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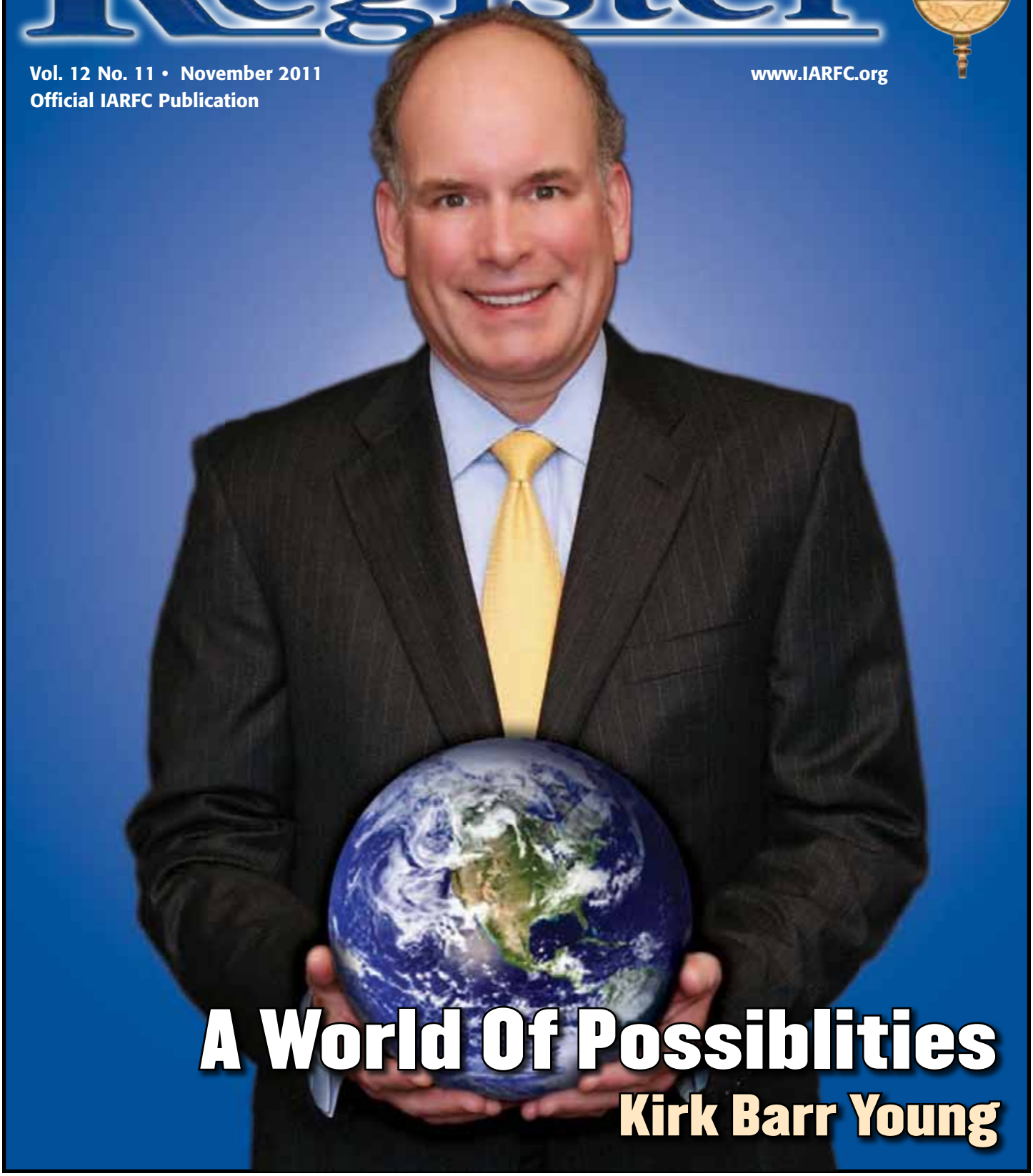

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• IN THIS ISSUE •

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Philippines 7

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Business Owner Consulting Workshop
November 10, Portland, OR

Business Owner Consulting Workshop
December 1, Middletown, OH

Business Owner Consulting Workshop
January 6-7, 2012, Hong Kong

Business Owner Consulting Workshop
January 13-14, 2012, Hong Kong

MDRT Experience
February 9-11, 2012, Bangkok

Business Owner Consulting Workshop
February 16, 2012, Tampa, FL

Business Owner Consulting Workshop
March, New York City, NY

Business Owner Consulting Workshop
April 26, Middletown, OH

IARFC CE@Sea™
Bermuda, (Holland America, Veendam) May 20 – 27, 2012

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

Walter J. Driscoll
Dorchester, MA

Donald Ray Haas
Birmingham, MI

Ante Simunac
Pasadena, CA

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

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

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From the
Chairman's Desk…

Ed Morrow

Economic Unrest = Consultant Opportunity

I have just returned from a whirlwind tour in Asia, speaking to IARFC groups in China, Hong Kong, Macau, Malaysia, Thailand, India and Philippines. All of those countries are affected by recent economic events. The impact varies in each country — in the sectors affected, and how the population is responding.

A major complication has been the travails of AIG. In Asia the life company subsidiaries were all very strong, and held the largest market share in Malaysia, Hong Kong, Thailand and Philippines. The problems that occurred were the result of criminally stupid behavior in the London investment office of AIG — compounded by the fact the management of AIG was distracted by other political issues (Elliot Spitzer). However, the publicity and the break-up of the AIA companies has been a major distraction to many RFCs. The Asian leadership of that company includes many strong and effective executives and it is coming back.

The population of every country is concerned about their own economy — and also that of the world's largest trading partner — the USA. Everywhere I traveled citizens as well as financial consultants would ask questions like: "How did America get into such bad shape…you are the bastion of capitalism!" I also heard, "It seems as if the US is charging into Marxism, and stumbling — while China is rushing into capitalism, and rising swiftly."

Asians are learning from the reports that the US Social Security system is really a Ponzi scheme. They say, "How can your actuaries have miscalculated the lengthening life expectancies?" And they ask, "Why has your Congress borrowed out nearly all the cash in the Social Security system and spent it?"

I wish I had good answers…

Meanwhile, the Asian citizens are lowering their consumer debt and saving money with a fury. The problem is — where to invest it? Certainly Asian stocks have been risky, and so has real estate. The banks are risky themselves, and the interest payments are just a fraction of the rate of inflation. Real estate might work long term, but it takes staying power.

The opportunities for financial consultants are great. And in fact, they are also strong in the US. But every RFC desperately needs to re-position himself or herself as a consultant, rather than as a salesperson. Everywhere I am hearing, "How can I change my image?" Which really means, "How can I position myself to charge Plan Fees?"

I have delivered several presentations on this topic, and have been assembling materials. The topic is ***Advisor Branding & Image Building*** and it incorporates many small steps to accentuate the professionalism of the RFC. The goal is to position you for charging a fee, or for increasing your fee schedule if you have been charging too little.

There are hundreds of actions that you might consider to enhance your image, and to convince a prospect that you are the caliber of professional who should receive a fee. You must be perceived as an objective, competent, ethical and caring advisor who delivers comprehensive advice. This means you must not send the subliminal messages that you are just a product pusher, a sales rep.

Business Owner Consulting Workshop. This is gaining momentum as more of our members, in the US and in Asia are attending the sessions. They leave with a CD-ROM loaded with all the Word text files, the Excel spreadsheets, the PowerPoint presentations to prospects and clients — and the knowledge of how to use them. Is it working? Yes, for those who embrace the market and the tools that are presented.

One agent who attended my first such session in the Philippines simply put the concepts on a shelf and naturally got no results. But nearly a year later he attended again, and this time he went out and made a presentation. Admittedly he did not charge enough, but he did charge a fee and then delivered the report. The good news is that he made the sale. The bad news is that the size of the policy exceeds his company's retention, and the underwriting of the entire risk is taking longer than expected.

Diversify Your Practice! If you are not marketing your services to professional practitioners and small to medium local businesses, then I urge you to consider modifying your prospecting activity and devoting one half day a week to this market. Soon you will make a sale, and the average business purchase is much larger than the typical personal transaction.

The End is Near. No, I am not echoing all the doomsayers. I am talking about the end of the calendar year. If you need a better year in 2012, then now is the time to determine what aspect of your practice needs to be changed. Should you work more hours? Should you work more on your weekends? Is there some magic software or motivational tapes that will multiply your income?

If the answer to these questions in **"No"** then you must change your image, your approach and your market. Not all at once, but gradually. We have all heard that if you keep doing the same things we must expect the same results.

Perform a little self-assessment and plan now to modify your practice…

You can do it!

Scan this QR code with your smartphone

How Advisors Can Add Clients

Save Time and Money with Web Meetings and Conferencing

A new financial advisor in the Boston area was frustrated trying to market to busy professionals in his area. The prospects were spread throughout the city and had little interest in attending a dinner seminar near his office, so he decided to pilot his first marketing webinar. The result? This advisor got four new clients from the event within 90 days on a shoestring budget.

A veteran independent advisor in Southern California was trying to get sales meetings with business owners and dentists in his region. It was tough sledding just to get a 30 minute in-person meeting. With travel and traffic, each call would take a half day from his schedule. Out of frustration, he started proposing an introductory web meeting to his prospects. The result? He increased his number of first meetings by 33%, saved over 3 hours of his own time for each meeting, and experienced a rate of conversion equal to his in-person meetings, off the initial call. And, the feedback from the prospects indicated they actually enjoyed the web meeting process.

Many advisors are familiar with web conferencing technologies, web meetings, and webinars (web seminars), but most are still early in the process of using them for their own marketing, selling, and client communications. Web technologies help advisors reach more prospects, communicate more effectively, and save time and money in the process. And, as many advisors have discovered, many of your prospects and clients would prefer to communicate with you this way for some or all meetings and events.

The Basics of Web Conferencing, Web Meetings, and Webinars

Collaborative web conferencing is a term frequently used to describe web-based meetings that enable all attendees to view and share documents, presentations and web pages in a meeting format that is interactive for the presenter and all attendees.

Examples of collaborative web meetings for advisors include a sales meeting, project team meetings, and sharing financial planning software for demonstrations and informal training sessions. These meetings usually include 2 to 6 participants and will be approximately 30 to 60 minutes in length.

A Webinar, literally web seminar, is a term used to describe larger, more formal events which can be attended by tens, hundreds, or even thousands of participants. Common uses for advisors include prospecting webinars, educational webinars, and client update webinars.

Such "one-to-many" webinars use the same technology principles as a web meeting, but require only a web browser to join and will often allow attendees the option to either hear the voice side of the presentation through a phone connection, or through their computer speakers. Attendees view slides or desk-top applications streamed through their desktop browser and can interact through text Questions and Answers or online polls.

Advisor Webinar and Web Meeting Opportunities

- **Web Meetings with Clients – interactive meeting on specific topic or quarterly update with clients.**
- **Web Sales Meetings – interactive sales meeting with prospective clients over the web.**
- **Educational Webinars – one-to-many event educating clients and prospects on a specific financial, investment, or planning issue.**
- **Client Update Webinars – one-to-many event updating clients on the recent market activity, economic outlook, and any changes to portfolios as a result.**
- **Prospecting Webinars – one-to-many event designed to get new prospects into the sales funnel, often targets a market segment like retirement planners or business owners.**

It is important to understand what webinar and web meeting technology options are available and which one is the best fit for what you want to accomplish. You can go to one of the leading web technology vendors directly, or use a Conferencing Service Provider (CSPs) which can offer multiple web collaboration options from leading web tech vendors that are integrated with phone conferencing. Some CSPs will offer free training and support and technologies like web portals, registration systems, and more. A good CSP will work with you to understand your goals and offer the solution which is a good fit. Most direct web vendors will only represent their own solution which may or may not be what you need.

At first glance, using web meetings and webinars to meet with clients or prospects may seem simple to those who have participated in a well-executed web presentation. However, as is the case with in-person meetings and events, key strategies and preparation will have a direct correlation to the success of your web meeting or webinar.

Five Strategies for Advisors to Begin to Tap the Power of Web Conferencing

Here are 5 strategies advisors can leverage to begin to take advantage of the potential power of web collaboration, web meetings, and webinars to save time, get closer to current clients, and add new clients and assets under management.

1. **Begin with the End in Mind** – Just as you would have your desired "next step" from a marketing seminar or initial sales meeting, understand what you hope to accomplish from your web meetings or webinars. For example, a webinar which focuses on either prospecting or nurturing current clients will get better results for your top objective than one which tries to be all things to all audiences. And with the webinars being cheaper and easier to deliver than an in-person event, you can do multiple events over time to accomplish multiple objectives.

2. **Select the Right Technologies** – When it comes to selecting technologies, consider a good Conferencing Service Provider who will be able to offer a range of web meeting service options and help you select the right solution for you. Skimping on a technology to try to save a few dollars is not recommended as they can have limited features, little to no company support, or lack compatibility with your prospect or client's computers. Any of those factors can contribute to a less than optimal online meeting experience for you and your attendees.

3. **Email Communications** – Web meetings and webinars lend themselves to communicating via individual or marketing emails, both in promotion as well as follow-up. Email for marketing and communications is effective, intimate, cheap, and fast, so take advantage of this powerful medium.

4. **Pilot Your First Meetings and Events** – Consider running initial meetings and/or small group webinars initially to get comfortable with the technology so you are taking advantage of its capabilities and not making basic meeting mistakes. For example, one advisor we worked with had someone in their office get trained by their CSP on the technology so the lead advisor was able to talk directly to the sales prospects and show a presentation for his initial meetings without ever touching a computer (which was cared for by the advisor's assistant). Using a "silent assistant" to handle the web technology is an approach used by many organizations and is very easy to coordinate with a little practice.

5. **"Just Do It"** – Just as at one time you had to make your first sales presentation, sign-up your first high net worth client, or do your first marketing or educational seminar, the only way to get in the game and experience all of the potential benefits of web conferencing is to try it out. Consider starting with an opportunity where there is only upside, such as doing a web sales meeting with a prospect in another state. Or, if a couple or multiple decision makers never seem to be available at the same time to do that sales meeting in person, suggest a web meeting. That offer will eliminate any excuses about availability so you can move the process forward to closure. A good CSP will provide you with a web meeting service that is inexpensive, very easy to use and will provide free training and support to ensure you have a positive first-time experience.

The bottom-line is that prospects, clients, and advisors can all benefit from web conferencing technologies, so find your own way of leveraging them in your practice and start experiencing their benefits.

Bob Hanson

Bob Hanson's QLM and ConferencePlus offer IARFC members a full suite of web conferencing services for advisors including web and audio technology, marketing, content and planning, and event and success support.

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Using FIAs in Defined Benefit Plans: It Can and Should Be Done

Insurance companies over and over again have told advisors who want to use FIAs in defined benefit plans that they do not allow their products to be sold in such plans. As you will read, there is no technical reason an FIA can't be used to fund a DB Plan.

I've been receiving an increasing number of frustrated inquiries about using **fixed indexed annuities (FIA)** in defined benefit plans.

Why frustrated inquiries? Because insurance companies over and over again have told advisors who want to use FIAs in **defined benefit (DB) plans** that they do not allow their products to be sold in such plans. As you will read, there is no technical reason an FIA can't be used to fund a DB Plan. Let me start with the basics:

What is a DB plan?

It's a qualified retirement plan that employers fund for employees. In the right setting, business owners can tax deduct $100,000 or more annually into the plan for retirement.

What kind of investments can be used in DB plans?

In traditional DB plans, there are no restrictions where the money can be invested.

What kind of investments should be used in DB plans?

Ones where the money is not at risk. Why? Because, unlike a **defined contribution plan** where employees can self-direct the money allocated to them in the plan (and suffer the consequence of bad choices), in a DB plan, the employer is guaranteeing that there will be money in the plan to pay a specific retirement benefit to employees in retirement.

There are many DB plans out there invested in mutual funds that are now in big trouble because they are way underfunded. Guess who will make up the difference if the **investments** don't come back to required levels? The business owners.

Using annuities in DB plans.

Today many DB plans are funded with traditional fixed annuities. The problem with them is that the returns are pathetic.

Using FIAs in DB plans.

FIAs are ideal for DB plans. The money will not go backwards when the market tanks, gains are locked in annually (up to a cap) and you can even buy them with **guaranteed income riders** (ones that are superior to similar riders on variable annuities).

That should be the end of the article, right? Go pitch DB plans to help clients reduce taxes and build wealth for retirement and use FIAs to protect the money and grow it at the needed rate of return.

What's the problem?

As I stated, virtually none of the insurance companies who sell FIAs allow their products to be sold in DB plans. In fact, I've heard advisors complain about this so much that I went out of my way to verify with several insurance companies specifically why they won't allow their products to be sold in DB plans.

You know what I was told? There is no technical reason their products can't be sold in DB plans; they just don't allow it. I asked why and was told that it was too much of an administrative nightmare.

After doing some research, I found there are a handful of companies that allow their FIAs to be sold in DB plans if you have a third party administrator who can administer a plan correctly.

As always, I don't give free ads for insurance companies in my articles so I won't name them herein. However, if you don't have time to do your own research to find the companies, feel free to send me a message for that information. Also, if you would like the contact information for the TPA who can properly admin a DB plan with FIAs, message me and I'll get you that information as well.

Summary. There is a huge market out there for advisors who want to help clients with year-end tax planning by implementing DB plans. You can help your clients protect themselves by using FIAs, and now you know that the reason insurance companies don't allow it has nothing to do with anything except their unwillingness to deal with the administration.

Roccy DeFrancesco, Jr., JD, CWPP, CAPP, CMP

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Previously published on ProducersWEB.com

Thumbing Your Nose at Ignorance *part two*

I like to think of sales as the real first profession. If you could shoot back in time and see the progression of processes and approaches used by sellers throughout history, I think you'd be amazed. Amazed they have not changed much over the centuries. It seems that bad advice is perpetuated. As a result, many sellers, who've been given that bad advice, find themselves frantic to make sales, but they don't know what to do. For them, sales is not a profession, it's a sink hole.

Key word in that paragraph is "profession." Truth is, selling is a serious profession, thus it requires its practitioners to become professionals. What do professionals in other industries do? They continually learn how to be more effective at their profession. They read, study, learn and practice. They seek out effective coaches and trainers. They look for anything that can make them more effective. One of the fundamentals underlying the psychology of selling is this: "The person who has the greatest flexibility wins." This article seeks to give you greater flexibility!

The following tips come from an eBook I've been writing titled *Selling for Intelligent People — the 80 Best Sales Tips.* Here are five of those tips:

1. Initiate regular meaningful contact with clients. Too often producers seal the deal and then go away, only to return later and ask for more business or a referral. Relationships are maintained by regular and meaningful contact. Easy to say, but what exactly is regular and meaningful contact?

Let's begin by looking at what it's not. What you don't want is to contact your client only when you're asking for something. If that's the pattern, when you call, they'll be thinking, "Not him again, what does he want now?" Not very meaningful is it?

We know that some of your contact will be in regards to specific business tasks. That's to be expected. Just make sure that's not the only time you call or write. Think about what you can do that will improve your client's perception of you from one of "what now?" to "Great, it's my friend. What does he have for me today?"

One of our favorite reasons to call is to wish the client a Happy _____ Day. But, rather than the typical holidays, think outside the box. For example here's a list of a few unusual celebrations for the first half of September. I found these at www.holidayinsights.com:

- 1 Emma M. Nutt Day, the first woman telephone operator
- 2 National Beheading Day
- 5 Be Late for Something Day
- 8 National Date Nut Bread Day
- 11 Make Your Bed Day
- 15 Make a Hat Day

Of course, there are also some very serious days of recognition. 9/11 and POW/MIA Recognition Day. If your client is a military veteran, he or she will sincerely appreciate getting a call or note on the anniversary of his/her branch of service. (hint: Marine Corps Birthday is November 10)

2. Ask the right questions at the right time. Most salespeople have been taught to use open-ended questions, the ones that elicit a long answer. The idea is to get people talking and involved. "What are your goals for your retirement? What do you want to leave as a legacy for your heirs?" Unfortunately, sometimes those long-answer questions are too open, too big, too invasive. Far too often, producers ask them too early in the conversation — before they have earned the right to ask them.

Pam and I teach our clients to think in terms of adding points to an account. Call them "Connectivity Points." You have to visualize the new relationship with that prospect as a path. Each additional step gives you a point. But, points can be taken away by asking the wrong question at the wrong time. Asking open-ended questions too soon can easily detract from your relationship and credibility. Open-ended questions definitely have a place, but the key is to ask them at the right time. That means later in the conversation.

3. Become "seen" as credible. Credibility is believability. When you are credible, people believe and trust what you have to say. Credibility is important no matter what business you're in and is especially important if you're in a consultative sales position.

When the prospect sees you as credible, it doesn't matter so much the specifics of your product or service. He will more easily and automatically trust your judgment. Credibility buys you leverage and makes the prospect of doing business with you much more inviting and safe for the prospect.

The challenge is that most people know credibility is important but don't how to display or prove it. In our research, we've found that most people tend to focus on external things like credentials which are important but by themselves do little to establish credibility. Producers try to sound credible by filling presentations with smart-sounding words and phrases. The reality is, this takes away from your credibility.

Credibility is not about how smart you are or what you know. It's about your personal motivation to provide value and exceed

expectations. It's about whether the prospect can trust you to continue to act on his behalf. So, what can you do to make him believe that?

4. Prove that you are relevant. Sometimes we are in fact credible and "know our stuff," but it's not particularly important to our prospect. Relevance means being credible in areas that are specifically important to that specific prospect. Regardless of how exciting your message, if it is not relevant to the other person, it will likely produce disappointing results.

The challenge here is that you must seek to know your clients well enough to learn what's relevant to them. You must also work to keep up with news and information so that you can speak about them with credibility and relevance.

This may mean following topics and concerns outside your immediate area. It's easy to draw too small a circle around "your area" without proper understanding of what's most important and relevant to your client.

5. Satisfy Your Target's Psychological Criteria. Every person has a criteria, or set of qualifiers, for every decision she ever makes. For example, when you look for a "good" restaurant, you launch a set of criteria. It might need to have good coffee, grilled buffalo and curly fries. Those are the tests the restaurant must meet in order for you to decide it's "good." Now, back to you. With each prospect, you have to determine his/her criteria. What is that person looking for that's relevant to you?

Let's say your prospect wants a consultant in your business that has more than 10 years in business, state-of-the-art technology, local representative and national support. You job is always to identify what the prospect's buying criteria is. If you can meet that criteria, great. But, if you can't, then you have a serious up-hill hike ahead of you to convince that person to change her decision-making strategy. Good luck with that.

What if there are twenty firms that meet that criteria? How could you distinguish yourself from them? Our recommendation is to show that you are the most credible option. To do that, you would focus on personal, professional and business qualities, rather than product and service capabilities. (This is a huge topic. If you want to learn how to build your credibility, see our book *Axis of Influence.*)

Michael Lovas

Michael Lovas is the author of twelve books, mainly on Professional Credibility and Psychological Communication in the financial industry. He currently writes several columns and has been published more than a thousand times since 1986. All of Michael's work teaches professionals how to use simple, effective psychology to write more business and inspire their clients to love them. Michael also holds the distinction of creating "Credibility Marketing" in 1991. He is also the cofounder and a principal of AboutPeople, a unique consultancy focused on helping advisors build credibility and relationships with their chosen target markets.

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Understanding Financial Problems of Middle America

It is time that we as a nation face a glaring reality. We have some very serious financial problems in the United States. You can't escape the fact that Social Security Retirement Income will probably not be there for many Middle American families when they retire. At the very least it probably won't be there in its current form. The federal government is already taking back a big chunk of Social Security from most Middle American families, in the form of a hidden income tax. Couple that with the fact that most of today's Middle American workers do not have a company paid pension plan, consumer debt is out of control and retirement savings is at an all time low. Are we, as a nation, looking at a significantly reduced standard of living, for the first time in our country's history, for this and future generations?

There are a multitude of reasons for the financial problems Middle America faces today, most of which are within our control and can be corrected once we take the time to understand where they come from. A few of the most damaging reasons for our financial problems are summarized below.

Bad Advice From The Media

One of the major reasons for financial problems we face today is that most of the financial information we receive daily about investing our money as presented by the financial media — newspapers, magazines, radio and television shows are really geared towards the top 20 percent of the US population who are already wealthy. These wealthy people are the ones who can afford to take risks in the stock market with their discretionary money that is over and above what is needed to generate an income to provide for their yearly living expenses.

"In 1998, the top 20 percent (of the US population) *owned 83 percent of all wealth."*
— Edward Wolff, professor of economics at New York University, May 2003

Is there any question that these wealthy people live in an entirely different world? They are not concerned about qualifying for college financial aid, so their children can afford to go to college. They are not concerned about eliminating debt to improve their cash flow so they can afford the health insurance premiums or put braces on Mary's teeth. They don't have to worry about whether there will be food on the table or a roof over their family's heads if something happens to them.

Unfortunately, the financial media's ultimate goal is to sell their advertising space. So, they use controversy, hype and grandiose claims to increase their ratings and readership to get more advertising, to make more profits. Unfortunately, much of their banter has given most of Middle America a very unrealistic expectation of their overall investment returns. And, in most cases by the time the media presents us with their information it is totally outdated! The problem with using historical data is that by the time a fund is reported as a top performer, its performance has already peaked and has nowhere else to go but down.

"The investor of today does not profit from yesterday's growth. If past history was all there was to the game, the richest people would be librarians."
— Warren Buffet

Financial Institutions Are Focused Only On Making A Profit

The second reason for our financial problems is that we are falling prey to less than ethical sales practices of many of the financial services companies (Banks, Investment Houses, Insurance Companies, Brokerage Firms, etc.) who are primarily concerned about making the quickest and largest profits they can today. Accordingly, many of them are designing products that suit their best interests first. Many of the products they sell are designed to make them huge profits with a multitude of hidden fees, smoke and mirrors, and bait and switch tactics.

"… the majority of mutual funds fall short because of the fees they charge you to be a shareholder. You pay for the privilege of active management. You pay for a fund's sales force, slick marketing, Super Bowl halftime ads, trading costs, and the fund manager's cloth-napkin business lunch and weekend home in the Hamptons. The costs of being in the average actively managed mutual fund over time are, put simply, very, very severe."
— From, *'What's Wrong With Mutual Funds?'* David and Tom Gardner, The Motley Fool

Poorly Trained Financial Advisors

The third problem is that in the last 10 to 20 years there has been a very serious breakdown of the financial services advisor training and the industry support organizations. The financial services industry, as a whole, is doing a very poor job of training Insurance Agents, Financial Planners and Financial Advisors. They are not teaching them how to ethically market their services, generate sales and really help people. They aren't spending the time or money needed to actively promote their industry support and training groups.

According to Ed Morrow, IARFC CEO, our Financial Industry Associations are consistently and sharply declining. The focus of the Financial Services Industry Associations has changed dramatically. Their focus is primarily on the technical aspects of financial planning.

This change of focus has created a very serious problem in the financial services industry. There are too many agents, managers and companies out there who have a misconception of what the financial services business is really about. They believe that their business is just about their products and making sales to earn the highest commissions and fees available. Unfortunately, this type of thinking is what promotes client deception, replacement of existing policies, piggy backing of policies and all the other less than ethical sales practices we see today. These are the major reasons for all the lawsuits and the negative publicity the financial industry receives.

There is very little effort today to educate Insurance Agents, Financial Planners and Advisors on how to truly help Middle American families. In the past twenty years the financial services industry has been primarily concentrating their efforts on servicing the 'Top 20%' of the US population, the wealthy. Because that's where they believe they can make the most money. The financial services industry appears to have forgotten whom they were servicing for the past century and where they made the majority of their money.

Consequently, most agents and advisors are NOT getting the ongoing training and support they need and they aren't focusing on servicing Middle America. They either aren't aware of the existing industry support and training organizations or don't understand and appreciate their value. **The majority of agents, planners and advisors don't know what they don't know.** Accordingly, they see ongoing training and support as an unnecessary business expense. The only training that the majority of these agents, planners and advisors receive today is their company training, which again teaches them to do whatever it takes to sell the most profitable services and products that they can get away with.

"While there is wholesale agreement that many agents and companies are at fault for unsupervised and unethical conduct, the greatest problem is the fact that neither the brokers/agents nor the consumers know very much about what they are doing."
— E. F. Moody Jr., MBA, PhD, CFP®

Out Of Control Spending

The fourth problem is that consumer debt is out of control as Middle Americans are constantly being enticed to spend money above and beyond their means to pay it back. We have become a society where we are unwilling to wait for anything. Much of this has to do with the advent of credit cards, because it has allowed us to get anything and everything we want 'right now'. The trend of 'charge now and pay later' has a direct correlation to the record number of bankruptcies being filed today.

"Millions of families are saving less and borrowing more to make ends meet. Between 1989 and 2001, credit card debt grew by more than 40 percent among households earning less than $50,000."
— 'Closing the Gap, Helping Working Families Make Ends Meet', August 3, 2004, www.demos.org

"Nearly 1.5 million couples or individuals filed bankruptcy petitions in 2001, a 360 percent increase since 1980."
— Administrative Office of the U.S. Courts, "Record Breaking Bankruptcy Filings Reported in Calendar Year 2001"

Traditional Financial Advice Isn't Working Today

The fifth and maybe the most serious problem we have today, is that the traditional financial advice (Conventional Wisdom) that has been passed on from generation to generation, from the people we trust and respect… our friends, parents and grandparents, is outmoded and doesn't work in today's financial world. Much of today's conventional financial wisdom was born out of the 'Great Depression'. It is what our great-great grandparents and great grandparents learned they had to do in order to just survive.

Solving Our Financial Problems

We can correct the above problems by becoming better educated and learning how to put our finances into their proper perspective.

We all have the opportunity to 'Live Debt Free and Truly Wealthy' without dramatically sacrificing our current lifestyle, if we take the time to learn the proven financial strategies that have enabled the top 20% of all Americans to accumulate their great wealth and if we learn how to avoid the problems as detailed above.

Isn't it time for you to learn about these simple, unconventional 'Found Money Management' concepts? You'll discover how to take charge of your financial future, by simply learning how to 'Find the Money' to 'Live Debt Free and Truly Wealthy.'

According to the Social Security Administration, 96% of Americans are not able to fund a retirement that will last for their lifetime…allowing them to live the lifestyle they wish to live! This is the case for highly compensated people as well as average wage earners.

"Unless Americans change their ways, many will struggle in retirement," said Alicia Munnell, director of the Boston College Retirement Study 2006 and a former member of the White House Council of Economic Advisers. *"The answer is saving more and working longer."*

"If you know how to spend less than you get, you have the philosopher's stone."
— Benjamin Franklin

Lew Nason, RFC®, RTIA, LUTCF

Lew Nason, RFC®, RTIA, LUTCF, with his sons Jeremy Nason, RFC, and Will Nason, are the creators of Found Money Management™, a complete 'Turnkey' marketing and sales success system dedicated to helping Middle Income Families to 'Live Debt Free and Truly Wealthy.'

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COMPLIANCE-FRIENDLY MARKETING

Think of it as a business: Start playing football, part 2

by Katherine Vessenes, JD, CFP®, RFC®

We have found it is fairly easy for successful financial advisors and planners to move from golf to basketball. The reason is, they still get to do what they like, when they like. In a sense, the practice is still revolving around the "star", the financial advisor or producer. This is not only fun for the advisor; it is great for the advisor's ego.

Unfortunately the star-based practice is also extremely stressful for the advisor. It becomes impossible for the team to score a goal, or generate income, without the star advisor. The advisor finds it impossible to take any time off, devote energy to other hobbies, and frequently even the family suffers. Equally important, a star advisor doesn't create a business with value that can be sold in the future.

So here is the choice every financial advisor or planner must make: do they want to stay playing golf or basketball, or do they want to pay the price to move to football? Do they want to treat it like a business or do they want to continue to be a salesperson with helpers?

When we coach financial advisors this often becomes the most difficult question. As the advisor's business consultant, we understand some advisors don't want to leave the prestige of being the star and in reality they are not cut out to being part of a team. Frankly we never state this to them directly as we are consulting them, because no one wants to think of themselves as a prima donna who is not a team player.

For those advisors who for one reason or another are committed to being a golfer, or even a golfer with an entourage, we recommend a simple retirement strategy: start socking away extra money now into their retirement plans. The reason? They won't be able to sell their practice for much more than 1 times annual revenue - which for most advisors will not last long in retirement.

Even though in the short run it will be more expensive, and more stressful, we believe it is critical for most financial advisors to move to football, to stop being a sales person with helpers and move to treating it like a business. Here is what it will do for you:

1. Your business will become more valuable, a lot more valuable. In fact we have seen this move double, triple, quadruple the value of the business. Sometimes it increased the value even more.

2. It will increase your profitability. Not only should your company have increased revenues, when you are playing football, you should also be making more money and more profits, a lot more profits.

3. Your stress will be decreased. The problem with golf; the game doesn't go on without you. When you are playing football, you can spend quite a bit of time on the bench, or even in Hawaii, and the business will not only be operating in your absence, it will still be making money for you!

4. It becomes attractive to future buyers and more likely to have a quick sale when it comes time to transfer the practice to the next generation. A star based business is almost impossible to transition because all the clients are stuck on the "star", not the team. Once the star leaves, the business evaporates. This can leave you with less income and your new buyer quite unhappy.

In following articles we will be discussing more about moving to football.

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®, 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).

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Putting The Right Team In Place

The following is based on one of The Covenant Group's clients, Eric Scott.

The first thing that stands out about Eric Scott is his commitment to serving his clients. Eric shares two qualities of top advisors. The first is high self-efficacy i.e. the desire to grow and become as much as you can be. The second quality is generosity of spirit. Eric is a giver. He is passionate about making a difference in the lives of others. This transcends his business and touches every area of his life. He views his chosen career of a financial advisor as a call to serve. Yet, his commitment to service often left him feeling exhausted at the end of each day. There were just not enough hours in the day to accomplish everything that needed to be done.

The breakthrough for Eric came from the realization that he could not achieve what he wanted by himself. He needed a team of people who shared his passion to serve. As his practice grew, he recognized the need to hire support staff. Entrepreneurs like Eric often hire based upon relationships, not necessarily the best fit for a role. Since he has no formal training, Eric struggled as a manager. He did not enjoy the role and felt inadequate as a manager of people. Thus, his experience in attracting and retaining the right staff was hit and miss.

However, Eric loves the role of financial advisor to his clients. He also wants to build a multi-million dollar advisory firm and knows he can't do it alone. To grow, Eric needed a chief administrative officer (CAO), someone who could manage staff and deal with the operational aspects of his business. This would free Eric to focus on strategy and providing financial advice. To hire the best people, you have to take into account four (4) determinants of effectiveness in a role.

They are as follows:

1. **Cognitive Capability** — Cognitive relates to problem solving and exercising judgment. Capability equates to potential. It is important to hire people who have the right mental horsepower to perform effectively.

2. **Knowledge and Expertise** — Do they have the required skills and knowledge to function effectively in the role?

3. **Personal and Relationship Skills** — Personal skills include time management, exercising the discipline to complete tasks, effectively utilizing resources, etc. Relationship skills reflect the ability to work with and through people to accomplish tasks.

4. **Motivation** — Do people value the work they are asked to perform? We tend to choose work we value. It is the willingness to perform at a high level in a role.

Eric used these determinants in assessing candidates for the CAO role. He also exercised the discipline of triangulation in selecting the right candidate. He interviewed a number of people, did reference checks and used assessment tests. As time consuming as this was, the payoff came in hiring an outstanding person. Michelle has the requisite cognitive capability, knowledge and expertise, personal and relationship skills and motivation to manage a team of capable staff. Eric is quite comfortable managing Michelle because she fully embraces his vision for the business and shares a passion for client service. Through the example set by Eric and Michelle, the team is dedicated to providing exceptional service that expands client relationships.

Eric is doing what he does best. He is responsible for strategy, meeting with clients and prospective clients and managing Michelle. She manages the rest of the team. Each team member has clearly defined accountabilities. As a result, Eric is making more money and having more fun, while building a significant business. Eric is now part of a Study Group of top advisors whom we coach. Today, his mantra is: "You have to do it yourself and you can't do it alone."

Norm Trainor, NQA, CLU, RFC®

Norm Trainor, NQA, CLU, RFC® is the President and CEO of The Covenant Group, referred by many as "The Business Builder." His team has amassed and diagnosed research on top performing professionals, distilling that research into "The 8 Best Practices & Business Builder" concepts. The Covenant Group (TCG) is in the business of performance. TCG educates and coaches entrepreneurs, providing them with the necessary business tools to enhance their performance and achieve new levels of profit and productivity.

Norm is an international speaker; the author of the best-selling books, *The 8 Best Practices of High-Performing Salespeople & The Entrepreneurial Journey;* and has written articles for various leading publications in North America and internationally.

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Kirk Barr Young

In A World Of Possibilities… Where Will You Land?

How did you first enter financial services?

Upon graduating College, I began my business career by co-founding a real estate data service with one of my professors. After building that business for two years, I sold my shares in the company to my business partner to launch my career in the financial services industry as a stock broker. I quickly realized that I was grounded in caring about my client's real needs and not just in selling them products. That prompted my decision to move in another direction. Armed with my Series 7 License, I identified Mutual of New York (MONY) as a solid company in which to grow and signed a contract with them as the next step in my financial career. MONY was a great training ground and helped shape my focus on needs analysis, a part of the business that I find central to financial planning. I spent three years in management in the insurance industry before moving on to start BARR Financial Services, the Wealth Management firm I own today.

What was your educational background?

I graduated Florida State University with a degree in Finance and a minor in Accounting. Continuing education has always been a very important part of my commitment to serve clients at the highest level possible. I have now earned seven designations — CFP®, ChFC, RFC®, CLU, CSA, CEP and CDFA and am motivated to continually grow both professionally and personally. I believe that education combined with experience creates true knowledge. As a past President of the local chapter of Society of Financial Service Professionals, I see the younger generation's lack of commitment to education. One of my goals is to inspire others to find the very positive rewards that can be found in education.

What were your early job duties?

As a business owner right out of college I utilized a lot of my previous work experience. However, I quickly learned that "the bucks stops with you". It was a great way to learn that all job duties have their own importance. As my early mentor James B. Worley taught me, "see the people, tell them the story and help them make the right decision". My first duties in the financial field were to produce and hold a minimum of ten appointments a week. I always held myself to high standards and learned that the numbers game they talked about in sales proved to be a very valid part of the business. I believe systems and processes are crucial to success and took those parts of my job duties seriously. I was one of the first in the office to utilize comprehensive financial planning in order to best serve my clients. As I reached various production levels, many asked me to help them learn the process.

Were you successful at first?

In the beginning I struggled like many people do just getting started in the business. Determination kept me working hard and management was happy with my production, as I qualified for Top Club, President's Council and Top 50. I was successful enough to be recruited into management. My strengths and attributes were that of a producer and I found management to limit the real focus of my personal goals. Success is in the mind of the individual! After qualifying for MDRT — Top of the Table, I still feel I have yet to reach my personal success level. The one area in which I feel successful is my family, a measurement of true success!

What or who influenced you the most?

My dad greatly influenced my desire to get an education and work hard to finish at the top. In the beginning of my career, I had many influences and was blessed to be surrounded by many high quality individuals. In particular, Bucky Wright, my manager at MONY, taught me to never settle for anything less than your very best. He helped me to understand that "an honest effort is always rewarded; we just can't control the when". He sent me a heartfelt congratulations card this year when he learned I had been recognized by Forbes Magazine as a leader in the industry. Another sales manager, Ron Allbee, taught me the "whole person" concept and I am thankful every day for the wisdom he imparted. He was very instrumental in helping me

develop my business into an independent, full-service practice. My mentor was James B. Worley. He helped me develop as a person. As a sales professional, he believed qualifying for MDRT was achieving minimum production. I took that to heart and it fueled my passion to set goals and make no excuses in achieving them.

What were your major challenges?

The big gamble: Working with families while focusing on what was best for them really drove my desire to offer the most comprehensive financial guidance possible. That's when the biggest crossroad and challenge of my career showed up. My wife Darcy had just decided to leave her teaching position to raise our first child, Rachel. While this was not a great time to "go for it", we decided to start our own firm. It took every dime we had, mountains of debt and a 7-day work ethic to survive. I believe the best investment is in oneself. I look back at those humble beginnings and count my blessings every day. Developing my own practice has enabled me to build a financially secure future for my wonderful family.

The name of the game:
Marketing and Prospecting

As a Finance major in college I remember laughing at the marketing majors. Now I wish I'd taken more marketing courses! My marketing consultant once said he believed there were three pillars to a good business plan — financial, operational and marketing. When he added how often marketing was a distant third in importance to many business owners, I said I had come to believe it can be the most important. The best sales people are the best prospectors. Constantly feeding the funnel with qualified prospects while continuing to market — even in strong revenue periods — assures the troughs are never too low in any cycle. Like a good diversified portfolio, marketing approaches should be varied. I make sure my logo is used consistently for branding and my messages are targeted to the most qualified prospects. Teaching classes, joining outside organizations and other forms of direct contact with potential and existing clients have provided great returns.

Tell us about your current practice or professional service:

I formed an RIA organization in 2000 and currently offer fee-based comprehensive financial planning services. Separating advice from product acquisition is central to our stated philosophy. We take our clients through a very structured process, addressing all areas and the interrelatedness of those aspects to their financial big picture. My mission is to make sure their success helps accomplish their dreams and aspirations while alive and transition their success efficiently to accomplish their family mission when they have passed. We think of Wealth Planning as Life Planning. Educating our clients leads to informed decision making and comfort with those decisions.

Utilizing many different types of technology, we work through a comprehensive process to make sure all areas are addressed. One important piece of technology is PracticeBuilder management software called TLS (created by one of the best in our industry – Ed Morrow). It is used to produce flow charts of the process, letters with agendas to confirm appointments, the three lists — objectives, assumptions and attitudes — and an implementation checklist. It is a wonderful tool that helps confirm each step of our process while making sure we understand and confirm our client's wishes. Once a client has been through our process, we assess how well we may be able to work together. When they make the decision that they would like us to help them with the implementation of a plan, they become part of the BARR Financial Family. We call this "getting married", as we take on the responsibility of their financial future!

How do you market now to acquire new clients?

I certainly believe in a diversified approach to marketing for the acquisition of new clients. There are two cornerstones that have been ongoing parts of my marketing plan. First, do an outstanding job for my existing clients and establish strong relationships that lead to the trust needed to actively request referrals. Client Appreciation Events offer the opportunity for clients to introduce a referral in a relaxed setting and having lunch with clients to request specific referrals are two examples. Second, identifying and becoming involved with centers of influence within the business community has helped widen my overall direct exposure to qualified prospects. Sometimes there is a crossover between business and serving the community. We have been involved in several community initiatives and missions. Serving as chairman of a local hospital foundation board and participation in a city Leadership program are just two examples. We also teach a six-hour Financial Workshop to the executive branches of various corporations in the local area, which has been very successful. Sponsorships, print advertising and of course the development of a website that communicates our professionalism and approach have all supported our diversified marketing plan. Giving back to the industry is also important to me as a professional. As past president of the Central Florida Society of Financial Service Professionals, I taught the Ethics Course and focused our members on education. I have also served on numerous local boards over the years.

What are your major frustrations?

Politicians that create policies based on illogical, non-holistic premises, or worse yet for their own political gain, frustrate me the

most. Should our industry be highly regulated? Absolutely, however, it amazes me how our government has created a Financial Reform Bill that appears to be protecting the public, when in fact; they could go out and find the bad advisors quite easily.

Tell us about your business continuation plan?

I love what I do and really don't have a retirement date. One of the greatest rewards I feel I could receive would be to see my son, Daniel, take over the practice. Currently I have one associate and I am looking to add another as part of my continuation plan (anyone interested?). The commitment to my clients' long-term interests includes associates that are very capable of continuing the practice should anything happen to me. Of course we have business overhead expense coverage to assist, even with a very high recurring revenue stream. If I were to pass away, hopefully the firm would continue. If it did not for any reason, my desire is for it to be sold to a highly capable firm with the proceeds going to my family.

What feature of benefit of the IARFC has been of greatest value?

I see great value in both the *Register* magazine and the IARFC's high continuing education standard. They both greatly aid professional growth, areas I believe to be very important in keeping our industry strong.

What do you see for the Association in the future?

When you have a discussion with yourself… you always make sense (well most of the time!). It would be great if the Association could have study groups or additional ways to learn from each other. There is for example a program called Builder 20 in the custom home industry. It provides a forum for regular interaction and sharing among a group of peers in different markets. It enables them to exchange ideas very openly without competing directly in their respective markets.

What will be the impact of technology on financial advisors?

Technology is always changing and one must stay on the cutting-edge to truly benefit. There is no magic bullet or one overall piece of technology out there that will serve all the needs of a full-service financial advisory firm. We continually research ways to become more efficient and have spent a small fortune on numerous pieces of technology to assist us in serving our clients. Almost all of them have produced a good ROI. I think every advisor should own an iPad. It is one of the best pieces of technology available and allows one to take advantage of available research time and better assist clients. As a matter of fact, I used the Dragon dictation app to write this profile which helped maximize my time given my limited typing skills. I truly believe systems and processes help efficiencies and make sure nothing is missed. Technology will continue to grow and aid in the organization of information for all financial advisors.

What's looming on the horizon for our profession?

After the Great Recession, I feel the whole world has changed, especially in our field. In this new world you cannot continue to operate your practice as you have in the past. From the ground up, we have completely rebuilt the way we manage investments for our clients. We feel this new approach better positions our clients in an uncertain, less predictable future. Many quotes come to mind; "trust, but verify" and be warned, "if you are not moving forward, then you are moving backward...there is no status quo!" Properly managing risks is always part of the formula. In-depth research and close attention to risk factors is more important than ever.

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

My father told me at an early age that your reputation is of the utmost importance and the only one that could ruin it is yourself. I have always held myself to an extremely high ethical standard within my practice. Serving my clients' best interests at all times has been part of my career's evolution and was instrumental in the decision to found my own practice. Being active on local boards and serving my community in a variety of ways, I believe have all helped build my reputation as a solid citizen and a true professional in my field. I love what I do and I think it shows. I still work a six-day work week and feel I have room to grow!

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Gold "Confiscation": A Short Treatise

In 1933, in the midst of the Great Depression, by executive order President Roosevelt made it illegal for Americans to own gold bullion or gold bullion coins. The order stood until December 31, 1974. Telemarketers call Roosevelt's act a "confiscation," but in reality it was a "call-in" of U.S. gold coins. A more correct term could also be a "restriction of ownership".

Americans turning in their gold coins were given U.S. paper currency of equal face value. If this was a true confiscation then the gold would have been seized with no exchange of anything. Still, Roosevelt's "call-in" was a dark moment in American history, and it haunts the gold market to this day. In the back of the mind of the most optimistic gold investor lies the fear that someday the government may again call in gold "if things get bad enough." And in actuality, it could very well happen. The "spin" on such action would be to protect the future of the American economy, the pension plans that are 99.5% invested in the stock market and the value of the dollar. With such reasons, the American public would gladly give up the right to own gold, particularly if there was a fair exchange for the gold. No one would feel that gold owners should have an issue if they were given exchange for their gold. The government can and will do whatever is needed to protect itself as an entity; whether it requires a declaration of war, the raising of taxes or the passages of laws restricting personal liberties.

The issuance of currency and coin and laws concerning allowable investments is an issue for governments. Following an eight-day trial and less than two hours of deliberation, Bernard von NotHaus, the founder and monetary architect of a currency known as the Liberty Dollar, was found guilty by a jury in Statesville, North Carolina, of making coins resembling and similar to United States coins; of issuing, passing, selling, and possessing Liberty Dollar coins; of issuing and passing Liberty Dollar coins intended for use as current money; and of conspiracy against the United States.

An Amicus Brief was filed by the Gold Anti-Trust Committee and was then joined by major league Washington D.C. lawyers at William J. Olson PC, who believe strongly that the case should be dismissed. The briefs are fascinating reading and quote the writing of such scholars as Robert Higgs, William Anderson and Murray Rothbard, in defense of the argument that the case against von NotHaus should be dismissed. The briefs make the correct argument that the Constitution does not limit an individual citizen from coining gold and silver. And as for the counterfeiting charges, von NotHaus has a letter from the chief counsel of the U.S. Secret Service stating that what von NotHaus was doing was not counterfeiting.

As previously stated the government...any government… will do what is necessary to survive for what it perceives to be for the greater good. And any such actions will be condoned by the majority of the citizenry.

As for the present subject of gold confiscation, after instilling the fear of loss, the telemarketers introduce the notion of "non-confiscatible" gold coins: old U.S. gold coins, or modern U.S. proof gold coins or old European gold coins. The telemarketers assert that these coins are "non-confiscatible" because Roosevelt's 1933 executive order exempted "gold coins having a recognized special value to collectors of rare and unusual coins." However, the telemarketers fail to mention that the executive order did not define "special value," "collector" or "rare and unusual coins." Further, "collectibles" are not mentioned in the executive order. Still further, the telemarketers do not tell the callers that on December 31, 1974, President Gerald Ford repealed the executive order that Roosevelt used to call in gold in 1933.

Some promoters go as far as to say that old U.S. gold coins, the most frequently touted coins, are "not confiscatible by law." The issue of the government confiscating gold is not addressed in U.S. law, but that does not stop some telemarketers from asserting such. Basically, telemarketers take two steps to reel in their victims. First, they establish the need to buy gold by discussing truly frightful developments in today's world, nothing new to the callers, just the news that the mainstream media deem newsworthy. But, in the second step, telemarketers dismiss standard gold bullion coins, American Gold Eagles and Krugerrands, saying they are

"confiscatible." In essence, they say gold will protect, but what good does it do to buy gold that the government can confiscate?

Buying gold has long been an accepted move during periods of uncertainty, but it is not a prudent move if you buy at highly inflated prices. Sadly, people who respond to today's radio and television ads that hawk gold are likely to pay way too much for their gold. Investors wanting to buy gold would be much better off if they went with basic bullion products, such as American Gold Eagles, Canadian Maple Leafs, Krugerrands or gold bullion bars, of which several sizes are available. These products can be purchased at three percent to eight percent over the value of their gold content, depending on product and the quantity. Gold bullion bars usually carry smaller premiums than gold coins. In addition, for out of town dealers be aware of shipping, handling and insurance costs. For those firms that tout "ZERO" fees and commissions over their cost, ask how they pay for their national TV ads and costs of doing business.

At first glance, buying gold may seem a simple, straight forward process. However, there are dangers, such as falling for a telemarketer's line that his coins are "non-confiscatible" and somehow have more value because you bought them from him. Basic bullion is the way to go when investing in gold.

Burnett Marus, RFC®

Burnett Marus, past IARFC Board Member with the longest tenure, specialized in providing customized marketing services and products for financial advisors, attorneys, realtors and selected small businesses. He has been involved with rare coin and tangible asset investments since 1975 and currently has a private firm that specializes in working with RIAs and their HNW clients. Burnett Marus Associates has the experience and resources to complete the project in a timely and cost efficient manner.

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Mehdi's Methods
For Record Sales
Embody Sales Greatness

A few weeks ago Mehdi Fakharzadeh, at age 90, returned from a demanding speaking engagement in Malaysia, where, during his final gig in Kuala Lumpur, he spoke to approximately four thousand insurance agents. He was supposed to speak for one hour but the audience kept demanding more. He was interrupted with applause over fifty times. Following his final standing ovation he was informed that he had spoken for four hours. Three other scheduled speakers were "bumped" but they were enthralled by the man that the gathering called "The Great Mehdi!" Next, the world's most successful living and active insurance sales agent interacted with audience members for an additional two hours by posing for photographs, shaking hands with fans, responding to questions from individuals, acknowledging friends and autographing.

Following his last speaking event, this frail and unassuming man caught a plane for home. He landed at La Guardia Airport late at night after a lengthy and weary flight. He walked to his car, carrying two bags plus a briefcase containing his laptop computer and drove from the airport parking lot to his home in Hackensack, New Jersey.

Despite not getting much sleep, he arose the following morning at 3:30 as he usually does, and immediately began his one hour of exercise before breakfast. Immediately after breakfast he consulted his iPod that contained reminders about "to do" items for the coming day. I could go on but already you get the point — this man is an extraordinary role model for each of us! He is beloved for his kindness to others, especially for sharing his sales knowledge with insurance agents and financial planners. He is actually modest and humble. He is the opposite of a loud in-your-face sales trainer. And of course he is extremely admired for his amazing body of work. He amassed incredible sales achievements that broke world-wide sales records, year-after-year, and he is still going strong.

The greatest honor of my life was when the Insurance Pro Shop® arranged for me to conduct a series of lengthy interviews with this massive talent for what Mehdi calls "The big book." ***Mehdi's Fast Track Sales System®***, published by the IARFC Press, was sold out at the MDRT Book Store during the recent MDRT annual convention in Atlanta. He is always busy as every day is carefully planned. He had to skip the last two days of the MDRT event so he could fly to Malaysia. He quickly admits, "I love my clients and must always have sufficient time for them."

Once I asked 'The Great Mehdi' if he had any rules for selling. Immediately he reached into his desk and then handed me a sheet of paper on which was printed the following:

Mehdi Fakharzadeh's 12 Sales Rules

1. Create and execute a plan to become well-known (famous) in your market area.
2. Probe your prospects about their financial situation, needs, and problems.
3. Make certain you understand your prospects goals and desires.
4. If appropriate, influence your prospects thinking with sound advice.
5. Help prospects to also understand the time involved to achieve their success.
6. Act as a facilitator to help prospects better understand benefits and reasons to act.
7. Do more careful listening than sales talking.
8. Continually ask gentle "proper questions" to keep each other focused.
9. Be perceived as a Consultant, a RFC®, not as an insurance sales agent.
10. Approach each decision maker individually if there is more than one.
11. Select and present your product that's appropriate for solving the buyer's problem.
12. Maintain relationships to encourage your clients to stick with their programs.

Times Have Changed and Not ConfrontingThese Changes Can Mean Sales Failure

Imagine comments like the following coming from a ninety-year old man! Mehdi told me: "Far too many older agents and planners simply do not make the connection between being well-known in their market in a positive way (regional fame) and increased sales. They fail to understand this new reality. Or they refuse to accept this as a truism for today. Becoming famous in your market area was not necessary in the past. Today this is absolutely essential."

"These skeptics about regional fame know that water can make you wet. They realize that over-eating the wrong foods can make you fat. They understand that drinking too much can make you drunk. Most are well aware that smoking can give you cancer. They understand those connections. But failing to use the benefits of a strong established image (fame) in your market place is like failing to use the benefits of the computer. Such thinking causes many good folks to be far behind the times. This also results in an enormous negative impact on their sales."

As transcribed word-for-word from my recorder, this great sales master continued, "Things have changed. No longer will the name of your company sell what you are offering. You can no longer depend on this to make the sale for you. The agent or planner with name recognition makes the sales today. All prospects now want a highly respected, acclaimed, and noted agent or planner. You must make yourself well-known in your market region. That is your first job for today. You must now invest efforts into building your image, as well as efforts into selling. All of your prospects want to deal with the top person possible. So you must present evidence (to your prospects) that you are a trusted, accomplished, and recognized name in your profession. Your personal brand must be established."

Build Your Personal Brand

This sales champion is often asked: "What is the biggest mistake that agents and planners make today?" When I asked the same question, Mehdi replied, "They do not realize the changes that have taken place in the past twenty-five years. They do not invest in themselves accordingly. They do not build their personal brand."

He added, "Asians and young American seem to better understand the connection between fame and sales. They realize instinctively that fame in your market area equals far greater sales in your market area. The agent or planner with an established personal brand has a big advantage over advisors who are only typical or average and not really well-known at all. Tough economic times have cemented this dynamic. Those who are out of touch with the times do not value the efforts necessary to create, establish, and maintain a personal brand in their market. They do nothing significant to accomplish personal brand recognition. To expect their image to create itself and grow is not realistic. To ignore their lack of an established image is a major marketing mistake today."

Forrest Wallace Cato, RFMA, RFC®

Forrest Wallace Cato, RFMA, RFC®, is a Media Advocate for financial professionals. He creates, establishes, and maintains, desired images for clients, positioning them as leaders in their market regions. Cato's articles, essays, interviews, op-ed pieces, reviews, biographies, critiques, and editorials, are widely printed world-wide and span over 30-years. He is former Editor of Financial Planning and Trusts & Estates: The Journal of Wealth Management. His slogan is, "You can cut a greater figure."

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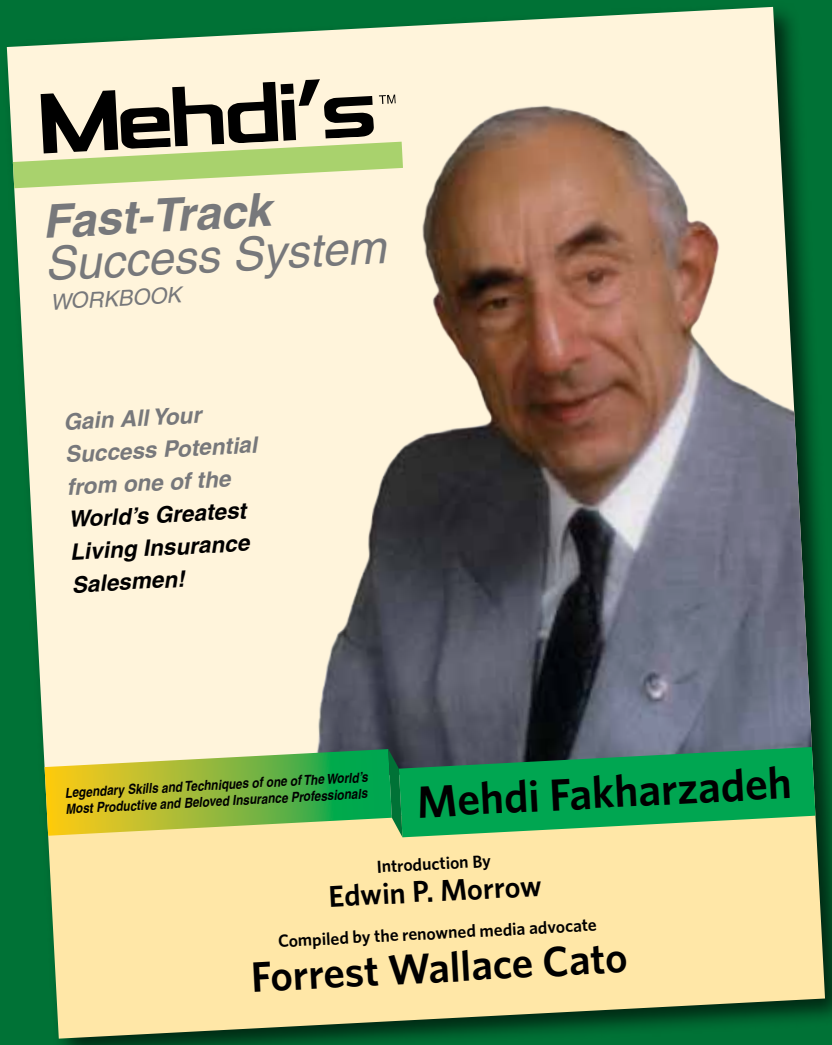
Mehdi Fakharzadeh's *Fast-Track* Success System



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

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

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

— Guy Baker, 2010 President of the MDRT

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- **Learn from the greatest!**
- **Great Habits = Great Results!**
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ţ Mr. ţ Mrs. ţ Ms. *Please print or type the information.*

First Name Last Name

Firm or B/D

Street Address

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

City State Zip Code

Country

Phone Fax

E-mail

List Price	IARFC Member Price	Quantity Desired	
$47.95	$24.95	_____	_____

Ohio residents add 6.5% tax _____

Shipping and Handling _____

Total _____

Shipping & Handling

U.S. Domestic	$10
International	$19

PLEASE MAIL OR FAX THIS COMPLETED FORM TO IARFC. Payment Method:
ţ Check made payable to IARFC ţ Cash ţ Credit Card (Visa, MC, Disc., AmEx)

Credit Card #_____ Exp._____

Signature _____

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Put Forth Honest, Intelligent Effort

Have you observed that successful salespeople are doers?

They are not always as long on technical knowledge as they are on motivating themselves to do what gets the job done.

Successful people, in every field, believe a good start is a journey half completed, so… they start! A critical aspect is that they are organized to keep going. They have the willpower or determination to overcome inertia. They are self-starters and self-promoters.

My associate, Jack Kinder, often said to agents, managers and financial advisors at all levels:

Honest Intelligent Effort is Always Rewarded

No one could be in his presence for long without hearing this phrase, and hearing it often. Jack had witnessed it in his associates, and all those who were trained using his systems and motivation.

An honest day's work is our moral obligation. It's an obligation to the company we represent, to our families and most importantly, to ourselves.

Shakespeare emphasized the importance to yourself that you maintain the proper attitude and work ethic.

In Shakespeare's play, Hamlet, Polonius said to his son, Laertes,

> *This above all:*
> *to thine own self be true,*
> *And it must follow,*
> *as the night the day,*
> *Thou canst not then be false*
> *to any man.*

Thomas Edison, who certainly knew the impact of repeated failures, said,

> *Opportunity is missed by most people because it is dressed in overalls and looks like work.*

Just before you go to sleep, at the end of the day, be determined to be able to say (to your most powerful critic, yourself) "Today I have given an effective, full day's effort to my job. I have displayed discipline in planning, time management and selling."

Here are three keys to learning to put in an honest day's work:

1. Do the right activities!
2. Do them right!
3. Do them often!

Commit to double your efforts to work on the right things, the right way, and often!

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

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

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

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Ask And Ye Shall Receive

There are two things that most financial advisors would love to see happen in their professional lives:

Receive a Referral from a Client

Have a Client Call Them to Do More Business

Unfortunately most advisors are not experiencing enough of these events, and the reason is quite simple. They aren't asking!

The purpose of this article is to remind you just how easy it is to experience these highly pleasurable events **much more frequently.** How should you ask for referrals and encourage your clients to call you when they are interested in doing more business?

Getting Referrals

Of course you should be personally asking for referrals. You should have set the stage for this when the client was originally acquired. Perhaps you did mention it then. But are you still asking? The answer may be, **No!** Or, **Not Enough!**

Let's fix this the simple way: Let the postman do it for you.

You are already communicating with your clients. Hopefully you are sending them a printed newsletter at least bi-monthly. If you are not, you should be doing this. I do not mean buying a box of newsletters and leaving them un-mailed. I mean buying a reasonable quantity (which might be 100 to 300 copies) and having the newsletter always mailed out immediately. This is not expensive. Your cost, including postage is less than $2.00 per issue. Your annual cost per client is therefore less than $12. This is money very well spent because it will encourage referrals. One more client acquired from a referral will pay the annual cost of all your newsletters.

Insert a Referral Request Card in your mailings, three times a year. The cost is negligible for the Referral card and a BRM — Business Reply Mail envelope that does not require the client to affix postage.

No Responses!

Of course many of these cards will not be returned to you. At the time of their arrival, your client cannot think of a person to refer or they are distracted by something — so you get no response. But the law of numbers is working for you. If you mail out 100 you will receive from one to three referral cards. That seems like a terrible percentage!

But you are likely to get one new client. What is that worth? You should know your expected NCR — New Client Revenue. Perhaps your number is $4,000. (IARFC members indicate their NCR ranges from $3,000 to $12,000.) Let's do the math: You spent less than $600 and you earned $4,000. Is that a good return?

Ask Clients to Reveal Interest

This is just as easy. In the months when you are not asking for referrals, you should insert a card that allows your client to request information. You make this easy by prompting them to check one of ten boxes, or write in some other item. Every request for information is an opportunity for you to initiate a sale and also for you to obtain another referral.

All you need to do is insert the proper Information Request Card. Accompany it with another one of those **BRM** envelopes. You will get some replies in every mailing. Maybe only one or two — but that is not your only benefit.

Touching Your Clients

In times of falling markets and unsettled economic future (and we are sure in one of those now) clients frequently desert their financial advisor. But they do not desert the advisor who is staying in touch. Staying in touch must take place in several ways. One contact method is not sufficient. You should be proactively using all the following, not necessarily in priority order:

Printed Newsletter (bi-monthly)
Electronic Newsletter (monthly)
Economic Bulletins (at least quarterly
Tax Planning update (at least annually)
Client Data Update (annually)
Invitation to a Group Briefing (annually)
Invitation to a Personal Meeting (semi-annually)
Personal Note Cards (whenever you can)
Holiday Greetings (3 or 4 per year)
Birthday Greetings (one per client)
Media Release (at least twice yearly)
Special News Response (maybe twice yearly)
Personal Phone Calls (at least twice)

Not only will these clients not leave you for another advisor, they will help you build your business by making more purchases and referring persons to you.

Do What You Do Best

Yes, you could design these cards, select the graphic images, field test the design, and have them printed. But does this make sense? Shouldn't you be concentrating on one-on-one activity such as client phone calls and meetings?

Order them from IARFC. Following this article is an order form for these cards. They are printed on light weight card stock with nice images and color. They will fit inside a No. 9 BRM envelope that fits inside your standard No.10 envelope.

Ed Morrow, CLU, ChFC, CFP®, RFC®

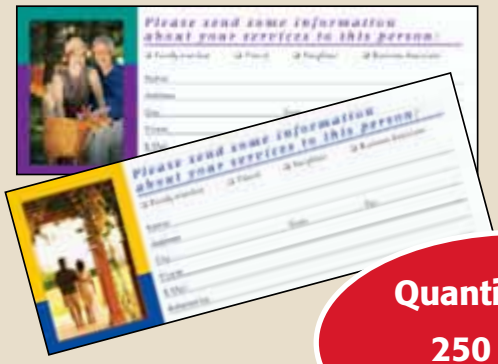
Ed Morrow is the chairman and chief executive of the IARFC and has been a practicing financial advisor for forty years. His advice and systems are used by thousands of financial advisors in the U.S. and across the world. As the CEO of the IARFC he is one of the developers of the Financial Planning Process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

Contact: 800 532 9060
edm@iarfc.org
www.iarfc.org

IARFC Brand Building

Consumer-oriented brochures to distribute to clients or prospects will increase your new client ratio and encourage referrals. The 3 panel full color marketing pieces have a section on the back panel reserved for optional firm imprinting (see details below). Also available are attractive plastic display stands.

Item #SG102
Referral Card



Item #SG103
Information Request Card

Quantity Pricing
250 – $40
500 – $75

New Item

Item #SG105
Business Referral Card

New Item

Item #SG106
Business Information Request Card

Item #	Consumer Brochures	Quantites Available	Quantity Desired	Total Cost
SG102	**Referral Card** — two-sided 8″ x 3″ full color	250, 500	_____	_____
SG103	**Information Request Card** — two-sided 8″ x 3″ full color	250, 500	_____	_____
SG105	**Business Referral Card** — two-sided 8″ x 3″ full color	250, 500	_____	_____
SG106	**Business Information Request Card** — two-sided 8″ x 3″ full color	250, 500	_____	_____

Offshore Rates
After receiving your order we will email you to advise you of the shipping options.

U.S. Only Shipping Rates
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$10.01 to $50.00 — $10.00
$50.01 to $100.00 — $15.00
$100.01 and up — $20.00

Subtotal_____
Ohio residents add 6.5% tax_____
Shipping and Handling_____
Total_____

Name _____ (Please print)

Firm _____

Address _____ (Please no P.O. Boxes)

City_____ State_____ Zip _____

Card No._____ Expiration_____

Phone_____ Fax_____ E-mail _____

Your Signature_____ Date _____

❑ Visa ❑ MasterCard
❑ AmEx ❑ Discover
❑ Check written to: IARFC

FAX: 513 424 5752 **MAIL: IARFC, Box 42506, Middletown, OH 45042-0506**

Commentary:
What Exactly Does That Designation Designate?

You know what it means when someone tells you he or she is a Medical Doctor or a Certified Public Accountant. Those who attain these designations must complete years of schooling at accredited institutions and pass exhaustive exams by independent boards under the auspices of state or federal agencies.

Those two requirements don't apply in the financial planning field. The truth is that there are no designations that are required or provided by government agencies. Instead, financial planning designations are offered by private organizations (some of them for-profit companies). In fact, the financial industry has conjured up dozens of titles. (I list 95 of them in the 4th edition of my book, *The Truth About Money*.)

So what, then, do these designations designate?

Well, in an ideal world, they would mean that the holder has attained a high level of knowledge and competence. And that is certainly true for many advisors. But that's not always the case. Far too often designations are merely marketing tools for financial advisors. Indeed, in our highly competitive business, many advisors look for an edge to help them win the confidence of prospective clients. And so a cottage industry has sprouted, eagerly offering advisors the chance to attain designations that can make them look good.

Many of these designations involve self-study programs. Others can be "earned" by passing an open-book test or just by agreeing to a background check. Some can be obtained simply by writing a check; recipients get a certificate to hang on their office wall so they can look like experts.

And many of these programs are downright silly — even condescending to a gullible public. Consider the newest designation to come to my attention: Offered by the College for Financial Planning (the same outfit that created the Certified Financial Planner designation), this new designation is called the Accredited Domestic Partnership Advisor, or ADPA. According to the college's marketing materials, the designation is designed to "meet the unique needs of lesbian, gay, bisexual and transgender couples."

Huh?

I've been meeting with clients for 25 years, and not once have I ever found it necessary to ask, "What is your sexual orientation?"

However, I always ask, "What is your marital status?"

Indeed, federal estate and tax laws make distinctions between those who are married and those who are not. Married couples have certain legal rights that unmarried partners lack. For instance, people who are married to each other can file taxes jointly, take advantage of each other's employment benefits (including insurance coverage and pensions), and can give instructions regarding medical care (say, in a hospital emergency room), among other things. Unmarried couples — straight or otherwise — don't have these rights.

The marriage license — or lack of it — has the same financial planning implications on everyone — straight or gay, male or female. Although the emergence of the ADPA designation got me to check, I couldn't find any references to or sexual orientation in the Internal Revenue Code.

Why, then, did the College for Financial Planning find it necessary to offer a designation specifically aimed at lesbian, gay, bisexual and transgender couples?

There is only one reason: To help financial advisors who want to target that population as a marketing strategy. Yes, the Accredited Domestic Partnership Advisor is nothing more than a marketing gimmick.

Just look at the coursework required to attain the Accredited Domestic Partnership Advisor designation. It includes topics on "wealth transfers, federal taxes, retirement planning, financial, medical and end-of-life needs." I see nothing pertaining to sexual orientation.

The absurdity of professional designations has grown to the point that we established a policy at Edelman Financial Services banning their appearance on our letterhead and business cards. Sure, all of us hold designations, and we undergo rigorous training and continuing education annually, but we refuse to participate in the game that many advisors now play with consumers.

Be wary of advisors who tout their designations. Especially those that, by their mere existence, are insulting to the very clients they pretend to be serving.

Explanation please?

I wonder why the gay and lesbian community hasn't attacked the College for Financial Planning for issuing this exploitative designation. Would society tolerate a designation aimed at the "unique needs of African-Americans, Hispanics and other Minorities" or one aimed at "Jews, Muslims or Certain Other Religious Groups"?

I don't get it. Maybe the College for Financial Planning can explain it to me.

Ric Edelman, RFC® is Chairman and CEO of Edelman Financial Services LLC, which manages some $6.8 billion in assets for more than 15,000 clients nationwide. He is a No. 1 New York Times best-selling author, having written seven books on personal finance, including the classic *The Truth About Money*, now in its 4th edition. His weekly radio show, The Truth About Money with Ric Edelman, can be heard on stations around the country. He also hosts a half-hour television series by the same title that can be viewed on many public-television stations.

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ricedelman.com

Business Mirrors Life

The Placebo Effect

As a management consultant and business coach I have a simple credo: help a customer identify his pain, find a solution and then I have a client for life.

Often, the pain is difficult to pinpoint. Clients complain that profits are down, employee turnover is up, and customers are reluctant to pay for additional services.

As a consultant, I study the problem with the client. We do a lot of analysis, i.e. market research, customer interviews, and apply six sigma methodologies to the administrative procedures.

The process unearths some valuable insights, but I often have no definitive strategy to recommend. And yet within six months business improves, revenues and profits increase, and I have a client for life.

What have I done for my client? I call it, the placebo effect. Sometimes just going through the process will make a client feel better and business actually improves.

I know this happens for about a third of my clients. The problem is that I never know in advance which third will be my placebo group. I can identify these clients only at the end of the consultation process when I realize that I have no new strategy and still the client's business improves.

I have considered telling new clients: "Don't do anything. Things will turn around. Maybe the real problem is what they define in Economics 101, as the business cycle." But I can't tell them to do nothing; instead I offer my placebo strategy.

It looks like a real business plan, tastes like a business plan but it has no real impact. Sure there will be metrics to track and reports to complete and weekly video conference calls with detailed agendas. However, the truth is that I have not offered them anything new.

This is not the Emperor's New Clothes version of consulting. I'm not pulling the wool over their eyes. Rather, it's a proven fact that if a client thinks he has a new strategy, even if nothing new happens, his situation will improve 33% of the time.

Once and awhile I'm troubled by the huge profits I make off of my placebo accounts. I wonder if I should charge them less. But then reality sinks in and I realize that if I tell the client that he's a placebo account, the magic of the process evaporates.

And there are other times that I think I should keep only my placebo clients and subcontract out the other clients that require real work. I know many consultants who hate the sales and marketing piece of their practice. They just want to analyze spreadsheets and help solve problems. But I realize I need my 'real' accounts to give my placebo clients a sense of authenticity.

A recent Harvard Business Review survey of consultants shows that 50% of their recommendations have no impact. Either the client can't implement the strategy or the consultant's advice was off target.

So let's analyze the risk-reward ratio. If a company hires a consultant and spends $25K, he has a 50% chance of improving (the Harvard data). If he does nothing (my placebo data) he still has a 33% chance of improving (a 17% difference).

I don't know about you, but if I were the client and I was asked to pay $25K to increasing my chances of success by only 17%, I would keep my $25K and pray for the placebo effect.

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
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www.heshreinfeld.com

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What attendees are saying….

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

Instructor

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

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

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Registration Deadline and Cancellation Policy:
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