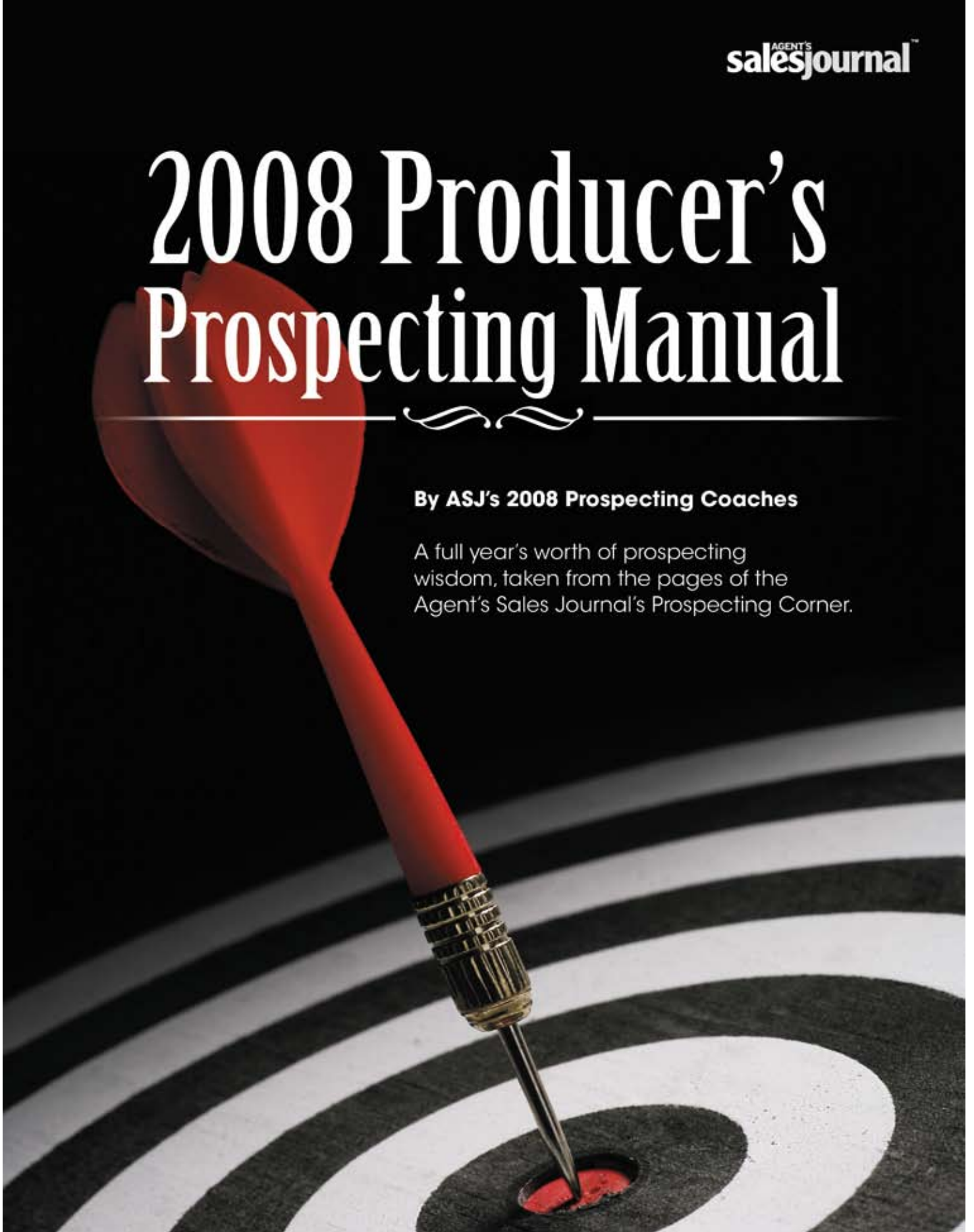


AGENT'S
salesjournal™

2008 Producer's Prospecting Manual

By ASJ's 2008 Prospecting Coaches

A full year's worth of prospecting wisdom, taken from the pages of the Agent's Sales Journal's Prospecting Corner.



ASJ's 2008 Prospecting Coaches



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How to Write Prospecting Letters

BY TED STEVENOT

When I first started collecting a database of potential prospects for my agency, I thought it would be a good idea to begin regularly sending marketing material to the prospects in our database. I wasn't consistently sending mailings at the time, so my list was simply composed of prospects who I had already contacted in one way or another. Soon, however, I had to answer the question, "What do I send?"

I considered sending a newsletter, either one I would write myself or one purchased from a newsletter service, but I never really got excited about the idea. The main reason for this, I think, was that I noticed that most newsletters weren't very proactive, meaning that most did not prompt a prospect to reply if they were interested in learning more. I wanted something I could send that I could keep fresh, yet which was generic enough to promote my entire practice. Over time, I came up with the prospecting letter that I still use today. I call it the "one-pager."

The one-pager

A one-pager is a one-page letter or form that includes a specific message applicable to some area of your business, as well as a general description of your practice. It includes a call to action, a reply section, and your complete contact information. The purpose of the one-pager is not to directly sell or to make concrete offers. Instead, its goal is to locate interested prospects. If a prospect wants more information, they can complete the one-pager and return it to you as a request for materials. A one-pager can also direct prospects to your Web site rather than forcing them to mail in a reply.

Structuring a one-pager

Every one-pager has six parts. They are:

1. Flag line
2. Support for the flag line
3. Generic description of your business
4. Reply prompt
5. Reply section
6. Your complete contact information

A "flag line" is a one or two-line statement that deals with a specific aspect of your practice. It is placed at the top of the one-pager and usually appears in larger, bold type. Generally, it is centered on the page.

A flag line may be neutral, or it may be something unique, eye-catching, or provocative. Try not to worry too much about being overly persuasive or compelling when writing a flag line. When marketing is toned down or more plainly stated, however, it can help improve the quality of your responses.

The next part of a one-pager is the support for the flag line. This should be a short paragraph or two that provides more detailed information. Again, this should be simple, plainly stated, and factual information relating to the flag line's subject matter. The flag line and its supporting paragraph are the freshest parts of the one-pager and are dynamic in that they can change from one one-pager to the next.

The rest of the one-pager is more static and will carry over to most of the other one-pagers you write. This includes a brief and general description of your practice and should answer your prospects' potential questions, such as, "Who are you?" and "What kinds of products or services do you sell?"

You may want to use boldface type and either box off or center the reply prompt so it stands out. Along with the reply prompt, provide a call to action such as, "For more information, complete and return this form by mail or fax."

Use boldface type and box in or center the reply prompt so it stands out. After the reply prompt, include a section in which the prospect can provide you with their contact information if they are interested. It is also not a bad idea to provide your phone number and let prospects know they have permission to call you. Make sure you include any necessary disclaimers and submit your one-pager for supervisory review, if required.

Once you have assembled all of the above elements, you can experiment with themes or styles for your one-pager by looking at templates for fliers available in desktop publishing software.

When your one-pager is finished, put it to work. Send it to every new prospect you talk to. Send it to people or companies you feel are potential prospects. Send it to prospects who you think are well qualified, but who you haven't had the chance to talk to or have felt uncomfortable talking to directly. Set up a recurring mail cycle, such as every 90 or 120 days, in which to send a one-pager to every prospect on your list. Soon, you should be receiving responses from interested prospects — and with these newly found prospects, you can move your business forward.

7 Steps to Cloning Your Best Clients

BY BILL CATES

Every financial professional wants to acquire more clients that resemble their top customers — following are seven steps to accomplishing that goal.

Step #1: Develop an ideal client profile

OK, like you've never heard this before — but have you done it lately, if at all? One of the quickest ways to expand your book of business is to get a clear idea of who you best serve and who best serves you. The better idea you have about what you want, the more likely you are to get it.

Who are your best clients? They know the value of your advice, and they trust you implicitly. They have substantial discretionary cash flow but don't have the time, desire, or knowledge to manage their own finances. They may have substantial net worth, either inherited or earned. They are well connected in their community. They meet or exceed your parameters for your clients' net worth. They are willing to pay for your advice without complaining. They are happy to take a stake in your success.

So how do you attract more of these people, and how do you make sure your existing clients and centers of influence only refer you to these "A" prospects? Simple: You develop an ideal client profile, and you share it with those who you would like to spread the word about your services.

Just taking the time to determine who your "A" clients are is worthwhile. But don't stop there — write down your profile in a format you can share with specific clients and centers of influence.

Step #2: Determine who you want to interview

We'll soon get to how to interview your "A" clients. But before you can do this, you need to identify the best interview candidates. Using your list of "A" clients, find the most open, networked, and socially active from your book of business, as well as clients who just plain love you. These are your best interview candidates.

Step #3: Request an interview with your best clients

Interviewing your clients is a combination of wanting to know what's working in your relationship, what they find valuable, and brainstorming on how you might approach others like them.

Step #4: Determine the value

It's important to determine the value you bring to your client relationships. Here's one way to start the interview: "George, on a

scale of one to 10, where am I with you right now?" This approach will get your juices flowing and elicit some important information from your client. Follow that up with, "Is our current plan addressing your concerns, or do you think we need to make some adjustments?"

Step #5: Brainstorm for introductions

Now you should begin working on your marketing plan. I suggest you start off general and become more specific. Begin this step by telling your client you want to meet more people like them — people who fit your profile. Show them this profile. Ask them, "If you were in my shoes, how would you go about trying to meet people like you?" "What would you say to them to get their attention?" and "What's a compelling reason for someone like you to take time out from their busy life and sit down with me?" These types of questions will get them looking at your business from an important perspective — yours.

Step #6: Get introduced

If you have selected the right type of client to meet with, they'll probably give you anywhere from one to five referrals. As you move up the ladder of affluence, it becomes more important to be introduced to your new prospect rather than calling them out of the blue.

Here are two effective questions to help you customize your approach to a new prospect: "How would you like to introduce me to Susan?" and "What do you think you need to say to Susan to get her interested in taking my call?" Now you just step into the flow of their relationship.

Step #7: Evaluate and follow up

After each interview, there are several things you want to do:

1. Reflect on the information you received from your client and adjust techniques as necessary
2. Reflect on the ideal client profile you presented earlier and fine tune it if needed
3. Send a "thank you" note and a very small gift to your client
4. Contact any new referral prospects right away
5. Keep your client in the loop with what happens to their referrals

Funnel Your Way to Better Prospects

BY JOANNE S. BLACK

The insurance sales funnel has basically been structured the same way for years, with a wide opening at the top that dwindles to a skinny tube at the bottom. The old method of prospecting was to cram as many prospects into the top of the funnel as possible, hoping that new clients would pop out of the other end. Then, the only thing that mattered was sheer activity.

Not so today. Yes, activity is still important, but what really matters is that you feed the right people into the funnel in the first place, nurture those prospects, and hasten their passage through the sales cycle, all of which will decrease the amount of time it takes to close your sale.

In the modern insurance industry, even a 10 percent reduction in the length of a sale cycle can increase productivity by about 25 percent. This means more clients, more deals, more referrals, and more commissions.

Picture the funnel from the olden days. If you just stuff as much as you can into the top of the funnel, it's more likely that weeds, rocks, sand, and other debris will clog the opening, preventing the steady entry and flow of good business. Just try pouring water in a funnel that is filled with debris. What happens? The water backs up and nothing moves through the funnel. Compare that water with the prospects you need to move through the funnel, and it does not create a pleasant picture — and certainly not one that fosters better business.

It's not difficult to find new business, however, if you simply change the shape of your funnel. Here's how: Make it narrower at the top and gradually wider throughout the middle, with the spout at the bottom as wide as it can possibly be. This avoids the natural temptation to feed just any consumers into that funnel, regardless of how well you think they meet your ideal client profile — a profile that, incidentally, needs to be constantly refined for the best results.

Once, I really wanted to refer my clients to an insurance agent I knew. But before doing this, I needed him to answer two questions:

- Who is your ideal client?
- What is a good lead for you?

His answer to both was, "Anyone who has assets to protect." I told him that the entire world is made up of such prospects and

that his criteria were way too broad for me to think of anyone who could fill his needs. After much discussion, he finally identified two groups that would be an ideal match for his skills and resources: young families about to buy a house, and dry cleaners (his company underwrote dry cleaning businesses). That definitely made it easier to point him in the right direction than simply going by "Anyone who has assets to protect." After this, rather than randomly feeding clients into the sales funnel and potentially clogging things up and preventing their fluid movement throughout the cycle, he was able to clear the passageway for the prospects who met his expertise and expectations.

Passing your ideal clients through the sales funnel is only the first part of the sales process, however. Part two consists of everything that happens after that — if you're not talking to the right people, nothing else really matters, does it?

Agents pay far too much attention to part two: conducting meetings, asking questions, overcoming objections, closing, etc. Yes, you need to know how to listen and question, how to create a sense of urgency, and how to advance the sale. But if we're not in front of the right people to begin with, it's a waste of your time.

Part one largely consists of prospecting, and most of you do not enjoy this unpleasant yet essential task. In a September 2007 study by conducted by Agent Media* and NAILBA, 67 percent of agents said that prospecting for new business is the most challenging aspect of selling insurance, and another 67 percent said they dedicate less than 25 percent of their work time to prospecting for new business.

Simply speaking, prospecting includes a flurry of activities such as cold-calling, advertising, direct mail and email campaigns, Web strategies, networking activities, and referrals.

What if you focused on referrals as the proactive strategy adopted to attract new clients? When you've been referred, you can experience a shorter sales cycle, you ace out the competition, you create trust, and you are guaranteed a new client more than 50 percent of the time — perhaps even as high as 70 to 90 percent of the time. Virtually no other business development strategy can claim these results.

What would your business look like if only your referred prospects were in the funnel, the prospects who matched your ideal client profile? You would continually feed your funnel with exactly the kind of business you wanted, and you, in turn, would be referred to other clients who match that same profile.

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Ask Simple Questions to Create More Referrals

BY MARILEE DRISCOLL

You all likely know how important it is to always ask clients and centers of influence several questions; their answers can help you meet their expectations, in turn building a mutually rewarding relationship. When you question centers of influence, they will typically give you important insight into how you can convert them into a customer and a rich source of referrals. Ways to approach these prospects include:

- Why exactly did you decide to meet with me today?
- What, to you, does the perfect insurance agent look like?
- What's the one thing that you want to make sure we accomplish in this meeting?
- Have you ever had a bad experience with an insurance agent? If yes, what happened?

To get more and better referrals, the expectations in a client-advisor relationship cannot be one-way — in other words, everyone must be satisfied with the outcome of any sale or transaction. Clients and centers of influence who understand upfront how your business works, how you work, what they should expect, and what you expect from them are more likely to be low-maintenance and easy to work with. They are also more likely to be happy with you than those agents who are simply setting and meeting their own expectations — and happy clients tend to give more sincere and qualified referrals.

To really show prospects and clients how much they mean to you, try one of the following tactics:

- “Once your insurance policy is put into place, you may, in the future, read or hear something that you have a question about — or, your situation may change. I want to make sure that you know that, at any time, you can call my office and request to personally speak to me on these issues as they arise. Usually, I can set up a meeting within a day or two — unless it's an emergency, and then we'll move even quicker. You can also count on me to touch base with you once a year if I don't hear from you. I ask you to please take the time to return my call so we can reassess your situation and make sure your policies are still working out for you. Does that sound OK? What's the best time for me to call — during business hours, or in the early evening?”
- “Did you know that I offer all my clients a second opinion for their family and friends who may have received financial advice from another agent that they question? This means that if you ever hear that someone you know needs insurance or is unsure they are buying the right policy, you can call me to arrange a no-strings, free second opinion. It's no strings on both sides, too, so I do need you to understand that I may not be able to help them, and they may not meet my client criteria at that time. This opinion service, however, is one of the reasons my clients tend to value my services so highly.”

When you ask the right questions and make it clear to your clients and prospects that you offer a personal yet no-pressure touch to your service, it will be much easier to convert prospects into clients and clients into referral sources.

Personal Prospecting through Better Communication

BY TED STEVENOT

Technology has created an age of highly leveraged communication, communication that has achieved increased efficiency and, thereby, increased reach. Leveraging communication is not a new concept. Since the ancient Sumerians introduced cuneiform writing thousands of years ago — and even before — humans have seen the value in leveraging communication. Before modern technology, advances in printing and better shipping, roads, canals, and railways were the standard means of increasing reach. Later came the telegraph, the telephone, and the fax machine. Now, we live in a world of cell phones, satellites, cyberspace, text messaging, and wireless Internet. Each improvement in communication has opened more markets and more easily allowed individuals and businesses to establish and build relationships with one another.

In my early years of prospecting, I came to the realization that one individual can shake only a certain number of hands. There are a fixed number of hours in the day. You can run only a finite number of appointments and speak with only a finite number of prospects. It made sense for me to leverage my communication by letting paper do some of my talking for me. I personally have had great success encapsulating my sales message into a simple one-page format and putting these one-pagers into the hands of as many prospects as possible. By adding mail to my prospecting mix, I was able to communicate with far more prospects than I could hope to speak with personally. I leveraged my ability to communicate, increased my reach, and was better able to grow my business.

Person-to-person outreach

Even though I have made every effort to leverage my communication, I never want to forget that the highest form of communication is person to person. Many times I have been in situations where a prospect is neutral about what I am selling, but because the prospect is talking to me, they need to make a decision about whether or not remaining neutral is the best course of action.

I have experienced this reality myself as a buyer. Years ago, my business partner and I knew we needed a buy-sell agreement, but we kept putting it off. It was so easy to put the subject on the back burner — and we did so for several years.

Finally, a friend of ours in the life insurance business had the boldness to ask us when we were going to actually do something

about the issue. It took that person-to-person interaction — one where I couldn't throw away the letter, erase the message, or delete the email — to make me admit that there was no good reason to continue putting this off. He truly became our agent because he called us to action. In this case, it took a person-to-person encounter to move us forward on the issue.

Since I have come to understand this phenomenon, I have seen it happen time and time again in my day-to-day practice. Many times, I will hang up the phone after speaking with a prospect who has agreed to work with my agency and think to myself, "That person never would have done anything about this subject today if we hadn't spoken."

Striking the right balance

Where leveraged communication falls down is in its ability to remain personal. The key to success is to strike a proper balance. Leveraged communication works best when it is used to qualify prospects or provide general information to them. Once a prospect has become better informed and better qualified, more personal forms of communication should then follow. One example is an informative direct mail piece that prompts a reply from an interested prospect. Once they've completed the mailer and returned it to you, you can follow up with a phone call. From there, you may continue with a face-to-face appointment, thus increasing the personal level of the communication.

Building relationships is key

Ultimately, the models of interaction used in any form of leveraged communication are the same. As the communication is leveraged, it moves from a less personal mode of communicating to a more personal mode as the process unfolds. Understanding the role of leveraged communication and how it relates to building relationships will help you better formulate your marketing plan so it moves in the right direction. Even in our cyber age, it is important to remember that person-to-person contact is still the highest and most effective form of communication. Set up your marketing mix so the relationship elements are properly aligned with the leverage you are using, and you will have better success at moving your business forward.

Getting Referrals in a Volatile Market

BY BILL CATES

As I meet with various groups on obtaining more referrals, one of the most frequently asked questions is, “How do you ask for referrals in a volatile market?” Well, we’re all unhappy with the market (though, as of this writing, it’s showing some signs of life). But while your clients may be unhappy with the market, are they happy with you? And how many potential clients are unhappy with both the market and their advisor?

This is a great time to be prospecting for new clients. There are a lot of unhappy people out there. A lot of people are second-guessing their advisors. Right or wrong, people are receptive to making a change. Your clients likely know other people who are more open than ever before to meeting with you. Are you taking care of your referability? And are you leveraging your referability by asking your clients for referrals?

Are you referable?

A volatile market is a true test of your client relationships. At a time when many reps are hiding under their desks, afraid to call their clients for fear of their wrath, you should be calling your clients more than ever before. If you’ve been advocating a long-term approach to investing, then you need to reassure your clients of that approach. If you haven’t been taking a long-term approach, then it may be time to start.

You must create a systematic approach to staying in contact with your clients and stick with it. Your next great client will come to you through a referral from one of your current clients — if you remain referable.

There are three main methods by which we stay in contact with our clients: transactional, value added, and business friendship. Of course, you must be impeccable about handling the transactional aspects of your client relationships. You must have great systems and standards in place. You must have top-notch staff in place. Still, as important as these aspects of our client relationships are, they’re not what will create loyalty and generate referrals.

If you don’t continue to provide value to your clients on a regular basis, you are no longer necessary. Keep looking for ways to educate your clients. Keep looking for ways to serve them with information that may have nothing to do with what brought you together in the first place. My financial advisor reviews the tax return prepared by my CPA. He wants to make sure all my investments are handled properly from a tax perspective. He’s even talked to me about my

homeowner’s and health insurance — though he sells neither. He says, “If it has a dollar sign next to it, I want to be involved. I can be a resource for you.” That’s continued value I truly appreciate.

You also want to build business friendships with as many of your “A” clients as you can. Use small client-appreciation events to get to know your clients in a more personal way; they get to know you that way, too. Have a systematic approach to building business friendships. Don’t leave it to chance — be proactive.

Make referrals about you, not the market.

When asking for referrals, always start with a “value-seeking question” that’s not based on the performance of one’s portfolio, but rather on your performance as their financial professional. If you have more than just a transactional business, but true clients with ongoing relationships, you will be bringing value to the relationship that goes beyond handling transactions and beyond market performance. If you’re not bringing this enhanced value, you’re probably not referable.

Your step into a value discussion might sound something like, “While we’re both not happy with the market’s performance over the last several months, I want to focus on our relationship and our communication. Is there any place you feel I or my staff have let you down? In what ways has our relationship and the work we’ve done been valuable to you?”

Now, you may be thinking, “This is a gutsy question.” And I would agree that the first few times you do this might take a bit of courage. And while you might not choose the exact words I used to illustrate this point, it’s important you check in with your clients in this way. From time to time, you must give your clients permission to complain and the opportunity to discuss the value. My guess is that most of the time, you’re only going to hear good things. It will be a validating conversation that can lead to referrals — on the spot or later. And, on occasion, you’re going to encounter a client with an issue that they have not voiced to you. Sometimes you can fix the problem. Sometimes you can only hope to prevent it in the future. And sometimes you have no control at all over their complaint. However, in any circumstance, your client will feel better for having told you. This simple value check-in is a huge client loyalty booster. And, it often leads to referrals on the spot — without you even asking for them. That’s well worth any effort you’d need to put forth in your business.

To Niche or Not to Niche?

BY JOANNE S. BLACK

It used to be that you knew you were on your game if you were targeting the Holy Grail of specific markets: the ultra-affluent, baby boomers, and seniors. Then everyone started targeting these markets, and they suddenly weren't special anymore.

I'm not really sure where the line is anymore between baby boomers and seniors. And couldn't they be the same person? This blending concept can dramatically diminish our potential client pool — and it may be time to change pools.

We don't really want to get out of our familiar customer pool. After all, the water is warm, we're comfortable paddling around, and it's where we learned to swim. But each time we dive in, we need to dive deeper. We know this market, we love these markets — they spend money, are loyal, and ask good questions. They really need us. But how much do we need them?

I'm not suggesting that we leave our current clients. We need to pay attention to them, stay in touch, remember birthdays and anniversaries, send useful information, and — of course — ask them for referrals to prospective clients who are just like they are. But for now, we need to move on and expand into new markets. And there are only two ways to get more business: Do more business with existing customers or find new customers.

Reaching out

To find different clients, ask yourself: Where is my expertise? What are my hobbies? What types of clients are my favorites? One broker I know, George, focused exclusively on engineers. He loved engineers because he understood how their thought process worked — he had studied engineering in school, and he had a great proclivity for numbers. As a result, he knew exactly how to communicate with engineers.

In fact, the engineering community is tightly knit: The person who bought George's first policy offered to refer him to other engineers. He told his friends they had to talk to George because George understood him. George quickly expanded his business because the engineers viewed George as someone they could talk to, someone who could explain the complexities of insurance in a concrete, systematic manner. George became known as the go-to expert for engineers.

Along the same vein, one of our family friends has made a great income by focusing fairly exclusively on teachers. He has been in the business many years, and he has earned the trust of teachers and is continually referred to other educators. He has been so successful that he hasn't missed a sales award trip in more than 20 years.

How to do it

There are three benefits to developing niche sales expertise:

- You earn the trust and respect of your niche client.
- You are viewed as the expert in your field.
- You earn the right to ask for and receive referrals from your niche client.

Another way to think about your business is to think about the types of policies that your company typically underwrites. What is your company known for?

So how do you find your niche clients? Consider the cultural, geographic, and special interest connections you have that can lead to new business. These connections form your affinity network. Think about people you know who are of the same cultural or religious background as you. Don't forget about those who share the same political agenda or your passion for travel or sports. You probably felt an immediate connection to these people, a natural liking or inclination or a feeling of identification. Your relationship is begun in an instant because you have common interests.

And what about sports? I don't need to know who played third base for the Pittsburgh Pirates in 1960 (Don Hoak), but it does help when people know I'm from San Francisco and that we love the Giants. What sports do you love? Where can you make connections?

A colleague of mine was a high school water polo champion and a competitive swimmer in college. He's way beyond his college years, but he still swims early in the morning three times a week. If that's all I knew about him, here's the conclusion I would draw: He's competitive, driven, follows through, has strength and stamina, does what he says he will do, and meets deadlines. Yes, all of that from just knowing that he played water polo and was a competitive swimmer. Oh, and did I mention that his grandfather was an Olympic medalist?

You can learn a lot by asking people about themselves. Think about your background and your interests and determine how you can parlay those into new relationships, new niches, and new business for yourself.

If you can establish a common interest, the connection is immediate and significant. The faster you can dip into your connections and interests, the faster you will become accepted by your niche client group.

How to Make More Sales by Following up When You Have No Time to Follow Up

BY MARILEE DRISCOLL

Are you the type of insurance agent who meets with 10 people a week just to make two sales? What happened to the other eight? If you're like most busy professionals, the answer is, "nothing." Despite your best intentions, following up when someone decides not to buy can be awkward, and it's easy to tell ourselves that a better use of time is simply moving on.

Sometimes moving on is undoubtedly the right thing to do. But I suspect — and this is based on conversations with many agents and advisors — that by not following up, you are just paving the way for another agent to make the sale. Remember when you were brand-new to selling insurance and, despite your lack of sales skills or technical knowledge, you made sales? That proves the point. You were selling to people who were now ready to buy and had probably been called on in the past by other agents who gave up.

A financial services sale is often not a result of our winning personality and overwhelming charm, but a function of timing. In other words, in many cases, the non-buyer today will eventually buy what we're selling.

The challenge is how to keep in touch without investing too much time or money — and, of course, this challenge also extends to our clients. When I began my insurance career in 1986, I was told that the biggest complaint from customers about their agents was this: "They sold me a policy and I never heard from them again." It's the industry's equivalent of going on a date, saying you'll call, and then not following through. Clients feel that they've been played and then dumped. What are you doing to keep your clients feeling wanted, instead?

In the old days, the one-card system ensured clients received plenty of attention, and agents were always in touch with clients and prospects. But that was many years before email, back in the stone ages, when people actually answered phones! Today, half the battle is obtaining email addresses for prospects, clients, and referral sources. The other half is making our snail mail and email so memorable and worthwhile that our prospects open it.

Following are some ideas for efficiently following up:

1. Whenever you meet with someone, whether they're a client, prospect, or referral source, ask their permission to add them to your email newsletter list. Tell them it's easy to unsubscribe at any time. Within a few days, send them an email saying how nice it was to meet them, and say that you'll be in touch on a monthly or quarterly basis. Then, follow through. I have never talked to an agent who said they didn't receive new business whenever they sent a newsletter. Email is, without a doubt, the most cost-effective way to keep in touch with contacts.
2. You will need a monthly or quarterly newsletter. This can be a simple paragraph you've written and a link to an interesting article posted online or, if you are using paper and snail mail, it can be a reprint of a relevant article along with your business card. Whether you write your own newsletter or purchase one, the goal is for the content to be relevant and interesting and for the design to reflect positively on you. Busy agents are going to outsource this function. Ask your sales manager what electronic and print newsletters are available.
3. I hear time and time again that paper mailings combined with emails yield better results than email alone, especially if you are reaching out to referral sources.
4. Identify your top 25 (for some, it may be top 10 or top 100) contacts. These are existing or prospective clients or referral sources. Send them something significant and memorable three to four times a year. In the fall, it may be a copy of a business book that you just read and enjoyed. In the winter, perhaps you could send a CD of holiday carols the week after Thanksgiving. In the summer, a gift certificate for two ice cream cones at the local ice cream shop could do the trick. And CPAs should always get a tax-time gift basket during tax preparation season.

A key component of following up is that it not require a Herculean effort. Enter your contacts once and let the service do the rest. Except when selling these "reheated" contacts — that's your job.

What Makes a Good Prospector?

BY TED STEVENOT

When someone asks me why my agency is successful, there are a lot of reasons I can give. We exercise sound business practices. We have an excellent sales approach and staff. We pay careful attention to each client, even the small ones. We treat customers the way we would want to be treated if we were the buyer. But, the one factor that stands out above the rest is that we have always had an abundance of prospects.

Assuming sound business practices are in place, the prospecting will separate the marginally successful from the more successful. This being the case, what do we do that makes us such good prospectors? While we work both hard and smart at prospecting, it was working hard that really brought us to where we are. It was the disciplined effort we put into our prospecting that led us to learn what we needed to know in order to create greater efficiency.

Our sales-per-contact ratio from prospecting in the early days was not nearly as high as it is today. But by hanging in there, we gave ourselves the opportunity to improve our system over time.

Staying focused on prospecting

Our agency has always had one individual (namely, me) whose main responsibility was to prospect. I carried out this task by putting together an initial list of prospects based on a combination of geographic location and industry type. I then set up a schedule where I engaged in systematic outreach (mainly calls at the time) to the prospects on my list. I did not deviate from this schedule and made a habit of exceeding my goals. For example, if I scheduled 100 calls, I would often make 120. I got in the habit of doing more than was expected — especially when things weren't going my way. Instead of making 100 calls with no results and stopping, I would think, "After 100, I've got to be close to finding someone who is interested." And so I'd make a few more calls instead of quitting out of frustration.

Through these efforts, I began to gather information about the prospects on my list. I learned who my prospects were buying from, when they were buying, and how they were buying. I created a database to collect and sort the information I was collecting from prospects. I was always respectful of prospects' requests for

additional information through the mail or any other medium. Also, I made it easy for uninterested prospects by promptly letting them go when they expressed any lack of interest.

Making use of data

Throughout time, the system began to evolve as my database grew. I learned how to identify and separate useful information I collected about my prospects. I learned how to keep track of the types of responses I was getting by creating a system of numeric codes that represented various responses. Working with the database taught me things about my prospecting that I never dreamed I could know. I learned my response ratios for various forms of outreach. I learned who and when to call. Also, I learned who was and who was not a long-term prospect.

Most importantly, querying my database helped me identify my better prospects. Once I had this list of quality targets, I was able to unlock its value by using it as a foundation for a mailing list. I saw that when I sent mail to such a personally researched and prequalified list, I got better response rates than when I sent mail to a more generic, less qualified list. By combining the numbers of prospects I received via direct contact with those I received from mail, I was able to consistently find an abundance of new prospects for our agency.

Reaping the benefits

My prospecting system looks quite a bit different today than when I started prospecting 20 years ago. Though it is still based on disciplined outreach and hard work, it now has a finely tuned structure. Many of our prospects who were once "cold" now know us very well from prior contact and by reputation. Thousands of prospects to whom we were never referred now know who we are and appreciate us as an established and respected provider of insurance services in our area. Because of this, every year we continue to add many names from our long-term prospect list to our client roster. It all started with a simple plan that was brought to life through systematic and disciplined hard work. We were persistent and stuck with it over time, and we are now reaping the benefits.

Are You a Referral Wimp? 3 Big Fears and How to Get Over Them

BY BILL CATES

Are you a referral wimp? When you get to the end of an appointment with a client and you realize you don't have time to ask for referral, does a little voice inside of you say, "Whoopee! I'll try to ask next time?" Do you feel guilty about not getting as many referrals as you know you should (and probably could)? You're a referral wimp if you are letting your rationalizations, mistaken assumptions, and bold-faced fear of asking for referrals ruin your career. The good news is that it doesn't need to be this way.

Some marketing "gurus" are spreading false rumors that you "can't ask for referrals anymore." That's just pure nonsense. Maybe they're referral wimps, too. Or maybe they just don't know what I know. You can ask for referrals from clients these days — as long as you do it in the right way.

Every reason I've ever heard from agents and advisors as to why they don't ask for referrals is fear-based. They might not always use the word "fear," but that four-letter word is typically the basis of their reason. This column will deal with the three most prevalent fears.

Before I give you these three fears, let's keep in mind an important concept. It is impossible to "think" our way through a fear. You can think your way up to facing a fear, and you can rationalize why you don't have to face that fear, but the only way to really eliminate a fear is to do the thing you're afraid of. To take action, move through it, and watch the fear dissolve.

Fear #1: Fear of appearing pushy

No agent or advisor wants to appear pushy or hurt their relationships by asking for referrals — though there are some "old-school" agents who haven't yet learned better. This concern is understandable, but here's the good news: To move through this fear, all you need to do is find a way to engage your clients in a referral conversation that doesn't come across as pushy — in other words, one that will not hurt a relationship.

So how do you ask clients for referrals without appearing pushy? Don't assume they are willing to talk referrals; get their buy-in to the conversation. There are times to be assumptive in selling situations. This is not one of those times. You cannot plow ahead and ask clients for referrals. That's pushy. Why? Because we know that not all clients like to talk about referrals — especially when it comes to personal financial matters. We have to be a little softer these days.

Get permission (not begging, but in a confident way) to talk about introductions. Give them the opportunity to say "no." Don't push them into a corner. At all times, let them feel in control of the conversation.

Fear #2: Fear of begging

Many veteran agents and advisors voice this fear. They don't want to appear unsuccessful or needy to their clients. Again, understandable — and there's more good news here. Just find a way to engage your clients in a referral conversation that doesn't come from a needy place and that instead comes from a place of confidence, success, and value.

Rather than the old style of asking for referrals where you make it all about yourself — "I get paid in referrals," or "I'm trying to build my business and I really need your help — please! Please!" — make your referral conversation about the value they have recognized in their work with you. Get in the habit of always checking in with your clients to make sure they see the value in your processes and relationship. Focus on the importance of the work that you do and bringing that important work to others.

Also, how you present this conversation will go a long way in determining how they respond to you. If you come across as weak, wishy-washy, or even apologetic, you won't get a good response from your client.

You know that the work you do is important. When you check in with your clients and get them to affirm that they recognize your value, you bring this conversation to a higher level — a place of success.

Fear #3: Fear of hearing "no"

It amazes me how successful, confident, and even cocky agents and advisors turn into a bowl of Jell-O when they face the prospect of a client turning them down in their request for referrals. There are many reps who can dial for dollars until the cows come home but are afraid a client may not want to give them referrals.

How do you deal with this fear? Just get over it! First, you are only going to ask clients who have seen value in your work and like you. Second, assuming the previous point is true, if a client doesn't want to give you referrals, it has nothing to do with you. It's their fear. It's their baggage from past experience. So just practice the "Zen of referrals." Ask for referrals without being attached to whether your clients say "yes." Focus on your actions, not the fruits of your actions. Control what you can control. You can't control a client who wants to play the referral game with you, but you can control moving through your fear and asking.

You can ask most of your clients for referrals. Some will give you referrals right on the spot — on your terms. Some will give you referrals later — on their own terms. And some will never give you referrals. But if you approach it from the right place, you'll never hurt your relationships or look like you're begging.

How to Land More Prospects in a Lagging Economy

BY JOANNE S. BLACK

What bad news will we hear next? How many more banks and investment houses will fail? The economy is in a funk, and most pundits believe we will not see relief until at least mid-2010. The little bit of good news is that mortgage rates are plummeting, which may, in fact, increase consumer investment.

What does this mean for your business? Discretionary spending has dropped dramatically. Would insurance purchases be viewed as “discretionary”? In many cases, yes. Consumers are choosing to postpone certain purchases or forget about them entirely. It can be difficult enough to get prospects to talk to us in a robust economy. Now, they are so busy trying to stay afloat that getting on their calendar is even more challenging.

How do you tackle economic uncertainty? Many agents start to cut, cut, cut — advertising, purchasing, marketing, prospecting methods. Ouch! The pipeline starts to dry up and the anxiety level goes through the roof. Some agents think that since there's nothing they can do, they should just do nothing. But “nothing” is futile thinking.

Following are five steps to accelerating your sales in a lagging economy, retaining your loyal customers, and attracting new business without increasing your cost of sales.

1. Get advice

Don't go solo. Assemble a group of advisors and solicit their input and innovative ideas. Invite people who think differently than you, and include those who aren't in your business or even in the insurance industry. Be open to new ideas and new ways of working. Use the group not only as a sounding board, but also as a way to experiment. Be willing to give up old ways of doing business that are no longer gaining traction.

2. Stay connected

Get out there. Attend at least one networking event a week. Even better: Attend three. Talk to people; find out how you can help each other. Pick up the phone. Email is great, but you'll get the best information and develop the most productive relationships when you have a one-on-one conversation. Woody Allen said, “Eighty percent of success is showing up.” Show up — it counts.

3. Dazzle your current clients

Your current clients need care and feeding. Don't ignore them at the expense of new business, because they are your best source for new business. Call them. Ask what impact the lagging economy is having on them. Your only purpose for the call is to ask how you can help. You might have a referral for them, an article to send, or someone for them to talk to. Whatever you promise, make it happen. If you do nothing else, pay attention to your clients.

4. Be the expert

Everyone wants to talk to the expert. Do you have a specific niche? You offer a wide range of insurance vehicles. But which products give you the most leverage in your specific market? Is it long term care insurance, annuities, financial advice? The more narrow your focus, the better your position. This is counter intuitive, but the more specific you can be about your expertise, the more you become a believable and credible resource that a prospect wants to meet — not just another insurance salesperson. (Sorry, but that's how many of us are viewed.)

5. Commit your referral business and decrease costs

There are no hard costs to referrals — you don't need marketing, direct mail, advertising, or trade show budgets. The only budget you need is your “time and referrals” budget, which involves just that: the portion of your time dedicated to asking for referrals. You know about referrals. When a qualified prospect is referred, you get a new client a minimum of 50 percent of the time, and typically between 70 and 90 percent of the time. Additionally, you are pre-sold, your selling time decreases, you have credibility, and you ace out the competition. There is no other business-development process that can claim these results. And results are what matter.

The bottom line: When you're referred and get that treasured introduction, prospects will want to talk to their insurance agent — even in a lagging economy.

4 Inexpensive and High-Profile Marketing Ideas

BY MARILEE DRISCOLL

It's often said that you're only as good as your list. In other words, the biggest asset that you have as an insurance agent is your list of clients, referral sources, and prospects. Any agent who has been successful in the insurance business will tell you the importance of regularly touching base with your contacts.

Easier said than done, perhaps. Reaching out beyond your open case list may seem like a job for Hercules, not a mere mortal like you. The time, the energy, and, man, oh man, the expense. Well, refresh your coffee and take a look at the four ideas below. Should you be adding one, two, or all four, to your marketing efforts over the next year? They all work, and they will all help you get the most out of your list, with a relatively low impact on your wallet.

Idea #1: Make birthday phone calls

For years, insurance agents have been told to send birthday cards to clients, and that's still good advice. However, I believe a phone call is more powerful, for two reasons: It's more personal, and it gives the client a chance to ask questions, make referrals, etc. Make the calls first thing in the morning. It will start their day off right, and they will tell people all day long that they received a call from you. One last piece of advice: Make it the only purpose of the call to wish them a happy birthday. Do not bring up anything work-related.

Cost: \$0

Idea #2: Send monthly electronic newsletters and greeting cards

The Internet's biggest gift to small-business owners such as insurance agents is the ability to cost-effectively send out email communications. If you like writing and are a good communicator, a homegrown newsletter can't be beat for impact. The best frequency for newsletters is once a month. However, it takes a good amount of time and discipline to produce your own newsletter. That's why many agents take advantage of the professional writing, beautiful design, and turnkey ease-of-use that a professional newsletter company offers.

If you're doing a newsletter yourself, make sure a second set of eyes reads your newsletter before it goes out. Trust me, there are mistakes in it. A second set of eyes won't guarantee perfection, but it should help you find anything glaring. Professional editors/proofreaders can be hired for about 3 cents per word.

Some of the same Web-based companies that offer electronic newsletter delivery also offer electronic greeting cards. Think beyond birthdays, and you can easily plan a year's worth of communications. Another alternative is to use free electronic greeting card companies found on the Internet. A word of caution: Many emails that look like greeting card delivery links bring the client to a page containing viruses, so many people won't click on those links. Make sure that your card is in the body of the email and doesn't require a click-through.

Most important to keep in mind is that you can't wage an

electronic communication campaign if you don't have emails for your clients, prospects, and existing and potential referral sources. But don't let that sour you on email campaigns forever. Before another day passes, vow to yourself that you will collect an email from every contact you meet. It's simple: Say something like, "Could I get your email address so that I can send you a newsletter once a month? It's easy to unsubscribe at the bottom of any issue." Using exactly these words, I have never had anyone say "no" when I ask them for their email. Start now, and soon you will have a few dozen email addresses, then hundreds. Start your email newsletter/greeting card campaign now; the contacts will start paying off right away, and your list will catch up with your program soon enough.

Cost: Less than \$100 per month

Idea #3: Hold a yearly client appreciation movie night

Movie theaters love the revenue that a private event can bring. Choose a movie that matches the tastes of your practice. This means (usually) no horror films or animated films. Uplifting, feel-good films or Best Picture Oscar-winners are usually good choices. You will greet attendees and introduce the film at the beginning. It should be short and sweet — "thank you for your business." Be sure to negotiate ahead of time a flat rate for soda and popcorn for all.

Cost: Less than \$1,000 per year

Idea #4: Sponsor a float in the local holiday parade

A float in a parade is one of the best ways to get lots of attention for your business. Some ideas:

- Rent costumes with a theme from a costume shop, and vary your theme each year.
- Team up with a local DJ or band, which can play from a flatbed truck. Both of your companies can have signage, and you can split the cost.
- Rent a vintage car with magnetic signage. Hire some people to walk along your float with buckets of candy that they can hand out to children.

No matter what kind of float you sponsor, make sure that your company's name can't be missed — along with the URL of your Web site. Make sure the Web address is easy to remember. If it's not, buy a second URL and have the new one pointed to your existing Web site. Place signage at the front, back, and on both sides of the float.

Cost: Less than \$1,000 per year

Staying in touch doesn't have to be expensive. It just takes your commitment and the time involved in putting the activities on the calendar. What have you done in the last year to stay in touch with clients and make them feel appreciated? If the answer is "not enough," that can easily be fixed.