

Generic Answers Lead
to Lost Opportunities ... 6

How Independence Can
Protect Your Portfolio ... 13

Success is Not
an Accident ... 18

Practice Management Tip for Financial
Advisors – Refine Your Sales Process ... 23

the **Register**



Vol. 12 No. 1 • January 2011

Official IARFC Publication

www.IARFC.org

Practice Management and Marketing Techniques that You Can Adopt for the New Year



Also in this issue

- CE@Sea™ – Putting Your Heart
Back Into Your Business 3
- Working to Provide Services 5
- Something New in Your Box 14
- Refine Your Sales Process 23
- New Referral Program 26



Create your own IARFC website NOW!



- Attract new clients and service existing clients better
- Generate leads and maximize referrals
- Get a professional and attractive online presence
- Easy to maintain and update
- Supplied with proven content and features
- Improve your search engine rankings
- It's always working, even when you're not!

Only \$39.95/month (regularly \$44.95) • \$149 set-up fee

www.iarfcwebsites.com | 1-800-593-9228





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

BOARD OF DIRECTORS

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

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

Lester W. Anderson, V.P.
MBA, RFC®
Lester.Anderson@cetera.com

Wilma G. Anderson
RFC®
wilma@theltccoach.com

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

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

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

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

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

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

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

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

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

• IN THIS ISSUE •

- 2 New IARFC Members**
- 2 Calendar of Events**
- 2 Register Round Up**
What piece of equipment have you acquired that has made the greatest impact on your operations?
- 3 IARFC CE @ Sea™ Southern Caribbean Cruise Conference**
Putting Your Heart Back Into Your Business
- 5 From the Chairman's Desk**
Working To Provide Services
- 6 Generic Answers Lead To Lost Opportunities**
by Maribeth Kuzmeski
- 7 Why Is Selling So Hard?**
by Michael Lovas
- 9 Why Aren't You Sending Notes?**
- 11 We're Saved – The Banks Find Buyer For Garbage MBS Paper!**
by Barry M. Ferguson
- 12 LTCI and Annuities – Can You Use Them Together in 2011 to Boost Your Sales?**
by Wilma Anderson
- 13 How Independence Can Protect Your Portfolio**
by Walid L. Petiri
- 14 Spotlight on IARFC Benefits**
E-news for Consultants
- 15 Important Questions And Answers You and Your Clients Need To Know About Social Security...**
by Christopher Hill
- 18 Success is Not an Accident**
by Ed Morrow
- 20 Finish Strong! Form The Self-Improvement Habit**
by Bill Moore
- 21 Cato Comments – About Your Image...**
Are You Still Oblivious?
- 23 Compliance-Friendly Marketing**
Practice Management Tip for Financial Advisors – Refine Your Sales Process
by Katherine Vessenes
- 25 Business Mirrors Life – Where's the Camaraderie When You Work From Home?**
by Hesh Reinfeld
- 26 New Referral Program – Mehdi Fast Track System**

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.

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

NEW IARFC MEMBERS

Scott L. Brady, RFC®, OR
Tyrone M. Clark, RFC®, CO
R. Kenner French, RFC®, NV
Paul C. Koenig, RFC®, NJ
Kyle Louis Kranzley, RFC®, NJ
Warren S. Lowe RFC®, CA
Michael Marr, RFA®, TX
Steven McGarrity, RFC®, NY
Michael K. Muller, RFC®, IN
David R. Sims, RFA®, TX
Thomas W. Stark, RFC®, GA
Julianne M. Straley, RFC®, NJ
Michael A. Watkins, RFC®, FL
Richard Zeitz RFC®, NY

New International Members

China	88
Hong Kong	69
Malaysia	12
Taiwan	50

Members Who Recommended New Members



Lester Anderson
Ed Morrow
Jim Moss
Lew Nason
Daniel Sopher

Referrer of the Month Lester Anderson, RFC®

Register ROUND UP

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

This month's Round Up question: What piece of equipment have you acquired that has made the greatest impact on your operations.

This past year we put our business telephone on our internet provider and it is saving us over \$1,500.00 per month just in line cost and long distance calls. This is one of the best cost savings programs that we did this year.

Bill Nelson, RFC®, IARFC Operations, Middletown, OH

It is really hard to develop the discipline required to make a new tool work. For more than a year now, I have had Dragon voice recognition software and would love to make it work very effectively. I'm using it now to dictate this message and if I would only apply myself I know that it would save me hours. But it's hard — I will keep trying.

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

iPhone 4 that provides quick connectivity to all our reps and financial advisers.

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

The single piece of equipment that I have acquired that has been most helpful (after the PCs with which I started my business and have upgraded periodically), is the sheet-fed desktop scanner with accompanying software. I have one for everyone in my office, and I keep a central repository for documents pertaining to clients and for articles by subject matter on the file server and our virtual private network (all client matter is encrypted, of course.) When any of us receive or create a client document, it is immediately scanned in and saved in a PDF file in the client's folder on the server. I have Acrobat 9 Professional that allows me to edit PDF files and also have OCR software. I have reduced the number of file cabinets that I need by 60%, and I can access a client's documents by using the VPN with my special encryption-decryption tools. This is a tremendous time-saver and our naming scheme for documents makes it easy to find just the file that I need. I now only keep documents in hard copy for about a year. The material is backed up daily automatically onto a 1 terabyte hard drive and mirrored. The office is neater, the client material is easier to find, and I don't have to take client files out of the office to work on them at home or on the road.

Rosilyn Overton, CRPS, LTCP, CFP®, RFC®, Ph.D., IARFC V.P. Academic Affairs, Flushing, NY

A Blackberry Phone... I can get E-mails, stock quotes, respond to E-mails And much more. Ain't Technology Great!

Lester Anderson, MBA, RFC®, IARFC V.P., Dacula, GA

In my practice the computer is still the major component. Although I use the iPhone, iPad, and all the other support equipment, it is what make the world go around.

Bill Moore, Pharm D., CLU, ChFC, FIC, RFC®, IARFC US Board Member, Dallas, TX

A PowerPoint presenter device; manufacturer Kensington. I have used them for year, and they are far better than others. The current model the Laser Pointer, 1 GB USB connection cost \$49.95. What I like best is that it has only 4 buttons — forward, reverse, blank the screen and laser activation. It is a radio device, so you do not have to "aim" at the computer — just click. It will not interfere with your notebook or your video projector.

Ed Morrow, CLU, ChFC, CFP®, RFC®, IARFC Chairman and CEO, Middletown, OH

CALENDAR OF EVENTS

MDRT India

January 16-17, 2011, Mumbai

RFC Business Planning Course

January 18, 2011, Mumbai

RFC Business Planning Course

February 20, 2011, New Dehli

MDRT Experience Singapore

February 24-26, 2011

MDRT Annual Conference

June 5-8, 2011, Atlanta, GA

Pre Cruise CE — San Juan

June 24-25, 2011

CE @ Sea Southern Caribbean Cruise

June 26 — July 3, 2011

IDA Meeting

August 4-7, 2011, Seoul

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

Ali R. Sayas, RFC®
Charlotte, NC



IARFC Southern Caribbean Cruise Conference

June 26 – July 3, 2011

Royal Caribbean's Serenade of the Seas

Sailing Itinerary

Date	Port/City	Activity	Arrival	Departure
Sun., June 26	San Juan, Puerto Rico	Embark		8:30 pm
Mon., June 27	Charlotte Amalie, St. Thomas	Docked	8:00 am	5:00 pm
Tue., June 28	Basseterre, St. Kits	Docked	8:00 am	5:00 pm
Wed., June 29	Cruising the Caribbean		CE @ Sea™	
Thu., June 30	Oranjestad, Aruba	Docked	8:00 am	8:00 pm
Fri., July 1	Willemstad, Curacao	Docked	7:00 am	6:00 pm
Sat., July 2	Cruising the Caribbean		CE @ Sea™	
Sun., July 3	San Juan, Puerto Rico	Return	6:00 am	



CE @ Sea Cruise Questions:

Starr Morrow,
IARFC Cruise Director

423.741.8224
starr309@charter.net



12 RFC CE Hours Available

Wednesday, June 29, Deck TBA, Room TBA

9:00 am – 9:10 am		Opening & Material Distribution
9:10 am – 10:00 am	Steve Bailey	Dollar\$ Sense for Matured Adults
10:10 am – 11:00 am	Hank Brock	The Last Dominos – 19 Documented Dominos
11:10 am – 12:00 pm	Chris Hill	Unfortunately, Someday You Will Die!
1:10 pm – 2:00 pm	Ashton Root	PixelGigs, the All-in-one SMART Software – and Marketing Opportunity
2:10 pm – 3:00 pm	Mark Patterson	Creating Your Unique Brand
3:10 pm – 4:00 pm	Hank Brock	The Last Dominos – How to Respond
4:10 pm – 5:00 pm	George Flack	Conversion of Your Practice to a Fees-Based Improved Bottom-Line Financial Planning Business

Saturday, July 2, Deck TBA, Room TBA

9:00 am – 9:10 am		Opening Announcements
9:10 am – 10:00 am	Mark Dahlenburg	Designing an All-Weather Portfolio for Your Retirement Income Needs
10:10 am – 11:00 am	Dr. Rosilyn Overton	Do You Hear Me? Behavioral Finance, Client Communication and You
11:10 am – 12:00 pm	Nick & Jerry Royer	The 5 Crucial Keys to Make Your Clients Raving Referring Enthusiasts
1:10 pm – 2:00 pm	Ed Morrow	Business Succession – Fee-Based Planning for Businesses
2:10 pm – 3:00 pm	Wilma Anderson	Using LTC or CI as a Unique Selling Advantage
3:10 pm – 4:00 pm	Bill Nelson	Critical Planning Issues

Networking

We have requested the **second dinner seating** in the Main Dining Room, which maximizes your tour time. All RFCs will be in one area, with seating shuffled to promote new friendships and conversational diversity.

Conference schedule and speakers are subject to change and confirmation from Royal Caribbean cruise line and the IARFC conference management.

Optional Formal Dining Nights: Wednesday and Friday (tentative)

You Cannot Lose!

Note: Our compliance officer states, "This does not apply to any activity in the shipboard casino."

Every consultant needs to get away from the office, the phone calls, emails and the outpouring of bad news on TV and radio. It is time to "recharge" your professional battery – with the ideas, personalities and the proven success strategies that will be floating with you on the high seas of the Caribbean.



IARFC Southern Caribbean Cruise Conference

June 26 – July 3, 2011

Sessions-at-a-Glance



Wilma G. Anderson, RFC®
Using LTC or CI as a Unique Selling Advantage
The Healthcare arena is rapidly changing. Use LTC & CI more effectively and deal with massive rate increases and coverage cancellations.



Bill Nelson, LUTCF, RFC®
Critical Planning Issues
How to keep the POLITICIANS from devastating your client's standard of living and how the very wealthy are protecting themselves and solutions for your clients.



H. Stephen Bailey, LUTCF, CEBA, CEP, CSA, RFC®
Dollar\$ Sense for Matured Adults
Gain knowledge necessary to accumulate, invest, manage, and spend your money or dollars wisely. Whether planning to retire or already retired, you want your money to survive through retirement!



Dr. Rosilyn Overton, LTCP, CRPS, CFP®, RFC®
Do You Hear Me?
Behavioral Finance, Client Communication and You
Even smart clients can make bad financial decisions, particularly when they involve risk and uncertainty. Recognize the causes of irrational behavior.



Mark Dahlenburg, RFC®
Designing an All-Weather Portfolio for Your Retirement Income Needs
Allocate assets in retirement to minimize risk and increase return. What portfolio mix has weathered the last three major bear markets to avoid running out of money?



Mark Patterson
Creating Your Unique Brand
How to differentiate yourself from the competition, win new clients, and own your niche within your target market. Branding will work hard to elevate your image.



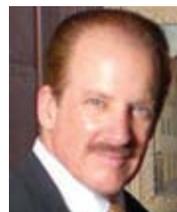
George Flack, FNPA, AFAIM, CFP®, RFC®
Conversion of your Practice to a Fees-Based Improved Bottom-Line Financial Planning Business
Convert your entire client base to payment of a retainer/service fee – and increase your product sales and asset management.



Ashton Root
PixelGigs, the All-in-One SMART Software Suite and Marketing Opportunity!
This cutting edge application helps computer users make their lives easier while saving time and money.



Christopher Hill, RFC®
Unfortunately, Some Day You Will Die!
And yet over 90% of advisors overlook helping their clients create an "End of Life Plan." This service can open many doors for you.



Jerry and Nick Royer, RFC®
The 5 Crucial Keys to Make Your Clients Raving Referring Enthusiasts
Discover how to be the go-to person in your community and uncover the millions sitting right under your nose.



Ed Morrow, CLU, ChFC, CFP®, RFC®
Business Succession Fee-Based Planning
It is easier to get a fee commitment from business owners who are accustomed to paying professional fees and following your critical advice and service.



Hank Brock, CPA, MBA, CLU
The Last Dominos – 19 Documented Dominos
The Last Dominos – How to Respond
Dominos that will fall as part of an inevitable worldwide economic collapse. Why the wealthy will be impacted most. How you can attract and serve those who deserve financial protection.

From the Chairman's Desk...

Ed Morrow



Working to Provide Services

A New Benefit

Many of the IARFC members have known, or know about the legendary Mehdi Fakharzadeh, RFC, and were so pleased when we profiled him in the June issue. His lifetime of advice and leadership is included in *Mehdi's Fast-Track Success System*, now in its second printing.

Retail purchasers pay \$47.95, plus shipping of \$10, but you can now have one free. That's right; you will receive Mehdi's 200 Powerful Self-Enhancement Techniques free — just by completing the RFC nomination (see page 27).

Coming Soon — E&O Insurance

We have been in negotiation to bring another valuable benefit to IARFC members — an outstanding professional **Errors and Omissions** insurance policy. Of course, there is no way to cover all the features in this column — or even in the Register. But you can look for highlights, and ask for more information. Meanwhile, if you are managing money as an RIA or ARIA and do not have coverage that is pleasing to you — in term of the benefits or the costs, then let us know and we will get more information out to you.

Coming Soon — International Medical Benefits

You and your clients travel outside of the US, and you may not have considered it, but there can be tremendous implications if there is an illness or accident. Regardless of whether you have private group health coverage, Medicare, an insurance supplement, or a Critical Illness policy. There are great complications. Who will provide help in that country? How will transportation be provided back to the US? How does this impact other family members on the trip?

We have been working with a firm to offer coverage. The benefits are excellent and the costs are very reasonable. The firm, International Medical Group is experienced and well staffed. You can gain significant appreciation by advising your clients of this opportunity, and making the contact for

them. This is the "extra level of Service" that you clients come to expect from you.

Coming Soon — Property & Liability Coverage

You may be licensed for this coverage and have built a nice book of business. A few IARFC members even hold the CPCU designation. But many IARFC members have done nothing in this area. They do not even present all their clients with information about the forms of coverage and the policy features that should be considered. This is a potential error of omission, since a client could make the case that you were *expected* to advise them of any shortcomings in their protection. We will provide a service that you may take advantage of — to the extent that it fits into your clientele and your capability and licensing. This might not produce significant income — but it might help you acquire more referrals from satisfied clients and that has a major value, doesn't it?

Estate Planning is Back!

Congress failed to take action, so we are back into higher estate brackets. You can expect a flurry of state actions to re-instate their inheritance taxes. All states are cash starved! There will be more TV and talk radio and print media focus on this topic. Do you need a brush-up? For education CE on this topic, contact the American College at 610 526 1000. For a Drip Marketing package on this area of concert, contact Charlotte Isbell at 800 666 1656, extension 13

Get Your CE@Sea

You are making plans for 2011, and you need to plan to meet with some of the most creative, experienced, and energetic consultants in the world. Join us in the Caribbean June 26 through July 3 as we visit the island paradises of Puerto Rico, St. Thomas, St. Kitts, Aruba and Curacao. For further information, call our Cruise Director, Starr Morrow at 423 741 8224

The Last Domino

We have all seen the demonstration of rows of dominos stood on end. Someone gently

pushes a domino at one end, and they all begin to sequentially fall down. And then the artful design or arrangement is destroyed.

Is the U.S. and World economy in this situation? Haven't we already seen a lot of economic dominos fall? How many are waiting to be nudged by the prior event, and soon the entire structure will be in shambles?

How do you protect yourself, your own family, and your clients? How do you create the sense of urgency that commands action?

This is the topic of a new book under development by Hank Brock, RFC and it will be covered at the CE@Sea conference. But you will get more than the concepts, more than the book — you will be able to tap into a market of persons who are already highly motivated to take action. These affluent folks are sufficiently motivated to pay a significant fee for your services, and make the product re-alignments that are necessary to protect themselves and their families when the *Last Domino Falls*. For more information on this, you can call Hank's associate, Millie Marelli at: 435 215 4851 ☐



Scan this QR code with your smartphone



Make the best use of your advertising dollar...



To market your product and services to the IARFC membership, contact Wendy Kennedy 513 424 6395 x14

Generic Answers Lead to Lost Opportunities



can open doors to a world of opportunity is: What do you do?

I have heard even the most seasoned professionals use the old standard, black and white description of their business. As an example: "I am a financial advisor." Although you are concisely stating exactly what you do for the person that asked, you are also opening the door for all of the stereotypes and preconceived notions they associate with that title or profession. For many, you would be tossed into the broad category of salesmen and forgotten in their minds. Simply said: The real benefits are being left open to hope (I sure hope they know what a financial advisor does). But in order for action, they must want what you have (and it's your job to make them want it).

However, talking about yourself and your products often comes across as sales-y or boastful. For example, if a financial advisor says, "I have a special expertise in building financial plans through my RFC designation." Ok, so what does that really mean to the person you are talking to? Instead, try using a phrase that I have heard some of the top advisors we work with use. Follow the black and white feature statement with an absolute home run sentence that gives you the right to talk about your

expertise or other benefits of your services: Follow: "I have a RFC designation" with "And let me tell you why I think that's important."

The statement gives you the right to share why something may be important to them. It will still be a factual description of what you do – but this time with meaning directly for the person you're talking with. And it may be just the opportunity you have given yourself to put preconceived notions to rest and build your value – without coming across "sales-y." 

If you find yourself constantly resorting to generic answers when people ask you questions about yourself, it's time to rethink your approach. We can so often drift through our day, not even seeing the opportunities in the conversations with others. From the simplest "Hey, how are you?" to the more complex questions you are asked throughout your work day – how often do you take time to answer the questions fully?

Many try to get by answering in as few words as possible, but in a world where relationships are a key to success, I'm not sure this approach is really helping.

A critical question we so often shy away from giving a powerful answer to, one that



Maribeth Kuzmeski, MBA, RFC®

Maribeth Kuzmeski, MBA, RFC® is the President of the consulting firm, Red Zone Marketing, founded in 1994. Maribeth and her firm personally consult some of the nation's top producing agents and advisors. She has written 5 books including the new bestseller, ...*And The Clients Went Wild!* (Wiley, 2010) and *The Connectors* (Wiley, 2009). She has spoken at the Million Dollar Round Table and has created many marketing initiatives for broker dealers, mutual fund and insurance companies. Maribeth is also a media contributor appearing on Fox, ABC News, NBC, The Wall Street Journal, The New York Times, Entrepreneur and Forbes. To sign up for Maribeth's free Marketing Audibles email with the latest in what's working in marketing, go to www.RedZoneMarketing.com. To purchase books you can go to Amazon.com or any bookseller.

Contact: 847 367 4066
info@RedZoneMarketing.com
www.RedZoneMarketing.com

Great News!

IARFC is on LinkedIn

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

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

Log onto www.Linkedin.com to join and access the International Association of Registered Financial Consultants group

Contact mark@IARFC.org for assistance with IARFC LinkedIn Group



Why Is Selling So Hard?

Actually, it's not. The problem is, many advisors and producers don't understand the process, thus they make it hard to get results.

The financial sales model breaks down. The common selling model in the insurance and financial industry is simple and based on five steps:

Step 1 – Find someone to talk to (pitch).

Step 2 – Ask a rapport-building question.

Step 3 – Ask to conduct a "fact find."

Step 4 – Present your solution (product).

Step 5 – Try to close the sale.

That model falls apart more often than it works. Still the industry tries to use it. What are the problems with it?

It presumes that the person you're talking to has your exact personality type. But, let's look at probabilities. Theoretically, only one in four people has anything close to your personality type.

It relies on the prospect having a real need for your product.

Research continues to show that advisors rely on industry lingo, thus confusing their prospect. So, unless you're selling to someone who is an expert in your product category, you're probably confusing all your prospects.

As important as those problems are, there's one other that is even more destructive.

If you can relate to what you just read, you're making it hard on yourself to get positive results. Let's see how to solve that problem.

The better sales model. This is the sales model used by nearly every person in every other industry. As you can see, it's simple and gives sales people a better chance of success:

Step 1 – Build rapport.

Step 2 – Ask situationally relevant (short-answer) questions.

Step 3 – Capture the psychology/values of the prospect.

Step 4 – Discuss the viable solutions citing the prospect's values.

Step 5 – Determine next steps.

But, it too breaks down at the same place as the Financial Model. Can you see where? The skill that makes any sales model work or fail is *Listening*.

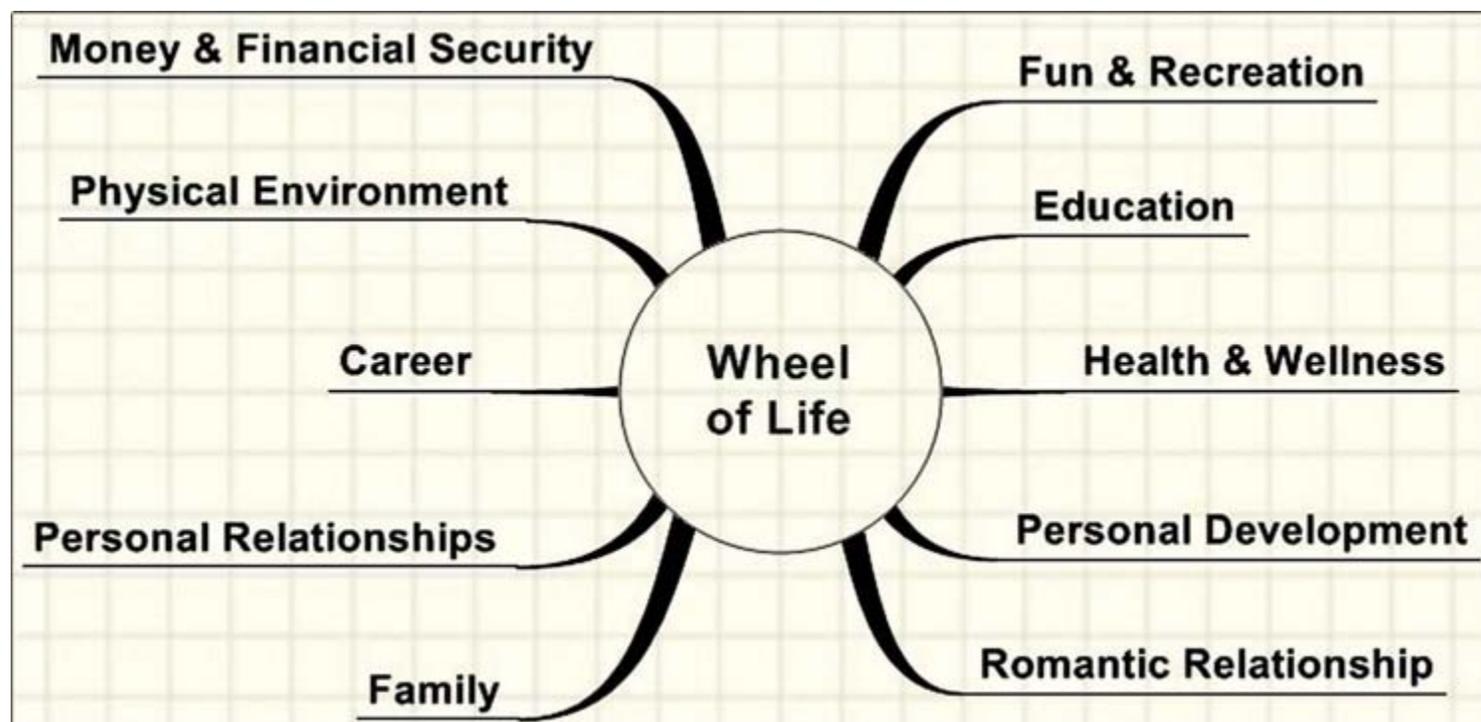
Where is this going? This article is focusing on two things:

- Improving your sales (presentation) model.
- Improving your ability to listening.

They are directly connected. When you can improve both, you should see your success improve, too.

One of our business beliefs is that the keys to success are so natural as to be invisible, and therefore overlooked. *Listening* is one of them. A few years ago, Pam and I conducted some intense research into listening. Since then, we've watched many people's ability to listen improve with simple assumption shifts. We've conducted lots of listening exercises and in nearly every case the person charged with listening can't do it.

The exercise works like this. Two people face each other. Person A tells a short story to person B. The story has to contain three facts. Person B's job is to listen, then parrot back the facts verbatim.



Sounds simple, but very rarely does the listener ever get even one fact right.

Now, move that conversation into a real business situation. Person A is your prospect. You ask a business-related question, and she gives you personal business information. Odds are overwhelming that you can't quote the information. When that happens, all you can do is break out the hammer and sell your product. When your listening fails, you're forced to use generic logic that might not have any relevance to the prospect.

I'm sure you already know about the listening problem. I'm not the first person to write about it. But, let's look at how you can *solve* that problem. No sales or presentation model will work well until you can actually and truly listen to your prospect.

Proactive Listening. The solution lies in a process we call *Proactive Listening*. In order to understand it and use it, you have to visualize it. So, visualize the face of a clock. It's a circle with numbers. Now, replace the numbers with categories of values. For example, in a personal situation, the categories include Money & Financial Security or Career or Family. The tool we use for this is called the "Wheel of Life." The first step is to list values under each category. The second step is to place each set of values in order of importance.

In a business situation, say with a 401k, the categories might include: Tax advantages, Rates of Return, Flexibility and Portability.

Effective Listening comes in when you listen for those values to plug into the categories, rather than for links to a sales pitch. The *proactive* pitch is focused on you, but the *values* are focused on the prospect. That's a 180-degree difference.

After you collect some of the values, you can place them in order of importance. This becomes a seriously powerful tool to guide you. It's technically known as a "Hierarchy of Criteria." That means the criteria for making a decision in that category. If you don't listen, you can't hear the prospect name those values. And, if you don't know what those values are, you'll have a hard time proving your relevance to that person. You'll also be reduced to logic that is probably off-target for that prospect.

Now, imagine a new category called "Professional Advisors." Where would you

fall in that list? If you can't listen effectively, you'll find yourself far down — thus, unimportant. But, if you listen carefully and recite the exact values back to that client, you'll find yourself high up — irreplaceable.

Conclusion

Why is this important? Your business does not rely on selling. It relies on turning prospects into buyers and buyers into advocates for you — proactive referral sources. Because so many advisors are so bad at listening, if you can develop this one skill, you will find yourself writing more business, gaining more "share of wallet," and getting more referrals. How can I say that with confidence? Who else would those people recommend? By proactively listening and focusing on the prospect's values, you immediately show that you are different, better and referable!

Your Reward. If you would like a digital copy of the Wheel of Life that you can use in your business, just send me an email: michael@aboutpeople.com. Include this paragraph and your contact information. It's my way of saying "Thanks for placing your trust in me." 



Michael Lovas

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

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

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.

Wilma Anderson, RFC®

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

Max Bolka

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

Forrest Wallace Cato, RFMA, RFC®

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

Mark Gremler, RFC®

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

Christopher Hill, RFC®

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

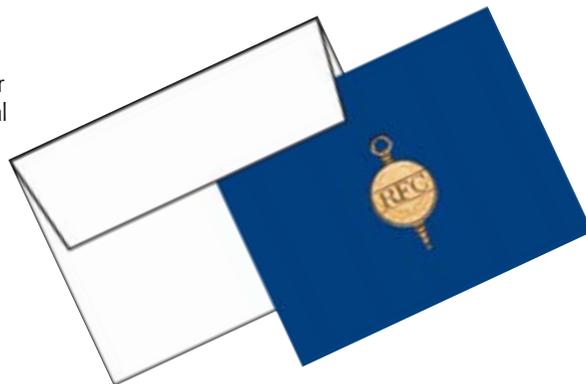
Maribeth Kuzmeski, MBA, RFC®

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

Why Aren't You Sending Notes?

Every client, prospect or professional advisor you may interact with appreciates a personal touch. Nothing is as effective as a short, handwritten note.

*Do it Right
Do it Swiftly
Do it Cheaply
Do it Now!*



Order these note cards from the IARFC. The Note Cards are small and inexpensive, but give the impression of high quality because of the gold RFC key on the cover. A subtle reminder of your professional status, since you are, after all, an ethical financial consultant.

On the back side is the RFC Code of Ethics – a further reminder of your professionalism and a slight urge to recommend you to another person of their status.

As you lift the cover you'll see only two panels for writing. On the top panel you may want to imprint your name, firm and address information.

Now you have just one panel that requires your handwritten message of 15-20 words. That makes your authorship task even easier. Here are some typical messages:

Ken – nice to talk with you. Glad Sandy made the first tier soccer team.

Bob – thanks for mentioning Jim's new business to me; I'll give him a call this week.

One of the great aspects of my job, George, is the satisfaction of helping people retire comfortably.

Mary – Hope you enjoyed the symphony – maybe sometime when Tom is in town we can go together.

Jack & Jill – It is so nice to be working with you on your plans for early retirement.

Now – That was not great writing, nor was it a challenge. As you start writing 3 or 4 notes per day, it will get even easier.

Use a blue pen. I prefer the Bic Velocity Gel pens. I can buy in a box of 12 at Staples for only \$13.19. They show you the ink level,

so you know where you stand on usage, and there is a rubber grip to make the writing a bit easier.

What if your handwriting is as bad as mine? No problem just write larger size letters and you need fewer words. The point here is not the quality of your penmanship – it is conveying your personal attachment.

You will not get that impact from a computer printed card that uses "fake" handwriting type fonts.

Addressing the Cards

You can do this by hand, of course, but that is not essential. Many RFC members, or their staff use a small printer just for envelope labels. We use a DYMO LabelWriter 450 Turbo which is loaded with two label formats and you can even use it to print the stamps.

What counts is writing the personal message by hand – and sending it out promptly.

Inserting Your Card

Katherine Vessenes, JD, CFP®, RFC® always recommends you place one of your business cards inside. Even if you have your address imprinted on the top panel inside. You may have a good reason to insert a business card – because your client may hand it to a person needing your services.

Ordering RFC Cards

Call **Amy** at **800 532 9060** and tell her how many boxes of cards and envelopes you need and she will get them on the way to you. Or use the convenient order form on the following page. ☐

Receive Real-Time Alerts from Ed Morrow

Ed Morrow, CEO of the IARFC and Sales & Marketing expert on ProducersWEB.com, invites you to become his Fan!

As a Fan, you will be the first to know when Ed publishes a new article or BLOG on ProducersWEB.com.

Visit Ed's Expert page today and sign up as a Fan!

ProducersWEB.com/EdMorrow



PRODUCERSWEB.com

New RFC Announcement Card Order Form



William J. Nelson, LUTCF, RFC
The Nelson Financial Group
 2385 Lakeview, Drive, Suite A
 Dayton, Ohio 45431-3696
 Phone: 937 426 7032
 BillN@NelsonFinancialGroup.com

The International Association of Registered Financial Consultants is pleased to acknowledge the appointment of

WILLIAM J. NELSON

For having acquired the professional distinction as a Registered Financial Consultant through the completion of seven criteria: education, examination, ethics, experience, licensure, business conduct, and annual completion of ongoing continuing education.

Printed Announcement Card Options

	Price	Quantity	Total
<input type="checkbox"/> Gold Key Announcement Cards & Envelopes, 250 boxed	\$100.00	_____	\$ _____
<input type="checkbox"/> Imprint Message & RFC's address inside, per 250 cards	\$ 50.00	_____	\$ _____
<input type="checkbox"/> Smaller Quantities, per card & envelope	\$ 0.60	_____	\$ _____
<input type="checkbox"/> Imprinting Smaller Card quantities, cost for each card	\$ 0.30	_____	\$ _____
<input type="checkbox"/> Gold RFC Seals for envelopes, cost per 250	\$ 30.00	_____	\$ _____

Unit Cost Analysis – Imprinted

750 @ \$465	=	\$0.62 each
250 @ \$165	=	\$0.66 each
100 @ \$95	=	\$0.95 each
60 @ \$63	=	\$1.05 each

Without Imprint

750 @ \$315	=	\$0.42 each
250 @ \$115	=	\$0.46 each
100 @ \$75	=	\$0.75 each
60 @ \$51	=	\$0.85 each

Plus Shipping & Handling
 U.S. Shipping Only

\$15.00

Total Cost \$ _____

Ohio Residents: Sales Tax 6.5% must be added

Name _____ (Please print your name only — no other designations)

Firm _____

Address _____

City _____

State _____ Zip _____ Phone _____ Fax _____

Email _____ Website (optional) _____

Card No. _____ Expiration _____

Signature _____ Date _____

<input type="checkbox"/> Visa	<input type="checkbox"/> MasterCard
<input type="checkbox"/> AmEx	<input type="checkbox"/> Discover
<input type="checkbox"/> Check written to: IARFC	

Fax to: 513 424 5752

Mail to: IARFC, P.O. Box 42506, Middletown, OH 45042-0506

We're Saved — The Banks Find Buyer for Garbage MBS Paper!

Hallelujah! We are saved! At last, the big banks have found a buyer for their garbage real estate securities they call MBS (Mortgage Backed Securities). Finally, their balance sheets can be cleaned up and our economy can be healed. It has been a while since real estate fell off a cliff. And, I think if we are all honest, we know that real estate has a long way to go before it hits the bottom. But in the meantime, who cares?

The most important thing isn't whether or not any of us have a place to live. It matters not whether we have food to eat or jobs from which we can eek out a living. It doesn't matter whether our civil liberties have been abolished and we now have to board airplanes in the buff. (By the way, I said this was coming years ago in one of my newsletters in which I suggested we board planes completely naked and change the name of the government airline to NUDE – No Undue Delays En-route.) It doesn't even matter if we no longer live in a free and capitalistic society. We all know it's all gone. What matters most is our big banks have found a buyer for the garbage paper they generated by scamming the public through various fraudulent schemes and products. Thank heavens the banks are saved!!

The Federal Reserve met today (11/3/10) and made one of their most anticipated announcements. The wonderful and all-powerful Fed will commence Quantitative Easing 2 (QE2) and carry forward through June of 2011. During that time, the Fed will buy \$600 billion in US Treasuries and \$300 billion more in MBS paper from the banks. You can read my article that I posted in August of 2010 on why Treasury yields would all eventually yield zero but I don't chew my cud twice – (<http://bmfinvest.blogspot.com/p/why-us-treasury-notes-will-eventually.html>).

Sure Bernanke wants Treasury yields to all be zero very soon. How else can a bankrupt, intellectually vacant nation continue to borrow their way to prosperity? By carrying out this strategy, the Fed all but admits the economy is already in ruin. Who else is there to rescue us? This strategy has not worked where it has been tried and will ultimately bury us in debt and default. But, Bernanke is going to try it anyway.

It's like the episode of the Roadrunner and the Coyote cartoon in which the Coyote rigged up a bunch of rocks in an arch under which the Roadrunner would run. At just the right moment, the Coyote would pull a rope that would be tied to a strategic rock and the whole pile would fall surely crushing the Roadrunner. At long last, the Coyote would eat the Roadrunner. However, when the time came, the Roadrunner ran under the arch of loose rocks, the Coyote pulled the rope, and only the single rock fell allowing the Roadrunner to escape the trap. In a moment of frustration, the Coyote stood under the arch of rocks trying to find the reason they did not fall. He climbed on top of them. He jumped up and down. He furiously climbed down and stood directly under the rocks still lodged in place and proceeded to poke at them with a stick. Now enraged, the Coyote poked harder and harder until a few rocks began falling. Realizing that his once anticipated avalanche was now under way, the Coyote pulled out a sign for the audience to read. It said, "What in heaven's name am I doing?" By launching QE2, Ben Bernanke is now holding the same sign as the Coyote.

But, where will the Fed get this \$900,000,000,000 to buy Treasuries and garbage from shell banks? Yep, out of thin air. The Fed is buying the treasure of the United States with confetti. In essence, he is handing the sign to us. We are the Coyote standing under the mass of rocks. Each dollar of asset purchase by the Fed in turn reduces the value of our assets by slowly destroying the currency.

We, the taxpayers, are the ultimate buyer of the big banks' garbage. Why their towers have yet to be turned to embers I don't know. What does it take? Congratulations, fellow suckers. We will soon have some \$2 trillion in extra debt for the purchase of bank garbage. What in heaven's name are we doing, indeed!!!

Oh, did I mention that big banks rallied nicely today? The Fed would like to thank you for your sacrifice. They also would like to pass on that when it gets cold this winter



and you find yourself unemployed, please don't press on the glass of the banking towers for warmth. It creates fingerprints and, well, the FBI probably already has those on file. Anyway, there's nothing like getting rid of a little garbage to stoke a rally! The BKX ETF was up almost 2% today! That's all anyone cares about anyway. Only next time, maybe Bernanke will have a drawing and let the lucky winner pull the rope themselves. ☹



Barry M. Ferguson, RFC®

Barry M. Ferguson, RFC® is the President and founder of BMF Investments, Inc. an independent SEC registered Investment Advisory fee-based money management firm located in Charlotte, North Carolina. Barry has more than a decade's worth of experience in the financial services industry. He has a diverse background ranging from financial software consultant to registered representative of investment products to president of an Investment Advisory firm. His strong technology background has been beneficial in today's 'information age' market.

**Contact: 704 563 2960
barry@bmfinvest.com**

LTCI and Annuities — You Can Use Them Together in 2011 to Boost Your Sales

LTCI and Annuities have always been the perfect one-two punch for today's Senior market. [Here are the secrets on how to use the two together effectively in 2011.](#)

Long-term care insurance and annuities are keystone products for the Senior market — the perfect complements to each other.

Yes, there are certainly plenty of other opportunities, including life insurance and mutual funds. But with the market volatility, you'll find it easier to make your first sale with an annuity or one of the new blended LTC policies. They're both safety products that protect against the financial catastrophes of long-term care and living "too long" respectively. That's why they're such compelling door-openers. In contrast, other financial products have been considered more like luxuries — and can be much harder as a first sale.

Annuities and LTC complement each other, and it doesn't really matter which product you sell first. Once you've made the first sale with either, you're in the catbird seat to make the second sale and more. [In fact, with the upcoming 40% premium increases on existing LTC policies issued through John Hancock it's a great idea to have an awareness marketing campaign in place beginning in January.](#) The consumers who have these existing policies (and those who have older Genworth policies too since they'll be getting an 18% renewal premium increase) will be a combination of livid and looking for another solution. You could be that Agent they turn to if your marketing message hits the points and offers a reasonable solution.

If you have a consumer who has one of these older LTC policies that's getting a huge premium increase, there could be some drawbacks in making a new product sale: clients have to be healthy enough to qualify for a new policy from another carrier, the new premiums with another company may be higher, and your client may just be downright resistant to going any further with **ANY** long term care coverage. If these situations are in front of you, be sure you know how to offer some alternative solutions for your clients & prospects this year.

Purchasing a long-term care policy has always been fraught with a lot more emotion and

fear than purchasing an annuity. The annuity sale is more straightforward, less emotionally charged, and now many annuity products offer the availability of using the funds to help pay for care. I'd really recommend that you come prepared to any sales appointment with one or two annuity brochures to offer. Why? Your LTC client who just got a premium increase notice may very well sit up and take notice when you talk to them about an annuity as an alternative to their LTC policy. Their CDs are probably earning less than .5% interest. Most annuities could help their money work harder AND provide them with the added benefit of using the \$\$ to pay for care. Or, if they're lucky enough not to have to have long term care before they die, then the entire balance of their annuity will pass to their beneficiaries. [Do I recommend cancelling all LTC policies that will be getting a premium increase in 2011?](#)

No. But... I **DO** recommend that we as Agents be able to offer clients alternatives if the situation warrants something else. They're looking to us as their Advisor to help them make a decision.

When it dawns on your client that without LTC insurance, the costs of paying for long-term care could be financially devastating, the best strategy is to offer solutions that fit for the client's wishes, their lifestyle, their budget, and their families. You'll probably be faced with a 'crispy' client or prospect at first when they've gotten their premium increase notice from the insurance company, but by offering solutions, you'll find the client will start to relax and look at you for options and advice.

Be sure to investigate annuities with linked benefits, life policies with accelerated death benefits, annuities with bonuses and the opportunity to use funds without a surrender charge if nursing home care is needed, and also be prepared to show the clients what new premiums would be on a plain LTC policy if they changed carriers. All these solutions are not what your client expects to find in one Advisor. . . YOU. **So surprise them!**

If your client cannot health-qualify for a new LTC policy I use the following approach: "Unfortunately, it's a little too late for you to apply for traditional long term care insurance, but there is another solution that I would suggest. You can easily set aside a portion of

your financial resources just to pay for care when you need it later on. The funds will sit there and grow and could be working a lot harder for you. That's why annuities can often make a lot of sense to my clients like you."

Once you've gently given the client this information, you can discuss how an annuity can act like a self-insurance fund for long-term care, pointing out the advantages of the tax deferral and having greater liquidity than CDs.

2011 will be a very tough year for your clients and prospects who have existing LTC policies through insurance companies like John Hancock and Genworth. When those folks get their premium increase notices, they'll need you to give them some careful guidance about the decisions they want to make. Be sure you're ready to offer them help with solutions that make sense for them and make sales for you. ☐



Wilma G. Anderson, RFC®

Wilma G. Anderson, RFC® the LTC Coach, is America's leading LTCI sales trainer and a practicing producer who has personally sold over 7000 long-term-care policies. She offers personalized coaching sessions, workshops, and routinely gives speeches about long term care, critical illness, the VA Aid & Attendance pension, and how to survive retirement pitfalls. Let Wilma show you how to sell more LTCI, critical illness insurance, annuities, and investments to the senior market with less effort!

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

How Independence Can Protect Your Portfolio

Times have changed — and so have financial advisors. Many people question the increase in federal regulation in general and specifically in the financial and banking sectors. Recent accounts of the business practices of several companies, most notably Goldman Sachs, have raised intense questions for clients' about the relationship with their advisor. Today, people don't want financial advice from a salesman. Instead, they want a relationship with a financial professional who is trustworthy, thoroughly educated, candid, and who provides "un-conflicted" personalized financial consulting for each client.

That search often leads them to a fee-based or fee-only financial advisor or a Registered Investment Advisor whose focus is only on portfolio management.

A reassuring alternative to Wall Street.

A paradigm shift is happening, and the traditional brokerages and other large institutions that provide financial services are lagging. While old-school "stock brokers" have gone the way of the woolly mammoth, you still have a sales-first mentality in place at big banks, Wall Street brokerages and insurance companies. If you're employed by one of them, the mantra is simple: make a sale, and earn a commission — also known as "eat what you kill".

As they try to serve their clients, these "brokers" or financial advisors regularly are placed in a compromised position as they contend with sales quotas and the inherent potential for conflicts of interest. It wears on them: a 2010 survey revealed that only 15% were "very satisfied" at their firms and another 20% wanted to leave within two years.¹

The recent legal settlement between Wall Street's premiere financial company Goldman Sachs and the SEC, where Goldman paid a record \$550 million penalty for its "mistake" by providing clients with "incomplete information in marketing material" (Goldman's words) is an example of these potential conflicts.² The significance of this case, besides the dollar amount of the settlement, was that the "mistake" involved clients purchasing a product which Goldman sold for a commission. Goldman

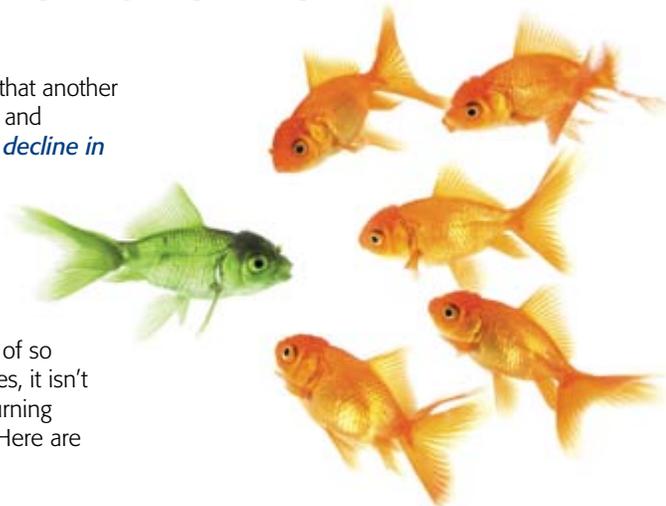
neglected to tell the purchasers that another party helped design the product and benefited if the product were to *decline in value!* Oh, and the other party, John Paulson, allegedly made as much as \$1 billion from the decline in value of the product he helped design for Goldman.³

Given the tarnished reputations of so many giant banks and brokerages, it isn't surprising that consumers are turning elsewhere for financial advice. Here are three popular destinations.

A **fee-based financial advisor** is structured to promote earning income from fees for managing clients' investments instead of commissions on selling specific products. There is more of an emphasis on advice than traditional brokers, however these financial advisors may still derive significant compensation from the sale of annuities, life, disability, or other types of insurance products with high commissions.

Fee-only financial advisors earn no commissions at all. They derive 100% of their income from client fees, annual management fees, or hourly or per-project consulting fees. With this compensation arrangement, you know that a fee-only advisor is available to help you address a myriad of issues in your financial life, not simply those that could lead to a commission.

A **Registered Investment Advisor (RIA)** usually works to manage the assets of high net worth investors. An RIA receives management fees and does not receive commissions. The management fees usually represent a percentage of the assets a client has invested. Additionally, as a part of the consultative nature of the client relationship, annual retainer or per-project financial planning fees may be included as well. RIAs have to register with the Securities and Exchange Commission and any states in which they operate.⁴ They also are required to conduct business with their clients on a **fiduciary basis**, which *simply means that they place the best interest of the client above the firm's interest at all times.* Individuals, couples, families, businesses, and institutions with



wealth management concerns often turn toward RIAs.

Even as the market has struggled since the end of 2007, independent Registered Investment Advisors have gained a greater share of assets under management in the U.S.⁵

People need unbiased advice. An independent, fee-only financial advisor or RIA also has freedom — freedom to choose the most appropriate products and services for your risk tolerance and investment goals. That's probably the #1 reason why people and institutions seek an independent financial advisor. They know that the advice they receive is not influenced by sales incentives or directives. There is often a candor to the discussion that may not always be present at a bank or a brokerage.

People want more investment choices. An independent financial advisor is free to offer ideas and investment options from every available company, rather than investments of a single company who is often their employer. In addition, that independent advisor can unhesitatingly tell you if an investment is or isn't appropriate for your financial situation.

This is the age of independence. When it comes to the financial future, no one wants to be "sold" — just advised. Thus the SEC is in the process of making a decision if all firms and their financial advisors must conduct business as fiduciaries whenever they seek to provide "advice" to their clients. Because after our experiences during the

tech bubble, corporate fraud scandals (Enron, WorldCom, Tyco, etc.), real estate bubble, great recession, and of course the Madoff scandal, you're right to demand the kind of relationship where the financial advisor puts the client relationship first. ☐

Citations:

¹ bankinvestmentconsultant.com/news/pirker-aite-wirehouse-advisors-2667209-1.html [6/1/10]

² <http://www.bloomberg.com/news/2010-07-20/goldman-sachs-settlement-with-sec-for-550-million-approved-by-u-s-judge.html> [7/21/10]

³ http://money.cnn.com/2010/04/16/news/companies/SEC_goldman_paulson.fortune/ [4/16/10]

⁴ investopedia.com/articles/financialcareers/06/whatisaRIA.asp [6/11/10]

⁵ fa-mag.com/fa-news/5548-independents-make-headway-despite-downturn.html [5/10/10]



Walid L. Petiri, AAMS, RFC®

Walid L. Petiri, AAMS, RFC®, Chief Strategist for Financial Management Strategies, LLC in Baltimore, MD a Registered Investment Advisor established in the year 2000. His nearly two decades of financial experience covers virtually all areas of finance from tax, insurance, stockbroker, personal financial planning and personal banking to corporate credit, business planning and consumer lending. Mr. Petiri has frequently been heard on WEEA (88.9 FM) as a financial commentator, appeared on ABC WMAR-TV 2 regarding the 2008 & 2009 economic downturn, and MTA Commuter Connections regarding residential land development. He has been interviewed and quoted by the *Investment News* magazine, written for the *Journal of Personal Finance*, the *Register*, *Popular Finance* (of China), and publishes a monthly financial advice column called the *Foresight*. He serves on the Finance Committee of Associated Black Charities. Walid is a devoted parent to his son and daughter and a member of Bethel African Methodist Episcopal Church.

Contact: 410 779 1276
walid@fmsadvisors.com
www.fmsadvisors.com

Spotlight on IARFC Benefits:

Something New in Your Box

Amy Primeau, Domestic Membership Chair



Remember when checking the news involved picking up the daily edition of the local paper or watching the 6 pm TV news? The world is smaller now, with technology closing previous gaps created by geography. I can read newspapers online from all over the world, without leaving my living room. Although sometimes it does feel like information overload.

As a financial advisor, you want to stay on top of all of the industry news. You want to know about regulatory changes, or how the stock market is doing on a particular day. You are better able to service your clients if you are well-informed. Yet, trying to keep up with all the news can be a full time job. You do not have time to scour the results of an internet search. So you have a couple of media outlets bookmarked, and check those daily. And possibly, when you check these sites, you are distracted by other stories that have no relevance. Many newspapers have a 'stories you'll want to read' section on their webpage or TV stations have a 'must see' area on their site. While you have filtered the news by bookmarking your favorites, you still run the risk of distraction. Time you waste browsing through websites is time you are taking away from your clients, and time in which you are losing money.

The IARFC has recently introduced a new member benefit, the **IARFC e-News for Consultants**. This is a weekly newsbrief delivered by e-mail. The goal of the e-Newsbrief is to deliver industry specific information to you in an efficient manner. The content for the newsbrief is pulled from over 14,500 sources which cover 150 countries in 35 languages. It would be impossible for you to sort through all of that information on your own.

The newsbrief gives you approximately 10 relevant articles a week. Each

headline is accompanied by an introductory paragraph. You can read the paragraph, and if you decide you want to read the article, click on 'more' to pull up the full article. This allows you to further filter the material you receive, and read only what interests you. No links to the video of the dog catching a salmon in the middle of a flooded road in the Pacific Northwest (although I recommend that video for fellow dog lovers!).

Each article allows for easy sharing on social networking sites. You can click the 't' icon and share the article on Twitter. Or the LinkedIn logo to share it with other professionals. You can also easily forward the entire newsbrief to colleagues who are not members of the IARFC. The newsbrief can also be viewed on your iPhone, Blackberry, or Droid phones by installing the MultiBrief mobile app. Yes, there's an app for that!

You may also submit content to be included in the newsbrief. This is another excellent way to gain exposure by submitting articles you have written.

We hope you appreciate the **IARFC e-News for Consultants**. Many members have told us they would like updates on industry issues; this is a solution to that need. Of course, if you do not like the newsbrief, you can always unsubscribe from it. We always welcome comments, and would appreciate hearing your input on this new benefit. ☐



Scan this QR code with your smartphone

IARFC Member Services:
Amy@IARFC.org or call 800 532 9060 x34

Questions and Answers You and Your Clients Need to Know About Social Security

Why It Is So Important to Be a Credible Authority

As a result of the major Bear Markets and investment losses that occurred in 1998, 2000-2003, and 2008-2009, this past decade has been commonly referred to as **"The Lost Decade"**. The reason why is that this 10-year period (from 1999 to 2009) was the first decade in history to experience a negative 10-year compounded return in the stock market. Also, this decade was topped off with 2008, which was the first time in history that **all** of the major investment markets suffered a decline in the same year.

The harsh reality is that today most seniors and retirees are now facing what I refer to as **"The Perfect Storm"**. To understand what I mean, just take a look at today's obstacles that negatively effect every retirement plan, such as; the aforementioned "Lost Decade" in the stock market, economic recession, historically high unemployment, inflation beginning to rear its ugly head, interest rates at their lowest levels in history, plummeting residential and commercial real estate markets, increasing life expectancies, rising healthcare costs, higher gas prices, the collapse of the U.S. Dollar (down 80% in the past 20 years), and many other challenges, particularly the likely insurmountable U.S. deficit.

And if these reasons are not enough cause for concern, many of today's seniors and retirees will soon be facing what many believe to be one of the most important... and most difficult... financial decisions of their lifetime: **choosing the "right time" to begin receiving Social Security Benefits.**

Below are the three basic groups of people who I believe will be heavily affected going forward:

- 1. Those Approaching Retirement** – The large majority of people who were planning to retire in the next 5-10 years have been forced to alter or extend their retirement plans.
- 2. Those Currently Retired** – When it comes to those who are currently enjoying their hard-earned and well-

deserved **"golden years"**, the reality is the large majority of this group has much less gold than anticipated. Therefore, not only have they watched their assets and net worth (mostly derived from real estate, investments, and retirement assets) decline considerably, but they are also worried about their biggest fear coming true...running out of money. This fear is a very valid concern for these retirees and seniors because, as I mentioned earlier, some of the key setbacks over the past decade have been large stock market and bond market losses, retirement income withdrawals, investment fees and expenses, taxes, inflation, lost pension plans, higher health care costs, low interest rates, and others.

- 3. Those Lacking Confidence in the Future of Social Security** – When you consider the fact that Social Security payments are already **"in the red"** (or losing money), I don't know many people could disagree that there should be a major concern about how much longer our Government can afford to pay these Social Security Benefits, or if these seniors or retirees will ever get to receive any of these benefits at all.

When is the "Right Time" to Take Social Security?

The correct answer that nobody wants to hear is, **"It Depends"**. But before you choose to make this all-important

financial decision, there are some very important facts that you should know about, as well as some key questions you should be able to answer.

One example of why this is so important is because back In 2009, a Survey by Fidelity Investments showed that **more than 60%** of those ages 55-61 are currently planning on taking Social Security Benefits before their full retirement age.

How Are Your Social Security Benefits Calculated?

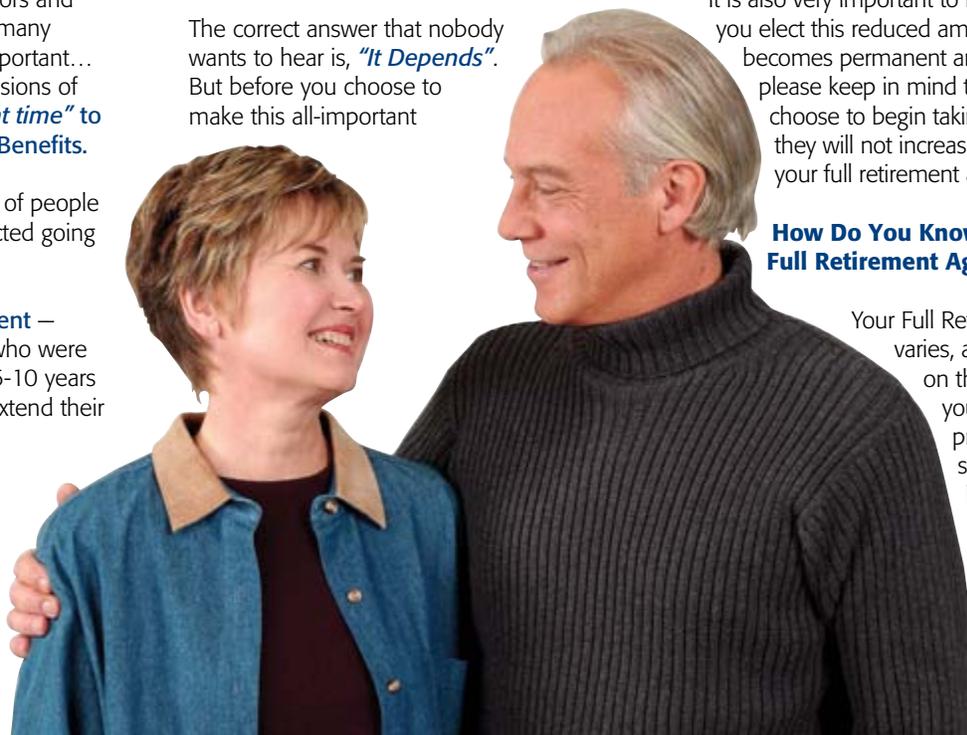
Your Social Security Benefits are determined by your earnings, or in some cases your spouse's earnings. The key thing to know is this must be income that you paid Social Security taxes on. So to calculate your Social Security Benefit amount, these earnings (usually at least 40 quarters are needed), are then averaged over your working lifetime.

When Can You Start Receiving Social Security Benefits?

You can start receiving your Social Security Benefits as early as age 62. However, keep in mind this benefit amount will be reduced based on the number of months you receive checks before you reach Full Retirement Age. It is also very important to know that once you elect this reduced amount benefits, it becomes permanent and irreversible. So please keep in mind that once you choose to begin taking early benefits, they will not increase when you reach your full retirement age.

How Do You Know Your Full Retirement Age?

Your Full Retirement Age varies, and is based solely on the year in which you were born. To provide you with some idea of how this works, below are a few examples, if you were born:





- In 1937 or earlier, your Full Retirement Age is 65
- From 1938-1942 — varies between 65 and 66
- Between 1943-1954, your Full Retirement Age is 66
- In 1957, your Full Retirement Age is 66 ½
- In 1960 or later, your Full Retirement Age is 67

How Much of Your Social Security Benefits Is Taxable?

The amount or percentage of Social Security Benefits that are taxable depends directly on the total amount of your benefits and other income. In general, the higher your earnings, the higher the percentage of Social Security Benefits will be considered taxable income.

How Much of My Social Security Benefits Can Be Taxable?

A portion of your benefits can be taxable. This means that you will have to pay federal income taxes on your Social Security Benefits if you file a Federal Tax Return as an individual and your total income is greater than \$25,000 (Or \$34,000 if you are married filing jointly. **Up to 85%** of your benefits can be taxable if either of the following situations applies to you:

- The total of one-half of your benefits and all your other income is more than \$34,000 (or \$44,000 if you are married filing jointly).
- You are married filing separately and lived with your spouse at any time during 2010.

How Do I Determine When to Pay Taxes on My Social Security Benefits?

As mentioned above, you will have to pay federal taxes on your Social Security Benefits if you file a federal tax return as an individual

and your total income is more than \$25,000. If you file a joint return, you will have to pay taxes if you and your spouse have a total income of more than \$32,000.

Also, you should know that Social Security **cannot** withhold state or local taxes from your benefit amount. The reason why is because there are many states and local authorities that do not require any taxes to be paid on your Social Security benefits. Therefore, you should contact your state or local taxing authority for more information on these details.

When it comes to withholding Federal Income taxes from your Social Security benefits, you are the one who can decide whether they withhold Federal Income taxes or not. In other words, if you prefer, you can ask the Social Security Administration to withhold your Federal Taxes from your Social Security, and this can be done at the same time you apply for benefits.

However, it is very important to note that if you are already receiving Social Security Benefits and you choose to change... or stop... your Federal Tax withholding, you will need to file a special form which can be obtained from the Internal Revenue Service (Form W-4V at www.IRS.gov). It is also important to note that when you completing this form, you will be required to select the percentage of your monthly benefit amount you want them to withhold. Your options are to have 7%, 10%, 15% or 25% of your monthly benefit withheld for tax purposes.

If You Continue to Work, How Does This Affect Your Social Security Benefits?

If you are still working, you are still fully capable of receiving your Social Security Benefits (for both Retirement and Survivor Benefits). The key thing to keep in mind is that, if you are younger than Full Retirement Age, and you earn more than a certain amount of income, your **benefits will be reduced**.

It is also important that you understand that, although your Social Security Benefit amounts will be reduced in many circumstances, this reduction in your benefit amount is not permanent. The good news is that once you reach your Full Retirement Age, your benefit amounts will be increased to account for any benefits that were withheld due to earlier earnings.

Which Income Counts Towards Your Social Security Taxes... And When?

Here are the key points to know:

1. If you are an **employee**, only your wages count toward Social Security's earnings limits.
2. If you are **self-employed**, only your net earnings are factored in from self-employment. It is important you know that income such as other government benefits, investment earnings, interest, pensions, annuities and capital gains do **not** count towards your earnings or taxes.

Also keep in mind that if you are an *employee* and work for wages, the income you **earn** is what counts for tax purposes, **not when the income is actually paid**. So keep in mind that if you have income/wages that you earned in 2008, but the payment was made in 2009, it should count as income for the year **2008**, even though you didn't actually receive it until 2009. Some examples of earnings that typically apply to this rule are bonuses, as well as accumulated sick leave or vacation monies paid.

Conversely, if you are *self-employed*, all income counts only when it is actually **received** — rather than when you earned it. (NOTE: An exception to this rule is when any earnings are paid in a year after you become entitled to Social Security, but the income was earned before you became entitled.)

Special Rule for Your First Year of Retirement

Sometimes a person can retire in the middle of the year, but due to a high level of income they have already earned more than the yearly earnings limit for Social Security taxation. For this specific reason, it is important to be aware of the fact that there is a special rule that applies to earnings for **one year**, which is usually due to the aforementioned first year of retirement.

What this special rule allows you to do is ensure that you receive your full Social Security Benefit for any whole month that you are retired, regardless of how much you earned in that particular year. In other words, the previously mentioned 50% or 85% taxable percentages, which are based on certain levels of income, do not apply as a result of this special rule.

Will Your Monthly Benefits Increase If You Withhold Them While Working?

The good news is "YES". If some of your retirement Social Security Benefits are withheld because of your earnings, your

benefits will be increased starting at your Full Retirement Age, taking into account those months in which your benefits were withheld.

Can Your Benefits Increase In Other Ways?

Again, the good news is "YES". Every year the Social Security Administration reviews the complete list of records for all Social Security recipients who are working. Therefore, if your latest year of earnings is actually determined to be one of your highest-income years, they will recalculate your Social Security Benefit and send you any payments for these increases which are due to you. Because this is considered to be an automatic process, any increased benefits that you are owed will be paid in December of the following year.

What Happens If You Receive Social Security Benefits Before Your Full Retirement Age?

In order to know how much of your Social Security Benefits will be received and how much will be taxed, you will need to calculate your:

- Current age
- Full Retirement Age
- Earnings
- Benefit Amount

Here are a few other important questions that should be discussed with a financial professional:

1. Is taking early income worth the tradeoff?
2. Do you plan to continue working in retirement? How long? How much will you make?
3. Based on your current health or family history, do you have any reason to believe your life expectancy will be significantly shorter or longer than average?
4. Do you need the income, or would this help alleviate other financial pressures?

Remember, Social Security was never intended to serve as a full or partial long-term retirement plan. It was originally created to be used solely as supplemental income to keep older citizens from abject poverty, support major disabilities, and serve as spousal or child support for the unexpected early loss of the traditional father breadwinner...or a tragic simultaneous loss of both parents.

Financial professionals should keep in mind that when Social Security was originally

established, the average life expectancy of a male was approximately 62 years old. Today, life the life expectancy of a male is over 80 years old.

In my opinion, if you survey most financial professionals, seniors, and retirees, the large majority would admit that this is an area that is very often overlooked, ignored, or misunderstood. However, as you hopefully begin to learn how to integrate Social Security into your planning more often, I believe you should also try to avoid treating Social Security Benefits as income similar to that of a pension or annuity. Why? Mainly because Social Security has a lot of moving parts, many important tax considerations and consequences, and most importantly, a great deal of uncertainty regarding its future.

I truly hope this article serves as a step in the right direction, helping you see the value in becoming a credible authority when talking on this standard piece of most retirement plans. ☐



Christopher Hill, RFC®

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

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



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

What is Copytalk?

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

What tools do I need?

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

What do I use it for?

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

What's in it for me?

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

A simple process:

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

Cost:

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

Seasonal Promotion:

- IARFC members can subscribe for only \$5 for their first 30 days of Copytalk! Thereafter, the rate is \$49.95 per month (\$30 off the regular \$79.95 rate.)
<http://www.copytalk.com/IARFC>

Point of contact:

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



is not an accident



Begin by answering the questions in the box at the bottom of the page.

Your Action Plan

If your score is 15 or greater, then you need to improve the effectiveness of your marketing — and reduce your “concern level.”

You probably need to present your services much more effectively than you are doing now. You can do this, and the IARFC will help you! But you must make sensible and diligent changes. Effort will be required, rather than money.

Your initial presentation interview needs to be very well conducted. This will enable you to charge a larger fee. The larger fee will increase your income. It will also increase the likelihood and size of your product sale commissions.

You must ask for, and expect to receive, a steady flow of referrals from your clients.

And you must have a referral process to turn most of these prospects into clients.

You must deliver your planning services with the maximum impact. Merely being average or just good will not cut it! Clients now want and expect a superior experience. This will give them the confidence to implement your recommendations.

Perform a Self-Assessment

You will have to perform a conscientious self-assessment. This may not be fun, but it is essential. Which elements of your presentation of services are you delivering just adequately? Are these a few aspects that you have omitted — or simply allowed to be delivered on a sub-superior basis?

Long before a prospect enters your office, you should be preparing to enhance their future experience. Remember, if you do not close the initial engagement on the right basis or at all, the subsequent revenue opportunities will not be achieved! Close attention to detail will pay big dividends — in plan fees, in product sales, AUM, and in referrals.

Soon you will have fulfillment of your goal — and your Practice Evaluation (the prior shortcoming scores) will drop from the 40’s

toward a rating of 5. You’ll become a Five Star Financial Consultant!

Get Some Help

The IARFC has many tools, articles and checklists — but you will need the services of some local persons. Sometimes you can be too close to the problem to recognize the damaging impact of your activity — or your non-activity.

Your staff members can help — unless they are part of the problem. That is really not likely. They may be secretly harboring a poor impression of some aspect of your services — but feel that you would not appreciate their opinion.

Let’s examine a couple of real cases of initial presentation problem identification and solution.

Case #1. A veteran Registered Financial Consultant asked her staff for a frank appraisal of the image her practice was presenting. Her senior assistant said, “What day do you want to schedule for this?” She was expecting a five minute opportunity for comments and what the discussion required was five hours. She soon realized that what she thought of as “her” practice was really “their” practice. That was the good news!

The session was scheduled and the opening comment was indicative of the massive room for improvement. She was told, “Our stationery sucks! It is on poor paper, needs better use of color and it tries to sell the primary insurance company. It does not reach out to prospects with a message that *We Can Help!*”

Her assistants said, “We can design nice, colorful letterhead and print it on better quality paper — and only replace those ugly company envelopes.” Soon they were designing a new, warmer letterhead. They also designed business cards and to her surprise each of her secretaries (service associates) wanted their own cards and asked for a title to explain their personal service and strengthen their personal image with the firm’s clients.

Gradually they built an improved image including the way papers were presented to clients — now introduced to prospects

The Appropriate Questions

Score yourself: 1 = No, 5 = Somewhat, 10 = Yes

Do you need a more consistent flow of clients? _____

Do you need to gradually elevate the economic level of your client base? _____

Are you highly stressed with the tasks of getting new prospects? _____

Would more revenue improve the status of your practice? _____

Do you need more or better office help? _____

What is your total (from 5 to 50) score? _____

in an IARFC folder with flaps and a dual die cut — to hold two business cards. This encouraged all new clients to ask first for their designated service representative — allowing the consultant to maximize the time spent making presentations and sales — not on routine service.

Not only were they re-packaging the first impression created with clients but internal morale and enthusiasm were skyrocketing.

Case #2. Another consultant had read articles in the IARFC *Register* that mentioned the use of Archive Cases for the filing of all the documents requested from new clients as part of the data gathering interview. He had bought one, but never used it. It was just being moved from one shelf to another, simply occupying space.

Then one afternoon he was presenting his services to a new prospect and the conversation was not going too well. So he decided to “get rid of the Documents Archive Case.” He went to the supply closet, took down the Archive Case, removed the CD with the Word template pre-formatted for printing labels. He handed the case to the prospect and said, “This will help you gather all the documents for our analysis!” The wife opened the lid, recognizing the topics on the 25 folder tabs, and said, “We really need this. Our records are all over the house, a real mess! I can’t tell you how much I appreciate this!” Needless to say, they became clients and the cost of the Archive Case was miniscule compared with his income from the fee, commissions, AUM and referrals!

This financial consultant recognized the value of handing something physical, like the Archive Case, to a client **before** asking for the agreement to produce a fee-based plan.

Case #3. A third financial consultant had started out as an insurance salesman. He never felt comfortable asking for the initial fee to prepare and present the financial plan. We had stressed several items that should always take place in the initial presentation interview to a qualified prospect:

- Be extremely well prepared and have folders ready, with nicely printed items, including certificates.
- Have two or three sample plans available, one each, for the different markets he serves: high income executives, small business owners

and moderately affluent retirees. Each plan was similar in appearance, but the size of the numbers and the resultant graphs and scope of recommendations were different.

- Have a printed Fee Schedule with several levels of plan fees.
- Have a list of products that he can make available on a commission basis — and a larger list of those which he may recommend, but does not personally offer. This helps convey that commissions will be earned in some areas.

When he became fully prepared, and followed the Meeting Agenda, his closing ratio reached 85%, his plan fees tripled, and his product sales also increased.

Preparation, Not Perspiration

Why worry about whether or not you’ll close enough new clients? Get well prepared and the results will come. It does not really require much more effort to do things in a first class manner — but it will make all the difference in your income! 📧



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.

Contact: 800 666 1656 ext. 14
edm@iarfc.org
www.iarfc.org



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

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

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

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

937 506 4088

billn@nelsonlearninginstitute.com



Bill Nelson, RFC®

Finish Strong!

Form the Self-Improvement Habit

The effective financial consultant is constantly improving in every area. We realize becoming a standout performer, as a rule, is not a "short haul" proposition. Building an outstanding career in financial services is a long-term operation.

Greatness is never something conferred; **it's something achieved.**

It's not something given; **it's something earned.**

It's not an accident of birth, but an attitude of quality — a dimension, an outlook, a way of life that is open to anyone who is willing to pay the price.

Channing Pollock once wrote, "We should be content with what we have but never with what we are. The man who regards himself as a finished job is finished."

Keep thinking about being better and doing better. Keep planning for self-improvement. Remember, what we regularly and consistently affirm within ourselves, about ourselves and to ourselves, has a way of becoming reality. Think about these observations:

- **Talent is originality robbed in resourcefulness.**
- **Achievement is a dream dressed in work clothes.**
- **Accomplishment is ability stripped of its doubts.**
- **Life is but a series of opportunities masked as difficulties.**
- **Success is effort draped in day-to-day self-improvement.**

Lose yourself in productive, creative and necessary professional activities and you'll improve and enhance your achievements. This is your responsibility, your duty and your job.



It's paying the price by forming the self-improvement habit!

No matter where you stand today — Finish Strong! 



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

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

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

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



Together with NEXTEL

Just for you. Right now.

Get a **\$50** credit back when you shop at your Sprint Private Store! Just apply "SAVE50" at checkout. Web-only offer. Applied within 3 invoices. New line activation and two-year Agreement required. Restrictions apply.

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

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

Requires two-year Agreement

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

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

Get on the Now Network.

sprint.com/iarfc

Online offer just for members of the IARFC

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



Cato Comments – About Your Image...

Are You Still Oblivious?

Most folks in the USA now know that our so-called 'representatives' serve (in this order), (1) their personal financial greed, (2) the corporate special interest that owns them, i.e., banking, medical, Wall Street, big oil, etc., and (3) their political party. This leaves only fake concern for the voters. These phonies have little or no regard for the citizens' best interest. The good news is that most American citizens are no longer oblivious to this reality. The myth that we have representation is now dead to anyone with half a brain.

Recent changes highly influence your ability to sell anything today. It is about time that you became aware that you do not have an image — or much of an image.

What is your image? Do you have one?

Thirty-eight year veteran financial planner Patrick T. Lyman, LUTCF, RFC®, of Drexel Hill, PA, is an award-winning top achiever who has earned role model status in our industry. Lyman explains, "You now need an appropriate image to become a highly successful producer! This is an essential today. The days are long gone when this was optional. There has been too much bias, negativity, scandal, and massive exploitation in the financial industry at all levels for you to succeed today without a desired image that helps project your strengths. It is past time for you to become aware of the harm being done by your lack of a strong and desirable image. Your image does not take care of itself. Your image does not result by accident. If your image exists only in your mind, then your image does not exist." According to Lyman, **"Your prospects cannot respond or react to your image if your image does not exist in reality."**

Benjamin Franklin was one of the first Americans to create, establish, and maintain his desired image. Franklin continually reinvented his persona so that he could more effectively market himself and his ideas during the reality changes he encountered. He did such a good job that Ben Franklin's desired image even prevails today.

Two other best-known and most successful 'founders' of America, who also created, established, and maintained their desired images, were Thomas Jefferson and George Washington. The images these three men created are the images that 'went down' in

the history books. Their images helped them become more successful and effective.

I don't think I ever met anyone who did not consider himself or herself to be an expert on image. Yet the vast majority of these 'image experts' have not created, established, and maintained their desired image — or built an image for anyone else.

Agents and planners often tell me they are very careful about protecting their image. Then later I frequently discover that they do not even have an image. How out-of-touch can anyone be? The most respected consultants are those who are aware and take correct actions as did Franklin, Jefferson and Washington.

Being On TV Doesn't Make Anyone Honest!

Alan W. Altmann, of PBS TV talk fame, says, "If a person pays to 'be a guest' on a business TV talk show, or pays to get on a financial TV talk show, or pays to have their own TV program, then that person can say anything on TV — no matter how biased, self-serving, or inaccurate." BBC TV's well known Rev. Dr. John Clements of Norfolk, England, explains, "In talk television ethical standards are not involved." Last October Mark Patterson, "the brand artist," in Westfield, IN, reported, "Consumers today believe that everything is biased. At this very moment your image means more to you than ever before." Why? Please pay attention to the next sentence for the answer.

Any American would have to be an idiot today if he or she did not suspect that you too are corrupt, weak, and self-serving.

Why would any prospect not presume that you are just 'mouthing the words' and 'doing the act' — as our scum politicians and many other professionals do — all while stealing money? 'Mouthing the words' and 'doing the act' currently takes place most everywhere in politics, governments at all levels, big business, regulatory agencies, religions, banking, education and the judicial system. Few leaders display real strength or character. No one goes to any extra effort — except to grab another dollar from someone. When was the last time you heard of an over-paid government employee working late at the office?

I may not be the smartest guy in the room but at least I have not yet been talked into selling Amway or participation in other pyramid schemes. **What about you?** What have you been talked into selling? **Why do you still not know how to build a positive image?** Do you need to rethink your long-held basic assumptions — assumptions influenced from 'junk news' that you watch on TV.

Do you really know how to sell yourself? At the **MDRT** all of the Top-of-the-Table producers have taken excellent care of their personal images. They all have custom designed brochures and stationery. Just ask any of them about this.

How Can You Say That?

What do you mean when you say you know how important your image is? There is much you can accomplish yourself if you do not remain oblivious about your image. **A person who knows how important his or her image is does not ignore his or her image!** Is your image working for you right now? You could be taking advantage of your image, experiencing the benefits of having a real and established image as the leading producer in your market.

Perhaps some PR guru told you that you could stand out in your local community if you joined the local Rotary Club and also the Chamber of Commerce. So you did that. **Do you really think that made you stand out in your community?** Was this all that was required to establish your image? Of course not! How absurd! Why not get real — make the series of affordable small efforts that actually help you to gradually create, establish, and maintain your desired image within your target market area?

The best image is one of helping your clients. Clients know, respect, appreciate, and have long-term relationships with leading advisors. These professionals pay attention to their images and make intelligent efforts to project their desired images. **Their image plays a key role in the trust they receive.** They invest in themselves. They don't just talk about this or kid themselves.

Look Again At Our Industry's Greatest Super-Sales Achiever

Mehdi Fakhrazadeh, RFC®, realized the important of image long before most people

in our profession understood this. He was far ahead of this curve. Acting upon this awareness helped him break sales records for 27-years in a row. What a fantastic and incredible record!

Have you read the popular book, *Mehdi's Fast-Track Sales System*, now offered to IARFC members?

A critical part of image building is just to be noticed! You are a creature of habit and you are in the habit of rejecting anything that you perceive to be a sales pitch, or anything that irritates your comfort zone. **You are also unique, precious, and special – and your prospects should know this from your image.**

You have an obligation to yourself – especially during this near-depression – to do what you can with the resources at your disposal. **Why allow your most useful resource to go to waste?** Make your image benefit you. Stop ignoring your image. Start now to build your desired image as the leader in your market area. Put to use the most influential assets that you have – your time and your talent. ☐



Forrest Wallace Cato, RFMA, RFC®

Forrest Wallace Cato, RFMA, RFC® is considered an "industry thought leader" in the financial services profession. His articles, essays, interviews, op-ed pieces, reviews, biographies, critiques, and editorials, are widely printed world-wide and span over 28 years. His media advocacy services have enabled many advisors to enhance their personal image, with a corresponding increase in their local status, public recognition and their income. His mission is to help financial advisors "Cut A Bigger Image!"

**Contact: 770 516 9395
forrestcato01@bellsouth.net
www.CatoMakesYouFamous.com**



All the tools for your Investment Advisory Firm!

IARFC and RIA in a Box align to offer discounted pricing on creating Registered Investment Advisory Firms.



RIA in a Box provides all the tools you need to form your Registered Investment Advisory firm. Take advantage of the special offer for IARFC members and create your RIA quickly and easily. RIA in a Box is the fastest, most efficient way to set up your advisory firm, and they have registered over 825 RIAs in all fifty states and at the SEC. Their mission is to help you get your RIA up and running as quickly and accurately as possible.

Establishing your own RIA opens up a world of opportunity for additional services and revenue. Become a trusted advisor who can provide advice, offer solutions, and enhance relationships with existing clients! Regardless of your background establishing an RIA can provide more sources of income, especially a growing AUM service charge. Imagine a business in which your client is not the only one to benefit from your hard work and dedication.

If you have been at a stalemate with your business, or are looking to expand your income capacity, establishing your own RIA firm is an option worthy of serious consideration.



The Experience, Price, and Speed You Need When Creating Your RIA

Contact RIA in a Box for more information, and ask for the special pricing model available only to IARFC members.

**<http://www.riainabox.com/iarfc.html>
info@riainabox.com
866 611 7638**

COMPLIANCE-FRIENDLY MARKETING

Practice Management Tip for Financial Advisors – Refine Your Sales Process

by Katherine Vessenes, JD, CFP®, RFC®



As a student of great financial advisors and their sales processes, I have been fortunate to actually sit in on client meetings with some of the top financial advisors in the country. Who wouldn't want to be a fly on the wall when an \$8 million dollar advisor closes the sale? It has been my privilege, as a practice management coach, to not only watch the great financial advisors in action, but to even offer a few suggestions on how they might close more business.

Here is what I have learned, just this last summer, as we coached two of the top advisors in the country on managing their practice and improving their sales practice:

A shortened, quick sales process, that was very effective 10 years ago, is much less effective today.

In 2000 it was not unusual for our firm, Vestment Advisors, to consult with \$3 million dollar financial advisors who worked with the middle market. Our goal was to use our practice management process and increase the advisor's sales and build the value of their business. Every one of them had their sales process down to two meetings of an hour and a half each; three meetings were only needed in the rare case for higher end or more complicated clients.

Today many clients are not prepared to make a decision, even at the second meeting. Ten years ago, this was common practice. Not so today. Most clients haven't yet built up a sufficient trust factor with their financial planner or advisor by the second meeting. They are still skeptical. The reason: clients are fearful about changing money managers, investment styles, and financial advisors, even though they are in a lot of emotional pain.

Furthermore, clients don't like sitting for one and half to two hour meetings. They are

busy, much busier than 10 years ago, and they don't have the time, the energy or the attention span to meet for two hours. Today, the shorter the meetings, the better for most clients.

Two of the advisors we coached this summer had both lengthened their sales process to four, shorter meetings. It was working so well for them; their closing ratios were far higher than we are currently seeing with other firms. In fact they were probably closing 80 to 95%. These ratios are quite high, given the current market.

The meetings, and their order, look like this:

1. First meeting: An **Orientation** or "get-to-know-you" meeting.

Time: This meeting will take 45 minutes to an hour, depending on the advisor.

The whole purpose is to get a better feel for the prospect, how they tick and what they are looking for in a relationship. As our New Jersey advisor Paul Hartline (not his real name) said to me: "Katherine, when you have been in the business for 30 years, you can tell in that initial meeting if you want them for a client or not!"

Most advisors who use a "get-to-know-you" meeting, ask the client NOT to bring in any personal financial data. They feel it helps build trust and makes the client feel more comfortable.

Paul does this meeting in his office, because he wants the clients to get a feel for him. Paul is in class A space, and his office and staff show very well. It makes a great impression on the prospect.

George Jackson (also not his real name), from Seattle, does a first meeting that is all about the client. George usually conducts this meeting at the client's office or at their home. He says the client then feels obligated to come to George's office for the next meeting as a social courtesy.

2. Second meeting: **Data Gathering**.

Time: 1 to 1 ½ hours.

It is during this meeting that the advisor gathers the data necessary to complete the financial plan. They are reviewing all the client's investments, insurance and other data that will be needed to make recommendations.

Paul does this meeting in the client's home. He says he likes to see how the clients live. It lets him know if they are big spenders or savers and he gets a better feel for them as people. It also makes it easier to gather the information Paul needs for the planning.

George does just the opposite. Since he has already met with the client in their home or office, they come to George's office for the data gathering.

3. Plan presentation: **Gap Analysis**

Time: up to 2 hours

We have seen advisors call this meeting many things. Most of them are presenting what we call the "plan", but is really an analysis of their numbers, where they stand and the likelihood they will run out of money in retirement. They also look at the gaps between the clients' goals and where they are likely to end up.

Universally these meetings are held in the advisor's office. Typically it answers the questions:

- Will the client run out of money in retirement?
- How much do they need to save to reach their goals?
- What can they do to save taxes now and in the future?

Some advisors may present a few products here. Many will only talk about the products generically. For example, they might discuss

REITs in general, and why it would be a good choice, but not name a specific one.

4. Implementation:

Time: 1 ½ to 2 hours.

At this meeting the financial advisor is talking about specific products, money managers, signing paperwork and moving the investments over to the new firm.

For particularly fearful clients, or for those with complicated situations, this meeting could stretch into two meetings.

Practice management lessons learned from successful financial advisors and planners:

1. What worked really well 10 years ago, may not work so well now. We all have to change with the times and be sensitive to where are clients are at.
2. The overall time you spend with clients is likely to be longer than it was 10 years ago. Even though the meetings are shorter, chances are you will be spending more meetings, and therefore more time with clients before they are ready to pull the trigger.
3. All marketing is part trial and error. The same is true with a sales process. Test out different strategies and orders to see what works for you and what doesn't.
4. Nothing, no matter how great the system, works 100% of the time.
5. Clients are more fearful now so it will take longer to build up the trust factor.

If we can help you modify your sales process so it is working better for you, please contact me ☐

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

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

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

The **BUILDER** Suite

Software, Training and Support for Financial Advisors

Make Your Sales Soar!

Plan**BUILDER**

20%
IARFC Member
Discount

- ▶ **FINRA Reviewed**
- ▶ Develop **high quality, colorful, comprehensive financial plans**
- ▶ Create **unlimited "what-if scenarios"** — including Monte Carlo simulations
- ▶ Present **product solutions** powerfully, swiftly and dramatically
- ▶ Easily **justify a substantial planning fee** plus product sales!

"Plan Builder is intuitive and easy to use. I love the traffic light checker that let's me know if I've forgotten some important detail. Plan Builder lets me create a concise, client-friendly proposal using great graphs to quickly illustrate problems and solutions. I have doubled my planning fees and doubled my life and annuity sales." — Dave Williams, IL

Practice**BUILDER**

- ▶ **Communicate more but with less effort**
- ▶ Robust Contact Manager
- ▶ Prewritten letters, articles, agendas, fee schedules ready for your use
- ▶ Automated drip marketing engine
- ▶ Appointment and task scheduling calendar system

"Practice Builder, CRM software, is the single most important piece of software in terms of managing your business and client contact. Practice Builder has landed me over a million dollars in new money this year by touching prospects I would never have re-contacted without the software. It's great for client management, mailing lists and delete lists and there are thousands of customer letters if you want to drip market. It is also very competitive in price and you can order only the modules you need." — Steven G Johnson, VA

Client**BUILDER**

- ▶ **PowerPoint Presentation and Word files**
- ▶ Customizable screens
- ▶ Scripted presentation ready to use or edit to use
- ▶ Structure for collecting fees from the start
- ▶ Sample Letter, Agendas, Checklists and Forms

Financial Planning Consultants —
providing innovative software, training, practice management and
marketing service to the financial professionals since 1969

Call for a FREE WEB DEMO 800.666.1656 ext. 13
or email Sales@FinancialSoftware.com

Business Mirrors Life

Where's the Camaraderie When You Work From Home?

I'm self-employed and I work out of my home. I don't listen to the morning traffic report and I usually ignore the weather report too. An added bonus, I don't have to brush my teeth first thing in the morning.

But it's lonely. I miss the office birthday parties, or to be more specific my birthday party. We (my secretary and I) had a ritual. She would remind me to keep some time clear on my calendar for some obviously imaginary meeting. I would tell her I didn't want a party and I didn't need the cake. But the truth was I actually enjoyed hearing my staff sing happy birthday.

What else do I miss? I miss winning the NCAA March Madness office pool. It would drive all the basketball aficionados crazy because I selected my teams totally randomly and I still won more often than they did. Now, no one asks me for my top picks.

I even miss the United Way campaign meeting. We all complained that it was a waste of time. But I would actually learn something from the on-loan executive about an agency that helps addictive pregnant moms.

United Way doesn't have a division for self-employed, home based businesses. I understand. It would be inefficient and most of us are definitely not in the top ten percentile of philanthropic givers. But still, I would like to be contacted and not by some telemarketer. I've even thought of starting an organization of home based companies that would support some local charities.

My friends tell me that I should just join a local networking group and suggest that they do a fundraiser. But all those groups involve people who want to meet for business reasons. They come with a deck of business cards ready to recite their elevator pitches to anyone who will listen. They're looking for new prospects. They're fine people but I'd like to meet people who want to help the community.

No, I'm not some over zealous do-gooder. I don't want to be involved with 100 mile bike rides or even five mile walks, and I

won't wear a lavender bracelet to commemorate some new charity. I simply want to hear a pitch, write a check, and hang with a couple of nice people who otherwise lead lonely sedentary lives in their dens as I do.

I rarely use this column as a bully pulpit to press my readers to do something. One, because I believe it would be inappropriate, and two, no one would listen. But, I'm taking a chance this time. This is a call to action. If you are self-employed and think you are ignored by the rest of your community, join with me.

And please suggest a name for our new organization. The best I can come up with is: The association of self-employed people who want to be given the proper respect from the business and philanthropic community. We definitely need a shorter name and if you can come up with a catchy acronym I'll even let you be our first president. 



Hesh Reinfeld

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

Contact: 412 421 8379
hesh@heshreinfeld.com
www.heshreinfeld.com

**IARFC
Career
Center**



**LET OUR TEAM
WORK FOR YOU**

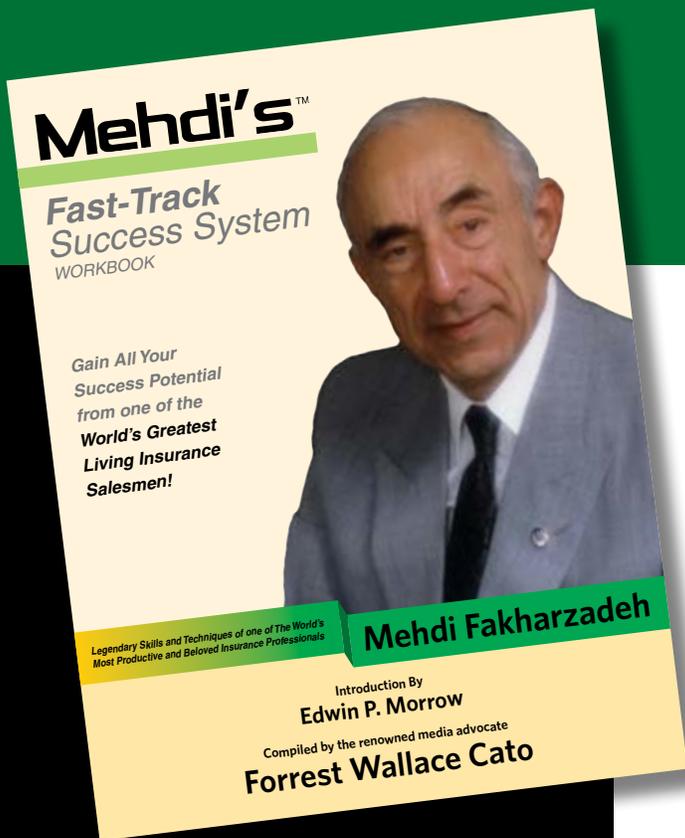
*> An integrated approach
helps you manage and
achieve your hiring goals*

When you post your jobs on the IARFC Career Center you are putting the power of our association partners to work for you. Together they represent over 2200 highly qualified financial professionals. Put our partnership to work for you.

 **IARFC Career Center**
Pay 1 Price, Reach 5 Sites

Visit <http://careers.iarfc.org>

Get Mehdi's Wisdom for **FREE!**



Member Referral Incentive

The most important evidence of our value proposition is the consistent growth of IARFC membership!

Just refer **FIVE qualified business colleagues** to IARFC and receive a **FREE** copy of *Mehdi's Fast-Track Success System* (a \$47.95 retail value)

Help Yourself & Help IARFC

Help more good advisors and agents to become great Registered Financial Consultants. Complete the form on the next page.

- Learn from the Greatest!
- Great Habits = Great Results!
- Enhance Your Abilities!
- It only takes a few great ideas to make a dramatic increase in your income.

The value of your RFC® designation continues to grow with the increasing members of highly qualified advisors using and displaying the designation. You can leverage this growth for your benefit.

- ▶ Whenever you register for a professional conference or otherwise list your name, insist your RFC® designation be added.
- ▶ Whenever you are surveyed or asked to complete any form, if the RFC® designation is not among those listed, then request in writing that it be added in all future versions.
- ▶ Update the information in your personal Advisor Profile on the IARFC website.
- ▶ Use IARFC brochures, and the Code of Ethics in your marketing.
- ▶ Recommend the RFC® designation to the financial institutions you do business with, including the officers and employees.

www.IARFC.org



Five Referrals for the RFC Designation

Here are 5 Prospective IARFC Members!

Please print or type the information below.

_____	_____	_____
First	Middle	Last

Address		

City	State	Zip

Phone	E-mail	

_____	_____	_____
First	Middle	Last

Address		

City	State	Zip

Phone	E-mail	

_____	_____	_____
First	Middle	Last

Address		

City	State	Zip

Phone	E-mail	

_____	_____	_____
First	Middle	Last

Address		

City	State	Zip

Phone	E-mail	

_____	_____	_____
First	Middle	Last

Address		

City	State	Zip

Phone	E-mail	



Please nominate 5 financial professionals who may be interested in the honor and benefit of acquiring the RFC® or RFA® designation. By filling out this form you are granting permission to mention your name as our source.

*Not valid in conjunction with any referral program or promotion.
Get Mehdi's Wisdom for Free promotion ends 4/30/2011.*

Mail or fax this form to:

IARFC
Attn: Membership Services
P.O. Box 506
Middletown, OH 45042 USA
P: 800 532 9060
E: info@IARFC.org
W: www.IARFC.org

Fax to: 513 424 5752

Referred by _____

Address _____

City _____

State _____

Zip _____



phone
800 532 9060



fax
513 424 5752



email
Info@IARFC.org



web
www.IARFC.org

IARFC INTERNATIONAL DIRECTORY

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

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

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

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

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

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

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

Zheng Senyuan
Executive Secretary

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

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

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

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

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

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

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

Aidil Akbar Madjid, MBA, RFC®
Indonesia Chair
iarfc_indonesia@yahoo.com.id

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

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

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

Simon Khor
iarfc.malaysia@gmail.com

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

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

Tony Balmori
Executive Assistant
tonybalmori@iarfcphils.org

Serene Ng
Singapore Admin Assistant
serene@iarfcsg.org

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

Carrier Wang
Customer Service Representative
carrier.wang@imm.com.tw

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

Preecha Swasdpeera, MPA, MM, RFC®
Thailand Chair
preecha_sg@yahoo.com

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

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

Danielle Brennan, BA
dbrennan@altuscompany.com

INTERNATIONAL WEBSITES

IARFC China
www.iarfc.cn

IARFC Hong Kong
www.iarfc-hk.org

IARFC Philippines
www.iarfcphils.org

IARFC Taiwan
www.iarfc.org.tw

IARFC Thailand
www.iarfc-thailand.org

US STAFF DIRECTORY

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

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

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

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

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

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

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

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

Financial Planning Process™ course

Take the Next Step!

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

Effective training to help streamline your practice.

Course Components

- FPP 101 – Client Acquisition*
- FPP 102 – Marketing for Financial Advisors*
- FPP 103 – The Client Engagement*
- FPP 201 – Information Gathering*
- FPP 202 – Plan Development*
- FPP 203 – Recommendations & Monitoring*

*Self-study, or
in the classroom*

Call today
for details:
800 532 9060



For over 25 years, the International Association of Registered Financial Consultants (IARFC) has provided the tools you need to succeed.





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

Entire
suite for only
\$30
per month

IARFC Members Receive Tremendous Discount

Unleash
the power of
SmartSuite

SmartSuite
will help you:

- ✓ Dramatically Increase Sales
- ✓ Provide Better Communications
- ✓ Implement Marketing Campaigns
- ✓ Streamline Operations
- ✓ Enhance Customer Service
- ✓ Save Time & Money

SmartSuite • The All-In-One Online Business Center

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

PixelCRM
contact management

PixelShare
large file sharing

PixelMail
web email client

PixelMeeting
video conferencing

PixelRemote
remote computer access

PixelTimeClock
web time clock

PixelCampaigns
email marketing

PixelHost
website hosting

PixelVault
online backup

PixelWebsite
website builders

**15-Day
Free Trial**
No Credit Card
Required



For more information
or to register

call PixelGigs
at 503-783-5808