

The Nature of Trust –  
and How to Develop It ... 9

Financial Planning  
Process™ course ... 12

Choosing the Right Financial Product to  
Solve a Client's Financial "Problem" ... 21

Put Forth Honest,  
Intelligent Effort ... 22

# *the* **Register**



Vol. 11 No. 12 • December 2010  
Official IARFC Publication

[www.IARFC.org](http://www.IARFC.org)



**Barry Ferguson**  
**Critic of the Federal Reserve**

**Serving Financial Advisors Worldwide**



# IARFC Southern Caribbean Cruise Conference

## June 26 – July 3, 2011

The IARFC CE@Sea™ conference, the premier event for professionals in the Financial Services Industry will be held on **Royal Caribbean's Serenade of the Seas**, Sunday, June 26 – Sunday, July 3, 2011.

The IARFC invites you to be part of this outstanding event. You will have the unique opportunity to enjoy the cruise while networking with other successful advisors. You will learn what has worked well for others, share challenges and successes. No other event allows you this intimate time to rub shoulders with industry leaders. Past CE@Sea™ attendees have told us that whether as a contributor, presenter or speaker, the rewards are worthwhile.

### Join Our Industry Leaders



**Wilma Anderson**  
Using LTC or CI as a Unique Selling Advantage



**Bill Nelson**  
Critical Planning Issues



**Steve Bailey**  
Dollar\$ Sense for Matured Adults



**Dr. Rosilyn Overton**  
Do You Hear Me?  
Behavioral Finance, Client Communication and You



**Mark Dahlenburg**  
Designing an All-Weather Portfolio for Your Retirement Income Needs



**Mark Patterson**  
Creating Your Unique Brand



**George Flack**  
Conversion of Your Practice to a Fees-based Improved Bottom-line Financial Business



**Ashton Root**  
PixelGigs, the All-in-One SMART Software — and Marketing Opportunity



**Christopher Hill**  
Unfortunately, Someday You Will Die!



**Hank Brock**  
The Last Dominos — 19 Documented Dominos



**Ed Morrow**  
Business Succession Fee-Based Planning



**Jerry & Nick Royer**  
The 5 Crucial Keys To Make Your Clients Raving Referring Enthusiasts

### Sailing Itinerary

- 26-Jun San Juan, Puerto Rico
- 27-Jun Charlotte Amalie, U.S.V.I.
- 28-Jun Basseterre, St. Kitts
- 29-Jun Cruising & CE
- 30-Jun Oranjestad, Aruba
- 01-Jul Willemstad, Curacao
- 02-Jul Cruising & CE
- 03-Jul San Juan, Puerto Rico



**Serenade of the Seas®**

One of our newest cruise ships, Royal Caribbean's Serenade of the Seas offers the ultimate "at sea" experience by combining speed, added comfort, greater space, sweeping ocean vistas and an exceptional staff committed to serving your every whim.

Among the ship's spectacular features are the ten-story glass-constructed Centrum, glass elevators facing the sea and the highest percentage of outside cabins in the Royal Caribbean fleet.

### Cabins Are Going Fast — Call Today!

Call our CE@Sea™ Cruise Coordinator, Starr at 423 741 8224  
Cabins start at \$819 per person.



International Association of Registered Financial Consultants

P.O. Box 506, Middletown, OH 45042-0506 | 800 532 9060 | [www.IARFC.org](http://www.IARFC.org)



**Financial Planning Building**  
**2507 North Verity Parkway**  
**P.O. Box 42506**  
**Middletown, OH 45042-0506**  
**800 532 9060 • Fax 513 424 5752**  
**www.IARFC.org**

## BOARD OF DIRECTORS

**Edwin P. Morrow**, Chairman & CEO  
*CLU, ChFC, CFP®, RFC®*  
edm@iarfc.org

**H. Stephen Bailey**, President  
*LUTCF, CEBA, CEP, CSA, RFC®*  
steve@hbfinancial.com

**Lester W. Anderson**, V.P.  
*MBA, RFC®*  
ande1024@bellsouth.net

**Wilma G. Anderson**  
*RFC®*  
wilma@theltcoach.com

**Jeffrey Chiew**  
*DBA, CLU, ChFC, CFP®, RFC®*  
jeffreychiew@yahoo.com

**Edward J. Ledford**, V.P.  
*CLU, RFC®*  
eledford@gmail.com

**Inshan Meahjohn**  
*BA Hons Mgt, MABE, RFC®*  
imeahjohn@altuscompany.com

**Michael W. Moeller**  
*MA, CFP®, CFS, ChFC, RFC®*  
mike@moellerfinancial.com

**William L. Moore**  
*Pharm D., CLU, ChFC, FIC, RFC®*  
wmoore@kbigroup.com

**William J. Nelson**, Secretary  
*RFC®*  
billn@nelsonlearninginstitute.com

**Rosilyn H. Overton**  
*MS, Ph.D., CFP®, RFC®*  
roverton@nyfinancial.com

**Jeffrey H. Rattiner**  
*CPA, CFP®, MBA, RFC®*  
jeff@jrfinancialgroup.com

**Ruben Ruiz**, Treasurer  
*ChFC, CLU, MSFS, RFC®*  
rruiz@moneyconcepts.com

## • IN THIS ISSUE •

- 2 New IARFC Member**
- 2 Calendar of Events**
- 2 Register Round Up**  
What book have you read in the past year that has made the greatest impact on your business or personal life?
- 3 Spotlight – The Importance of an Email Address**  
by Amy Primeau
- 4 Chairman’s Desk**  
Coming Events – New Markets
- 5 Profile Interview:**  
**Barry Ferguson – Critic of the Federal Reserve**
- 9 The Nature of Trust – and How to Develop It**  
by Michael Lovas
- 12 How to Penetrate the LTC Market in 2011**  
by Wilma Anderson
- 13 Financial Planning Process™ course –**  
Prosper While Helping Client Achieve Financial Independence
- 18 The Certain Coming Horror**  
The End of Financial Privacy For You and Your Clients  
by Hal Chorney
- 21 Choosing the Right Financial Product to Solve a Client’s Financial “Problem”**  
by Mathew Rettick
- 22 Put Forth Honest, Intelligent Effort**  
by Bill Moore
- 23 Compare Your Numbers to Superstars: A 9-Point Quiz**  
by Katherine Vessenes
- 25 Estate Plans Often Fail**  
by Christopher Hill
- 27 No-Bid Government Contract? No Thanks**  
by Hesh Reinfeld

*The Register is published monthly by the International Association of Registered Financial Consultants ©2010, 2507 North Verity Parkway, Middletown, Ohio 45042-0506. It includes articles and advice on technical subjects, economic events, regulatory actions and practice management. The IARFC makes no claim as to accuracy and does not guarantee or endorse any product or service that may be advertised or featured. Articles, comments and letters are welcomed by e-mail to: Wendy M. Kennedy, Editorial Coordinator, Editor@IARFC.org SSN 1556-4045 Periodicals Postage Paid at Mansfield, Ohio.*

*POSTMASTER: Send address changes to: P.O. Box 42506, Middletown, Ohio 45042-0506*

## NEW IARFC MEMBERS

Jeffrey N. Knoedl, RFC®, AR  
 Peter C. Lynch, RFC®, NJ  
 Sean T. Keating, RFC®, NJ  
 Michael D. Wall, RFC®, PA  
 Matthew Filik, RFC®, NJ  
 Terry L. Jue, RFC®, PA  
 Vincent C. D Angelis, RFC®, NJ  
 Michael McNerney, RFC®, MA  
 Jeffrey A. Cody, RFC®, TN  
 Joseph William Marriott, RFC®, AR  
 Glenmour G. Byfield, RFC®, CA  
 Christian Lee Hmura, RFA®, IL  
 Brian Michael Nelson, RFC®, KS  
 Robert J. Petras, RFC®, OH  
 Telissa K. Lindsey, RFC®, PA  
 Kyle A. Speck, RFA®, PA  
 Dillon P. O'Connor, RFC®, NY  
 Peter J. Tkaczuk, RFC®, CT  
 Eric T. Chan, RFC®, CA  
 Jonathan P. Delo, RFC®, NY

### Members Who Recommended New Members



**Referrer of the Month**  
**Charles "Chuck" Beale, RFC®**

Charles Beale, RFC®  
 Louis D'Angelis, RFC®  
 Peter D'Arruda, RFC®  
 John Kwasny, RFC®  
 William Logue, RFC®  
 Ed Morrow, RFC®  
 Lew Nason, RFC®  
 Gary Sansone, RFC®  
 Steve Sansone, RFC®

Roy Henry, who served as Chairman of the IARFC from 1993 until 2000, passed away suddenly, while he and Meredith were vacationing in the Dominican Republic. Roy was planning to present his insights on retirement and some of the highlights of his career at the CE@Sea cruise in June. In fact, we were assembling photos and editing copy for the lead article, about Roy, for the Register. Rather than do short justice to his philosophies and contributions, we will include the full text, and some additional comments from IARFC members – in the January issue.

# Register ROUND UP

*IARFC Leaders and Financial Industry Experts were asked for their insight and advice on issues facing consultants in today's economy.*

### **This month's Round Up question:** **What book have you read in the past year that has made the greatest impact on your business or personal life?**

So many good books. One you may not be familiar with is *The King of Clubs* by Robert Dedman. Great customer service stories that will help you think in a creative manner about how to service your clients.

*Ed Ledford, CLU, RFC®, IARFC US VP, Carmel, IN*

The best book that impacted both my personal and business life is the *Law of Attraction*. Positive vibration begets positive vibrations. Negative vibration begets negative vibrations. You need to understand the principles in LOA. There are certain words that LOA do not recognize, such as don't, no and not. You need to phrase correctly and send out the right vibrations. Learning it can change your life, like you can never imagine. Try it. It works!

*Jeffrey Chiew, DBA, CLU, ChFC, CFP®, RFC®, IARFC Asia Chair, Kuala Lumpur, Malaysia*

The two most interesting and thought provoking books I have read recently were far outside of my usual library. The first was *The Post-American World* by Fareed Zakaria. I first watched him on ABC's Sunday morning show where I seldom agreed with him but nonetheless found him usually to be insightful, with a different perspective than mine. Since that time, Zakaria has moved to *Time* magazine and I still find myself drawn to his well-reasoned opinions. That is especially difficult to admit for a conservative, Tea Party member!

Originally, the Executive Director of the Kissinger Associates, Joshua Cooper Ramo's book, *The Age of the Unthinkable, Why the New World Disorder Constantly Surprises Us and What We Can Do About It*, is still at the top of my recommendation list. His questions, and often breathless presentation will get you thinking – often in ways that may surprise you. Don't expect to find startling conclusions- there are few – but do expect to suddenly find yourself outside the box with a new perspective.

*Mark Terrett, RFC®, IARFC Operations, Middletown, OH*

## CALENDAR OF EVENTS

### **RFC Graduation**

December 14-16, Mumbai

### **RFC Business Succession Course**

December 18-19, Mumbai

### **MDRT Experience Singapore**

February 24-26, 2011

### **MDRT Annual Conference**

June 5-9, 2011, Atlanta, GA

### **Pre Cruise CE – San Juan**

June 24-25, 2011

### **MDRT Annual Conference**

June 10-14, Anaheim

### **CE@Sea Southern Caribbean Cruise**

June 26 – July 3, 2011



*The Register*



Make the best use of your advertising dollar...

To market your product and services to the IARFC membership, contact

Wendy Kennedy  
 513 424 6395 x14

# Spotlight on IARFC Benefits:

## The Importance of an E-mail Address

Amy Primeau, Domestic Membership Chair



Remember when having an email address was uncommon? When I started college in the fall of 1994, each student was given an email account. It was very exciting, until I realized that in order to email anyone off campus, they would also need an email account. I helped my parents set up an account with their provider, and soon we could email each other back and forth (which was much cheaper than the long distance phone calls!). Slowly, our circle of email companions expanded.

People used to ask 'do you have an email address?' Now, we ask 'what is your email?'. Everyone wants your email address: your bank, your friends, the stores where you shop. The IARFC is no different. We ask for email addresses on applications, renewal forms, and order forms. We ask for email addresses from prospects and members. You might ask, "Why we need email addresses?"

With prospects, sometimes it is easier to make contact with them by email. While we do call, I have found when I am able to email the prospect, I get a better response. Let's face it, we're all busy. If you check your voicemail and have a message from someone that you don't know, but are pretty sure is trying to sell you something, you might not return the call. You return the calls to your clients, or those that should be handled immediately. An email usually is received quickly, and you are able to type a quick response, without taking the time to make a phone call. It seems people are more willing to respond to emails than phone calls.

Members should give us their email address whenever they complete a renewal form or an order form. We send a lot of communication through email, and it is important that we have your current email in our

records. You should not assume that we already have your email. For example, I have three different email accounts that I use for personal reasons. One is my main email, another is one I use for store promotions and family members who like to forward things, and the third is my 'super-secret' account — the address is known only to my closest family members. Some people, such as my mother and my sister, know all three email addresses. If I want them to use a particular one, I make sure to tell them.

I am sure most of our members have several email addresses. Perhaps you do not want us sending an email to you that goes through your Broker/Dealer. Maybe you have changed Broker/Dealers recently which created a change in your email address. Or perhaps we should not be using your Gmail account because it is used by everyone in your household and you may not get the message. These are all very good reasons why you should always provide us with your email address each time we ask for it. We use email to keep you informed as a member. Each month we send the electronic issue of the Register. We also send emails about new member benefits, conferences, or webinars that we feel will help our members. Of course, you can choose to opt out of emails from the IARFC. Receiving our emails will help you stay connected to the IARFC, and may increase the perceived value of your membership. ☐



Scan this QR code with your smartphone

## Create your own IARFC website NOW!



- Get a professional and attractive online presence
- Attract new clients and service existing clients better
- Packaged with consultative Internet marketing expertise
- It's always working, even when you're not!

**Only \$39.95/month**

(regularly \$44.95)

**\$149 set-up fee**

**[iarfcwebsites.com](http://iarfcwebsites.com)**

**1-800-593-9228**



Powered by Smarsh Financial  
Visions Website Services

**IARFC Member Services:**  
**[Amy@IARFC.org](mailto:Amy@IARFC.org) or call 800 532 9060 x34**

## COACHES

# OWNER

The IARFC is pleased to provide contact information on persons who offer coaching, mentoring or tutoring services.

Some extend free time or a discount to IARFC members. This listing is not an endorsement or guarantee — as RFCs are qualified to judge who can help them in the areas where services are most important. This roster is alphabetical by last name.

### **Wilma Anderson, RFC®**

*Long Term Care & Critical Illness*  
www.LTCcoach.com  
Wilma@TheLTCcoach.com  
720 344 0312

### **Max Bolka**

*Comprehensive Business Consulting*  
www.MaxBolka.com  
Max@MaxBolka.com  
800 472 3288

### **Forrest Wallace Cato, RFMA, RFC®**

*Media Advocate & Publicist*  
www.CatoMakesYouFamous.com  
ForrestCato01@BellSouth.net  
770 516 9395

### **Mark Gremler, RFC®**

*Billion Dollar Mentoring*  
www.billiondollarmentoring.com  
marketing@billiondollarmentoring.com  
877 736 7492

### **Christopher Hill, RFC®**

*End of Life Plan —  
Education, Training and Marketing*  
www.FuneralResources.com  
Chris@FuneralResources.com  
703 917 8501

### **Maribeth Kuzmeski, MBA, RFC®**

*Practice Management & Marketing*  
www.RedZoneMarketing.com  
MK@RedZoneMarketing.com  
847 367 4066

## From the Chairman's Desk...

*Ed Morrison*



## Coming Events — New Markets

Many members of IARFC are looking for additional markets and especially additional sources of revenue. However, many are mired down with increased regulations, oversight, compliance and paperwork for any marketing activity even remotely related to securities.

However, offering Planning to Businesses is not a securities transaction. The services offered, for a moderate fee, are to provide guidance to the Business Owner. This will apply to Sole-proprietors, Partnerships, Limited Liability Companies and Professional Corporations.

The topics to be presented will be Succession Planning, Business Continuity, Executive Retention, Key Employee Indemnification, Buy-Sell, Stock Redemption and Debt cancellation.

Business owners and professionals are accustomed to paying fees for services, so the resistance to payment of a fee is far less. Additionally, they have a wide circle of successful persons they can refer a consultant to — and they are quite willing to do so if they are pleased with the service delivered.

In addition to the Planning Fee to be charged, there will be opportunities for the sale of term and permanent life insurance, long term care policies and riders, and critical illness insurance. The presentations make no reference to the sale of securities.

However, when a large death benefit is paid (whether directly to the family or a trust, or indirectly through the operation of a business agreement) there will then be opportunities for investment products and portfolio management.

This course will not involve a designation, but the participants will all receive a handsome certificate, suitable for framing and display. The curriculum will include the software for the illustrations, word processing files for letters, meetings, proposals and communications, plus an easily deliverable graphic presentation.

This course has already been presented by IARFC in the Philippines and Thailand, and the response of the attendees was very enthusiastic.

In the next issue of the Register we will include information on enrollment. The size of the group will be limited to 30 attendees, including staff members of each RFC. The three tentative locations now are:

- Middletown, Ohio at our corporate headquarters,
- Denver (Centennial) Colorado
- Atlanta, very near the airport

If you are interested in our trying to schedule one in another city, and you can help raise an enrollment of 20-30 persons, then please email: [editor@IARFC.org](mailto:editor@IARFC.org)

## Great News! IARFC is on LinkedIn

LinkedIn is a free service that lets you keep in touch with professionals through the exchange of ideas, discussion and industry information. What's happening? Join today to start connecting with other IARFC members.

- ▶ Display the RFC group designation with the logo on your profile
- ▶ Connect with RFC professionals across the country
- ▶ Start or participate in discussion topics
- ▶ Share practice concerns and solutions
- ▶ Stay up to date on RFC classes and events

Log onto [www.LinkedIn.com](http://www.LinkedIn.com) to join and access the International Association of Registered Financial Consultants group

Contact [mark@IARFC.org](mailto:mark@IARFC.org) for assistance with IARFC LinkedIn Group



# Profile Interview

# Barry Ferguson

## Critic of the Federal Reserve

### How did you enter financial services?

I had a great aunt that lived to be 102 years of age. She worked as a registered nurse until she retired in 1962 or so. Of course nurses didn't make much money in those days -yet my aunt was fairly wealthy when she passed on. Her secret? Besides being, as my grandfather put it, 'so tight that when she squeezed a dollar the eagle screamed', my aunt was a lifelong investor. From her I learned that wealth has to be built on real investing and not savings accounts at the bank. Then too, timing is everything.

I came of working age in the early 1970's. The economy was in the worst recession since the Great Depression. Even menial jobs were difficult to find. I graduated from college in 1979 and unemployment was again, depression-like. Then, in October of 1987, the stock market crashed.

At this point, I knew I needed to really learn how the world was put together. What made everything tick? It was obvious to me that the world was gravitating around the stock market and this had to be the center of study for a real understanding of economics and business. I knew I could devote myself to the cause and turn a love into a vocation. In 1991 I qualified myself to become a financial planner.

### What was your educational background?

I earned a B.A. in Psychology from the University of North Carolina Charlotte in 1979. Immediately upon graduation, I recognized how the world was changing — the computer age was dawning. I began taking courses at night in computers, computer programming, and even economics. I have furthered my investment education by taking courses in technical analysis with regard to securities and economics.

### What were your early job duties?

My first foray into the business was with the old IDS company. We spent our days cold calling people from a list to invite them to a seminar. Before my second week was up, I asked a question of my supervisors: "What if

an IDS proprietary product was not the best product for a client. Could I sell a different product?" The response was career changing. Yes, I could sell any other product I wanted. However, I would only get paid for sales of IDS products. I liked the business — not the company. From the beginning, I wanted the independence to deliver the product and advice best suited to clients.

### Were you successful at first?

No. I was later told by a supervisor that I would not be successful because I "had to know too much about the product before I sold it". I thought that's what we were supposed to represent — expertise! Besides, I was supposed to be selling life insurance, but my real interest was in investments and the stock market.

Let me share a true story about insurance. As we all know, the 'new guys' get the clients no one wants after their agent quits. So the insurance company sent me out to talk to a business owner who wanted to take \$30,000 of cash value out of his whole life policy. The insurance company didn't want to talk to him because that withdrawal would collapse the policy. So I went out to see the guy. Turned out, he really liked his life insurance and not only wanted to keep it, but also actually wanted more. To make a long story short, something clicked. I reviewed his premium for his \$350,000 face value policy. I had just talked to another guy about the same age who wanted \$500,000 in insurance. Oddly, the premium for \$500,000 was less than the client was paying for \$350,000. I ran the numbers and the solution was simple. The client needed to withdraw his cash value, collapse the old policy of \$350,000, and apply for a new policy with \$500k of insurance. Why? The client got his cash and because the actuarial tables had changed since his original policy was issued, he could actually get a new policy with a face value of \$500k of insurance with a lower premium than his original policy.

I was so excited that I could give the client everything he wanted at a lower premium to boot! When I told my supervisor of my



solution, I was told I could not carry it out because the company didn't want the policy surrendered. But I thought we were supposed to be in the business of helping clients and doing whatever was best for them and not us! Finally, the company saw my irrefutable logic and allowed me to carry out my solution. However, they refused to pay me any commission for the new policy. I did it anyway and then quit.

### What or who influenced you the most?

Steve Bailey — the current IARFC President. Around 1996, I came to Steve's office to talk about an idea he had about 'money management'. Before I even sat down, I told Steve that I had no interest in 'commissioned sales'. Unknown to me at the time, Steve was a pioneer in fee-based advisory work and was a good ten years ahead of everyone else. He told me to relax and sit down. His idea was to concentrate his practice on his love and expertise, financial planning and client service, while someone else concentrated on the investment of clients' portfolios. Steve's devotion to fairness and independence toward clients was exactly what I was looking for.

### What were your major obstacles?

My personality. By nature I am pretty shy and I enjoy a lot of solitude. I did not come into the business with a lot of connections or any kind of base from which to draw clients. The financial services business is a 'people' business and that aspect is difficult for those like me. I always liked the quote from Coach Tom Landry. When accused of being overly stoic and stone-faced, he said, "I can't smile and think at the same time."



Third, I maintain a blog at [www.bmfinvest.blogspot.com](http://www.bmfinvest.blogspot.com) where I try to post a general recap on the week's important topics of investment interest.

Fourth, I write articles that get posted all over the Internet and do occasional guest spots on radio shows. Finally, I spend a lot of time on investment and economic analysis so that I always have a wealth of information to share with clients (who want to know) about whatever is currently driving investments. Hopefully, the clients all see very quickly that I have a unique point of view that they can't get, nor hear, from anyone else.

### **What are your major frustrations?**

Regulation, manipulation, and public ignorance. Our business is, in my opinion, wildly over-regulated by agencies that for the most part have no clue what we do. For instance, upon an SEC audit, advisors are asked to provide their anti-money laundering policy (AML). However, advisors under SEC governance are not 'required' under any rule to have an official AML policy. Regulators want to qualify things like 'suitability'.

Five years ago, wouldn't companies like AIG, Bank of America and GM have been suitable investments for 90-year old widows? Yet, they all pulled an Enron and absent the bailouts, would have all gone the way of Enron. How does anyone qualify 'suitability' anymore? We all deal in a world of illusion. Why are some of the biggest companies in the world, like BP, considered 'safe'? Because they have their business hedged with derivatives. Who insures the derivatives? Credit default swap issuers. Who insures them? Companies like AMBAC Financial and they are flat broke!

One of the challenges of the investment business is learning everything about the influences of investing. I have spent years studying fundamental and technical signals. When the bear market of 2000–2002 struck, my clients made money in two of those years and only lost 6% in the other.

Then in 2003, there was a tectonic shift in government policy such that the Federal Reserve took over as the driving force of the markets. They then became casinos in which the monetary system was hijacked by central banks to cover both their corruptness and ineptitude.

Today, the "investment" casino is manipulated daily as I report on my weekly blogs. The evidence is clear as told by charts of the indexes. The Fed is in the news every week

with some new plan of stimulus or subsidy or manipulation. Whatever happened to capitalism and using skills and intellect to get ahead? Now it seems the dumber you are, the better off you are! Uncle Ben (Bernanke) cooks more than just rice!

And sadly, the public is blissfully ignorant of anything going on as long as the stock indices keep moving higher. They seem to care not that their very freedoms are compromised when they become dependent on a government entity or a central bank to constantly rescue their investments. It is disappointing to see a public that surrenders so easily to any institution that promises to rig the markets perpetually higher. This tends to nullify the skills of bear market navigation. In the end, the public now has no idea how artificial and contrived the entire economy has become. That is, as long as the Dow stays up!

### **Why have you been a critic of the Federal Reserve?**

From an advisor's perspective, we all try to give our clients our best financial advice. Honesty is at the core of that advice. In the great 'financial crisis' of the past decade, I advised clients and readers of my articles to stay away from scam products offered by insurance companies and banks. Those products offered much more than I could 'guarantee'.

However, when the market crashed, the banks and some of the insurance companies lost all of their clients' monies. Bank of America lost it all. So did Citigroup, AIG, Merrill Lynch, Lehman, JP Morgan, Bear Stearns, and so on. But I didn't lose all of my clients' monies. Capitalism should have decided the winner.

I despise the Federal Reserve because they circumvent capitalism to reward their inept, fraudulent, incompetent friends who spent the better part of a decade conning, scamming, and swindling money from clients. Now that the Fed bailed out the banks and therefore their clients, I look stupid because I was honest and observant. The Fed completely changes the fair rules of economics and investing whenever they want to as it suits them. I believe everyone has a perfect right to gamble and take excessive risks with their money. If they lose, they lose. Intelligence and skill is what we are supposed to rely upon to help our clients. The Fed neutralizes those skills with their money creation machine. Ultimately, the Fed prevents capitalism.

### **Tell us about your current practice:**

My company, BMF Investments, Inc., is an independent, fee-based investment advisory firm. I consider my main clients to be advisors who utilize me for third party advisory work with their clients' portfolios. We invest in everything from stocks and ETFs and mutual funds to annuities and alternative high-yielding income products. We charge a fee based on assets held under management, so it really makes no difference what portfolio our clients are in. The main idea is to satisfy the goal and suitability of the client without product commission inducement.

As far as my philosophy, I maintain an 'absolute return' focus meaning I try to take advantage of both uptrends and downtrends. Ultimately I think this keeps my advice true in that I am not 'cheering' the indexes on to validate my positions.

### **How do you market for new clients?**

I have several marketing approaches. First, I hold lectures to talk about investing and the economy. My lectures are derived from something unique and profane in today's environment. It is called 'the truth'. I don't 'sugar coat' anything and I don't 'sell' anything. I even recorded one and posted it on YouTube (A search for 'BMF' and 'Lecture' will bring it up.). Most attendees are shocked by what they hear.

Second, I write a monthly newsletter, *Barry's Bulls*, that is sent to clients. I seem to get more compliments on the newsletter than anything else I do.

## **Tell us about your business continuation plan?**

I don't consider my business one that would continue without me. Sure, someone else could serve as an investment advisor but they would do so with their own strategy and skill. I think this business is unique to every advisor. Eventually, I'd like to groom a successor or owner, but it is just not something I can address now.

## **What feature of the IARFC has been of greatest value?**

The communication with other advisors. To have a group of professionals from all over the world, involved in everything from the insurance side of the business to the investment side of the business provides a great resource to grow knowledge. The *Register* shares information from variant sources and LinkedIn groups provide instantaneous discussions on almost any topic.

## **What do you see for the Association in the future?**

The IARFC will continue to grow as business changes. In my opinion, over the next five or ten years more true advisors will be disconnecting from Broker/Dealers and connecting with an independent arrangement. We will all need an Association like the IARFC as a support group and a knowledge base. We can already see this in play as under Ed Morrow's leadership, the IARFC is bringing a key piece of an independent's needs to the IARFC — and that is compliance resources. One of the biggest challenges of an independent is business functionality. Organizations like IARFC are providing more and more of that and giving real advisors less reason to fork over haircuts on their business for which they get less and less real help in return.

## **What should financial advisors be doing in this economy?**

This is a great question and I know I am going to step on a few toes. But, financial advisors are going to have to make a decision on whose side they are really on. The new financial regulations have hinted about the issue of fiduciary responsibility.

We are going to have to tell our clients whether our primary duty is to them or a company for which we sell products. Company products pay commission and that's fine. Advisors typically collect a fee so the product issue becomes a non-event. We are all going to have to decide how we are

going to align our business. The client is entitled to know whether they are talking to a person that represents a product and has a financial incentive to push that product or they are talking to a person who represents the clients' best interest.

Just as importantly, advisors need to be in constant contact with their clients. Let's be honest. Everyone knows that the US economy has been 'transformed' and it is not going to return to a manufacturing base. We must understand that even according to BEA statistics, 'government spending' is now a larger proportion of US GDP than 'manufacturing'.

Things have changed and we all better be able to explain to our clients how things have changed. For instance, Treasury yields will likely remain near zero for a generation or so. How will this impact the very products that depend upon Treasuries like life insurance and other fixed income products? Clients need to know we are on the job and we have a good idea as to what is happening. They are sitting around watching investment programs on television and God knows they aren't going to learn anything there!

## **What will be the impact of technology?**

Technology is rapidly changing the way we do business. Even the SEC has relented on a lot of the old paperwork requirements like keeping hard copies of client statements in files. As long as statements can be accessed electronically, printed, and produced, we can cut out some storage problems. Most of our information and trading ability is now online. Of course, we don't have the manipulative powers of the high frequency traders but that's supposed to be a criminal offense anyway. Most importantly, we all now have access to a plethora of information.

I mentioned the LinkedIn groups that all IARFC members can access. But I think we are seeing an alternative to the government controlled television and news media and that alternative is available from the Internet. As most intelligent people know, typical television investment news is there to cheer on the never-ending bull market and has very little to offer in terms of real knowledge.

The response has been an explosion in websites and blogs that offer real information from many viewpoints. Most of them even employ the one thing most lost on most media — the truth. Some websites are even morphing into little networks broadcasting live video stories about investing. I believe we are seeing a new medium of information exchange grow such

that one day soon, we will all get our information from an Internet source. I am personally going to appear as a recurring guest on one such Internet radio program. Can you guess what different information our listeners will hear from me as opposed to the typical media blabber?

## **What do you advise an RFC to concentrate on?**

A 'consultant' is supposed to have uncommon expertise in their field. An RFC should have expertise in whatever they choose as a business concentration. If it is insurance, know it completely. If it is stock casino investing, know it completely. Be a true consultant. Our clients depend on us to know more than the average person. Know what you know and know what you don't know. For instance, if I had a client that needed insurance, I don't know diddley about insurance. I would call an expert from the RFC to help.

## **Please tell us about your interest in Asia or any particular country?**

The US is still my main focus because one, it is the largest economy in the world. There are dynamic changes to the U.S. economy that ultimately affect the rest of the world. I think everyone knows, for instance, that the US is now pushing \$14 trillion in debt and some \$200 trillion if you count all the entitlements that are extended yet unfunded. The Chinese and Japanese have enabled the gigantic debt expansion, but so too have derivatives and ignorant politicians.

The result is the US has been transformed from an owner to a renter and from a loaner to a borrower. Renters and borrowers don't have the same power as owners and loaners. For right now, the US still drives the economic train of the world. It is a matter of time before some of the passengers jump off to find sanity — and that will change economics for good.

## **What's looming on the horizon for our profession?**

Two things in my world. First, excess regulation is unfortunately having the opposite effect as it was intended. The criminals like Enron and Madoff have colored the perception of investment professionals in the public's eye. Government responds like governments respond — they regulate and litigate. They do so in an effort to protect the public. However, excess regulation can actually work against the public in that investment professionals become more guarded over the information they choose to



share and more limited in creativity. Those who commit crimes are sent to jail forever. That should be enough of a deterrent to commit fraud but now the environment is such that regulators view everyone as attempting to commit fraud. The public gets less truthful information and they will also wind up paying more as investment professionals spend more to comply with intrusive regulation.

Secondly, the income cow is dead. Most of our clients tend to be older, less risk averse, and more interested in stability and income. Unfortunately, the real driver of income solutions is interest rates on debt products and those interest rates are all pushing zero. Worse, inflation (especially for things like prescription medications) has pushed real interest rates below zero. This affects everything from insurance products to investment products and forces investors to endure more risks. Going forward, a debt dependent society cannot tolerate rising interest rates. It may become harder for us to justify our commissions and fees as it becomes harder to produce honest returns.

### **What do you wish you had done early in your career?**

Nothing, really. I worked in different industries when I was younger and that gave

me an opportunity to mature and grow my understanding of business. In the early 1990's, I had the opportunity to work for a 'high tech' company that introduced the financial kiosk to the world. I may in fact be the first person to ever sell a variable annuity over a kiosk. I also got a chance to develop financial software for some of the biggest banks in the world and that was an eye-opening experience. For instance, I designed a CD demonstration program for Citigroup that worked on one of their kiosk systems. I spent two days on an algebraic formulation that calculated the future value of a given CD and a given interest rate. Two hours after I first showed them the system, the lead manager of the production team called me. They wanted to know how I derived my calculations. They went on to tell me that they had been running a similar calculation for the past ten years that they knew was incorrect but still couldn't make it work. My formula was perfect. Knowing this, is it any wonder that my impression of banks is not very positive?

### **What have you done to create a reputation in your professional practice?**

I have always tried to demonstrate a level of expertise that clients would be hard pressed to duplicate. I have been writing a stock market commentary newsletter for

15 years in which I give clients the truth. It may not be what they want to hear but it is the truth. I have written a book on investing, and given lectures all over the country. I have been on the radio and prepared many articles for financial publications. Some of my articles continue to be frequently read on financial websites like [financialsense.com](http://financialsense.com) and internationally on [MarketOracle.co.uk](http://MarketOracle.co.uk). Throughout everything, I strive to be 100% truthful. Truth alone, in today's world, should demonstrate a certain level of expertise.

### **What do you do in your spare time?**

I spend most of my spare time playing the electric guitar. When my son was 10 years old, he wanted to take guitar lessons. I signed him up and sat in on his first lesson. I came back the next week and signed myself up, too! I was completely hooked immediately. It was love at first 'E chord'! Since then, I have been joined at the hip to my constant companion — a hot Fender Stratocaster.

### **Tell us about your family.**

I have been married for 30 years to my wonderful wife and I have one son who is now 22. I am very proud that he is an entrepreneur right out of college. Just this past summer, he started his own lawn service company and a clothing company, CTM Clothing, of which he designs himself. I am looking forward to watch him grow his companies. There is nothing like an entrepreneur!

### **What is the biggest risk to investors over the next year?**

The biggest risk is most investors have no plan of defense. The entire world is propped up by derivatives and as such, the world of investors is lulled into a false sense of security. The crash of 2008 was real, but the disease has not been cured. Instead, it has been obscured by piles of freshly invented Fed money and ignored. The \$13.4 trillion and counting debt and the \$200 trillion in unfunded entitlements are being treated like the 800-pound gorilla in the room. We just keep throwing him bananas to keep him happy but one day, he's going to have a gas attack that will choke us! ☐

**Contact: 704 563 2960  
[barry@bmfinvest.com](mailto:barry@bmfinvest.com)**

# The Nature of Trust — and How to Develop It

**Note:** This article is an edited clip from Michael's new book *Credibility Advantage*.

The goal of your business is to become more profitable. But how can you do that? By making either more sales or larger sales. OK, how can you do that? Get better clients. OK, how can you do that?

And, that's typically where the conversation morphs into a painful silence. The simple answers to the HOW question are;

- Reduce the timeline of the sales process
- Increase referrals

The key to achieving both of those is to become a real expert at developing trust. Again, how can you do that? After all, in many ways trust is the one puzzle you must solve before you can realistically expect to grow your business. So, let's look more closely at trust.

As consumers, we trust different people and sources to guide us in our search for people, firms and products to trust. As business leaders, we need to identify those people and sources and develop a Communication Strategy around them. We need to do something that seems extremely difficult for advisors — get into the mind of the target market.

As Chris Brogan said in his book *The Trust Agents*, "The basis of trust is still the same; it's the signals that have changed." In order to understand how to develop trust, it's essential to learn how other people construct the trust bridge.

I don't mean to belabor this point, but how do you think people find people, firms and products to trust? How would you go about doing that? Well, luckily, there is a lot of research we can look at to learn how other people do that.

## Which sources of information do people trust?

In order to get a picture of what information and information sources are perceived as the most credible, let's take a look at three studies. These bullets show you their main conclusions:

- **Forrester Research** shows that: 1) email from people you know and 2) consumer product ratings/reviews are the top 2 trusted information sources.
- **Nielsen Research** found that the most trusted advertising came from: 1) Recommendations from people known; and 2) Consumer opinions posted online
- **Edelman Trust Survey** suggests the three most credible sources of information about an organization are: 1) stock/industry analyst reports; 2) articles in business magazines; and 3) conversations with company employees.

**Bottom line.** The main point for you to remember is that the number one most trusted source is another person. Sometimes that person is an expert, other times it's someone you know. Why is that? Because

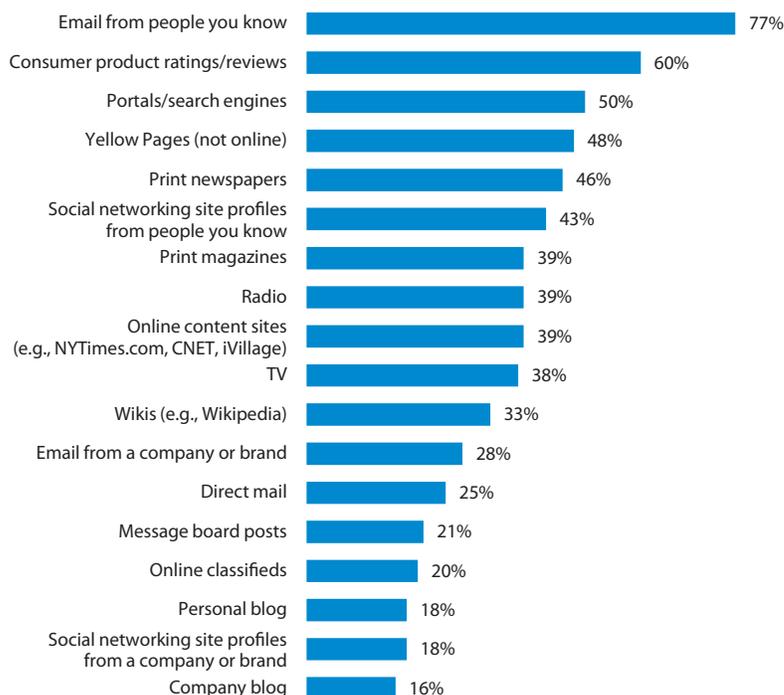
the person you already know probably has no hidden agenda for sharing information with you. He's not trying to sell you anything. He won't get a finder's fee. If that person is an Analytical, you can safely assume that he has already done a great deal of research prior to giving you his opinion. Now, let's look deeper into the research from Forrester, Nielsen and Edelman.

The Forrester Research study ([www.forrester.com/corporateblogging](http://www.forrester.com/corporateblogging)) surveyed consumer trust of information resources and found that only 16 percent of consumers trust what they read on blogs. That scores below direct mail and message board posts. Of all information sources, including traditional and interactive media, corporate blogs finished dead last in consumers' eyes.

The Forrester Survey reports that newer forms of corporate social media didn't do

## Most Trusted Information Sources — Forrester

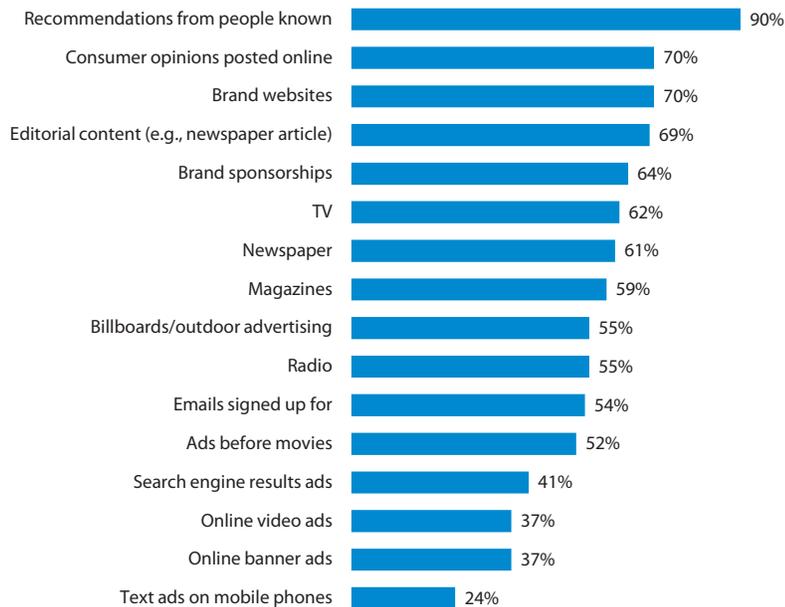
"How much do you trust\* the following information sources?"



Base: US online adults who use each type of content  
\*Trust is defined as a 4 or 5 on a scale from 1 [don't trust at all] to 5 [trust completely].  
Source: North American Technographics® Media and Marketing Online Survey, Q2 2008

## Most Trusted Information Sources — Nielsen

Have some degree of trust\* in the following forms of advertising  
April 2009



Source: The Nielsen Company

\*e.g., 90 percent of respondents trusted "completely" or "somewhat" recommendations from people they know

well, either. Social networking profiles from brands were trusted by just 18 percent of consumers; that makes them the second least-trusted information source.

Why is blogging so ineffective? Forrester concludes that many brands make the mistake of blogging about what they know most about: themselves. Indeed, that is what the vast majority of financial marketing is based on, too. Instead, Forrester analyst Josh Bernoff urges companies to focus on customer problems and cater to brand fans.

"If you want to be a thought leader and helper for your customers, and you blog frequently about those customers' problems and solutions, then you can generate trust. This takes time and effort, but it will enhance your company's reputation and it's worth it."

When it comes to advertising information online, which sources do consumers trust? According to the latest Nielsen Global Online Consumer Survey of over 25,000 Internet consumers from 50 countries, the answer is resounding — "Other People."

Ninety percent of consumers surveyed noted that they trust recommendations from people they know, while 70 percent trusted consumer opinions posted online.

"The explosion in Consumer Generated Media over the last couple of years means consumers' reliance on word of mouth in the decision-making process, either from people they know or online consumers they don't, has increased significantly," says Jonathan Carson, President of Online, International, for the Nielsen Company.

What can you learn from that? If you're not already doing it, you should start bending over backwards to make everyone love you. That would imply that you install a Client Satisfaction Strategy. What else could you do (that you're not already doing) that would make your clients smile?

### Edelman Trust Barometer

The Edelman Trust Barometer is a survey released in February 2010. It looked at 4,475 "influencers" across the globe (defined as college-educated people with household incomes in the top quartile for their country, per age group, who report significant media consumption and engagement in business news and public policy).

The survey finds that trust in businesses has fallen by more than 20 percent in the past year. And, goes on to determine

what sources people go to for credible information about a business.

Edelman ranks the three most credible sources of information about an organization:

1. stock/industry analyst reports (47 percent)
2. articles in business magazines (44 percent)
3. conversations with company employees (40 percent)

Others include CEO speeches (27 percent), corporate communications (26 percent) and business blogs (19 percent).

This suggests that people need to get information about a company from three to five different sources to trust them. Why are these findings important to you and your credibility? Because they validate a significant communication vehicle — conversations with your employees.

Simply, the information and opinions that your employees share about your brand have substantial influence on your company's reputation. The information can be spread through online social networks (e.g., LinkedIn, Facebook, Twitter) and offline (church, lunch, kids' soccer games).

Ninety-one percent of opinion leaders aged 25-64 in 20 countries said that being able to trust a company affects the company's overall reputation. And, since conversations with employees ranks so high, corporate leaders now have a well defined communication channel for distributing positive news about their firms. Employees who are armed with the best information about a company tell the best stories.

*"Employees' Trusted Role in Building Reputation," Strategic Communication Management. Melcrum Publishing. 2009.*

### Develop a Better Communication Strategy

This probably falls under the domain of Communication Management. Picture it as a target. The inner-most circle (bull's eye) represents everyone working at your company. The next circle is your existing network of clients. The third circle are your clients' networks.

**Circle #1.** Improving your firm's trust means training all your people on the good things your firm represents. That would include your charitable work, your

community involvement, and your in-house resources. It would include how far you go to help your clients. It would also include your morale-building efforts. It also means teaching all your employees how to deliver the good message.

For every employee you treat well and train to serve as a positive spokesperson, the quality and quantity of Word of Mouth advocacy increases. This is public relations 101 — your employees are your first line of positive press — and negative press if you don't treat them right.

**Circle #2.** Increase the WOW factor for your clients. Excite them to the point that they turn into advocates for your work. If they're not wowed, they will not say good things about you or your firm. Why would they? But, they might drag your name through some mud.

**Circle #3.** Devise the most appropriate ways to get your message to your clients' personal network. One tool we've used very effectively is a little booklet patterned after a golfing tip book. It uses golf (water, sand, rough, distance, dog legs) as the metaphors for life's problems and shares

possible solutions. You simply give your clients a few copies and invite them to share the booklets with their friends.

### In Conclusion

If you develop a Communication Strategy like the one above, you will find that people trust you more easily. Trust is the key to reducing the time it takes for people to make a buying decision. You'll also find that your clients talk more about you and their friends reach out to you. Those two will make your business more profitable, and you'll find your employees more motivated.

### Your Reward

I understand that developing a Communication Strategy is outside the normal training of most advisors. If you get stuck or have difficulty developing your Communication Strategy, I will gladly share some ideas with you. Just email this paragraph to me, along with your contact information. We can schedule a short conversation and I'll help you as much as I can. It's my way of saying "Thanks for placing your trust in me." ☐



**Michael Lovas**

**Michael Lovas** is the author of ten books, three columns, and a thousand articles on Professional Credibility and the Psychology of Communication in the financial industry. He's the co-founder of AboutPeople and the pioneer of Credibility Marketing. Find Michael's books at: <http://www.aboutpeople.com>.

**Contact: 509 465 5599**  
**michael@aboutpeople.com**  
**www.aboutpeople.com**

## PixelGigs Brings SmartSuite to IARFC Members at Tremendous Discount



// It's a no-brainer — get it! //

### SmartSuite • The All-In-One Online Business Center

Subscribers receive unlimited use of all applications. New applications are continually added at no additional cost.

- |   |  |
|---|--|
|  <b>PixelCRM</b> (Coming Dec 10)<br>contact management |  <b>PixelRemote</b><br>remote computer access |
|  <b>PixelMeeting</b><br>video conferencing             |  <b>PixelHost</b><br>website hosting          |
|  <b>PixelCampaigns</b><br>email marketing              |  <b>PixelWebsite</b><br>website builders      |
|  <b>PixelVault</b><br>online backup                    |  <b>PixelMail</b><br>web email client         |
|  <b>PixelShare</b><br>large file sharing               |  <b>PixelTimeClock</b><br>web time clock      |

**For more information or to register call PixelGigs at 503-783-5808**

**Only \$30 per month**

# How to Penetrate the LTC Market in 2011

Selling long-term-care insurance has been poised for change for a few years now. Are you finally ready to make this product work for your financial practice and/or Agency? **The keys to sales success are different now** so let's lay out a game plan for 2011.

**One fact has remained constant** — Only a few percent of Americans currently have LTC coverage. Why? No matter what the companies say in all their ads, when you get down to asking a client or prospect **"What are your plans WHEN your health changes?"** you'll see them squirm or become uncomfortable. All of us still want to think that needing long term care will happen to the next guy, not to us. Thankfully the insurance companies have given all of us Agents several products that can fit whomever we're selling to. Here's an overview:

1. **Traditional long term care insurance:** Yes, this is the old-fashioned LTC insurance product that will pay for home care, assisted living costs, or monthly nursing home bills. The younger your clients are, the more affordable this product is. In the old days, direct mail was the best way to market this. Now, it's harder and harder to get a 3-4% response. You might want to offer **Informational Workshop** marketing in your community next year. This is the newest 'Wave' and **consumers will PAY to attend** if the workshop isn't about you, and if you're careful not to try and sell anybody anything during your talk. When you give a talk about what to look for in an LTC policy, what questions to ask an Agent, talk about the biggest LTC companies offering products, etc., then the consumers who attend your workshops will see you as a Consumer Advocate. It's one of the best ways to position yourself ahead of your competitors.

2. **Group LTC products.** With this market you're looking at a market niche that the big benefit brokers usually overlook: companies with fewer than 100 employees or members. Relatively few of those companies have voluntary plans. This could spell opportunity for you if your staff includes health agents. Your own current client base, whether it's made up of small or large organization or a mixture, is the ideal place to start. Perhaps many of your clients don't have LTCI as a benefit, perhaps some do, but few employees have signed up.

3. **Annuity products with LTC or Terminal Illness Riders.** Many times your clients or prospects will not have a health history that could sail through the underwriting process for a traditional LTC product, or you may be working with a couple where one person

health-qualifies and the other doesn't. That's where I always use an annuity. Basically, **you talk about the need to set aside a portion of their financial resources to help pay the costs of long term care.** Their health has already changed and the possibility of needing care in the future is much more clear to that person sitting in front of you. Many annuities allow the policyholder to withdraw all of the balance if they are confined to a nursing home for more than 90 days. For others, the potential of withdrawing 10% each year to help pay for home care or an assisted living facility seems like a good planning method. And best of all, if they are lucky enough to just die in their sleep, the balance of their annuity will pass directly to the beneficiary they name on their policy. It's a Win-Win for all.

4. **The Combo products.** For your younger, healthy clients this is probably the easiest LTC sale to make. If you're a life producer, make **SURE** to add some discussion about how your client can accelerate the death benefit on their policy and use a portion of it to pay for long term care. The client is already looking for life insurance coverage and adding in the opportunity to use their benefits for a life change (like paying for long term care) just makes good financial planning sense. **The client feels secure knowing that they have coverage, have options, and if paying for long term care never happens to them, their family will receive the entire death benefit on their life insurance policy.** If care **IS** needed, a death benefit is still there for the family, and the pain of paying for care before their death isn't as much of a worry for them. Once more... a Win-Win solution! **Many Agents who shied away from selling LTCI because it was too hard have found that the Combo products make more sense to them** and it's an easy sale to make. They were so well-trained in selling life insurance that this product is what they believe to be the easiest way to make sure that their clients have some long term care coverage.

5. **The FREE LTC benefit from the Veteran's Administration.** Yes, for wartime Vets, the VA offers a **FREE** long term care benefit when the Vet or his Spouse needs help paying for home care, assisted living expenses, and nursing home costs. (Even if the Vet has passed away, his surviving Spouse has a benefit they can apply for). The Vet can combine this benefit with the traditional LTC benefits they'll be receiving from the policy you sold them, and you've become their Hero because you helped them plan and helped them pay for the costs of care. Once more, it's a Win-Win solution for you & your clients.

## How can you market these products and create an Edge in 2011?

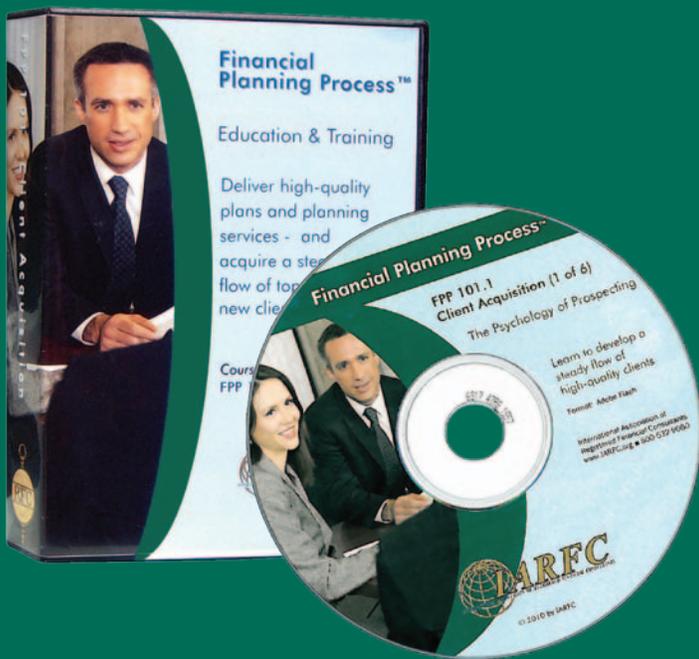
**Try Informational Workshop marketing!** It's been the best marketing strategy I've ever developed over the past several years. I offer workshops to the community about topics that make sense to them and **CHARGE \$10** for folks to attend. Yes... **I CHARGE.** And now people in the Denver area realize that at these workshops they'll get the information they need to make a decision without any sales pitch. I've become known as a Consumer Advocate, especially for long term care, and it's the best advertising I could do. If it works here in Denver which is one of the most competitive markets in the country, it could work for you too. As Financial Advisors we **HAVE** to create a marketing plan for our practice that's different than the traditional methods we've always used to attract new clients and prospects. Why not make 2011 your best year ever and let Informational Marketing be a key component in your marketing plan too? ☐



**Wilma G. Anderson, RFC®**

**Wilma G. Anderson, RFC®** is America's leading LTC and CI sales trainer and a practicing producer in Littleton, Colorado. This article covers some of the key points vividly portrayed in her DVDs, "Mastering the One Call Close", "The Secrets of the LTC Sale", and "Mastering The Annuity Sale" For RFCs, the cost for all 3 DVDs is only \$199! Visit her websites you'll find several products that can help boost your sales, including personalized tele-coaching sessions, workshops, and sales-meeting speeches.

**Contact: 720 344 0312**  
**wilma@CriticalIllnessCoach.com**  
**www.CriticalIllnessCoach.com**



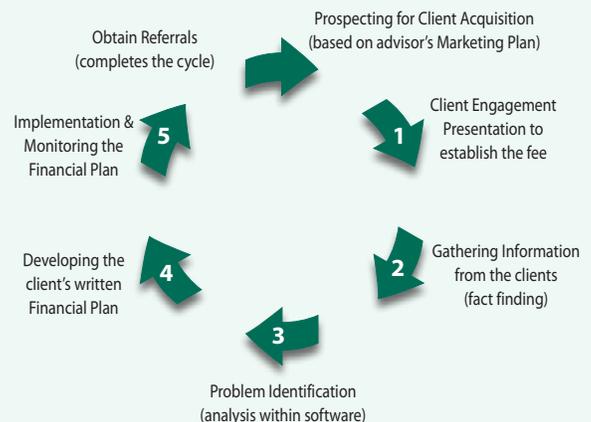
## Prosper While Helping Clients Achieve Financial Independence

You may know “about” financial subjects and how they are applicable to guiding the client. The Financial Planning Process™ course explores **how** to build plans and **have the tools** to do it! Even if you are an experienced advisor and have completed traditional planning courses aligned on the basis of academic subject titles, **you may never have produced a plan!** With the RFC course you get technical knowledge, practical skills, and proper tools and technology.

Producing a plan is like building a fine watch. It is good to know about gears, springs, ratchets and jeweled bearings, but actually building a watch, on a cost-effective basis, is a different matter. The consumer wants a timepiece, not someone who just knows about gears.

The **Financial Planning Process™** is a unique course. Even experienced financial advisors find that it equips them to excel immediately. You gain the skill and tools to acquire and serve clients successfully. The **Financial Planning Process™** course is a process-driven program that will immediately impact your bottom line:

- Proven practice tools
- Ready to use letters, agendas, and checklists
- Agreements, certificates, and forms
- Procedures and processes



The **Financial Planning Process™** enables you to earn more money immediately: Make presentations, show your sample plans, charge fees, and use the plan writing checklists and correspondence tools. You will acquire clients and sell financial services and products — as you add even more academic knowledge.

Every advisor needs a steady flow of high caliber new clients and with the right process this will be achieved. We will help you learn to master a stress-free referral process that will enable you to fill your pipeline with people interested in your products and services.

### Easy Registration

Register One Time for ALL Course Components. No need to register for each course

### Designed for the Way Advisors Learn

No time consuming travel and class room attendance here. You will complete activities designed to let you practice key concepts, and experience the opportunity to build plans and have them tested.



# Financial Planning Process™ course



## Take the Next Step!

Acquire the skills and tools for a more profitable financial planning practice — developed by veteran financial planners, business consultants and practice management experts.

**FPP 101** — Advisors learn industry-proven methods for successfully identifying, selecting, and approaching prospects for financial products and services. The course covers procedures for creating prospect awareness, target marketing concepts, and prospect qualification and prioritization techniques. Students learn how to overcome the psychological barriers to prospecting and innovative approaches to setting income and activity goals. Strategic, tactical, and operational business planning processes are presented in detail along with effective contact management systems. In addition, this session explores practice management concepts, professionalism, and ethics.

**1. The Psychology of Prospecting**

We introduce what prospecting is, how it differs from marketing and selling, and explore the very nature of our resistance. That understanding will enable us to overcome the resistance and actually become effective.

**2. A Name is Not Enough**

Effective prospecting has more in common with being a good detective than being a good sales person.

**3. Be Prepared (or, Ad-Libbing is for Amateurs!)**

Consistency is vitally important when meeting and speaking with others. There is nothing “insincere” about rehearsing what you say, so long as you actually know what you are talking about!

**4. Goals: A Backwards Approach**

Financial services, like many others, is a numbers business. If you decide that you want to earn a certain amount of dollars within a given year, then you must start with that objective, and work backwards. You have heard it before, “begin with the end in mind!”

**5. Provide Extra-Ordinary Service!**

Have you ever been so satisfied, or so well served by another person or business, that you were actually excited and eager to share that experience with a friend? Wouldn't you like your own clients to feel that way about the service they receive from you?

**LEARNING OUTCOMES**

At the conclusion of this course, students should be able to:

- Prospect effectively within their chosen market.
- Understand the role that psychology plays in the success of the advisor.
- Develop a board of advisors
- Understand the numbers of prospects needed to achieve their goals
- Understand the concept of “extra-ordinary” service and be able to implement it for their own success.
- Organize their practices to make the most of both time and energy.

**FPP 102** — This course teaches the advisor the basics of marketing for business. This includes the creation and implementation of a marketing plan, the use of CRM software, creating and managing media lists, and creating a personal brand. Students will be introduced to the tools and techniques necessary to create a level of fame for themselves and their practices.

**1. Marketing Fundamentals**

To be effective and successful in financial services or in any business for that matter, you must have a basic understanding of marketing. You must be aware of what is included when you hear the various terms being bandied about in the marketplace. This session is a lesson on marketing that will make your future marketing endeavors more accurate and more relevant to your day to day business.

**2. The Plan is the Thing**

Every financial advisor, if they wish to be successful, needs to develop a Marketing Plan. This plan is your roadmap to ensure the long-life and viability that is so necessary in today's competitive business environment. Learn the ins and outs of creating a plan that will work for you now, and in the future.

**3. Brand New... Brand You**

In the financial services industry, advisors are a dime a dozen. Branding is the ultimate tool that will differentiate you from the person down the street who is also gunning for your clients. This session will give you the basis for creating a brand that you can leverage to enhance your marketing and your overall success rate.

**4. Presenting... YOU!!**

When it comes to creating an image for yourself and then supporting that image, it is important that everything you do be professional. That covers everything from your office to how you dress and even what you show to your prospects and clients. Learn how a professional presentation will make your work with prospects and clients more rewarding and easier.

**5. Fame Becomes You**

People have to know you if they are going to engage you for your services. You can consider that becoming famous greases the skids when it comes to both prospecting and engaging clients. There are countless ways for you to become famous, and most of them are completely legal. We show you things that you can start to do right away that will aid you in becoming famous for all of the right reasons.

**LEARNING OUTCOMES**

At the conclusion of this course, students should be able to:

- Create and implement a successful marketing plan
- Develop and utilize a media list for their market
- Understand the effective use of a CRM program
- Utilize brand-building techniques to support their sales activities

**FPP 103** — This course is designed for the advisor who wishes to expand their practice to include fee planning. The proper engagement of the client is essential to the delivery of professional financial services. This includes the full and proper explanation of the advisor's services, the complete disclosure of all information, the assurance of client satisfaction, and the role that ethics plays in the ultimate success of the engagement. Students learn the use of presentation systems to enhance the practice and the need for a systemized approach to the client financial planning process.

### 1. A New Beginning

Clients and Engagement. Without these two simple words, financial professionals would be as useful to society, and people in general, as a handle on a lemon. It is the client engagement that is the starting point for all that we say and do in our industry. Without engaging someone, we stand to be left behind in the mass market that is financial planning in the twenty-first century. You can have all of the education, textbooks and knowledge in the world, but until you actually engage your client you have nothing of value. As the title says, this is a new beginning, a start of a relationship that will grow over time. A relationship that will lead to satisfaction and loyalty, and ultimately to higher profits and greater joy for all involved.

### 2. Behind the Curtain

See what goes into a successful interaction with a prospect you hope to make a client. What is to follow is a behind the scenes look at various influences on the overall client engagement meeting. Each of these is a key to having a successful engagement meeting and will be a part of what you do and say as you sit with the prospect. Ultimately, you will be able to move them from being simply a prospect to being a client who will engage your services and create the loyal following that you desire.

### 3. Creating a Client

The entire point of the client engagement interview is to build something which to that point has not yet existed. We are creating for ourselves a new client. A person or persons who will agree to engage our services, for a fee or a commission, and who will share with us the innermost details of their financial being. We are not unlike the sculptor who sees within the stone the body of their work and merely chips away that which does not add to the final product. We have within our grasp the final product, the client, but we must remove all of the reasons for not doing business with us that surround the prospect.

## LEARNING OUTCOMES

At the conclusion of this course, students should be able to:

- Accurately present their services to a client and/or prospect.
- Engage a client in a fee-paying arrangement for services.
- Understand and utilize proper disclosure requirements.
- Develop and utilize proper ethical standards.
- Develop an office-wide environment that leads to a successful engagement.

**FPP 201** — The advisor learns the use of paper and electronic methods of gathering the client's household and financial information. This includes the issues related to employee and government benefits, the need and techniques for data verification, and the use of personal document organizers. Students spend time on the psychological and communication skills required to effectively work with clients to gather accurate information. Skill building including communication, listening, software utilization, and organization are all integral parts of this class.

### 1. Becoming Magellan

Now that you have engaged your client, or more appropriately your client has engaged you and your services, it is time for you to spend some quality time with them. Until now you have been having meetings with the client and have done most of the talking. Now it is time for you to return the spotlight to the client. As is the case with the client-focused approach, everything that we do in the financial planning process must revolve around the client.

### 2. Listening for Dollars

In all areas of our lives we are surrounded by sounds. Whether it's the sound of wind through the trees, the sound of waves on a beach, or the voices of people around us, we are subject to sounds that have meanings. This is even more true when it comes to being a financial advisor and working with clients. We have to put to use our listening skills and hone our ability to understand what is being said and even what is not being said.

### 3. Opening the Floodgates

Using proper communication skills will allow the advisor to help the client reveal all of the information that will be used to determine the best path for the future. By opening the floodgates of information, the advisor builds a strong relationship with the client, shows the value that comes from working with a professional, and makes the client-advisor relationship practically bulletproof. It also clears the way for a never ending stream of referrals and introductions... the lifeblood of a true professional financial advisor.

### 4. Where the Rubber Meets the Road

The client can gain a lot of value from the experience of the fact finding exercise. They will have the opportunity to learn things about themselves that perhaps they failed to recognize previously. They will be prompted by the advisor to think of things in a new light, and perhaps to share intimate details of their lives with someone who was previously considered only a stranger. Now that stranger has become a trusted advisor and an integral part of their future success.

## LEARNING OUTCOMES

At the conclusion of this course, students should be able to:

- Use both paper and electronic data gathering effectively.
- Understand the psychology behind data gathering.
- Develop and enhance the communication skills required to effectively work with clients to develop fact finding.
- Utilize proper data verification techniques.
- Explain the necessity of full and proper disclosure to the client.

**FPP 202** — The client is looking to you for answers to their most troubling financial questions. How will you provide the results that will turn the client toward their goals and help them achieve their most wished for dreams? You will do it with a professional and detail oriented financial plan that proves to the client and the world that you are a financial advisor worthy of their trust. This course will provide the basic skills necessary to create both a modular and a comprehensive financial plan for which a client would be happy to provide compensation. Learn the inner workings of a financial plan from what should be included, to how to present the final plan to the client. Look beneath the surface and see how the decisions you and the client make will affect the outcome of the plan. You'll even discover that sometimes a more topic specific plan can be a stronger approach than a full comprehensive plan and can produce even greater long-term benefits for you and the client.

### 1. Inner Sanctum

In the beginning, as the story goes, things were created, and from there the world took off. In the beginning of the financial planning process we had a vision of what was to come from all of our work. Now it is time to turn that vision into reality for the client. Turning a concept laid out in charts and graphs into a true financial plan that will help the client reach goals they have dreamt of for years. We'll look behind the fancy cover and see what goes into creating and presenting a plan to a client.

### 2. Decision Making

Decision making is as much an art as it is a science, which is very much like the work of financial planning. We will spend time looking at the ins and outs of decision making so that you can take this information and polish your own skills..

### 3. It's In There

As we travel down the road that is financial planning, we come to the spot where traffic is the heaviest and the slow downs the longest. This is the chance you have to gather your thoughts, gather the data from the client, and put them all together into a relevant and professional looking report of which you and the client can be proud.

### 4. Sometimes Smaller Is Better

In this section we look at the various topics that seem to be of the most interest to clients who are considering engaging the services of a financial planner. Your ability to create a smaller and more conceptually specific plan will separate you from other advisors in the business. Having the wherewithal to provide a less expensive, yet a still valuable product to clients will lay the groundwork for the future sales of both more comprehensive plans and additional products.

## LEARNING OUTCOMES

At the conclusion of this course, students should be able to:

- Create modular plans that meet the needs of clients
- Develop and present comprehensive financial plans
- Understand decision making and how it affects planning
- Understand the role of computer software in the planning practice

**FPP 203** — The student will also learn how to balance the calculated shortcomings with the client's goals and objectives to develop alternate methods of achieving the desired results. Students also learn to utilize and produce an implementation checklist for the continued monitoring of activities related to the financial plan.

Developing an ongoing relationship with the client will enable the advisor to create multiple selling and marketing opportunities. Each opportunity gives the advisor the chance to provide additional products and services and to garner new and valuable referrals and introductions.

### 1. You Want Me To Do What?

You've met with the client several times so far and at each meeting you discussed the value that you are bringing to the client. You must now share your report with the client and work with them to develop a roadmap for their success. You have a responsibility to work with your clients to provide them with a plan of action and the recommendations that will enable them to reach their goals.

### 2. Don't Sell Me, Let Me Buy

We are endeavoring to create an unforgettable opportunity for our clients to buy additional products and services from us. We are sales people, but a better way to phrase it might be to call ourselves professionals who create a prime buying experience for our clients. We'll look at the ins and outs of creating an unforgettable experience for clients and what you can do to make the implementation process easier for you and the buyer.

### 3. In It For The Long Haul

Keeping your clients in the fold means that you have to work less on getting new clients to replace those that leave. How can you make sure that the clients you have worked so hard for stay with you through thick and thin? The answer is through the creation of a business friendship. Master the secrets to keeping the relationship fresh and strong.

## LEARNING OUTCOMES

At the conclusion of this course, students should be able to:

- Develop recommendations that align with the client's risk tolerance.
- Understand the output of a planning software program as it relates to their client.
- Use a master planning checklist to ensure full coverage of the financial plan.
- Create and fully utilize an implementation and monitoring checklist.
- Implement selling techniques that make the acceptance of recommendations go more smoothly for the client.
- Develop an ongoing relationship that leads to multiple sales and referrals.



# The Certain Coming Horror

## The End of Financial Privacy for You and Your Clients

The Mayan calendar signals the forthcoming end of the world in 2012. According to this *end of the world* philosophy, a certain planetary body will re-enter our solar system and will cause massive disruptions in the orbits of Jupiter, Uranus, Venus and Earth.

Whether this predicted Apocalypse happens or not, 2012 may be the end of the financial privacy world as RFC's and their clients now know it, especially for the small businessman. Financial privacy will be totally eliminated when and if Section 9006, entitled *Revenue Offset Provisions* (somewhat hidden in the 2300-page *Health Care Reform* bill) becomes effective, starting January 1, 2012.

Section 9006 of the *Health Care Reform* law, H.R. 3590-10, amends section 6041 of the Internal Revenue Code by expanding the information reporting requirements. A new form 1099b, *Payments for Property and other Gross Proceeds*, will add to wage reporting rents, premiums, annuities, compensations, remunerations, profits, and a host of other payments which exceed \$600 in any taxable year. It requires issuance of a Form 1099b by the business (person) paying the proceeds.

**Senate Fails to Repeal Onerous 1099 Provision.** *Two separate Amendments dealing with Section 9006, introduced by Mike Johanns of Nebraska and Bill Nelson of Florida, have both failed to obtain the 60 votes necessary to pass under Senate rules and debate is continuing.*

**One onus of the new reporting requirements dictates that you must indicate, on the Form 1099b, the name and address of the recipient of each payment.** The new law requiring this action is estimated to raise some seventeen billion dollars over a ten year period. Severe penalties are promised for non-compliers! Guess what professional group is likely to be the most carefully monitored?

Most *Register* readers well-know that small business has often been called *the backbone of our country*. Many Americans take these businesses for granted and do not recognize how much they contribute to the creation of jobs and how the independent spirit of the small businessman preserves our national heritage and enhances our daily lives.

James D. ("Beau") Henderson, RFC®, the lead financial planner of RichLife Advisors in

Gainesville, Georgia, told this writer: "Health Care Reform Act is an attempt to take-over the 17-trillion dollar economy of healthcare in our nation. There has not been an attempt to do things to make health care better or more affordable to those without insurance. If the Obama Administration drafters had studied the actual problem of insurance and costs, then strides would be made to reform tort laws in our country to lower medical malpractice insurance to doctors. Give people and businesses greater tax breaks for paying for their own insurance."

Henderson added, "To truly lower cost we must stop practicing redundant testing on patients for one department or location then again at another. Remove middleman agencies that are additional cost centers (and profit centers) originally setup to provide better care but have not accomplished this. Receive partial payments of costs from even low income patients. Be able to refuse care to those not critically in need of care in emergency rooms, so as to not overcrowd the hospitals. Many patients burden the system by using the hospital ER as their primary care office. Healthcare provided in hospitals is more expensive than in doctor's offices. Reduce paperwork requirements and allow doctors to treat patients to further lower cost."

As recent *Investor's Business Daily* and *Wall Street Journal* articles emphasized, the makeup of the Obama cabinet comes mostly from government or academia — not from the private business sector. This new law will come as no big surprise to RFC's that this is not small business friendly. This is highly harmful and represents still another major loss of freedom and rights for American citizens!

The untimely start of these reporting requirements will result in the layoff of many more productive workers and result in the hiring of some non-productive workers to issue these 1099b forms in a time when jobs are so critical to the recovery of our economy. This could be the last straw that breaks the back of America's small guy just trying to exist. Certainly these policies which attack small business owners and our American heritage could expedite our slide into third world status.

### What Are The Real Motives Behind Such Harmful Legislation?

There is a great deal of speculation concerning the real motives of this new

law — besides the raising of new revenue to pay for *Health Care Reform Act*. One group of people feel that the new law especially targets planners and small business that deal in gold, silver, and other financial instruments which are considered to be tangible investments which are more private than dealing in **securities or putting money into banking instruments**.

Raquel McAninch of the Registered Tangible Investment Advisors' Association (RTIAA) states, "The new reporting requirements will be a bookkeeping nightmare for those planners, financial representatives, and small agencies involved in the buying and selling of gold, silver, rare coins, and any other tangible assets. Many small businesses are just not set-up to provide this type of detailed additional new paperwork." This would also include the sale of art work and even used cars.

One precious metal dealer by the name of Mike stated that this new paperwork requirement is designed to put the small guy who buys and sells gold and silver out of business so that the public can deal only with the banks and brokerage houses for these products. This is the trend promoted by the feds and this is now taking place in the market places across the USA, to the detriment of America's financial planners and their clients. Mike (who'd like to remain private) exclaimed that he had about 100 clients per week who sell gold, silver, and other tangible items to him. These transactions range from just a few dollars to tens of thousands of dollars in each transaction. Mike stated that there are about 5,000 clients per year of which roughly half of them will aggregate over \$600 in a given year requiring him to issue an estimated 3,000 reports on a Form 1099b to the IRS each year under threat of severe penalties for mistakes or noncompliance.

According to Mike, most businesses which buy from the public are not set-up to process even the basic requirements demanded by this new law, which appears to be the antithesis of the paper reduction act. There is no problem knowing that if a person is paid \$1,000 then a Form 1099b has to be issued. But how are we going to keep track of who was paid \$200 in March and then another \$500 in September? Computer and other systems will have to be established to maintain this ever-changing information flow, but who is going to pay for this?

Mike confirmed the RTIAA's belief that he would have to layoff some of his workers to pay for bean counters to issue these non-ending 1099b's, or pay to have his current employees especially trained to perform these bookkeeping tasks. The bottom line, Mike says, "This is going to put a lot of guys permanently out of business."

Mike was wound up as he said, "Say I purchase supplies from Staples. If I spend over \$600 with them in a calendar year, they have to issue me a 1099b, and also the gas station where I buy my gas each week. You got the idea. They will also be required to issue me a Form 1099b. They will need my tax ID and perhaps my address. It does not make any difference if I pay by credit card or if I pay by cash, the 1099b requirement is still there. **But let's not beat around the bush, this law was designed to track who is buying and selling gold and other things.**"

Jerry Royer, RFC®, is one of America's most respected and most successful financial planners. Royer heads Group 10 Financial, LLC, with offices in Florida, Ohio, and Illinois. According to Royer, "Regardless of which aisle you stand on, these new laws will bring far more rules, regulations, and expenses to businesses that just can't afford this during these tough economic times. Little by little small business is becoming a thing of the past — similar to the mom-and-pop groceries which are now just as extinct as the dinosaur. Expect these added costs to trickle down to every single American and change the way of life as we know it — and not in a good way."

Royer continued, "A recent FOX news poll showed that 70% of Americans believe the government has become more *intrusive* in our lives. A recent Rasmussen poll revealed that 60% of America's citizens believe that their Congressmen and Senators do not care what their constituents think. If you study history, the road we are on looks frighteningly familiar to Argentina in the early twentieth century, after Hipolito Irgoyen and Juan Peron, with their radical and fascist beliefs, destroyed one of the richest countries in the world, while both boasted of the *great need for change.*"

### How Much Loss Will You Experience?

Many will suffer losses because of this new law. The question is, "How much loss will you experience?" Other people feel that the new Form 1099b requirements are not about gold or gold confiscation at all, but rather about setting up a system for tracking information to implement additional new taxes. Possibly a Value Added Tax on the small business — so that they can be taxed on goods and services they buy from others to

pay for Health Care Reform Act or the other never-ending government projects.

Larry Doyle, writer/publisher of the acclaimed free Internet newsletter, Sense on Cents, explains, "This strikes me as just another situation in which the government is running roughshod over our lives. Rather than creating an atmosphere and environment in which entrepreneurs can thrive the government is strangling those who would aggressively look to commit capital, take risk, drive job growth, and provide opportunities for Americans. Regrettably our current government does not understand or appreciate the law of unintended consequences, or the fact that 'everything is not equal,' when they implement new restrictions, burdensome regulations, and more taxes upon American business. Like most RFCs, I am a strident proponent of aggressive but necessary regulations. The taxes imposed in these proposals will merely drive business and capital elsewhere. That development is anything but pro-growth. Career government officials do not appreciate this basic business principle."

Virtually every other industrialized country has a VAT. According to CBS *MoneyWatch.com*, about 150 countries have a VAT. The various VATs come in different shapes and sizes, ranging from 5 percent in Japan to 25 percent in Sweden. The USA should consider using a European-style value added tax to help bring the deficit down, said White House adviser Paul Volcker in response to a question from CBS *MoneyWatch.com* earlier this year. "We have to think about really revamping the tax system," said Volcker, former Federal Reserve chairman. Volcker, who is now advising the Obama administration, added: "The VAT, a levy on all the goods and services you consume, is not a 'toxic idea'". However, critics point out that **a VAT disproportionately raises taxes on middle and low-income homes. Surprise!**

Regardless of the motive(s) involved with this horrible new Form 1099b reporting requirement there may be dire unintended consequences if not repealed. Contact your Congress person and urge support for a bill introduced by Rep. Dan Lungren (H.R. 5141) which has gathered over 178 members of Congress as co-sponsors to repeal this section. This bill, which is the first step in the legislative process before it goes to committee, was introduced on April 26, 2010. This bill states,

**"Section 9006 of the Patient Protection and Affordable Care Act, and the amendments made thereby, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such section, and amendments, had never been enacted."**

Since most bills never make it out of committee to go to general debate, it is important for you to tell your Congressman the importance of asking their colleagues to back H.R. 5141, known as the Small Business Paperwork Mandate Elimination Act. Don't expect others to do this for you. If not repealed, the end result will be a loss of many planners, and related small business jobs from our economy. This will force many small businesses out-of-business, thus increasing unemployment and decreasing tax revenue. This will cause an even further lack of confidence in our so-called government "leaders."

Also gone will be the loss of what little financial privacy exists in the buying and selling of what was once called an "unregistered" investment involving tangible assets to both the buyer and the seller, regardless of the form of payment, thus massive losses to a major segment of our financial world as we have known it until now. Also resulting will be the loss of the freedom for our clients to choose who to do business with, and what investment options to consider, and perhaps a political backlash against those who voted to pass another bill without even reading it.



**Hal Chorney, RTIA**

Hal Chorney, RTIA, is a frequent speaker for financial workshops, insurance training sessions, agency sales meetings, regional financial gatherings, b/d conferences, cruises, and association conventions. He speaks on: *Why I Went To Prison, What Prison Was Like, and How Likely You Are To Go To Prison!* He is author of *What Happened to the Golden Frogs?* In 1982 Chorney founded the Registered Tangible Investment Advisors Association (RTIAA) based in Boston. He is also Chairman of the National Center for Bankruptcy Accountability (NC4BA).

**Contact: 401 934 0536  
hal@nc4ba.org**



We are very excited to work with IARFC who has once again found a service with comprehensive benefits for their advisors. IARFC recognizes the importance of educating you to take your business to the next level.

**What is Copytalk?**

- You talk. We type.  
(A mobile documentation service.)

**What tools do I need?**

- Cell phone or any phone, and an email address.

**What do I use it for?**

- Follow-up and case notes from client interactions, draft correspondence and follow-up letters, track expenses, create action lists for yourself or for your assistant, and more!

**What's in it for me?**

- Value. Peace of mind. Liberation. Recapture time spent on administrative drudgery, streamline tasks, increase productivity and enhance relationship-building skills.
- Shrink Administrative task time. Gain time to spend where YOU need to be.
- Better communication nurtures relationships that yield horizontal and vertical business growth opportunities.
- Comprehensive notes retained: exposure reduced.
- Compliance and suitability documentation: satisfied.

**A simple process:**

- Speak your notes, and they arrive in your email box in less than 4 business hours!
- Transcription is done by human transcriptionists in controlled facilities in the USA — the most reliable voice-recognition system available.
- Security, Confidentiality, and Privacy are built into our special systems.
- 24-hour-a-day access. Unlimited Dictation.

**Cost:**

- Less than a cup of coffee per day.  
No Contracts.

**Seasonal Promotion:**

- IARFC members can subscribe for only \$5 for their first 30 days of Copytalk! Thereafter, the rate is \$49.95 per month (\$30 off the regular \$79.95 rate.)

<http://www.copytalk.com/IARFC>

**Point of contact:**

- Nancy Jenkins, Director,  
Growth and Development  
Email: [nancy.jenkins@copytalk.com](mailto:nancy.jenkins@copytalk.com)  
Phone: 1-866-267-9825 X160

# READY-TO-USE YEAR-END TAX PLANNING MEMO

## Are You Communicating with Your Clients?



▶ Communication is critical — to cement relationships with clients, to build professional trust and confidence with prospects.

▶ To achieve the level of communication desired you must employ a variety of materials, and you must have a frequent flow of relevant articles.

▶ You could research, write and fact check an article like this — but wouldn't your time be more effective on a face to face basis?

▶ All your clients and prospects have questions about the ever-changing economic and tax environment.

▶ Who will they call?

**Sales@FinancialSoftware.com 800.666.1656 x13 www.FinancialSoftware.com**

**Retain Clients and Stimulate More Business**

Receive ready-to-use five Microsoft Word documents:

- the 2010 Year-End Tax Planning Memo for Individuals
- the 2010 Year-End Tax Planning Memo for Business
- cover letters that you may use to accompany each memo
- step-by-step instructions.

You may edit and personalize these documents as you like — send by mail or e-mail.

**Regular Price \$175  
IARFC Member Price \$140**

<i>Method of Payment</i>	
<input type="checkbox"/>	Check payable to: FPC
Credit Card	<input type="checkbox"/> American Express <input type="checkbox"/> Discover <input type="checkbox"/> MasterCard <input type="checkbox"/> Visa
Card No	_____
Expiration	_____
Signature	_____

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

Website (optional) \_\_\_\_\_

Financial Planning Consultants  
2507 North Verity Parkway P.O. Box 0430 Middletown, Ohio 45042-0430

Phone: **800.666.1656 x13** Fax: 513.424.5752

E-mail: [Sales@FinancialSoftware.com](mailto:Sales@FinancialSoftware.com) Web: [www.FinancialSoftware.com](http://www.FinancialSoftware.com)



## Financial Planning Consultants

Providing innovative software, training, practice management and marketing service to financial professionals since 1969

# Choosing the Right Financial Product to Solve a Client's Financial "Problem"

"If you don't know where you're going, how do you expect to get there?" No truer words were ever spoken and I believe they were directed at clients of insurance and financial advisors. In the "olden days" it was quite easy for an insurance salesman to meet with a family, do a basic fact finder, offer a product and voila, you met a need! Simple and easy. But no more, times have changed.

Today's consumer is smarter, more savvy and experienced in financial matters. They watch the cable financial shows, subscribe to financial newspapers and magazines, and EVERYONE surfs the internet.

Try this experiment. Go to [www.Google.com](http://www.Google.com) and type in the following question:

## "How much life insurance do I need?"

There are over 2.8 MILLION websites that reply to your question! As a 21st Century insurance and financial advisor how do you select products and services to solve a client's need?

The first question you should ask your client is, "Do you currently have a formal written plan?" If yes, take a look at it and ask them when it was done and more importantly did it accomplish what they were trying to do.

Unfortunately, most "financial plans" consist of a fancy fact finder, a few pages of analysis, charts and graphs in a fancy leather bound portfolio that the client places on their bookshelf — the never reopen the plan. Furthermore, the planner who "built it" for them has never reviewed it with them to see if his suggestions have worked to meet the client's needs — dreadful!

With that being said, we're going to begin with a clean pallet to work from and assume the clients have a poorly conceived and executed plan — or worse, no plan at all.

All competent client meetings should begin with a fact finder. There have been dozens, if

not hundreds, of fact finder templates over the years and though some may ask more questions than others, the tool itself remains the same:

- Find out what the client has
- Find out what the client is trying to achieve

The problem with most fact finders is that they do a great job in gathering client financial data but do a lousy job of analyzing the "outgo" (the client's budget) or forecasting their future budget to take future life events into consideration. A good fact finder should show "income" and their sources and the client's "outgo".

Next, you perform a kind of "mapquest" for them. Layout the objectives they are trying to achieve, sprinkle in a little "reality" and before you know it you have a rough basis for their new plan. This course should also take into consideration their risk tolerance. Do they like a smooth and predictable "highway" or do they like to go off road a little? See the correlation?

Make sure the plan you build for them includes a provision for you to meet at the 12th, 18th and 24th month to insure that they stay focused and on the road. Consumers are fickle. If you wait too long to review with them, they get happy feet and go do something rash... usually counter to what they are really trying to achieve.

Once you have established the road, then you can offer up the product and service based solutions. That should take the following into consideration:

- Timing
- Charitable Intent
- Family Budget
- Family
- Risk Tolerance
- Hobbies and Avocations
- Employment
- Health
- Legacy Planning
- Income Needs
- Taxes

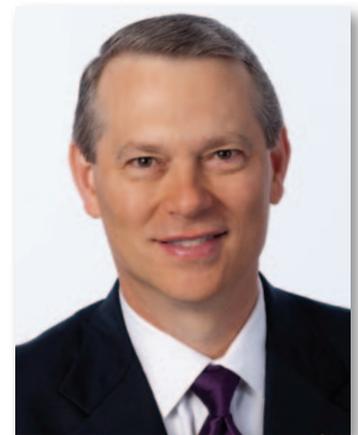
This is not an all-inclusive list, nor is it in any particular order.

Long gone are the days when you could build a plan with options, products and solutions and leave it alone. In today's

world people and their situations change at the speed of light so you need solutions that can take those potential changes into consideration; hence the need for more frequent reviews versus less.

There are many products, services and solutions out there. But if you take your clients ACTUAL and PERCIEVED needs into consideration and fulfill THEIR objectives you can't go wrong. Choosing the actual products and services (insurance policies, annuities, managed money, securities, etc.) is the easy part once you REALLY know what the client is trying to achieve.

Remember, don't try to fill EVERY NEED with only one product. Trying to fit a square peg into a round hole will not only cause great friction for you with your clients but may also expose you to unnecessary liability. Do the right thing. Put your client's needs first and foremost and you will have a client for life! 



**Matthew J. Rettick, RFC®**

**Matthew J. Rettick**, an accomplished advisor, author, presenter and mentor, is president and founder of Covenant Reliance Producers, a national insurance marketing organization and president and co-founder of Producers Equity Group, a financial services holding company that specializes in providing holistic planning support for their network of financial advisors in the areas of insurance, investment, estate, tax, and legacy planning.

**Contact: 866 907 4275**  
**[info@CRProducers.com](mailto:info@CRProducers.com)**  
**[www.CRProducers.com](http://www.CRProducers.com)**

# Be a Generator

Every organization has two types of sales reps — **generators** and **interceptors**. Understanding this difference can help you be more effective personally — and help you to add the right people as you expand your practice.

Generators represent only 20 percent of the sales force, but consistently produce 80 percent of the business. This is another application of Pareto's Law. Maximum results come from a minority of the sources.

Why is that? Well, if you study the generators, you'll discover that generators have seven characteristics. Let's study these traits and decide how they can become ours.

1. **Generators are well rehearsed.** They invest time in preparation. They believe spectacular achievements are the result of unspectacular preparation. Furthermore, they will invest money in the small items that can enhance their initial presentation to valuable, prospective clients — which are the lifeblood of a successful practice.

2. **Generators are relationship builders.** They know that all things being equal, prospects buy from the sales rep or the consultant they know, trust and like. More importantly, they understand that even if all things are not equal, buyers will still do the same thing — they buy from people they know, trust and like.

3. **Generators work at the right things.** They focus on those few sales activities that make the big difference. If other tasks must be performed they outsource them or hire staff. They focus their personal efforts on the right things — which only they can do.

4. **Generators always have a sales call objective.** They have in mind a "bottom line result" as they enter every selling situation. Even if you charge a fee as a financial consultant, every interview should have an intended outcome. You do not close a sale in every interview — some are presentations of services, or data gathering sessions. But you must have a very clear intended result in mind.

5. **Generators ask probing questions.** They ask the right questions — the questions that arouse interest with prospects. They know the power of asking questions to stimulate the desired response from clients — and the danger of trying to close a sale without having asked all the right questions.

6. **Generators talk to the decision makers.** They do not want to give their presentation for practice. This is especially valuable when presenting your financial services to a large or even small business. You must be addressing the correct person — and that is the one who has the power and inclination to make a decision.

7. **Generators "manage" the buying process.** They help along the prospect's decision to buy. They make it as easy and logical as possible for the client to take the correct step — for their own interest.

You can easily transform yourself into being a generator! Even if you feel you are lacking in some of the above items, simply save this article. Perhaps place it into a plastic sleeve, and read it every morning, and every afternoon. Why in the afternoon? Perhaps as you read it again you will realize there is something you can initiate or trigger just before the close of business — or arrange for the following morning that will turn you from being an interceptor into being a generator. ☐



**Dr. William L. Moore, Sr., CLU, ChFC, RFC®**

Kinder Brothers International teaches sales and management professionals how to experience lasting success. Both **Jack** and **Garry Kinder** are members of the IARFC and authors of books and courses on financial services.

Their associate, **Bill Moore**, is a director of the IARFC and he delivers the Professional Patterns course worldwide and is developing the Registered Financial Manager workshop.

**Contact: 927 380 0747**  
**wmoore@kbigroup.com**  
**www.KBIGroup.com**



Together with NEXTEL

## Just for you. Right now.

Get a **\$50**

credit back when you shop at your Sprint Private Store! Just apply "SAVE50" at checkout.

Web-only offer. Applied within 3 invoices. New line activation and two-year Agreement required. Restrictions apply.

Save

**16%** on select regularly priced Sprint service plans

**16%** on select regularly priced Nextel service plans

Requires two-year Agreement.

Visit an online store with discounts just for you and your practice.

Make the most of special savings for you and your family.

Get on the Now Network.

[sprint.com/iarfc](http://sprint.com/iarfc)

Online offer just for members of the IARFC

*To order by phone IARFC Members can speak with Andrew Trout, Account Representative at: 513.263.0213 or Andrew.Trout@sprint.com.*



# COMPLIANCE-FRIENDLY MARKETING

## Compare Your Numbers to Superstars: A 9-point Quiz

by Katherine Vessenes, JD, CFP®, RFC®



Like gold-medal athletes, superstar advisors know exactly what their numbers are. Take this quiz to see how you stack up against the best, and learn how to improve your performance in nine critical areas.

Being a top-notch financial advisor is a lot like being an Olympic competitor. In order to win the gold, elite athletes must be intimately aware of their own numbers. Olympic athletes know how many calories they take in every day, and how many they spend. They know their exact times for each event and how different factors such as weather, diet, and training affect their speed and agility. Above all, they know their competition's numbers, too.

Superstar financial advisors — those making a million dollars or more per year — also need to know their own stats. Why? Because being aware of your stats helps put you into that gold-medal class. It reminds you that no matter how well you are doing, you can always do better. You can always improve on your personal best.

Based on our consulting and coaching work with the superstars, we've created a list of nine key areas where advisors need to turn-in great performances. Curious how you stack up? Jot down your numbers for the following measurables, then compare them with the superstar numbers below.

### How the superstars score

1. **Number of clients** — Superstar number: 350 middle America Clients. We've found it is almost impossible for one advisor to handle more than 350 clients without a large staff including junior advisors. Of course, reps in a transactional business based on telephone sales can handle three to four times as many clients. However, consultative selling takes time, and that limits the number of clients any true advisor can manage. This figure is for advisors who are working with the middle market.

Advisors who serve the high net worth market typically limit their clients to about 100. We have seen a number of advisors who try to limit their clients to demographics just shy of the ultra high net worth, and a base of 40 clients is a typical number for them.

2. **Average commission per case** — Superstar number: \$4,000 to \$6,500 for the middle market. These numbers are very interesting to us, because even superstars don't seem to be maximizing their average commission per case. For example, one advisor that we counseled has a particular niche in the medical profession. In that niche, he averages an astronomical \$60,000 to \$70,000 (gross dealer concession (GDC) plus gross insurance commissions) per case with clients. Outside the niche, his numbers are not the same. So there's always a way to increase this number, even with the most successful advisors.

Advisors going after the high net worth, tend to average about \$20,000 annually per client. Rarely do they sell insurance, so this figure tends to be mostly compensation for Asset Under Management (AUM).

We've identified three typical roadblocks to maximizing commissions:

- Not gathering all the assets. You can't manage what you don't see. One of the cold hard facts I've learned as an advisor is that most clients are evasive or lie to us about the extent and location of their assets. Make sure you give the client a compelling reason to tell **you everything** about their investments.
- Not offering all the products your clients need. A common mistake was to not address the client's need for protection with insurance. Advisors know that clients need these products, yet they allow the commissions to go to someone else. Good examples are Long Term Care and Critical Illness insurance.
- Not charging fees. It never ceases to amaze me how many people still do not

charge for plans — or who don't charge enough. One group of superstar advisors we counseled to add fees increased the firms' annual income by roughly \$250,000 in the first year alone!

3. **Average number of meetings to close the business** — Superstar number: 2 for middle America. I have seen very successful advisors take six meetings to close clients. This process may appeal to the very detailed analytical client, or the very wealthy, who need a complicated plan. However, for most people, it is a waste of the client's and the advisor's time. Why take six meetings to do something you could accomplish in two? Cutting back this one statistic could improve your client load by a factor of a two- or three- fold.

Here's how superstars close the business in just two meetings with the Superstars and another meeting with just the client and a paraplanner. First, the advisor takes one initial meeting to build trust and obtain the client's commitment to a financial plan.

The second client meeting doesn't involve the advisor at all. The client meets with a staff person to make sure that all the investment data was carefully collected and that they have a clear understanding of where all of the assets were located.

The third meeting is scheduled with the advisor, who presents the plan and closes on the investments.

Note, in the current market, it will probably take more meetings, as clients in this demographic strata are currently much more fearful.

Also, the higher the net worth, the more meetings. So if your market is more upscale it may take you 6 meetings to do what you could do in 2 with a more down scale client.

4. **Average length of meeting** — Superstar number: 1.5 hours. Being the skilled salespeople that they are, million-dollar advisors have refined their techniques to get

their meetings down to about one and a half hours each. They are the picture of efficiency. It may take you a bit longer to handle a meeting, but as long as you are making good use of the time, there's nothing to worry about.

For example, when I met with clients as an advisor, it took about two hours. I used a system of taking notes while we talked and presenting each client with a typewritten summary at the end of the meeting. This added time to the meetings, but it also eliminated objections later, because the clients knew I clearly understood them and their objectives. I also spent more time getting the clients to talk about themselves. This let me create a high level of trust with the clients and helped me avoid leaving assets on the table.

Recently I have noticed advisors opting for more meetings, but of shorter duration.

**5. Personal Touches per client per year** — Superstar number: 3 to 5. This statistic exemplifies the important point that even the best have room to improve. Our research has shown clearly that top-level clients expect their advisors to contact them at least 12 to 14 times a year.

A contact, or touch, is defined as a telephone call, a meeting, an outing, a newsletter with a personal note attached, a personal thank you card, an event, or any other activity that keeps you in personal contact with your client. It does not include a confirmation statement or a generic newsletter! Anything less than 12 to 14 touches annually, and you're not meeting expectations, which may leave clients dissatisfied and open to the overtures of another advisor.

That being said, no matter how many brilliant marketing plans we created for our top-producing advisors, we could never get them to make more than three to five touches a year, and those were usually done en masse at an event. I often wonder how much more effective they would be at capturing new clients and keeping the old ones on the books if they just added thank-you cards and a few phone calls to their schedule. If three to five touches a year has already created an income of over a million dollars, just think what 10 touches would do! Wouldn't referrals increase?

**6. Average cost of prospecting** — Superstar number: average \$325 to \$500 per prospect. We have seen this number vary wildly per advisor. The industry average is about: \$125

to \$350 per prospect. With careful planning, it is often easy to reduce the cost of prospecting, sometimes as much as 50%.

It is important to remember that this is a number for superstar advisors who have achieved some economy of scale. Advisors who are making \$100,000 or \$200,000 may be forced to spend a greater percentage of their gross revenue on marketing in order to get to the same results.

**7. Annual amount spent on marketing** — Superstar number: see below. When I asked my husband and business partner, Peter, how much the big guys spent on marketing, he just laughed at first. When he could finally speak, his response was, "Do you want to know how much they spent that worked? Or how much they burned on ridiculous ideas?"

Thus we have two numbers. On ideas that worked, he estimated each FA spent \$50,000. On ideas that crashed and burned, he put it at \$28,000 per FA. The message here is simple: you have to spend money to make money — but learn from your marketing mistakes!

**8. Closing ratio** — Superstar number: 80% to 95%. Most superstars are marketing and closing machines. I've been amazed at how high their closing ratios are. In any other business, a 50% or even a 10% closing ratio would be considered a stellar success. Superstars close between 80% and 95% of all the prospects that sit in a chair across the desk from them. Yet closing consistently doesn't require magic. It is simply a matter of finding what works for you and sticking with the system.

I have found this stellar closing rate is entirely dependent on their marketing process. The better the process, the higher the level of client trust, the easier to close the sale.

My dear friend, Patrick Kelly, expert on Tax Free Retirement, works with clients from his P and C business and converts them into cash value life insurance clients. He states the closing ratio is between 1 in 10 and 1 and 5. However, his average commissions per case are double what we have seen with other financial advisors.

**9. Gross annual income** — Superstar number: over \$1 million. By definition, a superstar makes a million dollars a year or more. Here is the good news: *you can do this too.*

**Lessons learned from knowing the numbers** — Now you've seen how you

compare. Here are a few of the lessons you need to take away from this experience.

- **Lesson #1:** Superstars are willing to do what average advisors are not willing to do. Superstar advisors do whatever they have to do to get to the next level. This will always mean spending more money to get there. It may mean investing in better marketing or in sales training. It could be enrolling in a good coaching program or hiring someone to come in and work with you personally. It could also mean hiring a sales assistant to free up your time. *Invest in your future.*

- **Lesson #2:** This is a numbers game. If you know your closing ratio and your average commission per case, work backward and see how many clients you need to see per week to make a million dollars this year. *Plan for the increase.*

- **Lesson #3:** Control what you can control. You can't control your production, because you can never control who is going to buy. You can control your activity: how many people you are going to see per week. Don't go home until you see the required number of prospects per week. *Control and increase your client contacts.*

Here is a simple formula we use to help our advisor clients start to think of themselves as million-dollar producers: For 45 weeks per year, see 15 new clients per week. Seven of these clients are closing meetings. If your average case is \$4,500 and you close 80% of all of your meetings, your income will be: \$1,134,000. ( $45 \times 7 \times \$4,500 \times .8 = \$1,134,000$ ).

Remember: You can do this. Keep your eyes focused on one thing: getting derrieres in chairs across the table from you. If you can have closing meetings with at least seven people per week, you will be a champion advisor. You can't help but make money when you are seeing that many people. ☑

**Katherine Vessenes, JD, CFP®, RFC**, president of Vestment Advisors, speaks nationally to thousands of advisors every year, giving them a bumper to bumper system to break down barriers and build up their business.

The creator of the NO-Sell Sale(R), she is considered the country's leading consultant on building a multimillion-dollar business (Dearborn) and the country's best known authority on the legal and ethical issues of financial advisors (Bloomberg).

**Contact: 952 401 1045**  
**katherine@vestmentadvisors.com**  
**www.vestmentadvisors.com**

# Estate Plans Often Fail

**Creating a will or trust does not solve many key problems for families, so it is important for us to review and nurture those shortcomings.**

## What is Estate Planning?

Insurance companies, banks, financial planners and attorneys all advertise that they will help you with your estate plan. However, when financial advisors talk about estate planning, unless you are using the proper disclosures, many people can be confused as to whether you are providing financial or legal advice or both

## The Answer

An effective estate plan is one that protects and provides, for you and your loved ones, now and in the future. This plan distributes your property the way you want, when you want, and how you want, while paying the minimum of taxes and expenses and causing the smallest possibility of a family feud. The reality is the only way this effective plan can happen is when two things occur:

1. Maximum Advantage is taken of opportunities to use the skills of lawyers, accountants, financial planners, insurance professionals and trust officers.
2. Each of these financial professionals involved should work together to coordinate and integrate the estate plan so that it works in harmony with the rest of this client's comprehensive financial plan.

## An Estate Planning Example

Sam and Sally meet with a seasoned estate planning attorney to develop an estate plan. During the interview the estate planning attorney discovers that Sam has several old life insurance policies which would provide \$300,000 to Sally if Sam died, and the total cash value of the policies are \$280,000. The cash value is what the insurance company would pay to Sam today if Sam turned in (surrendered) the insurance policies while he is still alive.

Like many seniors and baby boomers, Sam draws income from a pension plan which has a 50% Survivor Benefit. Therefore, after Sam dies, Sally will receive only half of his pension income, which creates a significant decrease in not only Sally's income and standard of living, but also her ability to maintain the payments and upkeep of their house.

Like most seniors and baby boomers (and homeowners for the most part), Sally's home is her pride and joy. She has spent thousands of hours on activities and improvements such as landscaping, building beautiful flower beds, decorating her kitchen, adding a wonderful deck and patio, and so on. Sally enjoyed making her home a very pleasing and comfortable place, and this special home is filled with many wonderful memories of family gatherings.

## What is the Central Problem?

As mentioned earlier, the lawyers can create the Wills, Trusts, Powers of Attorney and property transfers to make their estate plan perform as they believe to be effective. But, the reality in most cases is that these documents do not save Sally's house. The central problem in Sam and Sally's estate is not the legal documents.

Their original intention was to prepare the proper legal documents and estate plan that would ensure their property goes to whom they want, when they want, and how they want, with the minimum of taxes and expenses. However, in this case, this does not accomplish some of key goals which have been overlooked or ignored.

The problem here is that Sally, who statistically is likely to survive Sam, will not receive enough life insurance proceeds to replace the income she needs in order to stay in her beloved home after Sam dies. As with most cases, the children of Sam and Sally have their own families, are well established and don't need (or are not depending on) Sam and Sally's money to live on. And now at Sally age and place in life, the so-called "golden years", she does not have the stamina, skills, or desire to go back into the workplace.

## Providing for the Surviving Spouse

In this case, the proper solution to this central problem would have been for Sam, or a qualified financial advisor, to identify this potential problem, and exchange his insurance policies for a new insurance policy that will provide enough money for Sally to live on after Sam dies.

Not only is this something financial advisors are trained to protect retirees against, but they are also likely to know that the tax code under Section 1035 allows Sam to exchange his old policies for a new policy with a higher death benefit and lower cash value. The best part is

this life insurance policy can be exchanged without paying any taxes at the time of the exchange, even though Sam is using his untaxed earnings (capital gains, dividends, interest, etc.) in his insurance policy to buy something of greater value to him.

## The Main Purpose of Life Insurance

There are many reasons people or families choose to buy permanent life insurance, since it can serve many purposes. For example, some purchase these policies as an investment due to the upside growth potential of the cash value. Others purchase these permanent policies as a tax-saving or tax-deferral vehicle, since the cash value grows without being taxed, and if managed properly, can be withdrawn without paying taxes or penalties. One other common use of permanent insurance is to replace the income or estate taxes which could be due at the death of the surviving spouse.

However, the basic definition of insurance is the transfer of risk. Therefore, the most common reason people own life insurance is to replace the income lost in the event a spouse were to unexpectedly die, transferring the risk of a premature death to the insurance company. In this case, with \$280,000 of cash value and a death benefit of \$300,000, Sam has nearly all of the risk of his death on his shoulders and his insurance is providing him virtually no leverage.

This is the type of information that should be discovered by a financial advisor or insurance agent in the initial stages of the planning process, or discovered and brought to Sam and Sally's attention during a review of their estate plan. By simply asking questions regarding the amount of income Sally will have to live on should Sam die, how much life insurance Sam has, what kind of life insurance Sam owns, and what the cash value amount is, this potential problem could have been easily avoided.

## Solving the Central Problem.

The best possible solution is for Sam and Sally to have a qualified estate planning attorney and trustworthy financial and/or insurance professional working together.

The insurance professional's role would be to "shop around" and locate an insurance company that would be willing to offer Sam the best and most appropriate policy, with the goal being the largest death benefit and the longest duration. Sam and Sally would

then pay for this life insurance policy by using the cash value from Sam's existing insurance policies.

### The Features and Benefits

This life insurance policy exchange, known as a 1035 exchange, does not require Sam and Sally to write a check, there are no tax consequences when they "trade the cash value" for this new policy, and they will not be required to pay any future insurance payments because they used the entire cash value to pay for this new policy in a lump-sum.

So if Sam owns a permanent policy, this is better in every way. If Sam owns a policy where the life insurance protection only lasts for a certain number of years (commonly referred to as either Term Insurance or Universal Life Insurance), Sally will likely receive a much higher amount of life insurance proceeds, and when combine with some of their other assets and income sources, this will likely be enough for Sally to stay in her home.

Of course, Sam had the alternative of taking the \$280,000 out of the policy and investing it in hopes that he could grow this \$280,000 to a much higher amount. There are two major problems with this strategy. First, there is serious investment risk. For example, in 1966, the DJIA reached 1000 for the first time. However, approximately 8 years later the DJIA plummeted to 570 at the Watergate Bottom, losing nearly 50% of its value during this 8-year period. Another example is back in 1999 when the Nasdaq surged to approximately 5000. However, 10 years later, the Nasdaq was below 1000, losing 80% of its value over this 10-year period. The second problem is, even in a rising stock market trend such as 1990 to 1999, there are no guarantees Sam will live to a certain age.

Remember, the main goal of using this strategy is to transfer Sally's risks to an insurance company, not be assuming even more risk!

### How Can this Fail?

This happens very frequently because Sam's prior insurance agent failed to discuss the possibility of this future problem with Sam and Sally. However, if Sam had consulted with a qualified insurance agent or financial advisor, he or she would have likely recognized this problem and either suggested a solution or recommended that Sam and Sally perform annual reviews to monitor this problem in the years ahead. This happens far too often in the financial professional industry, and the most common reasons are:

- Some financial professionals tend to focus solely on products or strategies where they are compensated
- Others fail to recognize the importance and necessity to coordinate with the other key financial professionals who are directly or indirectly involved
- Some financial professionals simply fail to lack the training and expertise to understand these issues and options.

### Key to Creating an Effective Estate Plan

Arguably the key ingredient in creating an effective estate plan is working together with a team of financial professionals who are looking out for the clients best interest from a "big picture standpoint". By working with a team that includes key financial professionals like a CPA, estate planning attorney, insurance professional, financial advisor, or personal banker, each of them can make an important contribution in helping to protect and preserve an sound estate plan. ☐



**Christopher Hill, RFC®**

**Christopher P. Hill, RFC®**, is the President and CEO of a Wealth Management firm, with offices located in Reston and Woodstock, Virginia. Chris started his career in financial services in 1986 as a college intern assisting a veteran stockbroker. He then established a sales office for a national wealth management firm, where he assisted in portfolio management and was also Vice President of Marketing and Sales. In 2001, Mr. Hill formed his own company and he has built an experienced team specializing in retirement, tax, and legacy planning. Securities offered through The Investment Center, Inc.. Member FINRA/SIPC

**Contact: 703 917 8501**  
**chris@wealthandincome.com**  
**www.wealthandincome.com**



**Why have some advisors increased their production of Variable Universal Life by as much as ten-fold?**

**Would you benefit from learning new techniques to gather a steady flow of new affluent clients?**

**Could you use a few extra dollars of personal income (say \$100,000) next year?**

**Enroll in Bill Nelson's LIFE School and find out how he sold a billion dollars of permanent life insurance — in 15 months!**

**937 506 4088**

**billn@nelsonlearninginstitute.com**



**Bill Nelson, RFC®**



# Business Mirrors Life

## No-Bid Government Contract? No Thanks

Like many small business owners the last two years has been challenging. Marketing (my speciality) seems to be the first expense financial advisors eliminate. I needed to find a more stable revenue stream. I decided to go after some government contracts.

I spent a year filling out forms and attending seminars at the Small Business Administration. And then I got lucky; I was one of three finalists to be considered for a federal-government contract. Bidding on the contract was weird to say the least. All I knew was that an agency at the Department of Justice needed a marketing plan.

The official RFP (Request for Proposal) stated that the agency, the actual name was redacted (government speak for "blacked out"), offered a service to local governments and needed to increase utilization. I figured this meant sales. The agency's fixed costs included staff, housing, transportation, and plastic surgeons (that sounded strange). It required at least a thousand new participants a year. However, the current sales team was lucky to average 700 a year.

I made a rough estimate of the time required to do the work. I sent in my bid and then I heard nothing for months. I forgot about my bid until I received a call telling me that I was to drive to a small motel outside of Washington D.C. for a final interview.

The interview was surreal. I sat in a room with a person who hid behind darkened curtains and had his voice scrambled. I was to call him Mr. X.

The questions focused on my methodologies of collecting customer feedback. I said that I found focus groups to be most useful when participants all had similar levels of exposure to the product or service.

Mr. X said that most customers, like him, were very reluctant to meet face-to-face with other customers.

"Well then, I'd ask them directly," I said. "I'll go into the field and personally interview customers." Mr X was impressed with my enthusiasm. His next request was that I give

him an example of a secret that I have kept from family and friends for at least a decade. (No, I'm not going to tell you what I revealed to him.) And then he ushered me out via the service elevator.

To my surprise my bid was accepted. And that is how I entered the witness-protection plan. No, not as a participant but as its marketing advisor.

I was charged with increasing the number of new participants. A quick review of the files showed marketing materials ranging from black and white Xeroxed fliers to fancy four-color, off-set printed annual reports. I also saw photos of trade-booth displays apparently used at police-chief conferences.

I even found prior years' marketing plans. Apparently new consultants were hired just about every other year. Did that mean I had a client that could never be satisfied?

However I wasn't going to worry about the future, I had the contract and I would do my best. I realized that the problem with the witness-protection agency's marketing was that it didn't communicate directly to the ultimate customer. The data showed the typical customer was a male in his mid-30s with at least two felony charges and a propensity to rat out his boss instead of spending 25 years in Leavenworth.

This client didn't want to read brochures. He needed unbiased and up-to-date testimonials from current satisfied customers. I had the answer — a website where current participants would offer uncensored daily blogs. The FBI loved the idea. I had a satisfied client!

I hoped for some repeat business. I didn't have to wait long. Over dinner at a discreet restaurant in D.C. the director brought up a festering problem. Customer turnover was too low.

"Hesh, we can't get rid of any of our long-term customers. Our business model is based upon having clients become self-sufficient in three to five years. Unfortunately, too many think that they have

an inalienable right to live forever on government hand-outs.

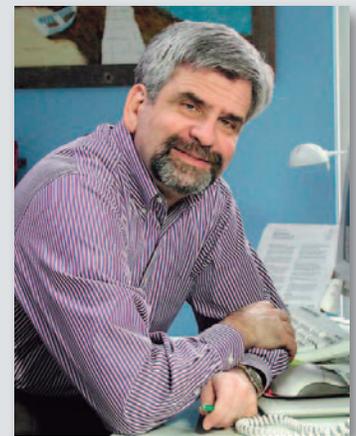
"Hesh, this is a no-bid contract," he said. "It's yours; just tell us your price. However, we do require all of your attention, 24/7. You'll have to drop all of your other clients."

I was afraid of putting all my energies into one client. I thanked him for the offer, but said that I'd have to turn down the new business opportunity.

He said, "Hesh, you don't seem to understand. You don't have that choice."

"And if I refuse. What are you going to do?" I asked incredulously.

"Haven't you wondered," he responded ominously, "Where the previous marketing advisors have gone? ☹"



**Hesh Reinfeld**

**Hesh Reinfeld**, an experienced journalist, passionately believes that a properly crafted bio or marketing profile will cause a prospective client to be sufficiently attracted to read it, and to feel, "I'd like to meet this person." Perhaps you would like Hesh to help you prepare a similar biography for you, or to assist you with writing assignments that will help you in your market.

**Contact: 412 421 8379**  
**[hesh@heshreinfeld.com](mailto:hesh@heshreinfeld.com)**  
**[www.heshreinfeld.com](http://www.heshreinfeld.com)**



**phone**  
800 532 9060



**fax**  
513 424 5752



**email**  
Info@IARFC.org



**web**  
www.IARFC.org

## IARFC INTERNATIONAL DIRECTORY

**Jeffrey Chiew**  
**DBA, CLU, ChFC, CFP®, RFC®**  
Asia Chair  
*jeffreychiew@gmail.com*

**Liang Tien Lung, RFC®**  
China Development Organization (IMM)  
(China, Hong Kong, Macao & Taiwan)  
*imm001@iarfc.org.tw*

**George Flack, CFP®, FPNA, AFAIM, RFC®**  
Australia and New Zealand Chair  
*george.flack@ribendigo.com.au*

**Janet Flack**  
Secretary  
*jan.flack@ribendigo.com.au*

**David Kippen**  
Treasurer  
*david.kippen@ribendigo.com.au*

**Antony Francis, RFC®**  
Bermuda Chair  
*diamond@ibl.bm*

**Choo Siak Leong, RFC®**  
China Chair  
Beijing, Dailan, Guangzhou, Shanghai  
*slchoo@immadviser.cn*

**Zheng Senyuan**  
Executive Secretary

**Demetre Katsabekis**  
**MBA, Ph.D, CiC, CiM, RFC®**  
Greece Chair  
*areiscon4a@gmail.com*

**Nick Tessaromatis**  
**Ph.D, CiC, CiM, RFC®**  
*director@eisxy.com*

**Samuel W. K. Yung, MH, CFP®, MFP, FChFP, CMFA, CIAM, RFC®**  
Hong Kong and Macao Chair  
*chair@iarfc-hk.org*

**Teresa So**  
**Ph.D., MFP, RFP, FChFP, CMFA, CIAM, EDAM, RFC®**  
Adviser, Hong Kong and Macao  
*director@iarfc-hk.org*

**Alan Wan, RFC®**  
Executive Director  
*admin@iarfc-hk.org*

**Ralph Liew, RFC®**  
India Chair  
*ralphliew@yahoo.com*

**Leena Heblle, RFC®**  
India Business Development Director  
*iarfcedu@gmail.com*

**Aidil Akbar Madjid, MBA, RFC®**  
Indonesia Chair  
*iarfc\_indonesia@yahoo.com.id*

**Lisa Soemarto, MA, RFC®**  
CEO  
*lisa.soemarto@yahoo.com*

**Ng Jyi Vei, ChFC, CFP®, RFC®**  
Malaysia Chair  
*iarfc.malaysia@gmail.com*

**Benjamin Kan, FchFP, RFC®**  
*iarfc.malaysia@gmail.com*

**Simon Khor**  
*iarfc.malaysia@gmail.com*

**Zahid Khan, RFC®**  
Pakistan Chair  
*askzahid@gmail.com*

**Ralph Liew, RFC®**  
Philippines Chair  
*kihkh@myjaring.net*

**Tony Balmori**  
Executive Assistant  
*tonybalmori@iarfcphils.org*

**Serene Ng**  
Singapore Admin Assistant  
*serene@iarfcsg.org*

**Richard Wu, RFC®**  
Taiwan Chair  
*richard@imm.com.tw*

**Ella Lin**  
Customer Service Representative  
*ella.lin@imm.com.tw*

**Raymond Lee**  
Executive Secretary  
*raymond.lee@iarfc.org.tw*

**Preecha Swasdpeera, MPA, MM, RFC®**  
Thailand Chair  
*preecha\_sg@yahoo.com*

**Inshan Meahjohn, RFC®**  
Trinidad Chair  
*imeajohn@altuscompany.com*

**Nigel Salina, RFC®**  
*nsalina@nsa-clico.com*

**Danielle Brennan, BA**  
*dbrennan@altuscompany.com*

## INTERNATIONAL WEBSITES

**IARFC China**  
*www.iarfc.cn*

**IARFC Hong Kong**  
*www.iarfc-hk.org*

**IARFC Philippines**  
*www.iarfcphils.org*

**IARFC Taiwan**  
*www.iarfc.org.tw*

**IARFC Thailand**  
*www.iarfc-thailand.org*

## US STAFF DIRECTORY

**Edwin P. Morrow, CLU, ChFC, CFP®, CEP, RFC®**  
CEO & Editor-in-Chief  
*edm@iarfc.org*  
513 424 6395 ext 11

**Mark Terrett, RFC®**  
Operations Manager  
*mark@iarfc.org*  
513 424 6395 ext 10

**James Lifter, MBA, RFC®**  
Education Director  
*jim@iarfc.org*  
513 424 6395 ext. 18

**Kathleen Ourant**  
International Membership Services  
*kathleen@iarfc.org*  
513 424 6395 ext. 31

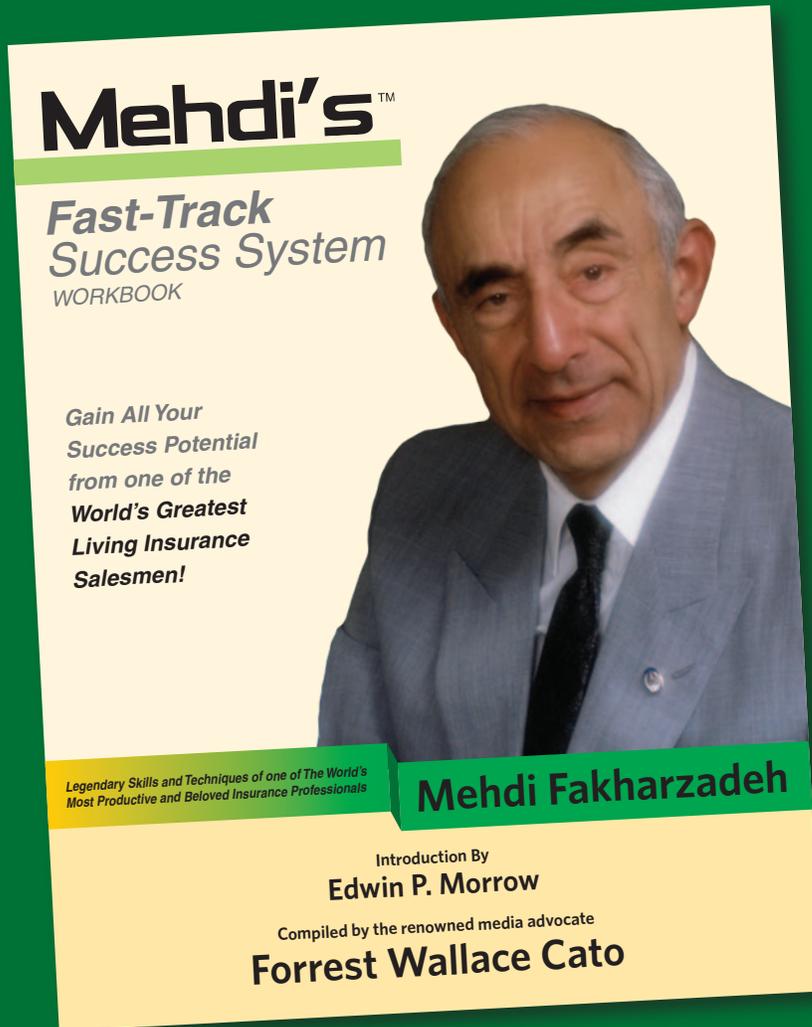
**Amy Primeau**  
Domestic Membership Services  
*amy@iarfc.org*  
513 424 6395 ext. 34

**Wendy M. Kennedy**  
Executive Assistant & Managing Editor  
*editor@iarfc.org*  
513 424 1656 ext. 14

**Barbara Chasteen**  
Mailing and Shipping  
*barbara@iarfc.org*  
513 424 1656 ext. 22

**Justina Chou**  
Director, Asian Services  
*justina@iarfc.org*  
513 424 6395 ext. 16

# Mehdi Fakharzadeh's *Fast-Track* Success System



*With this system by the MDRT role model, you are holding a success system that can take you to greatness. I have personally been on many platforms with Mehdi and he is the best. You can be very busy, but only with the right sales system can you be highly productive.*

*— Garry Kinder, CLU, RFC, CSA, Author, Lecturer and Consultant*

*This is the most outstanding and simple system, and it can make a monumental difference in the career of the life agent who will place these simple tools to work on a regular basis.*

*— Guy Baker, 2010 President of the MDRT*

## The Legendary Skills and Experience of **Mehdi Fakharzadeh**

The insurance sales legend, Mehdi Fakharzadeh, MS, CLTC, RFC shares the techniques that have made him the greatest living life insurance salesman — not because of working unique markets, employing complex benefit plans, or dealing exclusively with wealthy families or selling to giant corporations.

This is written to place you on the ***Fast-Track to Success***. It is highly practical, not technical. It is easily read and absorbed. It includes the simple habits that have mesmerized audiences in more than 50 countries, and totally reformed the lives of many persons who help consumers learn how to spend, save, invest, insure and plan for the future — in order to achieve and maintain financial independence.

Mr.  Mrs.  Ms. *Please print or type the information.*

\_\_\_\_\_  
First Name Last Name

\_\_\_\_\_  
Firm or B/D

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Suite Address (No P.O. Boxes, Please)

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Country

\_\_\_\_\_  
Phone Fax

\_\_\_\_\_  
E-mail

List Price	IARFC Member Price	Quantity Desired
\$47.95	\$24.95	_____
		Ohio residents add 6.5% tax _____
		Shipping and Handling _____
		Total _____

Shipping & Handling	
U.S. Domestic	\$10
International	\$19

**PLEASE MAIL OR FAX THIS COMPLETED FORM TO IARFC. Payment Method:**

Check made payable to IARFC  Cash  Credit Card (Visa, MC, Disc., AmEx)

Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_

Signature \_\_\_\_\_

# the Register

International Association of Registered Financial Consultants

Financial Planning Building - 2507 North Verity Parkway  
P.O. Box 42506 - Middletown, Ohio 45042



Financial professionals helping people do a better job of spending, saving, investing, insuring & planning



# Happy Holidays

from  
Financial Planning Consultants

## SAVE UP TO \$375

### Our Holiday Gift to You!



Our Special Offer gift for you this holiday season is never-before offered discounts on the tools you need to move your practice to new levels of productivity and efficiency in 2011. The sooner you purchase, the bigger the savings, so act now.

**This Special Savings is only available before December 22, 2010**

This offer is not available in conjunction with any other affiliate discounts and/or purchases prior to the promotion starting November 16, 2010.



800.666.1656

[www.FinancialSoftware.com](http://www.FinancialSoftware.com)