

# Open MIC

**Open MIC is open for everyone.**

9:00: AM Pacific Thursday 800 504-8071 Code is 5556463

Questions?

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**The time is now....this Open MIC will get you going and allow you to get control of your business selling life.**

**Please join in and get started. Print this off, follow along, keep notes and get going.**

**Bill**

# Building a Marketing and Business Plan in the Annuity Industry

*“I cannot stress enough the importance of a **written** marketing and business plan, otherwise you are rudderless.” BB*

No business on earth can be successful without a plan. The written business plan is used set financial and growth goals and as a way to measure their success. Without a written business and marketing plan it is virtually impossible to succeed. You must have a plan to evaluate your progress and to have a system to adjust your plan during the time of measurement (year as an example).

I have always used a written marketing and business plan, and I have done so to base my performance on what I wanted to accomplish both professionally and personally. I have provided this outline to show you the reasons the questions are asked and how they pertain to your personal business plan. These questions should allow you to formulate a plan for yourself that makes sense and to adjust it as you move through the year.

There is an old saying that certainly applies to all of us, it is almost too simple....

**Plan your work and work your plan.**

# 2011 Annuity Marketing Plan

Name:

Contact Phone:

Email contact:

## 1. **Do you currently sell annuities?**

Why even ask this question?

The reason is simple; many people in our industry are not really in the annuity industry. Don't get me wrong, there is nothing is wrong with selling more than one type of insurance product or just selling an occasional annuity. This exercise is about a marketing plan to maximum your annuity sales while also having a life outside of the business. **Are you in the annuity business?** Full time, part time? Just want to ease into it? You need to answer the question. If you are not fully committed to the annuity business (some life insurance with a specific cross product is still 100% in the annuity business) then this process might not be for you.

**What do you call yourself?** Are you an estate planner? Are you a certified senior advisor? Are you a specialist? The reason I ask is simple, you are either an annuity salesperson or you are not. When someone asks me what I do for a living I say: **"I am an annuity salesman!"** I get it out in the open and I make sure

that I am proud of what I do and what my products offer.

Being an annuity salesperson is just about the most honorable job I could think of, we offer safety and security, we offer guarantees and we offer our clients the freedom from financial worry and risk. Who else can say that?

So answer number 1. Do you sell annuities? Are you an annuity salesperson?

Also answer this question. **Do you own annuities?** How could you ever be able to sell an annuity without owning an annuity? Why don't you own one? If you went to the Ford store to buy a new Ford, what kind of car do you think the Ford salesman would drive as his personal car? Do you think the Ford Dealership would allow their salespeople to drive anything else? Why do you think that is? Simple, it is commitment. If you want to sell annuities then buy annuities, if you are short on available investment money.....so what, buy one anyway. **100% of my saved retirement funds are in annuities.** 100%.....And I am an annuity salesman.

## 2. **Do you currently sell life insurance?**

Many agents sell life insurance along with annuities. For me, it just doesn't work but for many others it does. I have no issues with selling life insurance as long as it is only sold in your **target market**. Establishing your target market is essential in establishing any marketing plan. My target market is people with less than \$200,000 in assets. This restricts me when it comes to larger cases but it provides me with a much larger group to work prospect with.

Selling life insurance to prospects in this age group is fine, but to extend to another target group when you want to be an annuity salesperson is a big mistake.

**Either you are in or you are out.**

The other reason for not selling much life insurance is that it limits your future service commitments. Have you ever asked why a life insurance company would pay renewal commission on life paid premiums year after year? It is to help you offset your costs of servicing your own client base. Constant servicing of an in force life insurance clientele provides a **negative atmosphere** in your business.

Just think what the servicing entails, forms, checking account changes, beneficiary changes etc....all negative.

Your office and your business should make every effort to have a **positive atmosphere** and constantly providing and doing service work is not positive, it is

negative. Annuities have almost no service issues associated with them. And when they do often the service needs give you an opportunity to generate new sales. **Service issues with annuities can be positive.**

### **3. What are your “go to” companies? (2 or 3 Favorite)**

This question has to do with the type of annuities you favor (fixed interest, eia etc.) and how you market your services and how you would determine a target market. Many agents sell fixed interest rate products which normally pay a lower level of compensation. This would mean the agent would need to make a higher volume of this type of sale in order to afford a reasonable marketing budget.

It is also an indicator of how you feel about insurance company ratings. If you will only sell AAA rated carriers then your options for products may be limited, if you only sell B rated carriers then it means you are really only interested in compensation.

My “go to” companies are **A and A- rated carriers.**

The reason? Simple, these companies will generally offer the highest interest or the most appropriate product. Products that provide outside benefits such as Illness riders, LTC riders, Income riders etc.

I sell annuities for the benefits they provide not just for their yield on deposit.

## 4. **Do you have your own website? What is the URL?**

We are the internet generation and the internet is rapidly becoming a fabric of our lives. Every agent needs his/her own website! Think of it as the old business cards, that is how we were identified, by our business cards.

What is it now? It is our website and the internet.

### **A warning!**

If you think your website will attract leads you are mistaken. It will not ever provide a lead and it will never make you money. What it will do is providing your clients and prospects a portal to look at you, what you offer and your contact information. Other than that it, will be **worthless**. If at all possible use a template and outsource the actual design and content to a third party provider, there are plenty of them and it will require very little of your time. The third party provider will attempt to sell you many additional feature, don't do it! Your templated personalized website should cost \$20 to \$50 a month and should require **5 minutes** of your time a month.

### **Never!**

Never pay a huge price for your website and never be sucked into any pay per click scheme to get leads, it won't happen and it will cost you money and divert your marketing attention.

Remember, your URL is only a portal for your prospects and clients to see you and to get contact information. It is not for lead generation!

If you want to grow internet leads then you want to be in the internet lead business and not in the annuity business.

## **5. How much annuity premium did you pay for in 2010?**

What is the difference between question 5 and question 6? Question 5 says “**How much annuity premium did you pay for last year?**” In other words how many annuity dollars did you get in the door and were paid on?

Compensation is based on premium. Number 6 says “How many individual sales did you make?” This is important in planning, as an example if you wrote \$4,000,000 on 10 lives then you have a very specialized practice, but if the \$4,000,000 was on 60 lives then it would mean something entirely different.

Activity is the key to any successful business and there is certainly nothing wrong with only writing 10 lives in a year **IF** that was your marketing plan and marketing goal.

Then there is this. It is important to any marketing plan to keep good records, especially about sales. From these records new plans can be built that will allow the agent to move to the next level. In the past I have had agent tell me they write \$4 million and want to double to \$8 million only to find the actual records show sales of \$2 million.

Moving from \$4m to \$8m in a year is a good goal and can be accomplished but moving from \$2m to \$8m is a stretch and will take much more time.

Keep records and know exactly how much you have paid for in annuity sales (lead cost) and the number of lives.

The number of lives is an indicator of activity; this can be very helpful when determining how many “new sees” are necessary for a completed sale.

## **6. How many individual sales did you make in 2010?**

**See Number 5 above...**

## 7. **Do you work in the senior market exclusively?**

### **Focus Focus Focus.**

If you want to sell annuities, guess who would benefit from these products? Seniors! The obvious question is what is the definition of a senior? This is a moving target but common sense would say it is **adults age 60 and above**. Decide on your target market and focus your attention and marketing on that target market.

## 8. **How long have you been selling in the senior market? (years)**

This question is important because of this point. You can't go from 0 to 60 in an instant, you must build and build. If your market has been selling health insurance you cannot suddenly be an annuity salesperson without completely **Re-Tooling**.

**Re-tool definition---** revise or reorganize, especially for the purpose of updating and improving.

If you are ready to move to the annuity business, you must prepare, selling annuities is not like other insurance products, and it is not a product.....it is a

specific solution to a problem. You must know how your prospect feels before you can sell an annuity.

## **9. How are you currently marketing for leads? (Seminars, direct mail, radio, internet?)**

This is a very key question. What are you doing and is it working?

- What is your lead cost?
- How many leads does it take to open a case?
- How many leads to close a case.
- What is your lead cost per closed case?
- How many leads do you get in a week? A month?
- Are your leads seasonable?
- How do you track leads?
- Do you drip?

If you cannot answer all these questions you are not going to be able to honestly assess your progress and real costs.

## **10. In less than 50 words tell us what your career goals are?**

This is a drill every agent should do annually. It is a great way to self-analyze. Try it, only 50 words.

## **11. How much are you currently spending on marketing each month?**

**Extremely important question.**

What is your budget and more importantly....how did you arrive at that budget? Never pick a number out of the thin air, select your budget based on a plan, a percentage of my gross income is how I do it.

Up until about 3 years ago I based my marketing budget on 10.5% of my gross earned commissions. Over the past couple of years I would suggest a slightly higher percentage because of lowering compensation.

## **12. How much did you earn (gross commissions) from annuity and life insurance sales in 2010?**

**Simple, yet very important question.**

What is your gross income from annuity sales? This number becomes your basis for planning, not only for family income, taxes and retirement but also for your marketing budget.

## **13. Have you set your income goals for 2011?**

We have all heard our entire life about setting goals. These goals can be both financial and personal but for the sake of establishing a marketing plan, I suggest you set an income goal. This goal should be realistic but be aware it might take longer than a year to reach.

As an example, if my current income is \$100,000 and I set a goal of \$600,000, reaching that goal in a year may not make sense. Be realistic but always set an attainable goal, then when reached move the goal again.

## **14. Do you have a retirement plan for yourself? Is it funded annually?**

### **Essential.**

Are you going to work until you die? Many agents say this because they do not deal with this issue.

If you haven't started yet do so now! I have found an easy way to save for retirement; an insurance company's deferred income. I began by deferring 3% of my gross commissions and I never missed it. I gradually increased it to 15% as my personal sales increased and never missed it!

Setting up an IRA is easy and a small pension plan can make huge sense. One word to the wise, use a very conservative approach to asset allocation because having to re-make the money because of investment losses really sucks.

I use annuities as my vehicle and it works for me.

## **15. Do you have an assistant? Do you have a telemarketer? If so, how much do you pay them?**

If you can only afford partial assistance, hire a telemarketer. For me it meant removing the one part of annuity selling that was the most difficult, **telemarketing.**

If you hire a telemarketer, pay them by the hour or appointment (I prefer hourly) and **NEVER** offer any share of your commission. It could be illegal and it will lead to other financial downside issues for you. If you pay by the hour, you will need to monitor their work load. Paying by appointments will also need a report card, the number of “**porched**” appointments, no shows and actual sit downs.

(A porch appointment is one where the prospect will not allow you further than the front porch.)

Having your own assistant is not a good idea unless that assistant helps you make money. My assistant always helped in sales and building relationships with prospects that could convert to clients. Just having an assistant to help with paperwork is silly, do the paperwork yourself and save the money.

**However:** If your marketing involves office appointments or appointments where an assistant helps the actual sales process then it makes sense.

## **16. How many weeks a year do you plan to work?**

Shouldn't the amount of time you work be important? I always worked 40 weeks a year and took 12 weeks off.

A great rule to remember is this: A work week is a work week and a play week is a play week.

If it is a work week, then work all day 5 days a week. A play week means no work. Learn the difference and build it into your marketing plan.

## **17. Do you have a business line of credit? Do you update your financial statement annually?**

A solid banking relationship is vitally important. My banker has been with me for 22 years. Whether I need to borrow or not I have always provided my banker with an annually updated financial statement and a copy of my past years income tax return.

If you have a loan that you expect to have trouble repaying get ahead of the curve and make sure your banker knows prior to a problem. Believe it or not

this is the smartest move you can make, the bank is usually willing to work with you.

Another tip, stop and see your banker once in a while when you don't need to borrow. If you have a loan always provide your banker with a copy of your business and marketing plan but always **INCLUDE** a short cover letter explaining what it all means.

## **18. Are you security licensed? RIA?**

I have held most security licenses from time to time. But for me the process of compliance, having always been an outside agent was too difficult. Being in compliance is smart and I encourage everyone to always think in terms of compliance which I do with a completed fact finder and a discover letter.

Being a Registered Investment Advisor is a good idea and if you decide to go that direction, visit with several already licensed RIAs to make sure it is for you.

## **19. If you are security licensed, does your Broker Dealer allow you to sell annuities outside of them? Do you sell variable annuities?**

If I were security licensed I would never attach myself to a broker dealer who insisted I place my fixed annuity business with them. For me, that is too much control and against my view of the business.

Being able to sell with whom I wish allows me to be exposed to what others in the annuity industry are doing in marketing and products.

I am aware many licensed agents sell variable annuities but for me it goes against the grain. If you wish to sell securities then sell securities sans variable annuities.

For **me** annuities mean safety and variable annuities are outside the box.

## **20. Do you have enough leads on a monthly basis? How would you rate the quality of your generated leads? (1-10)**

### **Shouldn't this be a basic question?**

How many leads do you generate each month? And more importantly, what is the quality of those leads? The answers are vital to your success. One easy way to determine lead quality is called the "lead evaluation technique." It is simple, how many gross leads does it take to produce one sale?

**Set your own standards for actual lead cost per sale.** If your gross lead costs per sale is over that standard then you have reduced quality or an ineffective lead source.

As an example, to me \$1,500 is an acceptable lead cost per sale.

The other important pieces of information needed for establishing a workable lead cost is your average annuity premium and your average compensation rate.

If \$1,500 lead cost per sale is also acceptable to you then an average sales of \$100,000 at 6% compensation may be too high. That would put your percentage of cost per commissions at 25%.

Points to consider:

- Your lead cost per sold annuity
- Your average annuity premium sale
- Your average compensation rate

**This formula is vitally important and allows you to set your overall marketing budget.**

## **21. Do you database your prospects, suspects and clients? Do you drip (email) on them?**

Think of it this way, you produce a lead, the lead is worked, no sale from the lead and you throw it away. Is that a waste?

**Yes.**

We know through statistics that selling annuities is based on timing and because of that; keeping in touch until timing improves is simple and cost effective.

Use an effective system for staying in touch in a non-threatening manner. We created [www.retirevillage.com](http://www.retirevillage.com) for these explicit reasons, dripping until the time is right.

If you do not drip, your overall lead cost will be higher and you will not make as many sales.

**Your lack of a plan will waste your time, your money and your energy.**

Plus you will always have the problem of “lead stare.” (staring at your leads and wondering who to call)

## **22. If you keep a database, do you “glean” your database?**

The farmer tills the field, sows the seeds, waters the plants and then harvests the crop. Isn't that what we are supposed to do? What generally happens is a list is made and that is where it ends.

You must have a point of “**determination**” a point where the relationship is determined. A list without determination is just a worthless list.

You must harvest or “glean” your list; you must force an extension of the relationship to a different level, either in or out.

Your list must be called and either moved to the next level or the name is removed from the list. Simple and it makes your business more efficient because it makes you a more professional salesperson.

## **23. What magazines do you read? What trade journals do you read?**

This might seem like a nonsensical question but it goes to your view of who you are and what your interests really are. I read Sports Illustrated, Bloomberg and The Economist. This should tell you that I try to keep up with current events as well as international issues.

What if I read People Magazine, does it mean I am not business oriented?

The answer is no but keeping a wide range of topics up to date will provide a broader base to communicate with your clients.

Reading provides experiences and the wider those experiences the better chance you will have connecting with your prospects.

I read Life Underwriter magazine.

## **24. Are you a member of your local life underwriters association?**

Becoming an active member in your industry is about as simple as it can get. Why wouldn't you support your own industry of which you belong? Many laws affecting your career and your financial well-being are lobbied in your state of residence. (we are a state regulated industry)

Helping protect your industry and your products should be primal in your thinking.

## **25. How many trade or industry meetings do you attend annually? (not company sponsored vacations or trips).**

Education can come in many forms and attending seminars topical to your industry can only help expand your view of your business and your career.

## **26. In 100 words or less, tell us about your personal life. (family, hobbies, passions)**

This exercise is very beneficial to yourself in planning your business and marketing plan. Write it and read it 3-4 days later.

## **27. Do you market through “social networking”? (Facebook etc.) If so, how?**

The future of marketing could very well be in social networking but for me I am sitting on the sidelines on this one. The reason is simple; I do not want a perpetual record of things that could be misinterpreted belonging to the virtual world. I am thinking of getting a Face Book page for family issues but never for business reasons.

## **28. Do you have a business office or do you work out of your home?**

I think we all need a place that is dedicated to work whether it is in your home or in a professional business environment. If it is at home then close the door and actually work.

Set some personal rules and boundaries for your active work time and stick to them.

## **29. If you had a choice, how much longer would you like to work?**

Very few of us actually want to work forever. Determining how long to work will allow you to plan for a business termination period.

Your business could be closed or it could be sold but selecting a reasonable period for retiring allows you to better plan for it financially. Many people have that decision taken from them due to illness or other circumstances.

Planning for an end to your career is just as important as planning your marketing. It keeps things in focus.

## **30. Are you financially responsible for anyone other than your immediate family? (parents etc.)**

Business decisions can be affected not only by your immediate or personal life but by those who could be in need at a later time. Outside issue that could affect your savings and retirement planning.

## **31. What is your opinion of “Annuity Marketing Organizations?” (FMO) Are they helpful or do they get in your way?**

Your FMO in many ways is like the IRS, they are your business partner. Every time you make a sale they (FMO and IRS) also receive revenue. I think an FMO should be helpful not only in product delivery and explanation but in lead generation and marketing.

Ask your FMO for their ideas about leads. Remember, anyone can provide you with product but solid and helpful FMO's will help you with marketing ideas and lead generation.

## **32. Does your current FMO help you with lead generation?**

See 31 above.

## **33. Do you sell on the first appointment? Do you use a “fact finder” to collect facts and feelings from your prospect?**

Selling annuities is about understanding how a prospect feels about themselves, their assets and their goals. In order to understand these feelings, you must ask questions that involve feelings. Once you understand how a prospect feels it is possible to assess whether an annuity could provide the desired benefits.

I have found it very difficult to build a relationship quickly enough to conduct a fact finder and provide a solution on the same appointment.

I have always used the two call approach. The first appointment is to gather the facts and understand the

prospects situation and the second appointment is to provide a solution in writing after analysis.

Using a fact finder approach is basic selling science but conducting the fact finder effectively is an learnable art.

## **34. Do you provide a list of references for your prospects?**

If you want to make sales and build a clientele you must be somewhat transparent. Your prospects want to trust and believe you but making huge life decisions can be difficult unless they completely trust the person (agent) and the process.

One method of building a solid relationship is to provide your prospects with a pre-printed list of references. Invite your prospect to call any and all on the list and ask about you personally and professionally.

**Transparency** can be a big step in building solid relationships.

## **35. Do you ask for referrals? Do you feed names for referrals to your clients?**

The best lead possible is a referral from a satisfied client. Almost always non solicited referrals are a sale. Have you considered “**feeding**” referrals to your prospect?

This method is based on information collected during the fact finder. Contacts, family friends and other names mentioned during the fact finding process are fed back to the prospect during subsequent meetings.

Always ask for referrals and be smart, feed names into the referral process.

## **36. Do you know what these initials stand for? OCS.**

The **Genius of the OCS** (One Card System) is that it works. It was given to the life insurance industry as a gift from Northwestern Mutual Life in 1965. I suggest you buy the system (from National Underwriter) and learn the nuances.

The system **doesn't** work as well with annuities but it does provide you with superior knowledge of how to market insurance products.

The OCS is based on solid statistics and our system **(ERMS)** is based on it. ([www.retirevillage.com](http://www.retirevillage.com))

## **37. Have you ever heard of or ever used Feng Shui in your business or personal life?**

**Feng Shui Definition:** the Chinese art or practice of creating harmonious surroundings that enhance the balance of living, business and relationships.

When I first heard of Feng Shui **I laughed** until I cried, then I was talked into trying it and guess what?

**I became a convert.**

Feng Shui is about balance and about things being in order. If having things in order allows us to build better and stronger relationships then how can that be bad?

Value builds trust, trust builds relationships and relationships lead to sales. Having things in balance helps.

Explore Feng Shui and see for yourself.

**38. Finally.....if a personalized plan is designed for you that makes sense, would you agree to use the plan and stick with it for one year?**

**Plan your work and work your plan.**

# 1. Leads; Pre-Qualified and Pre-Screened

**Pay as you go**, absolutely no large upfront fees. These leads are expecting a call from you to discuss their Retirement Money....You will know all the details about their retirement assets, such as how much is available for an annuity.



In 2010 the average sale was **\$214,000** for every 10 leads.

Ask us for references of agents who use these leads...

Call for all the details...

# 2. Seminar Selling: Our Way

How would you like a guaranteed 15 **buying units** for \$1,500? **Guaranteed** to show or YOU DON'T PAY!

No meals to serve. No invitations to send. No location to find. Just show up and speak.

[Click here to listen to a 10 minute overview.](http://www.focusgroupusainc.com)  
([www.focusgroupusainc.com](http://www.focusgroupusainc.com))



# 3. ERMS: Electronic Response Marketing System



The “**Ultimate**” outsource marketing system. Maximize your marketing effort by using our system to corral those sales that otherwise would be lost!

No management on your end, we drip on your clients and prospects for you and send you the leads daily. (Daily lead report.)

**We do it all for you!**

[Login is daiddemo password is pass333.](#)  
[www.retirevillage.com](http://www.retirevillage.com)

## 4. Safe Money Radio

Your own 30 min customized radio show!



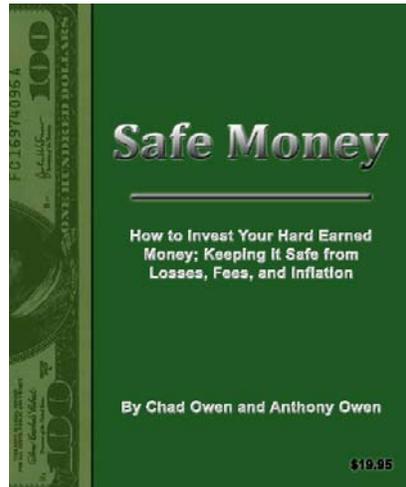
**Be a celebrity!**

This system is “Totally Turnkey!” Over 50 agents in cities across the US now use this powerful and credible lead generation system.

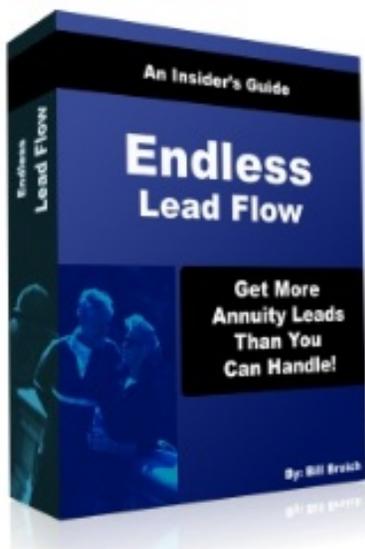
Your prospects call you!

[Click here and listen!](http://www.safemoneyradio.com) ([www.safemoneyradio.com](http://www.safemoneyradio.com))

**Plus**....The Best Premium Giveaway in the industry....Our “**Safe Money**” Book....Build relationships with this intelligent approach.



**Plus**....Our Nationally Known Book based on our personal selling experiences.... “**Endless Lead Flow**”....see how we do it!



**Plus**...deep discounts for direct mail orders direct from **ARM Leads...** ([www.armleads.com](http://www.armleads.com))

Annuity.com is an Internet Based Marketing Machine Designed to Brand You to The Product You Sell and Drive Client and Prospect Leads to You!

