacts? Maybe you cold call small businesses with a calendar or a flyer? Maybe you use LinkedIn to connect with the connections of your clients? Again. How is all directly related to your who. And, then it just takes effort. There is no other magic.

Prospecting is about Asking

Some will tell you that they never ask, and they get all the referrals they can handle. Some say that you don't have to ask for referrals, you just have to be “referable”, without any specific definition of referable. This may be true for some advisors, but I assure you that it didn't start that way for anyone. It's an old adage, but very true. If you don't ASK, you don't GET. Be confident enough in your value that you will persist in the face of “no”. Everyone says no to start. You must persist. There is no option.

Prospecting always starts with asking a great question. It's what you say to anyone, anywhere when you think you might have someone you want to work with. This is how prospecting starts. For instance:

- *“Would you have any objection to reviewing your life insurance policies with me?”*
- *“If I could show you a way to cut your tax cost on your business when you leave it to your daughter, would you be interested in knowing how?”*

- *“Would you like to know how you can be sure that your grandchildren never forget your name?”*
- *“If one of the parents were to die, do you think it is fair that the whole family has to move?”*
- *“If you got a heart attack, stroke or cancer, would you rather lose your house or lose your mortgage?”*
- *“If you or your spouse were to pass away, would you rather your children tried to get over it with a parent or a nanny?”*
- *“If you were selling and I were buying, how big a check would I have to write to get you to walk away from your business? Would you like to be sure it’s worth that much to your family if you weren’t here?”*

Page | 6

Then, when you get a positive answer, you just move to set an appointment at their convenience. “I usually see my clients Tuesdays, Wednesdays and Thursdays at 10, 12, 2 and 5. I have an opening at 2 pm next Tuesday or 10 am on Thursday. Which one would work best for you?” Your times could be 7, 10, 1pm and 4, or noon, 2, 5, and 7:30? Maybe much later if your clientele works late shift.

The idea is to be ready with available times. You do not have to wait for their times, but you do need to be flexible. This approach does both. If you do 2 pm and they need 2:30, you are good. But you can control your time by setting up the potential times and having prospects adjust.

Remember Lunch Meetings

My old friend Al Granum thought so much of Lunches for business purposes that he gave it a full point on his recording system. Lunches, breakfasts, dinners, coffees are all great ways to inspire someone to meet with you. Maybe it’s lunch at your golf club, or a trendy new place in town? Maybe it’s just a great diner. Food is the great equalizer and a great way to convert a prospecting contact into a meeting that can lead to business later. Once someone has decided they like you and want to work with you over lunch, business is very much easier.

My friend, icon George Sigurdson, can have up to 4 “lunches” each day he is working. They are his top way of attracting business. He has an early lunch at 11am, a lunch at 12:30pm, a late lunch at 2pm and a very late “lunch” at 4pm... he has a place that will do it. These places don’t have to be fancy, but it is easier to get a good prospect to see you over lunch than to have them come to your office. Remember this.

Know also that you must know what you are doing in a call so you can be done in enough time to get your next lunch in...

Traditional Prospecting Still Works

Several advisors have reminded me recently of some traditional prospecting strategies that I don't hear much about at all lately. We are always looking for new sources of prospects and these strategies provide easy options. Here are the traditional sources and a brief explanation to help you consider them as part of your business plan.

1. **Prospecting in Nests** is about first finding a group that you know and can connect with – your natural influence market. These are your friends and family – that all time most dreaded source by advisors who come up short on true business inspiration. It's called a nest because they are all together in a group, like in a nest. For your prospecting, think about a family group, an association group, a club group, a church group, a community group, a neighborhood group, an employer group, a geographic group (like a small town), a professional group, a hobby group, a recreational group, a vacation location group, a union group, a special interest group and a sports group. All of these can be a whole business for some advisors. But, if you can decide on 2 or 3 of them that work best for you, they can be very profitable. Once you get started without being annoying – be helpful with great, targeted questions instead, you will build a reputation of being that group's – that nest's – go to person for what you do. This is a key prospecting source and it's good to know the name so you can keep at it.
2. **Endless Chain Prospecting** can be part of prospecting in nests or it can stand on its own. This is where you get a name from every new sale that continues the chain to someone they know. I can recall agents talking about how long they could build a chain of sales starting with one name. Of course, the chain can have branches too as you get two names from one sale and then have the chain grow exponentially. Consider asking for one person at each sale to see how long a sales chain you can build for one name.
3. **Referred Lead Prospecting** seems to be a natural part of both nests and chains, but it can also stand on its own. And it needs to be recognized as a separate skill. It's about asking friends and clients about the people they know who might also be interested in solving the problems they solved when working with you – or the problems you solve, the questions you answer, that would apply to them. You have to value your value to do this well and consistently,
4. **Personal Observation Prospecting** is something I hear little about anymore. This was about seeing a new business open up, the business name on the side of a truck, a LinkedIn notice for a new job, newspaper announcements, your dry cleaner, your car repairer, a new neighbor, a new store, a new business. This is about being observant of your surroundings and seeing someone who might be a potential new client. Step two is to make a contact, maybe in person, maybe on LinkedIn, maybe when you drop your car off, maybe... whenever. Ask a

prospecting question and get a coffee meeting. Watch for potential prospects everywhere.

5. **Working your Clients** is for everyone. It's been said that the average person buys life insurance 8 times in a lifetime. That means it's unlikely you sold them everything they need or want the first time you sold something. It also means that an annual review with them is critical to grow your business and their financial security. You sell term insurance the first time and then convert some on the second visit. They buy life and then they buy income replacement or vice versa. They buy business insurance and then they buy family insurance – and vice versa. They buy business overhead then income replacement and then life and then convert the life... They buy life and then buy critical illness or vice versa. They buy group insurance for their business and then buy personal insurance for their families and then business insurance for their partners. You can see that there is a long list of combinations of products that should keep any observant agent busy for a long time.
6. **Centers of Influence Prospecting** is using your referred lead prospecting skills to take the time to build a relationship with someone who knows the people you want to work with and whose favorable introduction will get you in the door. This is a longer process, but it can be very effective and ultimately profitable. First you need someone who is naturally disposed to helping you and has prestige and influence in your desired market. Friends, clients, people you do business with like bankers, lawyers and accountants are a good start. If you can make them a client, you will have a better Center but if not, they need to understand your inspiration, your motivations and your process. That takes time. Visit them. Talk to them and get to know them and their business too so you can refer people their way when the opportunity presents itself. The key here is consistency. Keep them on your mailing list. Send cards. Stay in touch so you stay top of mind. You will get results, but it takes time. Lots of time.
7. **Door Pulling/Cold Calling** is the ugly duckling of the seven. By door pulling I mean on small/other business offices. By cold calling, I mean on residential doors. I mean physically showing up. The newer versions of this is to use Facebook and LinkedIn and that is definitely being done. Tech savvy advisors are going to Facebook and asking for referrals to the friend of their clients. When you think about it, it's a gold mine. Like digital nests. But you can still – and I believe with the do not call and anti-spam regulations it may be coming back big time – call on people. When you call on residences, you can lead with mortgage insurance and can target the neighborhood to ensure you have plenty of those. Knock on the door to introduce yourself and leave some information with the homeowner. The material can give them a number to call and includes your picture so they can connect the two. Pick your spots and your times to stay sane and stay safe. You can do the same with businesses to lead with group insurance benefits or any product your like. The key is to have a “leave behind”

and a smile. There is no magic here, just effort. Make a sufficient number of calls and you will trip over business. It is inescapable.

One more thing, not all prospecting approaches are right for all people and not all will appeal to everyone either. But, if one or two of them catch your fancy, you will never be out of business. That's the Power of Prospecting. Page | 9

Use Social Media

I've already talked about it briefly here, but I want to be more specific. Social media is the phone book of today. It's the Yellow Pages of today. It's the Birth Announcements section of the newspaper today. It's the City Directory of today. It's the Dun and Brad Street Report. It's the Welcome Wagon and Executive Welcome Wagon... These, and others like it (we used to get a new mortgage listing every week in a business law report) were all places where we would find new prospects. The old sources are mostly gone today but social media is firing on all cylinders. It's a better source than any of the old ones ever were.

But, if you are afraid of it or reject it, it won't do you any good. Have a look. Take a course. Get involved as best you can, and social media will help you find all the people you want – especially when combined with a couple other sources.

Finally - Prospecting is a Lost Art

Prospecting is a lost art and it will kill the business if we don't find it. Sadly, we have apparently stopped teaching advisors prospecting and replaced it with lead services and, more commonly, book buying. But, to paraphrase that wonderful Chinese proverb, "Give someone a prospect and they have business for a day. Teach someone to prospect and they have business for a lifetime."

Learning how to prospect has many advantages. You are independent of someone else's efforts and can create your own business. One of my former sales managers, now an MGA executive, once told me that their goal was to learn how to prospect well enough that they could be dropped into the middle of any city, anywhere and build a business. That is a skill you want to have.

When you are a prospector you can create the type of business you want. Sell the people you want. Sell the product you want. You'll also create a homogenous business that creates better long-term value for you.

When you are a prospector, you don't have to deal with someone else's business mistakes as we often find embedded in bought books of business. Or, you don't have to deal with the wide quality variability of bought leads.

When you are a prospector, you never run out of prospects. You know how to “manufacture them”. When you have this confidence, the business is fun, and you are always in business. It changes the game. That’s why Top of the Table, icon advisor, Van Mueller is always 100 appointments behind. He over-prospected and can’t catch up. Imagine how that changes your perspective every Monday morning.

So how do you manufacture prospects?

Names are one thing. Prospects are quite another. You must start with the former to create the latter. And as Van says, “Increase your appointments and you increase your income”. It’s simple but not easy and simple to do and simple not to do.

How do you start? Do what I do and have promoted for decades. Get in the way of potential new business. Show up where your prospects show up. As Ben Feldman said and George Sigurdson says, “See the People”.

This means actually “seeing people” and being seen - meeting them on their own turf. I spoke with top producer Libby Wildman recently and she said the same thing. Get face to face with potential prospects. Do this at social events, community events, your religious gatherings, sporting events – either professional or amateur, charitable events, parties – anywhere people you want to work with congregate.

When you see those people you would like to work with, don’t pitch them on the spot. Connect with them. Say hello. Maybe you leave one of my “million-dollar bills” as a novelty. Even surreptitiously write their names in your smart phone. Make a list. That’s all.

At a large charitable event recently, I would have been able to write down at least a dozen names of good insurance prospects.

Then what? Everyone you want to sell has their contact information on a LinkedIn profile or Facebook page. That means you don’t have to ask for that information anymore. You only look for it.

Make contact by phone, email or text. You can use email to set up a “phone date” (my favourite) to make a lunch date like Gail Goodman, the “phone teacher” says.

Ask for a breakfast or lunch to catch up – remember you just touched base at the event. Whatever happened to business meals as an inducement to meet? It was part of the Granum System for a reason. People eat. Who doesn’t like free food? I’ve been doing this since I was 22 years old. Still works.

And, if you can ask a great question or two related to your business on the call, you further induce your friend to meet. For instance: “I’ve been asking this question of a lot of people lately, ‘Would you like to know how to be the beneficiary of your life insurance policy without dying?’ and there is a lot of interest. Love to show you how.” Maybe the

question is “Would you rather be rich or have an absolute, positive guarantee that you would never be poor?”. Just questions. No answers on the phone. No telling over the phone. Just showing in person.

Voila! You buy lunch and you have a meeting. You are on your way and building the business YOU want with the people that YOU want to work with. There's no magic, just effort. And, anyone can do it, but you must get out there. Manufacturing prospects and appointments only starts on the street, not in your office.

Make your own connections and you are a prospector. You will never have to buy leads or books of business just to survive. You will thrive on your own.

It's what Icons do. Go for it.

Jim Ruta
Tactical Coach

Advisorcraft 119
November 30, 2019

ICONIFY Your Business with Jim Ruta Coaching and Presentations

“ICONIFY” your business by leveraging the components of ICON Character and the components of ICON Competencies into your practice. When you do, that concept alone can add a multiplication factor of performance to your current production. Here is what the acronym I.C.O.N. means in both categories.

I.C.O.N. Character - The Basis of Icon Production

I.C.O.N. Character combines these four traits that the best producers have and that top clients look for in their advisors. They are:

- I - Integrity** – Builds Trust with your prospects and clients so your advice is accepted
- C - Commitment** – Builds Confidence in your prospects and clients that you know what to do for them
- O - Obsession** – Builds Urgency in a prospect or client to take action
- N - Naturalness** – Builds Loyalty in clients to buy from you and stick with you.

I.C.O.N. Competency – The Skills that Drive Success

I.C.O.N. competencies are the four key abilities and skills that top producers have and that drive them to the top and include:

- I - Inspiration** – Your personal inspiration creates persistence and perseverance

- C - Communication** – What you say, how and where you say them to attract business
- O - Organization** – The structure that creates consistent performance
- N - Numeration** – The numbers, plans and records that create regular improvement

Then... **I.C.O.N. Character + I.C.O.N. Competency = ICON Results**

Page | 12

**For your complimentary 30-minute coaching discovery call,
contact Jim @ jr@jimruta.com or text to 416.689.7882.
*You can be an ICON!***

