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the Register

Vol. 12 No. 7 • July 2011
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www.IARFC.org

Who is your next client or prospect?

Fee-Based Business Planning

by Ed Morrow

IARFC Member Benefits and Services

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The Register — membership magazine that keeps you up-to-date with the current member issues, industry developments and articles by and about advisors.

Business Source — monthly reviews of important business and financial books.

Financial Advisor Magazine with practice management features and successful marketing techniques and FA News

Financial Insider — 8 page client financial newsletter.

Producers Web — Internet financial publications.

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Call 800 532 9060 or visit www.IARFC.org

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The Register is published monthly by the International Association of Registered Financial Consultants ©2011, 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.

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New International Members

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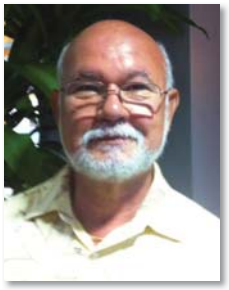
Members Who Recommended New Members



Referror of the Month
Ray Fernandez, RFC®

Ray Fernandez, RFC®
Onda Maughan, RFC®
Thomas Talbot, RFC®

The IARFC is proud of our members and in reverence we would like to remember our passing members:

Dr. Jean Jacques Dalpe, CA

Register Correction: It has come to our attention that the article on page 8, Vol. 12 No. 6, *Meditate Your Way To More Success,* contained an error. The title was misspelled on the cover and In This Issue section.

CALENDAR OF EVENTS

IDA Dragon Awards
August 4-7, Seoul, Korea

Fee-Based Planning Business Workshop
July 21, Denver, CO

Fee-Based Planning Business Workshop
August 18, Charlotte, NC

IARFC Philippines CE & Graduation
September 30 – October 1, Makati City

Fee-Based Planning Business Workshop
October 13, Middletown, OH

Fee-Based Planning Business Workshop
October 20, Denver, CO

Fee-Based Planning Business Workshop
November 10, Middletown, OH

Fee-Based Planning Business Workshop
December 1, Middletown, OH

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:

Should we open the IARFC LinkedIn Group? We initiated this group as restricted to members only and many have participated. Now it seems that we are getting more interest from outside the Association and feel it may be worthwhile for all to open to the LinkedIn audience in general. For comparison, MDRT and FINRA both offer LinkedIn groups open to all. Let us know your thoughts.

"I would have no problem with outsiders being on our LinkedIn. But I would wonder what the compliance depts. would say about us letting nonmembers being on an open web site?"

H. Stephen Bailey, LUTCF, CEBA, CSA, RFC®, IARFC US President
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Fee-Based Business Planning

There is a lot of competition for new client relationships. Everyone over the age of 55 with a suspected net worth of over one million is receiving frequent invitations to seminars: breakfast, luncheon and dinner events. And what about those "free" subscriptions to doom and gloom newsletters, which are suspiciously linked to a financial advisory firm eager to replace fallen securities with gold or silver coins or commodity futures?

Why prospect where the competition is already "muddying" the waters? Why be compared with those who have less credentials and may also have far less integrity?

Go Where the Money Is!

Top of the Table members of the Million Dollar Round Table indicate that, on average, over 60% of the premium dollars they are now receiving are written on business accounts. Do not think that these persons are "just life agents." They have multiple designations (including a great many who are Registered Financial Consultants) and many have MBA or law degrees. Most do business under a corporate identity (Smith Brothers Financial — rather than as agent for XYZ Life Insurance Company). They are charging fees for planning, client servicing, consulting and assets under management — in addition to selling a lot of life insurance.

Because they work with affluent individuals and business owners, these persons open only a few new accounts each year. A substantial amount of their business comes from additions and new transactions with established clients. Sure, they compete for new affluent individual clients, but they are normally referred by their existing customers.

Some Historical Perspective

The Life Underwriter Training Council was established in the 1950s to provide basic training for life agents. Initially there were two courses, and subsequently the curriculum of these local classroom courses was expanded and the LUTC Fellow (LUTCF) designation was born. The basic LUTC Part II offered insurance solutions for risks faced by the owners of small to medium sized businesses and professionals. The courses were taught by local senior life agents using texts and presentation material developed by the Training Council.

As result of the success of this course the life companies began to shrink their training departments, thereby saving overhead and offering completion scholarships for LUTC graduates. As LUTC got stronger, the life company training programs got weaker and in some cases eliminated. The companies relied on first the LUTC courses, then the academic courses of CLU, and later ChFC. Eventually the Life Underwriter Training Council was acquired by the American College and the courses now are largely distance learning – no longer hands-on training by local instructors.

The net result is that for two decades there has been very little training of life agents on how to identify, approach and serve businesses. Those who started their practice in the 60's and 70's were oriented, but not those starting later. You may ask, "Why is this important?" The reason is that this market is now very **under-served**.

Many advisors now focus on assets under management on a fee-basis. The thrust of this being personal investment portfolios and the management of individual IRA, 401K and similar defined contribution plans and rollovers. This has not been a sudden change of direction, but a subtle transformation.

The paradigm has shifted from planning analysis and products to AUM. This shift has been influenced by many players, including the CFP Board of Standards and its affiliates, NAPFA and the FPA.

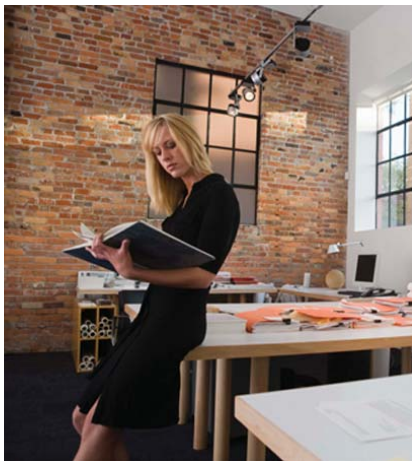
The academic courses of the American College and the College for Financial Planning focus on problem analysis, taxation, plus technical investment and insurance issues. They do not dwell on or support the important aspects of prospecting and marketing, or how to make the critical initial presentation to a prospective business or personal client.

A Vacuum Exists

And as we all know, "nature abhors a vacuum." Eventually there will become organizations that focus on serving the owners of small to medium businesses and professionals such as physicians, dentists, optometrists, etc. Why shouldn't that be you — and why not now?

There is no reason for a RFC to devote all of his or her marketing on the crowded marketplace when there is a lot of "low hanging fruit" in the business orchard.

Business clients are generally larger, and easier sales — although they are not so swift



to close as the quick sale of a rollover annuity or policy replacement.

Why Charge A Fee?

The advisor who offers to perform analysis of a critical nature to a business — without charging a fee, lacks credibility. Business owners do not trust something offered for nothing. They are accustomed to paying a fee to their attorney, accountant, public relations firm, business consultant or architect.

Business owners expect a professional presentation, and a clear cost/benefit ratio and an ROI they can understand for their time and consulting fee. They expect that any advisor have credentials, such as the RFC designation, that the professional follow a well-organized process and charge a reasonable fee. Business owners know they need this service, but they are discriminating purchasers.

However, most advisors and agents are not well-equipped for this market. They do not have the approach letters and meeting agendas. They do not have a fee schedule and an engagement agreement. They do not have a simple, visual presentation. They do not have the image building and reassurance tools to overcome skepticism. They do not have the spreadsheets or internet analysis tools. They do not have a sample plan.

So what is the result? There is a huge market that is being vastly underserved. It is a very profitable market. The acquisition of a new business-owner client will lead to a series of sales — as the enterprise grows and as new persons are employed.

Is **Free** better than **Fee-Based** Planning? No! It lacks credibility, it lacks professionalism and it is downright poor business!

What would be your reaction to a physician who said to you "I will conduct a comprehensive medical examination, order and evaluate the tests, all for free. And if it just happens that you need an appendectomy, then I can sell you that service!" You would run out of the room, wouldn't you?

There Are Prospects Galore!

In every market area of the country there are many businesses that are doing well. Yes, a few are distressed, but they will normally tell you so right away and you can mark them for follow-up in year or two.

Businesses are accustomed to soliciting referrals, and to giving them. Once you get started in this market, they will help keep your "qualified prospect basket" full of names. They are not shy in permitting you to use their name — in fact they will appreciate it — once they are pleased with your service.

What Problems Do Businesses Have?

Nearly every business has borrowed money from either banks or family members. They need this to acquire machinery, technical systems, raw materials, inventory and to finance the delay in receivable payments. The faster their growth, the more they need to borrow. Bank notes and those written by discerning attorneys all require that the loan instrument be signed twice – once as the CEO of the enterprise, and once personally. This means that whenever there is a "material change in the business" such as the death of the CEO, a critical executive or a major shareholder, then the loan is called and payment is requested – perhaps within 30 days.

If the business or the principal owner had the money in cash they would have never borrowed it, so immediate payment is not possible. The result is a disaster — the loan becomes delinquent and the harassment commences — soon after the death of a principal. Key employees will learn of this and some may depart. Departing key employees often join or become competitors, further threatening the financial strength of the enterprise. Family members, realizing that the loans are now due, are stressed. Often family assets must be swiftly sold.

The solution, of course, is a **Loan Completion Plan**. This consists of a life insurance policy and a collateral assignment. Often a bank will reduce the loan interest rate if the company offers the assignment of a life insurance policy. The documentation clarifies that any difference between the death benefit and the loan balance will be paid to the company or the family – not to the bank or other lender.

The second most critical need is for a **Buy-Out or Succession Plan.** In this case there will need to be a valuation analysis to arrive at the true value of the enterprise – not the book value developed by the accountant. Based on the family members, employees and the objectives of the principal(s) there will need to be legal agreements and funding. An unfunded buy-out agreement is almost worthless! There are no funds for payment – except perhaps the difference between the deceased person's salary and that of a replacement.

Additional Needs

Many founders of businesses have strong charitable interests to local organizations and educational institutions. These can be established with tax savings and incorporated into the business succession planning. Tax reductions achieved when serving charitable goals can fund a stock purchase agreement.




As a company grows there are often key persons who must be retained and rewarded. With the demise of defined benefit pension plans, the best solution is some form of Retention & Incentive Plan that will keep the most critical assets of the enterprise – the key executives or artistic talent. These are typically funded with permanent life insurance and often using disability or critical illness coverage.

Business Owners are Well-Connected

They are members of trade and professional associations. They lead local fund drives with the participation of other, well-connected affluent persons. They have profitable customers and vendors. More important, they are willing referrers. Some will grow and their sphere of influence will expand. Others will form business or trade alliances that will lead you to more cases.

How do You Reach Business Owners?

Most are very busy, but they also recognize that they have not addressed the problems you are bringing to their attention. They respond well to drip marketing — a series of letters and relevant articles. They will also attend a local seminar on business planning.

You could offer a meal, but it is not generally necessary. They will be coming to gain information and to evaluate you. In fact, they are likely to mistrust the meal offer, knowing there is really "no free lunch."

Make a good presentation, provide valuable information, and then solicit their opinions. This can be on a one-page "Evaluation Form" that asks about their opinion of the seminar and on which topics they would like additional information. Send the information. Drip market a little, with a few more articles and cover letters. Then they will gladly offer you the opportunity to make a private presentation.

Be well organized, and present the issues carefully and you will have a high closing ratio for a fee-based business planning engagement, followed by significant opportunities for product sales.

Do It Alone, or Get Some Help

The IARFC offers a one-day workshop on Fee-Based Business Planning. This is not a seminar or purely academic course. It includes all the tools for you to enter this highly profitable market. You will view the business documents archive and see if it fits your style or market. You will examine sample plans. You will receive a CD-ROM containing all the letters, agendas, articles, checklists and drip marketing sequences. You will also receive the PowerPoint visual presentation and script, the business planning process chart, and all the credibility tools for your opening meetings. You will also receive the Excel spreadsheet with which to produce the Business Valuation and the Funding Method Alternatives reports.

The cost is modest, especially considering the revenue potential from each new client.

For non-members the workshop tuition is $595. IARFC members pay $395 and to bring an associate who will assist you in the marketing and client servicing, is only an additional $195.

The one-day workshops will be offered in Middletown OH, Charlotte NC, Centennial CO, St George UT, in southern California and elsewhere at locations to be determined.

Ed Morrow, CLU, ChFC, CFP®, RFC®

Ed Morrow is the chairman and chief executive of the IARFC and has been a practicing financial advisor for forty years. His advice and systems are used by thousands of financial advisors in the U.S. and across the world. As the CEO of the IARFC he is one of the developers of the Financial Planning Process course materials and a frequent instructor, both nationally and in many countries.

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COACHES CORNER

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.

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Charge non-investment fees

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Fee-Based Business Planning Workshop

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Leading financial consultants and Top of the Table insurance producers have long recognized that the solution is to **go where the money is!** The more successful the business, the greater the need for objective assistance from a third party advisor — LIKE YOU!

Acquire All the Tools

PowerPoint presentation, fact finder, letters, agendas, checklists, forms, motivating articles, plan text and easy-to-use calculation software that motivates business owners to immediate action. Approach local businesses using tested letters, articles, sample plans, certificates, agreements and a proven professional system fully scripted. Also: Why and how to insure all business debts.

Close the Sale

Maximize this workshop experience. Practice the initial presentation, business evaluation and funding analysis — so you can immediately see revenue results.

What attendees are saying....

I thought I knew the corporate market, but this workshop taught me I still need to make positive changes. The workshop equipped me with all the tools.
— H. Stephen Bailey, RFC®

The most valuable day I have experienced in years. Great information and how to add new cllients to my practice.
— Warren L. Hahn, RFC®

This event took me by surprise and opened me to a whole new avenue for helping business people with real solutions. The workshop equipped me with the knowledge and hands on materials that I took and implemented immediately.
— Nicholas A. Royer, RFC®

Instructor

Ed Morrow, CLU, ChFC, CFP®, RFC®
Chairman & CEO of IARFC

As a financial advisor Ed used these concepts to acquire long term clients, charge Non-RIA fees and sell millions of life insurance.

This workshop will prepare and motivate you now to provide succession funding, estate planning and debt cancellation insurance for the most profitable class of clients — business owners!

Fee-Based Business Planning Workshop

Sign Up Today or Call Us
Find out why you cannot miss this opportunity!

- Approach small to medium sized businesses and professional practices.
- Sell life insurance in large volumes — whole life, indexed, UL, dividend paying or term coverage.
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SPECIAL ONE-DAY WORKSHOP

Venue Locations: 9am to 5pm

- ❑ Denver, CO (Brokers Choice Office) – July 21
- ❑ Charlotte, NC (HB Financial Resources) – August 18
- ❑ Middletown, OH (IARFC Offices) – October 13

For a complete list of dates visit the IARFC Calendar at:
www.IARFC.org or call Amy at 800.532.9060 ext. 34

REGISTER NOW 7 IARFC approved CE credits for workshop attendance; 15 additional with post workshop study and exam completion.

Please print or type information below.

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Firm or B/D

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Associate First Name Last Name

Workshop Tuition: Non-Member $595

1-Day Special Workshop, including all the tools:

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❑ Cost for Each Associate	$195

Total: _____

Payment Information:

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Credit Card # (Discover, MasterCard, Visa, AmEx) Exp. date

Signature

Registration Deadline and Cancellation Policy:
Workshop attendees may register or cancel up to 3 business days prior to the event date. Cancellations will receive a full refund, less a $20 processing fee.

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From the Chairman's Desk…

Ed Morrow

Chicken Little was suddenly struck on the head by an acorn falling from a tree, and exclaimed, "The Sky is Falling!" But of course it was not, despite the pain and surprise.

Chicken Little ran around in circles, and soon alerted other farm animals to this disaster. They all joined in, rushing to tell the King so he could solve this. The parade of animals soon included Ducky Lucky, Goosey Loosey and Turkey Lurkey.

And then they encountered Foxy Loxy who said, "Follow Me" and soon those trusting farm animals were in Foxy Loxy's den, never to be seen again.

Will the economic sky fall on the USA? Will Europe be spared? Will China and India escape? Will Foxy Loxy gain control? Is the contributor to all this ultimate disaster (Foxy Loxy) really George Soros and his Bilderberg cronies? Or is it greedy businessmen, bankers and politicians? I really don't know.

I have personally witnessed the enormous growth of China, India and other Asian powerhouses. I have been in 14 of the largest cities of China, each different in several respects, but all dependent on the purchases of US citizens and the creative product designs from the US. Their economic success is dependent on purchases from the US. I am certain that the USA cannot fail alone. If we fall, there will be another worldwide depression. Can China and other countries risk this?

One political commentator, whom millions respect, has just prophesized the collapse of Greece and suggests that Ireland, Spain and others will soon follow. That might be the case, but I hope not. Jim Rogers, whom many trust and respect far more than his former partner, George Soros, is extremely concerned about the capacity of the USA to address the issues correctly,.

The Non-Solution. Printing money will not help us, any more than it did the Weimar Republic in 1930. That led to personal deprivations, civil distress and the ascendancy of the National Socialist Party. We have to trim the bloated budget, stimulate the economy, put people to work, and return to the prior policies that made USA the economic powerhouse of the world.

The population of the USA is incredibly resilient. We are creative and hard-working. When the politicians (of both parties) are finished digging holes, we will fill them up and return to economic strength.

What You Can Do? Meanwhile, Registered Financial Consultants must increase their client base, improve profitability and prosper. So the IARFC will be developing education and tools that will help our members thrive during this period of adversity — and skyrocket as the economy eventually turns around.

In this issue we explore the opportunities for financial consultants to re-enter the enormous market of small to medium businesses and professional practitioners. The new Fee-Based Business Planning workshop includes the rationale, tools, techniques, scripts and presentations. Members already know about this market — they found it very lucrative many years ago — but moved on to investment management and retirement focus.

Now may be the ideal time for you to return to the place "Where the money is."

Member Enthusiasm. At the recent meeting of the MDRT, I was approached by a surprising number of RFC members who complimented us on the *Register* magazine, and our philosophy of endorsing fees and product commissions. They appreciated the IARFC's focus on how to practice successfully, rather than how to only become an asset gatherer.

Our Growth Helps You. We are exploring additional business relationships that can strengthen the association. In the meanwhile, please do your part by nominating at least one prospective member. Call the association, ask for Amy, and give her the name and contact information. She will be happy to take down several names or even a roster. Each person will go into our marketing drip system, and when they join you'll receive a nice $50 check for each one. Call Now: 800 532 9060

IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

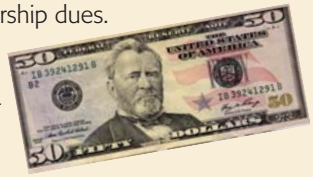
Recruit a new member today

Refer Financial Advisors and We'll Send You Cash!

When you nominate these professionals and they join the association, the IARFC will send you **$50!**

That's it. You do the easy part — provide us with their contact information. We do the hard part — we follow through with them to show the benefits and advantages provided by the association. We show them the different ways they can join and then, when they do join, we send you cash.

There is no limit to the number of individuals you may nominate. You could easily be reimbursed far beyond your membership dues. No waiting till the end of the year — as soon as your referral signs up, we send you a check for $50.



Please nominate one or two financial professionals who may be interested in the honor and benefit of acquiring the RFC® or RFA® designation. By providing prospective member names, you are granting your permission to mention your name as our source, and you will be eligible for the reward.

Mail, fax or phone in referrals to:

IARFC
Attn: Membership Services
P.O. Box 506
Middletown, OH 45042 USA

P: 800 532 9060 — Ask for Amy
E: info@IARFC.org
W: www.IARFC.org

Fax to: 513 424 5752

Be A Peak Performer

Peak performers are those financial professionals who manage to go to the top and stay there. Peak performers have these four common characteristics:

- **Pay Attention** – They don't just look, peak performers see something. They don't just listen, they hear something. They listen creatively for how any news or opinion can be turned for their benefit.
- **Pay the Price** – They have a passion to excel. No price is too great. Peak performers focus. They are not deterred by current events and social engagements. They consistently do the things their competitors will not or cannot do.
- **Are Promoters** – They become known for what they know and what they do. Peak Performers are aware that they must always be building their image in a positive fashion. They find ways to distinguish themselves from the competition.
- **Persist** – They believe in the type of philosophy advanced by Cyrus Hall at Hallmark Cards, "When you reach the end of your rope, tie a knot and hang on."

In order to focus their energies, it is a common practice for Peak Performers to develop a statement of operating principles that fit them, their goals and their industry or profession. Here is a set of Dexter Yager's who is respected throughout the sales world as one of its most influential Peak Performers. We read one time where Dexter attributed his excalibur peak performance to seven character builders. We've recommended these to our sales audiences and we strongly recommend them to you. These seven character-building tips are behavior changing.

- **Avoid the crybaby mentality.** Into each life some rain will fall. Expect it. Accept it. Forget it.
- **Fight fairness frustration.** It's those who make the most of the cards they are dealt who become Peak Performers.
- **Stop being a brooder reactor.** You will never do well if you tend to dwell.
- **Don't get down on yourself.** Compete but don't compare. Lean to the positive.
- **Don't depend on other people's approval.** People-pleasing can paralyze you into indecision.
- **Overcome personal cowardice.** Act courageously, and stay true to your goals.
- **Let your career be ruled by God.** As Carlyle said, "It's the spiritual that determines the material." When faced with a choice between the ethical and the expedient – take the road less traveled by, the ethical path.

Embrace these character-building philosophies. Develop the four common characteristics of Peak Performers. You might want to inscribe this on a display so you will see it constantly. One financial professional inserted this into a small plastic stand, and placed it between his phone and his computer – his two most important tools, and his two most significant time-wasters. These points continually asked him: Does your current activity match with one or more of these principles? If not, quit doing it!

- Pay Attention
- Pay the Price
- Promote Yourself
- Persist

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.

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Creating the Total Client Experience

Make Them Raving Referring Enthusiasts

Wouldn't you love to walk in your office one morning and get a message from a client saying, "I was just talking about you with a friend yesterday and they want to meet with you about their retirement."

How excited would you be if during an annual review, your client asks you to contact one of their kids who is retiring and has a large 401(k) they need to invest?

Wouldn't life be simple if your clients were doing the hard work of prospecting for you? That would give you so much more time to devote to your existing clients, wouldn't it?

Unfortunately, most financial advisors fall into the prospecting trap spending virtually 100% of their time on the treadmill of looking for new clients. Ironically these same people never realize that they have gold sitting right under their nose (or rather in that dusty old file cabinet). The gold is in the people who already trust you…your existing clients. This is the single most overlooked resource for many of the advisors we coach. Having a renewed focus on building deeper relationships with your clients can lead them to becoming raving referring enthusiasts for you. Not doing so is a fatal mistake.

Franklin Covey said in his famous book that you have to begin with the end in mind. You must visualize where you want your relationship with a client to end up. Every athlete is taught to visualize the desired end result. Jack Nicklaus, was well known for how he visualized each shot before making it. In your practice you must do the same.

Advisors always ask us if we are doing seminars; or if we are using a double secret brand-new direct mail piece that pulls 3 to 5% guaranteed; or if we are using some new internet lead program. The simple truth is while those things are important, it only accounts for 20% of what we do to get business…the secret is in the file cabinet.

You must work on developing and creating a lasting relationship with your clients. End of story! If you commit to doing this we promise it will lead to additional ongoing business and create a pipeline of unending referrals.

Our personal step-by-step referral system is like a funnel. Imagine a funnel where every prospect begins at the top and your overall goal is to have them come out the bottom as people who:

#1 trust you with 100% of their money
#2 respect you because they see you as the expert rather than the salesman
#3 always take your advice, and
#4 are raving referring clients willing and enthusiastic to spread your message to their friends

So how do we get from the top of the funnel to having referrals and additional business coming out the other end? Here are a few tips to get you started.

Develop A Crystal-Clear Client Development Roadmap

The truth is people can get financial services from anyone. The difference is the "experience" they feel from you. From the moment a person starts as a prospect they should begin down a road of "experiences". You should have a list of actions and activities that automatically occur as your prospects and clients go down this road.

Tip #1: You and your staff should provide the "World-Class Experience".

Your absolute very first step should be to have an extremely friendly staff who make it a priority to know your clients on a first name basis and truly take it upon themselves to make a positive impact on each client. We call this the "World-Class Experience". Your staff must create a positive experience for every client with each phone call, each appointment, each seminar, and every interaction no matter how small or trivial.

For example, we try to make our clients feel appreciated and welcome every time they come to our office. They see their names on our TV in our reception area where they are greeted with a friendly smile from one of our staff who offers them a wide assortment of beverages from our client refrigerator or they can choose from our individually-made coffee assortment. After a few minutes our clients are brought into our conference room (which resembles a kitchen table more than a formal board room) where our staff sits with them to help organize their statements and other paperwork they bring in.

Tip #2: Position yourself as the mentor or coach not the product peddler.

You want people to look to you as their financial mentor or private wealth coach. This means you don't use sales lingo, instead you ask lots of questions. We make it mandatory that people bring a completed fact finder to the meeting so all we have to do is review it. We don't use yellow pads, fancy charts, brochures, or TVs for sharing concepts. We only present, brainstorm, and explain simple solutions on our white board. This makes us look like personal coaches rather than product peddlers. Using the board allows us to work together with the client to develop solutions to their problems right in front of their eyes. When they are part of the process and they can see the solutions written in front of them, they have an instant vested interest to implement this plan.

This should only be the beginning of your client experiences. You must integrate things like client workshops, appreciation events, rewards for referrals programs to name a few. These are all part of creating the world-class experience and things we will talk about in future articles.

Jerry Royer, RFC® and Nick Royer, RFC®

T. Jerry and Nicholas A. Royer, RFC® are the principals of Group 10 Financial and are Investment Advisor Representatives, and retirement and income planning specialists.

With over 60 years of combined experience, Jerry and Nick Royer have spoken to thousands at their financial seminars and been keynote speakers sharing their simple keys to make your clients raving referring enthusiasts. They have been featured in numerous magazine articles and were on the cover of the *Register* about their unique strategy using client appreciation events. They currently are financial TV personalities for NBC and ABC News networks.

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American Debt DOWNGRADE

Standard and Poor's downgrade of US Long Term Debt should not come as a surprise to many in light of our continuing domestic troubles, but what does it mean for the working man? First, understand that Standard and Poor's evaluates debt based on a set of criteria. They are an unbiased third party information source. It is their day to day duty to evaluate corporate as well as government issued debt. They do not wake up one morning and decide to make this kind of statement without a lot of information to justify a downgrade. They act with more care and show the facts the way the information suggests. What the recent rating downgrade is suggesting is that the US may have problems in the future paying back these long term government backed securities. This is mainly due to the uncontrolled deficit which is at nightmare levels.

Recently the S&P's warning was put on the United States. The rating change put the U.S. on a "negative" outlook. These rating changes are by definition a lagging indicator. By that we mean, this is not giving us foresight as to the future of US debt but a result of what is going on in the government's ability to manage its financial affairs. We've should have realized when the FDIC was running into trouble and our government starting printing money uncontrollably, that the United States was in worse trouble than we thought. And now, Fed Chairman. Ben Bernanke's lack of discretion as to the printing of money is starting to show signs of catching up. And with this, the US Government is drawing major attention. The U.S. Government without a doubt is breaking down. But when Standard & Poor's agrees (years after the fact), you can be sure there is no doubt to the validity of that statement.

In response, US Treasury Secretary Timothy Geithner reassured investors that White House and Republicans will reach a deal to control the nation's finances. This is down-playing a warning that the government risks losing its position as the world currency if it fails to do so. What else would one expect the US government to say? This is also coming from the same group of politicians that told us Fannie Mae was fine and 2 months later what happened? Freddie Mac was broke from the defaults.

The US government is projected to run a record $1.5 trillion deficit during 2011. This is the third straight year the deficit will exceed $1 trillion. President Obama and Republicans in Congress have proposed cutting $4 trillion from future deficits over the next 10 to 12 years. However, they disagree on how to do it. What does the controversy dwell upon? More tax cuts for the wealthy. But how does that pay off the debt? The Government does not seem to be able to control current expense and they will reduce taxes as a method to solve this problem. I must admit I am not sure how that one will work.

Many people today purchase government bonds as a source of income that are now greatly in question. These bonds pay such low rates of return and combined with growing inflation this makes the real rate of return a negative amount. The value of these bonds, are another

problem. The bond values will continue to decline as the US debt problems continue. I know people may have faith in our government; however, they should simply shift investing their hard earned money away from the government secured debt items. Again, showing clients there are much better investments out there from some of the more powerful insurance companies.

As Registered Financial Consultants, we need to help our client see there are still safe and sound investments available. With all that is going on in our economy, the financial stability of the companies we use in our practice is paramount in aiding our clients. Many of them are very concerned over what to do and fear is causing them to do nothing. Well, we need to be that beacon of light and information for them to rely upon. They should trust not only in our products, but us the advisor whom they really buy at the end of the day.

Let's look a little further at the Central banks which seem addicted to printing money. We are at the point where printing more money may be the only way out at least for now. But some of us remember a country in trouble that tried the same thing and before you knew it bread cost $1 million dollars. Does Germany 1944 sound familiar? With the war raging out of control, the German Government printed money to pay for the prior war reparations and inflation took on a whole new face.

In comparison Greece has similar problems. We all saw how people were rioting in the streets when their problems reached its peak. How else could you explain Greece's ability to issue more debt? The country sold nearly $2.3 billion of three-month bills at a ridiculous 4.1%. This is, and must be, the true example of junk bonds… right? The problem is no one is buying this debt instrument, and their values are continuously dropping. The Greek issued debt has already lost so much value, (which is where the bond holder loses money) the two-year Greek paper is trading at a 20% annual return. Yes… two-year Greek bonds are now yielding an outrageous 20% (a record). Will the US be next?

Clients should understand that government debt is no safer than CDs. If they are going to put their faith somewhere, a guaranteed fixed product now looks really attractive especially when they can defer the taxes on top of that. You may also want to consider "hiding" these funds from future tax issues which may arise.

If you are not familiar with a revocable trust you may want to speak with a local attorney and get educated. This is something as an advisor you should be very well versed in. Not that you need to consider law school, but know when a client should seek legal counsel when it comes to estate planning.

While you are meeting with the attorney, this should also be an excellent source for referrals. You could mention the safe investments you use and show how speaking to their clients on how to hide their money could create a seminar or direct mail opportunity through the attorney. You can show the client how reinvesting and creating or modifying any existing trust will create a tax shelter for the client. I believe we call that a win – win – win for all parties involved.

Mark A. Kanakaris, RFC®

Mark A. Kanakaris, RFC®, is a financial and estate advisor as well as the recipient of the Kentucky Colonel award. He acknowledges, "My practice has exploded tremendously from my relationship with the Insurance Pro Shop®. Kanakaris is a financial coach, and President of First Financial Education Group located in Canton, GA. He has helped over 1,000 clients to improve 'their personal money management skills' and progress toward their financial objectives.

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Financial Marketing

The Times, They Are A-Changing

Back story – I came into the insurance and financial industry through ad agencies in the 80s. Then, I was the head marketing writer for a large national financial firm. So, I've got a pretty broad and extensive background. Does that qualify me to manage your marketing? No.

Why? Because the model for effective marketing in this industry has changed. And, it's a huge improvement over the traditional model! Let's look at why:

Picture the traditional model as a flow chart, with your practice at the top. Let's call it XYZ Financial. XYZ hires LMNOP Advertising to serve as Thought Partner and produce all the firm's marketing and advertising. LMNOP, likely does not have a realistic grasp of your business or even the dynamics of the financial industry. However, they have a staff of writers and graphic designers who can romance and finesse any type of promotion.

LMNOP probably says, "We don't need to know your business; we only have to understand marketing." That's like you telling a prospect, "I don't need to know you want, I only need to know my products." Big Disconnect.

The result of that model is often a dysfunctional message that fails to connect with your specific target market(s). It is a generic message that could fit any of a thousand other firms. It's driven by eye-catching graphics (usually stock photography) and clever writing (usually based on a cute pun). Financial services is not cute. People do not want a "cute" financial firm giving advice about their money. A generic message is based on this concept: "I shot an arrow into the air, it fell to earth – er, did anybody see it?"

I recently saw a marketing proposal from a marketing agency who wanted to get hired by a bond firm. Among other things, they recommended an e-commerce website, trade show booths and direct mail. That type of marketing might win the agency an award, but it likely won't win the bond firm many new clients. Those media channels are NOT appropriate for high value financial firms. They would show the firm as focusing on selling, rather than solving relevant problems.

That's the old model. But, why is that model fading into obsolescence? Many reasons, but let's look at the most obvious ones:

- **The increased importance played by consumer psychology.** The more you know about your target market's psychology – why and how they make buying decisions – the more accurate your can be in your messaging. Ad agencies rarely ever know anything about developing psychological profiles of specific target markets.

- **The agency is not able to coach and guide you in using the message.** Why would you go to a meeting and deliver a generic message? Your marketing messages must be congruent and representative of your sales conversations. Otherwise, your identity will disintegrate with your perceived value.

- **Primary psychographic indicators.** Things you must discover about your target market and each prospect include:

  1. Values
  2. Communication style
  3. Job title and profession
  4. Beliefs or expectations about:
     - You
     - Your firm
     - Sales people in general
     - Your industry
     - The category of product or service that you're selling

A Change Is Gonna – Oops! Too late…

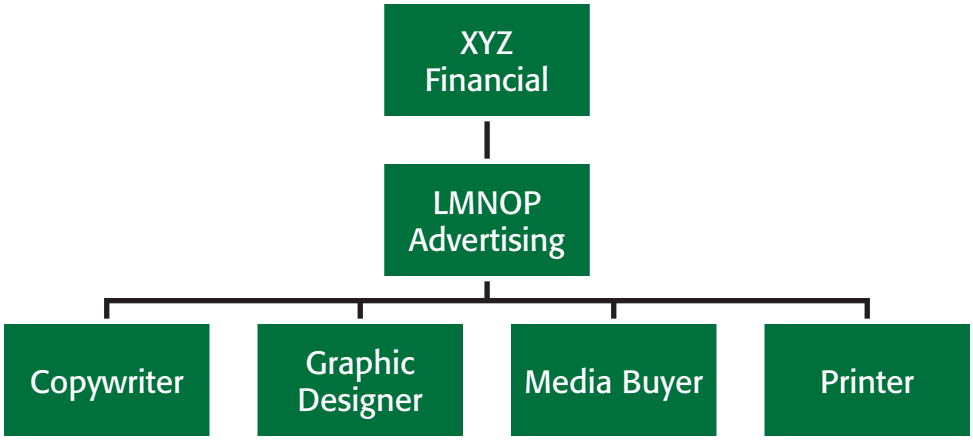
As you can see, that old model fails in many areas. That opened the door for a better model to emerge. In this better model, the ad agency is no longer a Thought Partner. It has been demoted one notch, to being a vendor. The position of Thought Partner has been taken by a specialized type of firm whose job it is to develop specific messages. Those messages do two things:

1) they represent you faithfully, and 2) they represent your target market's psychology.

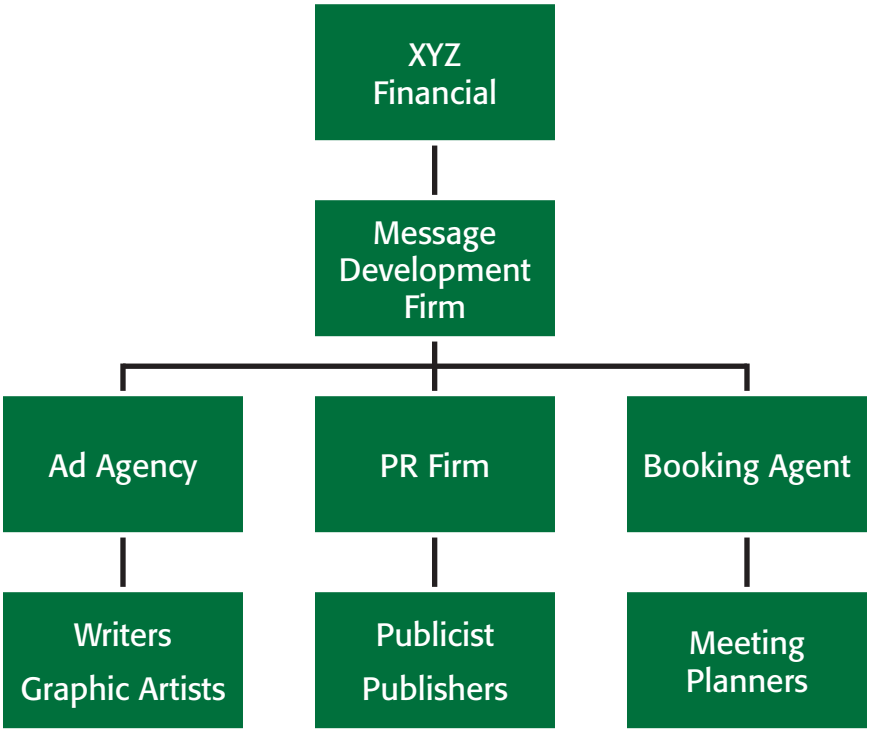
This specialized firm develops the specific language of your message(s), and then directs and manages them. It serves as your Marketing Director and Creative Director. Let's think of it as a Message Development Firm.

This firm also selects, hires and manages all the contractors and other vendors who help with the message production and distribution. Those vendors would be ad agencies, PR firms, publicists, writers, artists – any service that is appropriate for the specific job at hand. The lowest level of the model would be the actual production workers, who would be hired by the various agency vendors. The Message Development Firm would direct them in how to use your message. So, your messages are now based on the triggers that light up your target market's desire, rather than clever and cute advertising.

Example: Traditional Marketing Module



Example: Better Marketing Module



See the example of what the better model looks like. It's a subtle improvement with a huge impact on the effectiveness of your marketing.

Why is this improved model more appropriate for insurance and finacial practices? Because very few advertising and marketing agencies know your business, and even fewer know anything about your target market's psychology.

What are some of the specific areas of psychology your Message Development Firm should understand? Think of your own target market. It's not comprised of one-dimensional shadow people. Your prospects are complex beings. They cannot be effectively described as a zip code or household income. They must be described in multiple psychological terms. Thus, you might think about building an image of them that is similar to a hologram — multi-faceted and multi-dimensional.

At the simplest level, you would describe your target market by the professions that are most common in it. Could be most of your best clients are attorneys or CPAs or engineers. From something as simple as that, you can make an accurate guess of the social styles and values of your target market. Once you have those, you will be able to speak in the mental code those people respond to.

At the more complex level, you would describe your target market by their FUD — fears, uncertainties and doubts. Add FUD to the social styles, professions and values, and you start to get an idea of who you're talking to, and what makes them respond.

Then, at the even more complex level, you would look at the common mental filters of your current best clients. There are approximately sixty mental filters. A marketing firm, ad agency or writer who can't describe the target audience in terms of mental filters cannot accurately know what the target is.

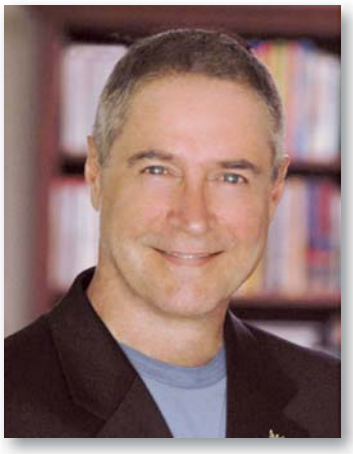
The mental filters configuration of a target market might include these filters. Mind you, this is a very short list of mental filters. Each filter is represented by a continuum. All people have these filters. All target markets tend to cluster in their mental filter configuration.

Procedural ..... Free Form
Details ..... Big Picture
Skeptical ..... Open minded
Black/White ..... Shades of Gray
Strategic ..... Tactical
Fear of Loss ..... Need to Gain
Status Quo ..... Improvement
Self-focused ..... Other-focused
Independent ..... Team-oriented

As you can see, if your Message Development Firm knows how to stack all those different layers, along with the elements listed above, you will have a detailed hologram of your target market. You'll know the specific words and phrases that are most apt to inspire those people to respond. You'll know the structures and organization you should use in your marketing, selling and workshops. And, that's just the start of the insight you'll gain.

When your Message Development Firm has all this intel, they can create the various appropriate messages your firm needs. Then, hire the appropriate vendors to distribute the message in the most effective channels and in the most effective way.

Your IARFC Reward. If you see the value in learning your target market's psychology, I have a treat for you. Copy this paragraph into an email and send it to me at: michael@aboutpeople.com. I will send you our in-depth report: Inside the Mind of Decision Influencers.



Michael Lovas

Michael Lovas is the author of twelve books, mainly on Professional Credibility and Psychological Communication in the financial industry. He currently writes several columns and has been published more than a thousand times since 1986. All of Michael's work teaches professionals how to use simple, effective psychology to write more business and inspire their clients to love them.

Michael also holds the distinction of creating "Credibility Marketing" in 1991. He is also the cofounder and a principal of AboutPeople, a unique consultancy focused on helping advisors build credibility and relationships with their chosen target markets.

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Ethics Vs. Compensation

There is an ongoing debate in our industry that ethics are driven by compensation. The debate is that one form of compensation is "more" ethical than another. In fact, it is thought if we control how advisors are paid, then their ethics will fall in line with the regulatory and public's expectations and behave in an ethical manner. Advisors and planners often become embroiled in heated debates over their ethical standards as it relates to their compensation.

If one earns commissions, one is inherently unethical but if one is paid a fee, one is ethical. Nothing is further from the truth. And so, advisors argue this point to ad nauseum. Advisors have never been in charge of their compensation per se — companies have. Advisors have never designed products — companies have. Advisors have never promulgated the rules and regulations that companies have used to design their products or to determine their payouts — congress, federal regulations and regulators have, as have state departments of insurance. But as soon as the compensation is thought to be "outlandish" or "unworthy" then let's blame it on the advisor for being unethical.

To be sure, unethical practices have been and will continue to be committed and those people need to be either fined or punished or both. But to think that it is because one is paid a commission that that is the root cause of this behavior is foolish, it isn't. Bernie didn't earn commissions, Kenneth Lay didn't either, neither did Arthur Anderson's CPAs, nor the Rating Agencies. The largest portion of the blame is with the federal regulators and the supervisors within the financial companies (broker dealers, mutual funds, insurance and/or investment banks) that have accepted and approved of these business practices by their employees. Those supervisors were the ones responsible to enforce the suitability standards and to assure their clients that their employees were acting ethically.

If you want the unethical behavior to stop, fine those companies and punish those officers who have supervisory oversight. If an advisor writes business that is wrong for the client, then it is wrong for the company and should be refused by that company. But that is not typically done, especially if the one writing the business is a big producer for the company. As is typical in many of these issues, it all comes down to the money. How much money does the company stand to earn if it doesn't get caught. Or, if they do get caught, will the punishment or fine be substantially less than the added profits to the company. Let's be clear, if the CEO had to do jail time every time a fine, especially when it hurts the client no matter the size of it, is levied against their company, behavior would change throughout the company.

Let's review how a financial advisor is compensated. Those methods are: salary, salary plus bonus, commissions, fee for services and fees for managing

assets. Someone who is paid a salary can either be paid an hourly rate or an annual salary. Someone who is salary plus bonus receives a salary plus a bonus based upon achieving specific company objectives. Those objectives vary with the job assignment but can include: assets transferred into the company or assets saved from leaving it; appointments made with new prospects or appointments with clients where new products are sold. Commissions are determined by the company where the financial adviser is placing their business and varies by the company. These commission schedules are approved by the regulators and cannot exceed specific maximums. Fee for service, usually means that the financial advisor will not sell you anything but will provide you a plan for a fee which the client pays. Fees for managing assets, is a fee that the financial advisor charges to the client for managing their assets.

The public may and often does view these forms of compensation all differently thinking one to be more ethical than another. Perhaps it believes that if one is merely paid a salary that that individual is the most honest, trustworthy and ethical from all other forms of compensation. But we know that is not true. Salaried employees have acted just as unethically as others who are paid differently. Is a financial advisor who is merely commission based less trustworthy, honest and ethical than one that is fee for service? Of course not.

How an advisor is compensated, in-and-of-itself is not the defining factor to ensure that the client will have a more ethical, honest and trustworthy financial advisor. Can any one of these compensation methods be used in a dishonest or unethical way? Yes, they all can. When a company or advisor states how they are compensated (Company: Our advisors are not commission based but are paid a salary. Or, Advisor: I am not commission based but paid a fee.), they are stating something about themselves to distinguish themselves from their competition. It is used as part of their marketing campaign. It is a way to get the consumer through the door and into their firm; plain and simple. It does not mean that that company or that advisor is more honest, trustworthy or ethical than their counterparts who earn a commission. For that, we would have to review how that company is paid when a consumer becomes a client of that firm or advisor. Perhaps that company sells annuities and mutual funds and the issuing carriers pays the owners of the firm a commission but the owners pay the advisor a salary. If the firm uses only those carriers that pay the highest commissions regardless if those products meet the needs of the client, then the client is better off working with a commissioned financial advisor who seeks to match the needs of the client with the features of the product regardless of the product's commission. We know that a firm can state they have access to all company products but if their core business is consistently done with 3 of the highest commission paying carriers, the consumer has their answer.

I fully understand why compensation surfaces as one of the culprits regarding unethical conduct in our profession, but I submit it is not the root cause as to why clients are at times placed into products that are inappropriate for their investment objectives. That happens because the regulators have approved the product for sale to the public and the issuing company incentivizes it to the advisor. If we want to manage someone's ethical behavior then begin with, as Steven Covey states, the end in mind. And that end is the regulating bodies that approve these products. The financial advisors are not to blame nor are they the root cause for this malaise of unethical behavior afflicting our industry.

No matter what profession in our society we inspect, we will find those individuals that will cheat and circumvent the rules and the boundaries of those rules in the hopes of increasing their own profits. If the regulators won't stop approving these unsuitable products then we, the public, need to insist that when companies break the law those at the top pay the price with their own money and their own life in jail. Place the highest paid officers of companies in jail, and you will have better suited products to meet the client needs. In other words, put the client's interest and needs first always.

One's ethics are not determined by how one is paid, or by a plaque on their wall, or a Code of Ethics they have signed, or an oath they have sworn to uphold because ethics are not what one says but what one does. An advisor's ethics are tied directly to an advisor's honor and it is that end result with their client that will ultimately determine if the advisor thought of their client or of themselves; did the advisor determine their client's needs and objectives and match the product to their suitability or not. If they did, does it really matter how they were paid? I think not.

Evan F. Cole, RFC®

Evan F. Cole, RFC®**, has been working with people to** keep their investments simple, easy to understand and successful since 1985. He is an investment advisor representative and registered principle of Cambridge Investment Research, Inc. He earned a Bachelor of Science from the University of New Hampshire and holds multiple security licenses and life insurance licenses in California and Oregon. Evan specializes in 401(k), 403(b), 457, SEPPs and IRAs (including ROTH) retirement plans for healthcare, public schools and non-profits. He uses annuities, managed money accounts and insurance to meet your financial needs and objectives — and he is committed to exceeding your expectations.

Evan has been a board member of People Reaching Out, a substance abuse prevention organization, since 2004 and was the Board Chair from 2005-2010. He resides in Sacramento, California, and has four thriving young adult children.

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How To Give A Eulogy

Giving a eulogy is arguably one of the most difficult tasks you will ever do… But as we all know, the best things in life NEVER come easy!

Most people will probably say they dread giving a eulogy. This is partly because one of the biggest fears most people have is public speaking, and partly because it is so difficult and emotional to summarize a person's life story in a series of moments.

I recently delivered a eulogy at a loved one's funeral, and I will not hesitate to tell you that it was extremely difficult. Afterwards I felt like I had experienced just about every emotion possible. Some of the toughest parts were being nervous, having to reflect on my grief and loss, worrying about getting through it without breaking into tears and trying not to forget anyone. Some of the best parts about this were reflecting back on all of the great memories, the special people in her life, the amazing things she did for me and others, the funny stories and being able to heal by sharing and expressing my thoughts and feelings.

I remember working so hard, for what felt like countless hours, trying to find all the right words, recalling all the most important memories and stories and trying not to forget any of the key people in her life. And to be very honest, I wish I could go back and do it again. To this day, I still look back with regret, wishing I could go back and say some things I neglected to mention.

Here Are My Top Ten Tips to Giving a Good Eulogy

In the event that you… or anyone you know… needs to give a eulogy, I have put together some tips I've learned that I hope can help you:

1. **Giving a eulogy is a good thing for you.** It may hurt to write a eulogy, and it also might be hard to read it. For some, that is the worst part. The world might spin a little, and everything familiar to you might fade for a few minutes. But remind yourself as you stand there that you are the lucky one who gets to tell everyone about this special person.

You are the one being asked to do something at the very moment when nothing can be done. You were selected to face the group… to speak to the family, friends and everyone else who was fortunate enough to share in the memories and time with this loved one. You have the rare opportunity to be able to summarize the story of this dear loved one's life. You are the one who gets the last word in the attempt to define the outlines of a life. You are the one who gets to tell everyone who this person was, the differences they made in so many lives and the reason their life should be celebrated. And actually, it is through this wonderful experience that you can actually find great joy and healing.

So it really doesn't matter what you say, or how you say it. The reality is this: opportunity is both a privilege and a gift.

2. **Don't feel like you have to accept this offer.** If on any level you are not interested in taking on this task, for whatever reason, that is perfectly OK. Some people may choose to decline this gift for a variety of reasons. They might feel putting together the story of someone's life is too difficult, or too emotional. Some people are simply too overcome with grief. Some people may feel like they are not the most appropriate person. Others may feel as if they are not great expressing feelings or emotions publicly.

So know that whether you choose to accept this gift and give a eulogy or not, there are no wrong decisions. It is totally a matter of preference and comfort.

3. **Creating a eulogy will be difficult.** Be prepared for the harsh reality that this will be a difficult thing to do from beginning to end. Writing and reading of a eulogy is, above all, the simple and elegant search for small truths. They don't have to be the truths that everyone agrees with, or even that everyone knows about. They should just be the ones most people will either recognize or appreciate. This can be surprisingly hard to make note and mention of some of the smallest details of a life.

However, the reality is that these small details can help define a person, and even serve as one of the best ways to remember them for who they really were, and what made them so special and unique, and loved. Here are some examples:

- She cared more about her family and her friends than she did herself.
- He loved to talk about his football team, his military background, his career.
- She never wanted to talk about herself, but rather listen and learn about you.
- He had a loud voice that could be heard across a crowded room.
- She always said and did the right things.
- He was never found anywhere without a cigar in his hand or mouth.
- She lived for gardening, and I will always think of her with every beautiful flower.

4. **Don't worry about time.** They may tell you that you have a specific period of time, and that there is a set schedule. They may say three minutes or five minutes. They may tell you to take all the time you want. Don't listen or follow any limitations as I firmly believe that time constraints are always an insult at a funeral.

Of course you want to be respectful and work within the finite space you've been given, and remember that the eulogy is just one part of the memorial service. However, tell your story, express your feelings and if it ends up being shorter or longer than others may wish, it does not matter at all.

5. **Focus.** As you stand there, think about the room as being filled with rings of loyalty. The people who are in the front row are usually the ones who were the closest to your loved one, which means you should speak to them first. And then, in the next measure, consider speaking to the room itself, which mostly represent the next closest family members, friends, and loved ones. Last is when you should speak to the physical world outside, which consists of their neighborhood, town, place, groups,

clubs, associations, military, even their company and co-workers.

So try to remember your rings of loyalty, and also try to speak to them in the order they deserve.

6. **Be sure to put all of your thoughts in writing.** You must be sure to write down all of your thoughts. In grief, people can have a tendency to wander through memories that may not be accurate, relevant, well-framed or purposeful. Sometimes people can move off track into personal feelings, stories or conversations that are not necessarily appropriate. Therefore, make sure to have your thoughts documented, or at the very least a general outline.

7. **You might be struck with emotion or cry.** Giving a eulogy is one of the most emotional experiences you can go through in life. With that in mind, you must accept the fact that you might get extremely emotional, cry or even reach a point where you cannot continue. But if possible, try not to give up. Just remember that everyone who is in attendance and listening can fully understand and relate to the fact that giving a eulogy is an extremely difficult and emotional thing to do. Also remember that everyone admires and respects you for having your courage and contribution to express these special words with them.

Since you may become overwhelmed with emotion or cry, this is another reason why you should have everything in writing. This can help you stay on track, not lose your focus and pick up where you left off should you need to stop for emotional reasons.

One final suggestion is to have a backup plan. Sometimes close loved ones can break into an emotional state where they simply cannot recover or continue. If you feel like this might happen to you, make sure you ask someone to be there for you and be ready to come up and help you finish giving your eulogy. Again, everyone understands and appreciates you for sharing, whether you finish or not.

8. **Practice, practice, practice.** As with any public presentation, the best thing you can do is practice this speech. Read it aloud until you feel comfortable with the content and how it flows. Practice and rehearse to the point where you might even be able to give this eulogy without reading it if you had to.

Another major advantage to practicing is, it will help you evoke the emotions you have inside and determine which parts are the most difficult to deliver. This can help you prepare more intensely in certain areas, or even redesign your eulogy if you feel like you need to minimize some of your emotions to get through this.

9. **Prepare yourself in case something goes wrong.** Often times during public speeches, especially during such sensitive gatherings as memorial services, events can occur that will throw you off course. There might be a noise, an unexpected emotional outburst, a child crying or the microphone failing to work properly. Again, this is where practice helps by allowing you to stay on track and keep your composure. If it helps, make up something you say to yourself to help you through those moments and allow you to regain your focus.

Also, one other note is that many people choose not give a eulogy by reading everything word for word. They use bullet points and then expand on their thoughts from each bullet point, topic, or subject. Keep in mind this during such an emotional and sensitive speech; you may say something that feels "out of line" or inappropriate. But like I mentioned above, that is perfectly normal, to be expected and something to prepare for and be ready to work through.

Finally, practice speaking slowly. During times of great importance or intense emotion, learn to pause. A pause is good for you because it allows you to collect your thoughts and gather your composure should you need to. A pause is also good for those in attendance because the silence helps to create a stronger and more powerful message.

10. **Consider using humor.** For many people humor and laughs can be a pivot point in a funeral. Especially when the deceased is someone who was known to have a good sense of humor. Eulogies don't have to always be about the sadness or the loss. They can be about the funny memories, person or stories.

In fact, some of the best laughs come by forcing people to remember who this person really was, versus strictly "glorifying" them. For example, one of the best ways to use humor is through telling a story about something everyone can relate to about this loved one. This can even be about something that was not among their best qualities. At the closing of your story, the element of surprise always brings a good laugh when you can summarize with a conclusion that no one expects.

Summary: During any good eulogy, you can expect that there will be moments of panic, silence, laughter, sadness or moments when the speaker gets choked up.

Giving a eulogy is almost always accompanied by challenges and surprises. This is one of those things you can fully prepare for, but have no idea what to expect.

However, if you can find the strength to take advantage of this great opportunity, I am fully confident you will be glad you were able to tell your story and express yourself with so many others who share in your thoughts, feelings and loss. No matter what happens, no matter what you say, no matter how you feel before or afterwards, you will be loved and appreciated by those in attendance, as well as those listening above.

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

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Did Asset Allocation Survive the Great Recession?

By diversifying across different asset classes, modern investment theory holds that when some asset classes decline, others increase (negatively correlated in investment speak), offsetting each other. This means large declines (and increases) are moderated, resulting in less volatility, and returns that are more predictable, making it easier for investors to stay with their investment allocations through thick and thin. This idea was severely tested between September of 2007 and March of 2008, when it seemed every asset class, regardless of type; all declined together, causing massive losses for everyone. Some thought that asset allocation had failed, and that a new strategy needed to be developed, a strategy that would protect against this type of unprecedented loss.

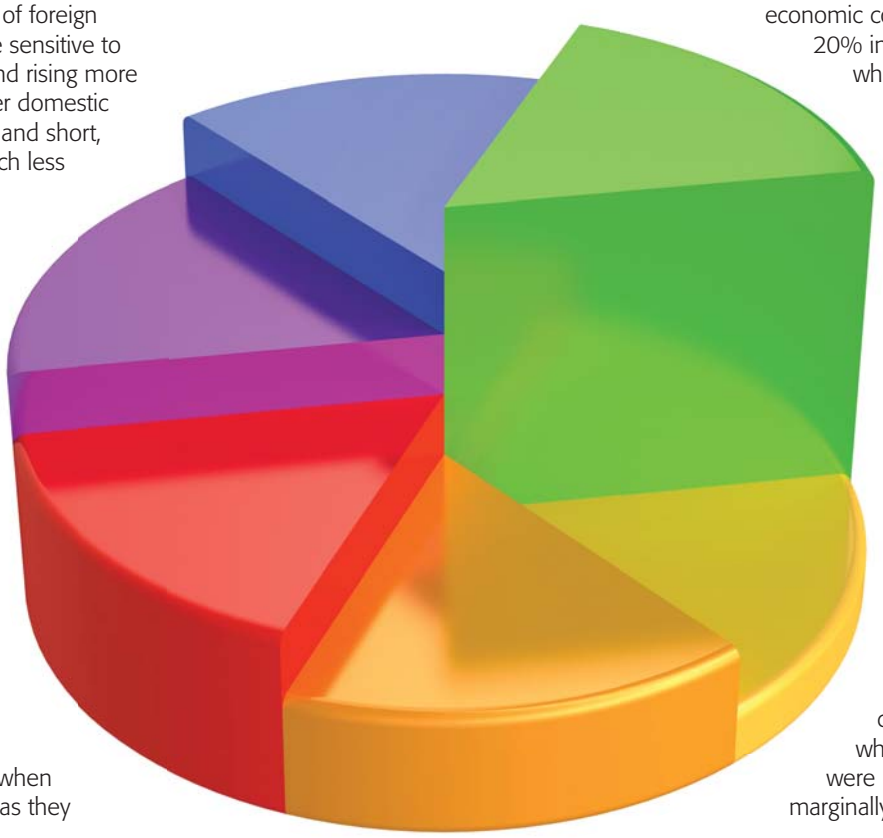
Asset allocation and diversification work based on the premise that not all sectors of the market increase or decrease together, nor to the same degree. Historically, the stocks of small companies and those of foreign companies have been more sensitive to market volatility, declining and rising more than the stocks of their larger domestic brethren. Bonds, both long and short, tended to change value much less than stocks, and were often more sensitive to whether investors thought interest rates would rise or fall. It may come as a surprise to some, but asset allocation and diversification never promised to protect us from upsets to the entire system (systemic risk), but only from upsets to individual securities, or to individual sectors of the market (which is why portfolios contain both domestic and international investments, long and short bonds, stocks of large and small companies, etc.). So when all markets decline at once, as they seemed to have done in the fateful six months between September of 2007 to March of 2008, asset allocation was not to blame.

Certain asset classes did quite well despite the systemic decline. For example, treasuries did not decline at all and actually increased in value. So if a portfolio was 100% in treasuries, it did quite well. If a portfolio was half in treasuries, the loss was mitigated, but there was a decrease in value. Indeed, through the worst investing period in 60 years, many well diversified portfolios declined by 20% or less. It is this fact that is sometimes lost: that the values of many investors' portfolios did not precipitously decrease in value. Rather, the decrease in value, while uncomfortable, was not catastrophic.

The real danger then was not that asset allocation had failed in a client's portfolio, but that the client would lose faith in holding the portfolio until the markets improved. This was different than the crash of 1987. At that time the economy stayed strong, despite a one day loss of almost 23%. In the wake of that crash, the economy continued to grow, there was no banking crisis, no massive unemployment, and there were still high paying manufacturing jobs to be had.

As we all know this time was quite different. In the wake of the Great Recession, unemployment skyrocketed, banks teetered on the edge of insolvency, and investors feared they might (and some did) lose a lifetime's worth of financial security. In the face of this kind of uncertainty, every client thought about taking what assets remained and leaving the markets with whatever they had left. After all, they might be next on the unemployment line.

It's this scenario that really put the idea of asset allocation in doubt: not so much your portfolio's actual performance, but your neighbor's performance, the performance of the Dow, and the other economic conditions. After all, a decline of 20% in a well diversified portfolio, while uncomfortable, is well within the range one might expect. In fact a well educated client might have even been informed that this level of decline might happen.



I often think the most important service a good financial planner provides is helping investors stay the course, even when markets are not performing up to expectations. Indeed, financial planners who successfully counseled their clients to stay with the chosen asset allocation and to continue dollar cost averaging (investing the same amount of money, on a regular basis, regardless of market conditions), likely have clients who are now ahead of where they were in the fall of 2007 (albeit marginally). If they managed to dollar

cost average throughout the last few years, they were buying at fire sale prices. For these people, the Great Recession was an upsetting downturn that they ultimately turned to their advantage.

On the other hand, for those investors who went without professional advice, or who felt they could not hold their positions, and left the market at its lows (I know of one case in which a person sold out of their equity positions in March of 2008, having lost half the value of their portfolio, and bought an annuity), it will be a long time, if ever, before they can make up the losses that sticking with a diversified portfolio might have cured within a few years. A client who was guided by their advisor to stay with a well diversified portfolio throughout the last downturn was well served indeed.

Seth Becker, RFC®

Seth Becker, RFC® has over 20 years experience in the securities industry, including 12 years with Bank One's investment management group, and two years at Lancaster Pollard Asset Management, LLC. He has been in private practice for the last six years Oakstone Financial Management, LLC.

Seth has served on the Boards of many non-profit entities including The Columbus Montessori Education Center, Temple Israel, The Columbus Jewish Day School and Oakstone.

Seth is a Registered Representative offering securities through Cadaret, Grant & Co., Inc., One Lincoln Center Syracuse, NY at Oakstone Financial Management, LLC and Cadaret, Grant are separate entities.

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Meditate Your Way to More Success *part two*

In the last issue of the '*Register*', I explained why meditation will increase your performance and enhance your lifestyle. Below are case scenarios, meditation instructions and techniques. The people in this article are real and we use their name and comments with permission.

These Advisors discovered that the ancient practice of meditation led the way to clearer minds, more energy, and greater productivity. Now they make better decisions, feel more relaxed, and exude a quiet confidence that attracts clients. Here's how you can get started.

Does It Work In The Real World?

John Anderson, a 10-year veteran in Charlotte, NC, was suffering from slumping sales and frequent angry outbursts. His relationship with his wife had grown distant, and Anderson shrugged off attempts by his boss to help his business. But after reading *The Power of Now*, Anderson decided on an unlikely remedy — Meditation. "Believe me, I was the last person who would ever have considered meditation," Anderson says. "But it has made a big difference."

After six months of meditating 30 minutes a day, Anderson says those around him have noticed a remarkable change. "My wife immediately noticed a change in my disposition," Anderson says. "After 10 years of marriage, the flame had gone out, but since I've been meditating we've become much more intimate." Anderson's sales rose, too. "My boss and his boss noticed I had become much calmer and more amenable to prospects and clients, and they noticed I was bringing in more money. Neither had any idea I had been meditating."

Joanne Mason, a ten year veteran in Fairfield, Iowa, sees meditation as another way to develop her mental abilities. "I first started studying concentration methods, and that led to taking a class on meditation," Mason says. She recalls reading an issue of *Scientific American* that pointed to measurable physical improvements in people who meditate. "That's when I took meditation seriously," Mason says. "I went from being a zombie to having awareness."

Meditation adherents report decreased insomnia, increased energy and motivation, and improved relationships, both personal and professional. Many say they subjectively felt an increase in their ability to communicate, with a greater sensitivity to the needs of others, both at home and at work.

Karen Bond, a 24-year veteran Advisor in Phoenix, has been meditating for nearly twelve years. A self-described Type A personality, she was constantly thinking and doing. She needed a way to slow down and be in the moment. "Meditation teaches you to be present, an essential trait for an Advisor. Giving a client your genuine attention is the best compliment you can give and builds trust," Bond says. "You become more attractive to clients and prospects when you're totally present."

How To Meditate

There are many different systems of meditation, each with its own specific set of instructions.

For many, you'll need to be taught by an expert who has been trained in that particular method. Below is a basic "So-Hum Meditation" that anyone can practice anywhere, anytime. It's a simple breathing awareness technique.

We tend to take shorter, shallow breaths when we're stressed, and longer, deeper breaths when relaxed. Put your hand on your stomach and notice how it moves up and down. When we get stressed (even a "good stress" when we can get overly excited on the phone with a client), we start breathing through our chest and talking through the tightened muscles of our throat. The stomach is nowhere to be found, and we're not relaxed.

The key is not to try to control the breath, but to just do the mediation and let the breath flow naturally. Because the mind and body are connected, when either one settles down, the other will follow. We will use a mental technique that allows the mind to become calm, and the breathing will regulate itself, without our having to force it.

The So-Hum meditation is a mantra-based method of meditation. A mantra is a meaningless word or phrase that has a life supporting effect on the physiology. It's used as a vehicle to enable the mind to gently progress to finer and finer levels of thought.

While sitting comfortably in a chair, someplace where you won't be disturbed, close your eyes, take a deep breath in and silently, effortlessly think to yourself, "So." Do not hold your breath. Slowly exhale and silently think the word "hum" to yourself. Continue breathing normally while thinking "So-Hum" on the inhale and exhale, being careful not to control the breath…just let it flow. Continue in this manner for about 15 to 20 minutes. Then stop repeating the mantra and rest with your eyes closed for a minute or two before engaging in activity again. Keep it simple.

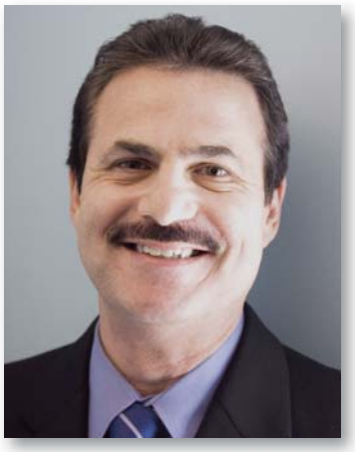
While doing this meditation, notice your breath, but do not be concerned about it. It doesn't matter whether your breath is long, short, deep or shallow. It just is. The same thing goes for your thoughts. If you find yourself having thoughts, notice them and gently bring your attention back to your breath. Eventually, you will naturally notice fewer thoughts and more silence.

Be Natural

Don't force the breath. "Not trying" is perhaps the hardest part of this form of meditation. We are so used to struggling and exerting an effort in order to achieve a certain result. With the So-Hum meditation however, no effort is required. Be natural, sit back and observe. The body will know what to do without the mind having to think about it. Trying to control the mind or body only creates strain in the practice, leading to more stress, not less.

It's best to practice this form of meditation twice a day, for 15 to 20 minutes each session. It takes a few minutes for the mind to settle down, so less time per session won't be nearly as effective. By meditating once in the morning, you calibrate your mind and body, tuning it up and getting it ready for your day's activities. Less stress comes in throughout the day. Do another session in the early evening, preferably before dinner.

Technically, you can meditate anytime, anywhere (except during activities such as driving, where you need your full attention). Noise is not an obstacle. Many business people do it in airplanes or trains while commuting.



Max Bolka

Max Bolka is a 28-year veteran of the financial services industry. Today he "Builds First-Class Financial Advisors & Enlightened Entrepreneurs" through his professional speaking, writing and practice management coaching program. To sign up for his free monthly practice management e-tips, or find out more about his services visit his website listed below.

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Business Mirrors Life

Behind Every Great Man is an Even Smarter Woman

It is well known that Thomas Edison was an inventor, a genius, and he never slept. Did you know that Mrs. Edison was a genius and never slept too? She was the marketing guru behind his engineering success.

True, Tom had discovered what is today known as the light bulb. When he showed it to the Mrs. Mina Edison, his second wife, she asked "what are you going to call it?"

Tom said. "I call it an affordable electrical home-lighting device."

"Great," she responded, "with a name like that it will sit on the shelf at the patent office. We will just add it to the other money-losing patents you have conceived."

"How will people know what it does?" she asked sarcastically. "From its name? You need a short catchy description that customers (yes, even in the 1880s they were already called customers) will immediately identify with."

This time Tom listened. The English inventor, Sir Joseph Swan, his arch rival, was ready to introduce a similar device and he did not want to lose out this time.

Mrs. Edison started drilling her husband. "Why will people want to buy your affordable electrical home-lighting device?"

"Well, it has the incandescence of 81 candles or 2.3 gas-burning lamps." he proudly answered.

"Tom, I keep on telling you that those are features. Customers don't buy features; they buy benefits," she said. "How will this device benefit people?"

"They will be able to stay up later and read more books," he offered.

She glared at him. "Are you telling me that people will invest tens of dollars to bring wires into their houses to connect to your affordable electrical home-lighting device just to be able to read the latest Mark Twain novel?" she said. "I don't think so. My research shows that only 18 percent of adults can read on an eighth-grade level."

She decided to bring in some of her neighbors and ask them (history records this as the first documented focus group). Their comments were invaluable:

"I will be able to put on my lipstick at home before school," said the high school debutante.

A little four year old shyly whispered that she would be able sleep at night and not be afraid of the dark with an affordable electrical home-lighting device glowing in the hallway.

As always it was the female heads of households who saw the benefits most evidently. "No more soot from the oil lamps means cleaner floors and, therefore, less of a need to wash and wax daily. Why with the extra time, we'll be able to go to school, get a degree, work independently and have the money we need to leave our husbands."

Mrs. Edison was excited. This affordable electrical home-lighting device could finally make her husband an entrepreneurial success. However the focus group balked at the name. No one could see themselves walking into one of those new Woolworth five and dime stores and asking for a dozen affordable electrical home-lighting devices.

Mrs. Edison would not let them leave. "So what would you call it?" she asked in desperation.

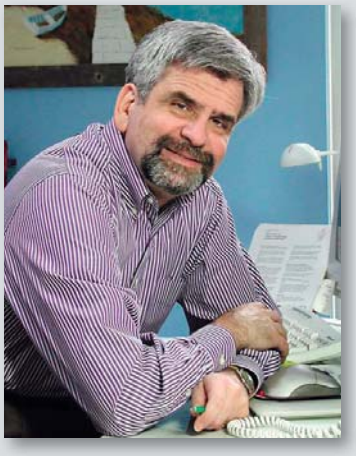
The responses were flying, "How about a non candle lighting device or a man made bumble bee, or a..."

The little four years old said it looked like her dad's bald head (he had started shaving his entire head for some unknown reason). And it gave off lots of light- why not call it a bald light or a light bald?

People stared nodding. They said the name was different and it would create a lot of buzz. They could see people walking into a store and asking for a box of light balds.

So the obvious question is: how did light balds become what is today universally known as light bulbs?

Beats me.



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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.

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Mehdi's Methods For Record Sales

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"You must invest in yourself! Most agents and planners do not invest much in themselves. Ten percent invest a lot in themselves. This ten percent sells eighty percent of the products and services sold today. The days of twenty percent selling eighty percent are over. Now the biggest sales producers world-wide are always this ten percent that invest highly in their work and in their careers."

These are the words from no less an authority than Mehdi Fakharzadeh.

Who is Mehdi? Financial professionals know (or should know) this dynamic financial consultant. The elderly Mehdi Fakharzadeh, RFC®, is a beloved and very active MDRT and IARFC hero and leader! "Mister Mehdi" is famous for being one of the world's most successful financial professionals — for 27 consecutive years! After the death of his close friend, Ben Feldman, who was formerly the world's greatest living insurance sales producer, "Mister Mehdi" repositioned himself from insurance agent to financial planner and advanced to become a recognized world-wide sales champion. According to the Pacific-Rim Speakers Association, "The Sales Master Mehdi Fakharzadeh is also the reigning 'most-booked' financial speaker world-wide, and has repeatedly spoken in 47-countries."

Lew Nason, RFC®, explains, "Mehdi is equally beloved, trusted, and always welcomed by his clients. 'Mister Mehdi' has long-term relationships with those he serves. For many of his clients he is considered to be 'part of the family.' He even continues to serve clients he acquired during his first year in sales. Mehdi would refer to this first year in sales as his first year of service."

Mehdi Fakharzadeh says, *"Service comes first. Sales are necessary to serve. You can't serve unless you sell. And you must only sell that which is absolutely best and most appropriate for your client."* Often when interviewed about his massive yearly record sales production he begins the interview by insisting, *"I'm dedicated to client service. The best interest of the client comes first. When you do that the sales follow. True client service is more than mere words."*

Guy Baker, 2010 MDRT President told the *Register*, "Mehdi is, without a doubt, one of our most cherished MDRT treasures since our organization was founded in 1927. His caring and the sharing of his immense sales knowledge, makes him sought after all over the world. Everyone knows and respects this great sales leader for his wisdom and client service."

When asked if he targets a certain type of prospect, this sales legend frankly reveals the following: *Yes. I certainly do. I do not target wealthy people. I target intelligent people. It is very-very difficult to sell to a dumb person. I make a point of approaching intelligent, wise, smart, and disciplined people. I also often seek educated and practical people. Then I use logic and reason when we meet. I don't just look for bodies or anyone who will see me. I seek out smart people who are winners in life. I urge all Registered Financial Consultants to do the same. And tell your prospects why you chose them. But remember; only sincerity and honesty make you believable."*

This sales legend works in liaison with the Insurance ProShop and is especially appreciated for generously sharing the knowledge and skill that has resulted from his acclaimed 60-year "body of work."

After extensive exclusive interviews with Mehdi Fakharzadeh the IARFC Press documented over 200 unique methods that Mehdi uses during today's tough economic times. In this column he offers "how-to" advice so that you can also use one or more of his methods in your practice. The following is extracted and summarized from the *Mehdi's Fast-Track Sales Workbook*.

You Can Use Mehdi's Methods Now

Selling financial products or services is informing, educating and motivating your prospect to take action in his or her best interest, by purchasing, investing, and planning.

Your client and prospect consulting requires your up-to-date knowledge, extensive fact-finding, plus your time. This service is valuable and you should charge for this service.

Your selling is not forceful persuasion. Your selling is intelligent reason and logic, presented respectfully and accurately, to bring about understanding and agreement.

Can you learn how to motivate with practical truths that embody obvious reason and logic? This is what I do. How can you do this? What could you do to accomplish this? That is your first mystery.

Act like Sherlock Holmes and uncover the ways you can motivate with practical truths that embody obvious reason and logic.

Invest some time during the next few days in writing down the ways you can motivate with practical trusts that embody obvious reason and logic. Do this and you will gain something that is precise, unique, and special, that is tailored just for you. If you really want to know how you can make this a "tool" that you can effectively use, then you must do this.

Beau Henderson, RFC®

Beau Henderson RFC®, CMSC is a financial advisor, author, trainer, coach, radio personality, and CEO of RichLife Advisors. He has helped over 3,000 clients to not just improve their relationship with money, but to live the life of their dreams.

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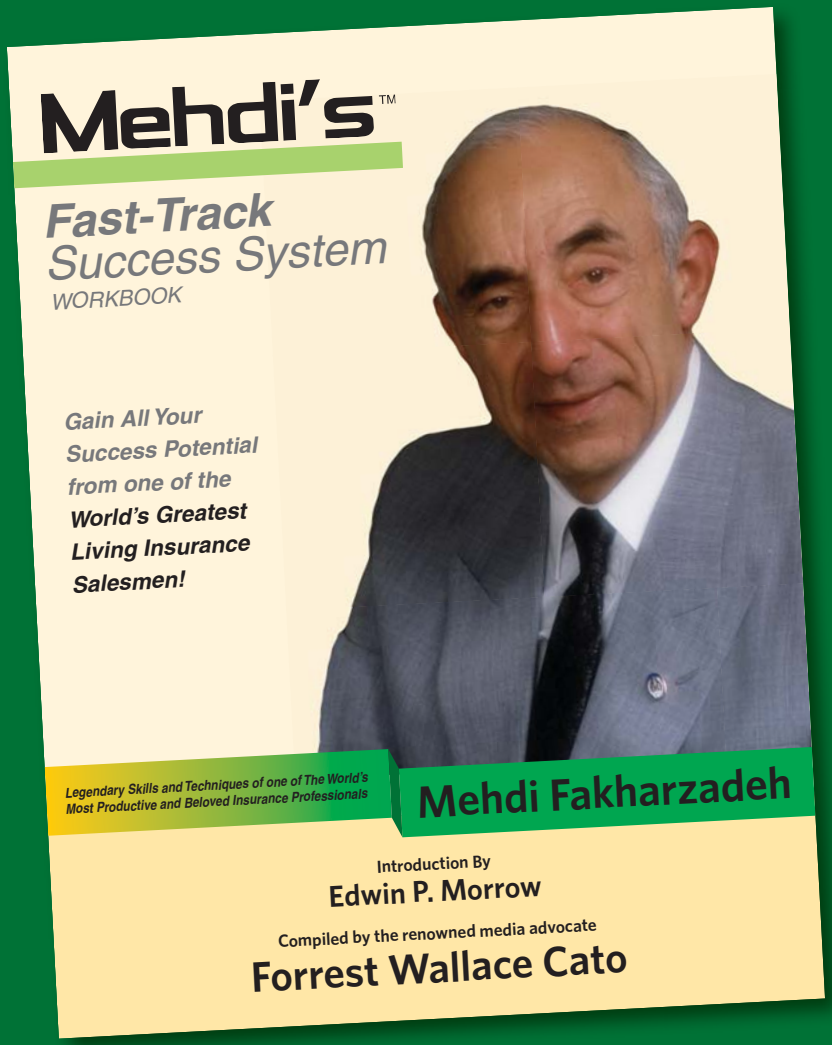
Mehdi Fakharzadeh's *Fast-Track* Success System



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

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