# WHY PEOPLE BUY


By Guy E. Baker CLU, MSFS

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Dedication – To the many wonderful buyers who wanted to buy what I could sell.

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# About The author

Guy Baker is Managing Director of BTA Advisory Group, a Newport Beach, California based management consulting firm specializing in the issues and problems facing closely held businesses. He is also the Managing Director of Baker, Thomsen Associates, a compensation and benefits consulting firm specializing in closely held businesses.

He graduated from Claremont McKenna College (BS/Economics-1967) and the University of Southern California (MBA Finance-1968). Guy earned a Chartered Life Underwriter (CLU) degree in 1972 and Chartered Financial Consultant degree in 1981. He also holds a Master's degree in Financial Services (MSFS) and a Master's degree in Management (MSM). In addition, he is a Certified Financial Planner (CFP) and a Registered Health Underwriter (RHU).

In addition to being a life and qualifying member of the Million Dollar Round Table [MDRT] since 1970, Guy has been a continuing member of the Top of the Table (the top 500 international agents) since 1977.

Guy has received many industry awards, including the Pacific Life Preston Hotchkis Distinguished Service Award, the Pacific Life Agent of the Year and the Orange County Agent of the Year. He led the Pacific Life agency field force in total production for seven years since 1986. He also finished as one of their top ten agents for over 20 consecutive years. and was admitted to their Council of Leaders in 1995.

Guy is active in the community, having served as Chairman of the Mexican Christian Mission in San Diego, an organization which supports over 60 churches and pastors throughout Mexico. He was also Chairman of the Board of Regents for the Instituto Internationale Biblico de Mexico. He was a major gifts fund-raiser for the Orange County Center for Performing Arts and has also served on the fund raising committee for South Coast Repertory Theater. He is Past President of the Claremont McKenna Alumni Association and was a member of CMC's Board of Trustees.

An internationally known speaker, Guy has written two other books–*Baker's Dozen—13 Principles for Financial Success,* and his widely acclaimed book on Modern Portfolio Theory *Investment Alchemy*. His booklet, *The BOX*, has been widely distributed to life agents as an easy-to-understand discussion tool about the mathematics of life insurance. He also has an 8-cassette training album called "Market Tune-up" to assist professionals in their efforts to increase productivity.

Guy has been married to Colleen since 1967 and they live in San Juan Capistrano. They have four children and seven grandchildren.

# Introduction

Sales people are incredible human beings. They are always looking to improve, looking to find new ways to communicate, looking for ways to do their business better. A sales person is like a high-tech, powerful automobile. If it is not kept tuned up, the power will go away. This book was written to and for all sales professionals, professionals in the truest sense of the word: professionals who want to improve, to hone their craft, who are not satisfied with last year's results, but want to continue to bring their very best to their clients.

Maybe you have noticed the selling game has changed? Buyers are more savvy now than ever. They have access to more information, more technology than ever before. They have more insight into their needs. I am reminded of a story I heard once, where a mother had just returned home from her doctor's office. The doctor had diagnosed her child with an ear infection and had prescribed a certain medicine. The mom, still concerned about her child, decided to investigate further. She got on the internet, looked up the diagnosed condition and read through the volumes of information she found on-line. After careful research she called up the doctor and told him about her discovery. She questioned his diagnosis and gave him a detailed explanation that confirmed her findings and concern. The doctor ended up agreeing with her and changed the prescription.

The facts of this story are less important than the point. A consumer can bring significant information to the sales table. They can be much more prepared and aware of their alternatives than ever before. As buyers become more sophisticated and knowledgeable, sales professionals can expect them to be extremely sensitive to everything we suggest to them. Part of our selling strategy has to be about managing this increase in knowledge and the concomitant expectations.

But that's not the entire story. Competing sellers are becoming more sophisticated. They have access to the same technology, the same level of information and are much more knowledgeable about the buying habits of their prospective clients. As a result, professional sales people must have more insight, be more aware than ever before, so they can protect their client base and continue to grow with it. We all know it is more difficult and expensive to acquire a new client than to retain one.

Today, with a lap top, a carefully scripted presentation and sufficient training, a rookie salesperson can sound very sophisticated and knowledgeable to even the most affluent and sophisticated buyers. This can happen in a matter of weeks. Buyers, who were once the sole providence of the true professional, (professionals who were most experienced, knowledgeable and trained,) can now be "seduced" by the newest recruits. Why? Because these newbees can present compelling information in a professional way that will gain attention – all on a laptop.

All this to suggest that, as sales professionals, we need to continue to grow, to maintain our quest for excellence. We need to continue to study and never allow ourselves the luxury of relaxing and thinking we "have it made."

I have discovered there are very few books on selling and sales strategies. If this is true, then there must be a logical reason why. Maybe it is because very few people really know what it takes to "be" a successful sales professional. How much training and sales material is written by truly successful salespeople? After all, everyone is selling something. You believe me, don't you?

It doesn't matter if it's just a little child trying to convince the parents to buy a toy, an employee trying to get a raise or a customer trying to return a purchase to a department store. We are all selling something most of the time. We are all selling during most of our waking hours - selling something to someone. The issue is really whether we are being paid to do it.

We sell our ideas, solutions to their needs, ways to solve our hurts and pains, achieve our hopes. We are all seeking affirmation, self esteem and better relationships. Whether it is relief, a raise, new work conditions or whatever, we are selling! What's the point? I guess I am just getting tired of hearing people say I could never be a salesperson, when reality says otherwise. And in the final analysis, is there anything really wrong with selling?

If you are like me, you probably like to buy but hate to be "sold." There is nothing worse than going into a store and being hasseled when you really want to ponder and browse. Have you ever wanted to get information about a product only to have the salesperson attempt to "close" the sale before you even knew what you wanted to buy? Annoying? It's no wonder salespeople have a bad reputation – professionals are painted with a wide brush.

Selling is a noble and honorable profession. We have nothing to apologize for. Companies are successful because their products are purchased by the consumer. How did that happen? Gaining consumer acceptance is one of the modern miracles of our day. It doesn't just happen, somebody has to create that desire . . . ad agencies create advertising to improve communication. Desire is created through awareness. Even the internet is based on response marketing. Something will happen when the buyer decides to buy.

**The Role of the INTERNET**

Speaking of the internet, a whole industry has been created based on the proposition products are commodities. That means, once the buyer knows what they want, the only determining factors become quality and price. Consumers determine the quality themselves, then they start looking for the lowest possible price. The internet is a perfect vehicle for commodity selling, because it brings multiple vendors to the storefront, right in our home. The only remaining question, once the buyer shows interest, is availability and delivery.

Will the internet eliminate you and me – the salesperson? I don't think so. There are still a myriad of products which simply must be purchased through traditional selling methods. A sale only occurs when the buyer is *motivated* to buy – often by a desire or an outside influence. Unfortunately for those who would like to render the salesperson obsolete, selling non-demand products will always require a salesperson. Until the vendors can figure out how to create desire for something most people don't want, there will always be a selling profession. The internet is a wonderful intermediary but in the final analysis, consumers go to it, not the reverse.

**Why Eliminate the Sales Function?**

Have you ever asked why so much effort has been invested trying to eliminate us? Could it be greed? If a vendor can eliminate the cost of distribution, then the buyer can get the product cheaper and the seller can make more on each sale. Understanding this important principle will be the difference between survival and extinction for most of us. We must position ourselves so we are irreplaceable. We can only accomplish this by selling selected products which will forever require "value added" services.

What do I mean? The product can never be the only thing the consumer is buying. If it is, then the consumer can go to the internet and get it (or wherever they can find it.) Value added is what we bring to the table, our knowledge, wisdom and skill.

A classic example of this is buying a watch. Everyone knows you buy a watch to determine what time it is. People don't want the watch, they want the time. If your product or service ever becomes independent of you, you have problems. It is only when the product and the service are inextricably woven together can we really have security.

**My First Sales Job**

Having said all that, let me share with you a brief synopsis of my sales career. I started by selling soap. That's right, soap. I was only 7. It was not detergent or dish washing lotions, but bars of hand soap. I wanted to go to summer camp with the YMCA. The Y had a program to help us earn money. All I had to do was sell enough soap and I could earn a scholarship. I remember my Dad driving me around to various neighborhoods so I could go door to door. I sold soap to some and was rejected by others, but ultimately I did achieve my sales goal. I was driven to attain my goal. Even at seven years old, I knew what failure felt like. I also experienced call reluctance. It was hard knocking on doors. But even so, I didn't want to fail.

I sure do remember my call reluctance. I remember the fear I felt when I rang the doorbell and had to wait and see if anyone was home. What would they say? What would I say? Would they be friendly? What I remember most about selling soap was how I fine-tuned my presentation. I remember experimenting with different ways to ask people to buy. I kept trying different ways to say my spiel until I discovered the "perfect" way. Once I had it down, I kept using it over and over again. I had to learn how to start the conversation, transition to the product and then ask for the order. It was easy, once I understood the system. Here I was, a successful salesman at seven. Little did I know then what lay in store for me in the years to come.

Truthfully, I really did like sales – right from the beginning. There was something fun and exciting about the unknown - the challenge, the hand to hand combat, the victory. One summer, when I was sixteen, I needed a job and started looking in the newspaper at the want ads. I saw one that was intriguing. It sounded interesting and I decided to go interview. They wanted me to sell encyclopedias, but my mother didn't like that idea much. I passed the test and they wanted to hire me. But Mom said no! I was so disappointed. It sounded like fun and I was up for the challenge because everyone told me it was a very difficult job, if not impossible. I still wonder today how I would have done.

During my college years, I worked various jobs. I pumped gas, worked in a MacDonald's, was a waiter in a fancy steak house and sold shoes for a major department store chain. In fact, I was assigned to several different departments - sporting goods, housewares, cameras, appliances and finally shoes. I loved the sales activity, the opportunity to discover what people wanted to buy. Obviously, they wanted something, otherwise they wouldn't be there. But what I loved most was the competition. My goal was to make more sales than any other salesperson on the floor in my department. I wasn't just content to have the most transactions; I had to have the highest dollar volume as well.

My strength was in my ability to work two and three customers at the same time. I never received any customer complaints, so I guess I must have done ok. But the thrill of the activity, the selling, and finishing the transaction was intoxicating.

I share this only because it is important for you to know as you read this book that I have successfully sold both tangible and intangible products. I understand selling from both sides of the street. More important, my results showed I was good at it. Mind you, I am not saying I was ever the best. But I got top level results, consistently. There is always someone smarter, quicker, faster, meaner and leaner. But I think this book will offer many insights which can help you – whether you are just getting started in sales or if you are an old veteran. In fact, I have been told by some of the best sales people in the financial services world that this book helped them. That's really fun to hear.

**After I Graduated from College**

I finished graduate school with an MBA in Finance and almost took a sales job as an industrial sales representative. I liked the idea of selling tangible products. The only reason I didn't take that job was Colleen, my wife, didn't want us moving around the country every three years. She wanted to have a stable home life in an established community. I felt I needed to honor her request. Unfortunately, most of the sales jobs I investigated required travel and relocation. The only way I could advance in these companies was to relocate.

That left few options. I was still selling life insurance as I had been for three years. I started during the summer prior to my senior year. The insurance carrier had a training program designed to introduce students to selling life insurance in the college market. They designed a product specifically for college students – a low cost policy with high levels amounts of guaranteed insurance that could be purchased in the future with no physical. It was a great idea and I sold a lot of policies.

There were 37 of us from various colleges who were recruited and decided to take the job. During the first eight weeks we were in the classroom. Ralph Brown was the instructor and he taught us the fundamentals of life insurance. The last four weeks were devoted to OJT – on the job training.

When summer ended we went back to our respective colleges to see what we could do. The following June I ended up number one in the class by placing 57 contracts. As a result, I was asked to be on the training team for the next class of trainees. I had graduated from college now and was going to go to graduate school. The situation was ideal. Ralph offered me a management job during the school year supervising 5 of the agents I trained that summer. I was also to continue hiring and training new representatives.

I hired 20 college agents during the next 18 months. A few survived, but most were unwilling to make the effort required to be successful. One stands out in my mind. He sold the first 8 students he talked to and then quit. He couldn't stand the pressure.

When I graduated, I had nearly two years of management experience. I felt I had developed a track record of success. The company offered me a full-time management position. But I thought I should "shop around" before I committed myself to the financial services industry.

I interviewed several other insurance companies, banks and large companies offering industrial sales positions. It became painfully apparent I was making more money selling life insurance part-time than I could hope to make in any other job. Those jobs were offering me $850 a month to start. But I had been making over twice that much between my sales commissions and the management salary. All the while, I was attending school full-time. I had hoped to escape the inevitable but it didn't look like I could. Selling life insurance was too good to pass up – especially if I could be successful at it. My mother was not happy.

**My New Career in Selling Life Insurance**

So, I decided to become a full-time life insurance agent. Ralph suggested I pass up management. My initial contract date was February, 1970. My goal was to make Million Dollar Round Table (the premier sales idea organization in the industry) that year and qualify for the company meeting in Mexico City for 1971. I also wanted to qualify for the National Quality and National Sales Achievement Awards. I reached all of my goals that year, but just barely. I could look back with satisfaction at a hard year, but I felt significant pressure and anxiety. I proved I could do it – but only once. Could I do it again? Consistency was the only true measure of success.

I could tell you many stories about my first years in the business. I'm sure most financial advisors could. Suffice it to say, I always felt like I was going two steps forward and one step back. It took at least six or seven years before I really gained any confidence that I could make a consistent living selling financial products on straight commission. Having made Million Dollar Round Table my first year was a meaningful measure of success for me. But I soon learned I had to focus on other goals – goals which were important to my long term development and peace of mind.

**Lessons Learned**

Having given you this brief history, I want to make one thing very clear. Sales success begins with survival. He who learns to run away, lives to sell another day. The secret is to not burn bridges (by that I mean relationships). Make every good contact a lasting relationship. We have to learn to survive long enough to achieve compounded success - meaningful success. Only quitters fail. There has never been a failure in the life insurance business – only quitters. "It was just too hard" and "I didn't stick it out" are not good excuses to quit. I don't mean this to be shaming or condemning. I just mean that anyone can be successful selling anything, as long as you stick with it. Whether you are selling commodities, equipment, supplies, investment products or whatever, if you are selling a good product, anyone can be successful. The question has been and will forever be, "Do you want to succeed badly enough to pay the price?"

Are you willing to do what you have to do to be successful. I used to say that I would crawl through a field of barbed wire, broken glass, rusty nails and land mines to get an application. I would go anywhere, anytime, anyplace if it meant I would meet a good prospect who would do business with me. I didn't do this because I wanted to. I made myself do it. I knew that if I ever once allowed my lazy side to get the better of me, then it could happen again. Quitters quit because they can't make themselves do what the survivors do.

Another way of saying this is that successful people are willing to do the things unsuccessful people are unwilling to do. That was my mantra for years. It drove me when I was discouraged and wanted to give up. I kept asking myself if I was really willing to quit. Was I going to give up and admit defeat? And if so, then why had I paid the price for so long - only now to give up?

If I was tired mentally and physically, then it was harder to see those choices clearly. I needed to take a break and get away for a bit. But when I was fresh and had perspective, I had new energy and was willing to do what I had to do.

**The Big Eight**

What can you learn from these thoughts? Here are some attitudinal mindsets to consider:

- Never quit. Take a break, get perspective, but never quit. Only quitters fail.
- Get your rest. Then come back and hit it again.
- Be willing to pay the price. Invest in your business with both money and intellectual capital.
- Make specific goals and work hard to achieve them. Make them your goals, not someone else's.
- Love what you do. Put your heart and soul into it. Don't be half-hearted in your efforts.
- Don't let your call reluctance stop you. Purpose to overcome any fear.
- Obviously these people wanted to buy or else they wouldn't be talking to you.
- Consistency is the only true measure of success.

When (if) you finish reading this book, my fervent desire is that I will have given you hope. Our future as sales professionals (regardless of product) rests entirely on our ability to always see tomorrow in a new and fresh light. We must always remember that today is just one more day in a journey to success. We can never let the disappointments of today keep us from being enthusiastic and excited about our next sales call.

We never know what will happen the next time! We cannot project our fears and struggles onto the next situation. Our next prospect is fresh and interested in what we have to say. We owe it to them to always perform at our highest level.

Let me know what you think, when you finish reading this book. You can e-mail me at guy@standel.net.

# CHAPTER ONE

# Perfect Practice Makes Perfect

Commission sales may be the last bastion of free enterprise. It is true capitalism at work. Why? Because it works on the principle of supply and demand, the natural competition between a wary buyer and a *willing* seller. As a survivor of the "sales game," dating back to 1966, I can speak with authority about the virtues and failings of a sales career. As a professional speaker/sales trainer, I have discovered most sales professionals are instinctive. By that, I mean, they just do what they do and are woefully unprepared to explain to others exactly why it is people buy.

My sales niche was originally selling life insurance. I have heard it said that if you can sell life insurance successfully, you can sell virtually anything. I don't know whether this is true or not, but I do know my sales experiences taught me there are identifiable, repeatable patterns of buying behavior. Once I learned to identify them and pace my presentation based on the buyer's reactions, my results soared. In later chapters I will refer to these repeatable patterns as the buyer's process – a process that produces predictable responses and predictable results.

Think of a successful manufacturing company for a moment. These organizations, even the least successful ones, have repeatable fabrication or manufacturing processes used to assemble their widgets. Imagine that each week, the manager of the plant walked into the foreman's office and said, "Joe, it's time to change our manufacturing process again. How would you like to do it this week?" I don't think so! What would happen to productivity and profitability if the plant manager had to rethink and re-engineer the manufacturing process every day? Not only would the employees become confused, the quality of the product undoubtedly would suffer from a lack of uniformity. Profits would decline and confidence would lag.

No organization could afford to start over each day. They have to have repeatable assembly and manufacturing processes which are time proven and tested. In fact, time spent testing these processes actually improves the quality of the manufacturing procedures. New ideas, efficiency improvements and new technology all result in economic improvements, which ultimately increase productivity and profit. But implementing them takes study and forethought.

I believe the same thing is true for us - the sales professionals. We must learn to do things on purpose, with planning and forethought. Regardless of our chosen industry, we also need to have a repeatable selling process we can duplicate time and time again. We need a process that is time-tested and proven–one that can be practiced and improved as new ideas, technology and better understanding of human behavior come into being. All of these considerations increase efficiency and effectiveness.

**The Value of a Practiced Presentation**

Think with me about the skill drills professional athletes use to improve performance. The dedication to excellence they have mastered to be among the elite in their game. Think also about the tremendous monetary success they have achieved in recent years. But only the best are rewarded. Imagine a top golfer or baseball player who decides to walk out on their field of choice with virtually no preparation. Imagine their self talk, "Oh well, I'll just wing it. I'll go out and see how I'll do today." It's not possible! The stories of practice and hard work are legendary. Look at the hours Jack Nicklaus devoted to swinging various clubs to work on his tempo, form, feel and touch. He honed his skills, round after round, with many hours of practice.

What happens when a professional doesn't practice? What happens when there is a long layoff? They have to play themselves back into form. Athletes coming off the disabled list take weeks before they gain their original form. Very little separates the "Haves" from the "Have Nots". Yet, do you, as a professional salesperson practice anything? And even if you did want to practice, what exactly would you practice? That's what this book is all about, helping you develop a practice procedure that you can learn and practice – A process that can take you to the highest levels of selling.

In 1966 when I started selling life insurance to college students, I was taught a sales track written for that market. I had a nicely prepared presentation booklet which followed the track. I referred to this as my "Dick and Jane" reader. It had big print on each page, queued to the story line. I can still remember it today:

> After years of experience, Pacific Mutual Life has found there are three very important factors for today's college student to consider when he starts thinking about his life insurance program. These factors are need, ability and insurability. Does a man in college need life insurance?

Of course, there was much more to my sales process than a memorized sales track. But the fact I can still remember this sales pitch 30 years later, is testimony to the fact I worked at it. I am not suggesting you need to memorize every word you are going to say to a prospective client, but I do believe salespeople need to have a specific track to run on and they need to know it cold.

There is a proven sales axiom I learned years ago. "People do what they want to do when they want to do it." This is an important ingredient in understanding human behavior. If it is true, then as sales people we are merely facilitators, not manipulators. Our job is to educate, to communicate what we have learned and know to be accurate in a way that is appealing and informative. Once the buyer understands what we are saying, he will then ultimately decide what it is he wants to do.

There will certainly always be the impulse buyer–the buyer who makes a quick decision and then begins to question his or her wisdom after the fact. But do you want to build your career on finding those people? If buyer's remorse is too high, the impulse buyer will return the product or stop paying the annual fee. It is a fact of consumerism that impulse buyers will often rescind the transaction.

It's obvious, isn't it? You are wasting your time if you have a sale reversed. The advantage to using a repeatable, predictable sales process is the consumer has time to evaluate what he really wants to do and you have the freedom to watch it happen. Working a defined process is the smart way to sell. It allows the buyer time to decide if he really wants to complete the transaction. But even more important, it provides a way to create a REPEAT buyer. There have been several books about making our customers raving fans. People who are pleased with their decisions and are serviced properly return to do more business and tell their friends. Think how expensive it is to acquire a new client. It is just good business to retain your best clients.

In today's competitive world, there are too many alternatives for the buyer to consider. We need to give our prospective customers plenty of reasons to buy. By helping them achieve their objectives, they will be happy and continue to buy from us. I believe "on purpose" selling is the only way this can be done. "On purpose" selling occurs when we use a process–a process that is compassionate, informative and provides added value.

**As You Read This Book, Ask Yourself These Questions**

1. Do you have a repeatable selling process?
2. Are you doing things "on purpose" or by accident?
3. Can you articulate the sales principles you employ?
4. Could you teach these principles to someone else?

If you can answer yes to these questions, then you probably should be writing this book. But even if you can say yes, hopefully I will reinforce what you already know. If you can't answer yes, then I suggest you read this book very carefully. Afterwards, come back and see if you can answer these questions.

I am convinced any salesperson who can answer these questions in the affirmative will have the knowledge necessary to attain the top level of sales success in any profession. He/she will be able to achieve consistent results and those results will distinguish him from all other sales people. I believe it is virtually impossible for anyone to achieve consistent, outstanding sales results unless they know the answers to these four questions.

So, as you read this book, write down the principles as you discover them and then commit them to memory. Internalize them if possible. Then test your sales process and see if you are using these principles to build lasting relationships. I guarantee you, your sales results will improve dramatically once you employ an "on purpose" selling method.

CHAPTER TWO

# The Truth Will Set You Free

Selling is all about developing relationships. It is about helping prospects and clients discover what they don't know or understand about a particular product or service. Many sales trainers teach closing as the most important skill in the selling process. But I believe selling is less closing and more facilitating.

**Selling is a Noble Calling.**

It requires integrity, character, patience, persistence, compassion and a true desire to help others. If your only motive is to make money, then your level of success will be negatively impacted. As sales professionals, we are duty bound to keep our buyer's best interest foremost in our minds. We may find ourselves providing value added services and not getting directly paid for it. Contrary to common thinking, there is no rule book for sales. Nobody ever said the selling relationship had to be fair. But I believe there are some very sound and proven sales principles we can apply regularly and often. If we practice these principles consistently, we ultimately will attain success. I have experienced this personally. I believe this with the very core of my being.

As I said previously, before I started selling life insurance, I was successful selling other products. I had quantitative proof of my sales results. I always had the most transactions with the highest dollar volume. Why?

As a life insurance agent, I have consistently numbered among the top of my peers. Membership in The Million Dollar Round Table requires every member to submit their qualifications annually. There are over 20,000 members from 50 countries around the world. I have consistently qualified for Top of the Table - the top 3% of the MDRT as a whole. Why?

In fact, I have achieved this virtually every year since the TOT was initiated and I am only one of 40 who have accomplished this achievement. Why?

How did I develop this level of consistency? Certainly, motivation played a part in it. I was motivated to succeed and excel. I put my full effort into doing and being the best I could be. I didn't slack off or give it a half effort. But that is NOT the reason. I believe there is only one reason. *I learned how to help people obtain what they want.* That is the ONLY reason. I learned early in my career that people know what they don't want. What they need is someone to show them how to get what they do want.

When I first began selling insurance, I was very fearful. I hoped I would succeed. I wanted to succeed. But the failure rate among life insurance agents is quite high. Only 1 out 5 survive beyond 5 years in this business. I did not know for certain I could consistently produce enough commissions to meet my own financial needs. Every salesperson knows commission selling is difficult and that finding a prospect is a lot different than waiting around for buyers – i.e. selling commodities – demand products. Working in a store and serving people who make a decision to come into the store is a different world of sales.

The hardest part of commission selling is dealing with the rejection. Life insurance is a complex financial product. Buyers are reticent and wary. The initial interview starts on an adversarial note. In some cases, the prospect may already own life insurance and is not particularly interested in purchasing more. In most cases, they have no idea how insurance works and have predetermined biases. This is not a good combination. Many prospects tend to ask hard questions and want to know details about a product they don't really understand.

When I first started, every time I was asked a hard question, I became scared. I felt fear and pain. I soon learned these "hard questions" had much more to do with my own insecurities and weaknesses about product and tax knowledge than the client's unwillingness to buy. I had to learn to adjust my own attitude about the buyer's perceptions. Certain questions caused me more anxiety. Questions related to shopping for other quotes and contractual questions regarding the underlying assumptions used in the financial projections created the most anxiety. In some cases, buyers were aware term insurance was significantly less expensive than the permanent products we were taught to sell. The prospects often had a bias regarding permanent products and were price sensitive. I learned I could not control their thoughts, biases or concerns.

When these hard questions inevitably came up, I would worry about how my answer would impact the sale. Sometimes, I would hesitate before I answered them. That was not because I didn't want to tell the truth, but because I was afraid the truth would cause the prospect to decide against buying. I thought that by postponing the answer to these hard questions, I would postpone the rejection. Commission selling is very scary.

Rejection is the difference between paying your bills and financial desperation. (I have been on the financial edge and I don't ever want to be there again.) Ultimately, I would always answer the question and then hope my answer would satisfy the prospect's concerns.

**Paradigm Shift**

These early experiences ultimately caused me to reassess my attitude towards my sales process. I had to ask myself - "problem, problem, who's got the problem?" I discovered I was taking way too much responsibility for their problems and their reaction to the potential solutions. Instead of feeling confident I was only a messenger and acting on their behalf, I found I was trying to defend the products I was marketing and I was accepting full responsibility for the complexity, short comings and difficulties the buyers were experiencing. I believed I had to be perfect to make the sale. Anything short of perfection was a risk I was unwilling to take.

# THE TRUTH WILL SET YOU FREE

My Mom taught me early in life that telling the truth was always the best policy. Sometimes what we know and what we fear are in conflict. I don't know what you think about the Bible or if you have any specific spiritual preferences, but after many years of study, I have come to believe the Bible is the inerrant word of God. That means it is perfect in all respects. As a result of this belief, I accept the Bible's teachings as being the best way to handle a problem. But, regardless of how you feel about the Bible, most people would agree there is much wisdom within its pages.

There are two Bible verses which come to mind when I think of my fears. The first is, "the Truth will set you free." The Greek word for "free" means liberation from the dominion of deceit. In other words, untruth will no longer control you. "Free" means liberation and candor of mind. If you always deal in truth, then you are free from worry. You can say whatever needs to be said and not be concerned with what you have said or to whom. You can live in total confidence there will be no alligators about to get you.

Second, the Bible says that "perfect love casts out fear." Again, going to the Greek, perfect refers to being complete, the paragon of integrity and virtue. The Greek word for "love" is agape. This is not love in an erotic, sexual sense. Rather, it is an unconditional and unselfish love for another when we only want the best for them, no matter the cost to us. "Cast" refers to letting go without regard to what happens to it. It has an intensity and almost violent wrenching impact. Finally, "fear" means dread, terror, alarm and fright. Putting this all together, it says that if our motives are right (if we have the highest possible good in mind for those whom we are serving) then we have nothing to fear - no terror, no dread, no alarm. If we treat others with respect and we "agape" them, there is nothing to fear. The Bible also says no man can hurt us. So, even if they don't buy from us, there will always be another day. When I really internalized these thoughts, I was able to formulate my sales philosophy.

Defining your philosophy for dealing with others is an important part of the sales process. When I finally defined my philosophy, I determined I had three alternatives if I was going to survive in the sales world. 1) I could continue to be afraid, 2) I could stop selling all together, or 3) I could proceed with courage and not let my fears stop me. One of the main characteristics of any successful sales person is their ability to determine the downside and accurately assess its impact. Successful people always measure the possible loss. Once they determine the downside is not relevant, they can go on.

**Should I Stop Selling?**

Obviously, I could just quit. That's definitely an option. Have you ever thought about quitting? Everyone has contemplated quitting at one time or another. That's why it is important for you to pick something you really like doing and be willing to make a commitment to do it well. For me, what has made me continue selling life insurance is my philosophy. I really like helping people create security. But if you don't believe in your product and what your product can do for your customer, then you have to question whether you should continue. So let's look closely at the professionalism of product.

At one time or another we have all questioned our sanity and wisdom for choosing a sales career. I mentioned earlier, my mother was very displeased when she heard I was going to sell insurance. Here she had supported me through four years of college and then I had gone on to graduate school. She wanted me to be an attorney, a banker, a corporate president, not a life insurance salesman. Even though we all know there is an element of selling to every profession, somehow being a professional salesman was not her vision for me. Often we can let the opinions of others cause us to quit.

When you evaluate a product, ask yourself whether you feel good selling your product. Can you be a professional selling your products. Does your product meet these four basic requirements?

1. Is your product competitive?
2. Will people buy it (more important will they buy it from you?)
3. Can you competently explain it?
4. Can you deliver what you promise (without compromise)?

***Is your product competitive?*** There is no way to really know if your product is competitive until you survey your competition. Who markets a product similar to yours? What are the differences and similarities? Can you create a logical and honest analysis to demonstrate the strengths and weaknesses of your product and contrast it to the other products of similar design?

There is nothing more humbling than to find yourself competing against a more knowledgeable salesman - someone who knows their product better than you do. With most products, there are always two or three prominent market leaders. They lead because of certain characteristics ascribed to them by the consumers. If you are not representing the market leader, then trying to sell into this "closed" market will present some interesting challenges.

Ask yourself, who needs this product? You must know your competition, better than they know themselves. You have to understand what the consumer will be examining after you have left. Unless you are able to build a "protective" barrier around your product and services, you will be susceptible to the competitive pressures.

Once you have analyzed your product and determined you have a great story to tell, you should have confidence in your product and you can then aggressively pursue your market. Without that confidence, you will hold back your best effort! Most consumers want the best product they can buy for the money. They need to have a logical understanding of why you think your product is superior. Unless you can show them clearly and concisely the advantages of your product, you are open to competitive attack. I have found one of the best strategies is to become your own competition. Know the other products so well that you actually sell against yourself. You become the buyer for the client and demonstrate the pros and cons of every viable alternative he might consider – all the while demonstrating to them your product overcomes the real concerns they should have. By educating them about the nuances of the product, you position yourself as their advisor and resource. If you are honest and accurate in your analysis, – then you will have a long term client relationship.

By earning their trust and confidence you will prevail. If you haven't earned it, then you can expect they will not do business with you.

***Will people buy?*** Ask yourself, would you buy? This may seem like an obvious question, but have you assessed the demand for the specific product(s) you are selling? What is the market for this product or service? How many people already own it? How many are selling it? The answers dictate your sales strategy.

If it is a new product, you will need to create demand. You will have to demonstrate why your product does the job better than what people are using today. This means you have to fully understand the alternative solutions commonly being used. You then have to assess the cost and the advantages of changing. What is the learning curve for being able to use this new product? What are the costs of switching? What impact does it have on other systems? What are the political considerations in implementing the change? Unless you ask all of the questions and find out all of the pluses and minuses, you are wasting your time.

Asking these questions may seem redundant. But always ask yourself this question, "Would you buy the product knowing what you know?" If you assess your selling logic from the buyer's perspective, you can usually anticipate the reasons why he might not want to do it.

If your product is not new to the market, the problems you face are different. You still have to assess the cost of change. But the current status was chosen for some basic reasons. What are the reasons? Who made the decision? What were the factors that went into making the decision? Have any of those factors changed? If so, how? Knowing those factors now, would you make the same decision today? Would the customer?

People do not like change. Habits are hard to break. The willingness to change is usually tied to one of three reasons–lower cost, more efficient utilization of resources, or politics–they like you and want to do business with you. But even so, all things must be at least equal. In order to determine which reason works, you have to know all of the facts. We will look at fact gathering in another chapter. But remember, selling in a vacuum is foolish. Get all of the information you can before you make a recommendation. This does not mean you have to dispense it, however.

***Can you competently explain it?*** Some products are so technical, they require a Ph.D. to explain them. You must feel competent to market your product. Customers know when you are insecure and feel like you don't know what you are talking about. Unfortunately, this is a "Catch 22." When you first start, you can not possibly know everything there is to know about a product. However, if you wait until you are an expert, you may be bankrupt and out of a job.

Using other people's experience is a fast track to knowledge. Not only do you benefit financially from their expertise, but you also have OJT (on the job training.) You can learn while you earn. Here is an important lesson for most sales people: Most beginners are so greedy to keep what they haven't earned, that they'll sacrifice the case because of what they haven't learned. They can't envision bringing someone else along on the case. It is an affront to their esteem. This is pure foolishness. The only problem is between the ears. Pride is the source of much failure. So you have a choice: if you want to learn, but you can't afford to starve, consider a sidekick, a mentor or partner–not as a permanent arrangement, but just until you get the hang of things. Then you can venture off on your own. I am not saying this out of any selfish motivation. This is experience speaking. I have seen so many insurance agents who would rather have 100% of nothing than have 50% of something.

Your customer deserves the best you can bring them. If you are offering only half of the pie to your customer–the product but not the full knowledge or service–then you are shortchanging both the customer and yourself. The customer is shortchanged because he is only getting part of what he thought he was buying (unmet and unspoken expectations). You are shortchanged because you have lengthened your learning time and perhaps jeopardized a long-term relationship when they discover their loss.

***Can you deliver what you promise?*** Obviously, this is related to the previous issue, but it goes deeper. You might have the best product in the world, but your company cannot deliver what it has promised. The manufacturing process is too slow; the raw materials aren't available; all of the bugs have not been worked out yet in the software. There are ever so many issues, some unforeseeable. But you need to assess the most obvious ones. If you are making promises you cannot fulfill, then you need to know it and show it. You must always be straight with you client, even if it means losing the business today. Your only real product is your integrity.

Too often, in our exuberance and enthusiasm, we ascribe attributes to our products that may not exist yet because the ideas are still on the drawing board and the concepts have not been truly tested or proven. I will demonstrate later how this type of selling causes the prospect/customer to lose confidence in you and the product or service. We salespeople need to be careful to not overstate the benefits or the services that the client can expect. It is better to always under-promise and over-deliver.

The second method for dealing with tough issues is to sidestep them by lying. Obviously this is not a particularly good alternative. Unfortunately, we fall into it all too often.

***Could I lie?*** What if the answers to your sales questions are "no", but you need for them to be "yes"? Not me, you say. I never would. Would I? But before you go on, think about the temptation every salesperson experiences as he goes about his daily tasks. You've seen it. I think very few people will deliberately set out to lie and defraud the customer. But circumstances often dictate the real source of the temptation. Your ability to avoid this temptation is directly related to your personal security and financial well being.

Is it really lying when the salesman promises something that can't happen the way he promised it? The company announces it can deliver the product/service/software on a specific schedule only to discover that due to technical difficulties (circumstances beyond the company's control), the company has to change the schedule. Where does that leave you, the salesperson? You thought it was true when you said it. Was your representation a lie or was it circumstantial? Did the company lie to you because they knew they were having problems and were pressured into a premature announcement? Warranties are written to protect customers from "lies." If the product is fully guaranteed and can deliver what is promised 100% of the time, warranties would not be needed.

Service agreements are the result of products that do not meet the customer's expectations. It's almost like saying, "We know you are going to have problems. We stand behind our product and we will fix those problems." Yet as salespeople, we represented this wonderful product that would do all of these wonderful things. We never really acknowledged the servicing and technical support problems the client would face. Or the time and energy they would have to expend to get what they wanted.

Look at the disclaimers on the labels of most products or the SEC-required prospectus statements that accompanies most financial products. Those disclaimers would not be needed if products really did deliver what was represented by the salesperson. These discrepancies create an environment that can cause salespeople much anxiety. These gray areas create the ethical issues we must all face and resolve for ourselves.

It is the gray areas of life which cause the customer to ask the hard questions in the interview. They occur to them through experience. Can you separate yourself from the crowd? Can you be different?

As the buyer becomes more sophisticated, the more sophisticated the questions will be. The buyer really wants to know. In order to overcome these hard questions we basically have two choices. We can shine them on by passing over the hard questions and down playing the questions as unimportant. Or, we can choose to face the questions directly and educate the consumer about their concerns. By demonstrating to the client the implications of the risks, we demonstrate we can be trusted. Remember, if people really do what they want to do, when they want to do it, what have you got to lose?

If the customer is uncomfortable with you and your explanation, he is likely to pass on the deal and go on with his life. If you have invested many hours only to have the customer move on, the cost is high. This is when high pressure or at least the perception occurs. The buyer/seller tension can cause much anxiety and misunderstanding. On the other hand, if you play it totally straight, you might lose this deal, but you will retain the right to come back with another idea.

Ask yourself what you are really selling–products or relationships. Short-termers sell products and long termers sell relationships. It's that simple. If you take a long-term perspective – then you don't have a dilemma.

The final alternative is to change your selling style and try to develop a method that would eliminate the power of the objections.

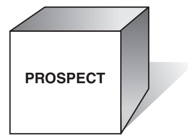
***I could develop a riskless sales method.*** The tension between the buyer and seller is what led me to develop my "riskless" selling method. I firmly believe it is possible to build a sales process so respectable, ethical and honest, that you can proudly approach anybody who might be a prospect for your services or product. You can do so with the knowledge you have something valuable to say and offer. More importantly, you also can know that if your reputation precedes you, it will be in a positive way. If there is any "key" to my sales success – it has been this mindset.

The secret is to fully understand the natural anxiety your customer/prospect feels and anticipate his anxiety before you engage in the sales process. If you can fully assess the reasonable issues and problems you are likely to face with virtually every prospective buyer, you can then build a delivery system of information that substantially reduces the likelihood the buyer will not buy from you.

You must remember what you are selling. You sell relationships. You sell the right to continue a dialogue with this prospective buyer. If you ever lose sight of this objective or the right to maintain the relationship, then the relationship is over and you will have to find someone else. How many of these can you afford to lose before it starts to impact your reputation and ability to work in your chosen market. Good prospects are hard to find. Building a relationship is even harder. We will look at this more thoroughly in a later chapter, but I want to highlight the process for you now.

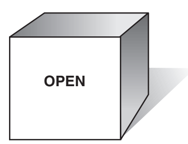
The first step in the riskless sales process is to carefully identify the prospect's need for your product or service. You need to be able to sift through the universe of prospective buyers and ascertain whether or not the person you want to approach really needs what you have to offer. Marketing and attracting qualified buyers is another area which is beyond the scope of this book. (I would strongly recommend you read Bruce Etherington's *See the People*.) But once you identify a prospect, what is your strategy? What do you say to the prospect to instill confidence in you? Do you really know what you are selling in the first interview?

Once you have identified your prospect and established your credibility, you must accurately and quickly communicate what you have to offer and why, in your opinion, you have the unique ability to help him. This is often the unspoken objection and question. You must deal with this issue in a non-threatening way which will allow the prospect to decide if he agrees with your assessment. Does he, in fact have a need for your product or service? Is he willing to consider an alternative? Does he believe you can provide him with a path for evaluation? You are asking him to invest in you. Can you deliver? At this stage of the process, the secret to success is for the prospective customer to be able to differentiate between agreeing to buy your product and agreeing to look carefully at the advantages you have to offer.

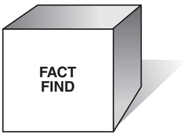



This stage is the key to the opening interview – gaining access to the second interview.

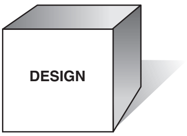
If you both agree the customer should look further, then you must accurately gather as much information as you can from him. Be systematic and complete in the fact finding process. In order to accurately determine whether you can help him, you must know what he knows. You have to climb inside the customer's skin and think like he thinks. More importantly, you must determine whether or not you can help him. This may seem obvious, but the sale is made here, in the fact finder. If you do the right job of gathering data, you actually assure the success of your close.



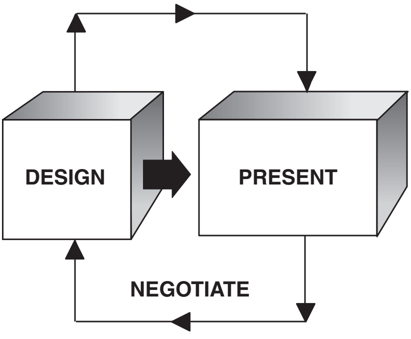

Once you gather the facts, you then have to formulate a plan design that will accurately reflect the prospect's current situation. Whether you sell copiers, computers, manufacturing equipment, or any other tangible product, your proposal must include the information you have gained in the fact finding process. Whether it is as simple as the car he wants to drive or the type of shoes she wants to wear or as complex as recounting the state of their current financial situation – the process is the same. Remember, he will tell you what he wants to do. You have to develop good listening skills and use these skills to understand the prospect's needs. Once you totally understand his current position, you can then reflect on possible alternatives and present your ideas.




The design/presentation functions are really a negotiation of sorts. Here is where you feed back your understanding of his needs and then, hopefully, he responds by affirming or denying your understanding. This is an interactive process that continues until he feels you understand his needs and have accurately represented his alternatives. As you hone in on these needs and give him viable alternatives to solve those needs, you begin to move towards a decision. This interactive process will probably take several attempts before the prospect finally agrees the solutions fits his needs. But in the problem-solving environment, this interactive process is the sale. It is during this back and forth process the client comes to fully understand his needs and then convinces himself that he must he take action. If you come to a point where you are unable to find a common ground, the negotiation stops.

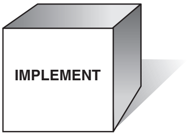



Implementation occurs only when the prospect agrees the solutions you have presented meet his needs, when he expresses his willingness to move forward on your recommendations. This is commonly called the close. If you have done this correctly, the close is automatic.




So, which method of selling will you use? Life is a series of choices. All of the marketing data on consumer preferences show buyers want choices, demand choices. This means, as sales professionals, we have to change our approach. It means that you have to shift from being solution driven to being problem sensitive.

This paradigm shift (changing the way you think about things to a new way of thinking) will cause each professional salesperson to assess the method of sales he currently employs.

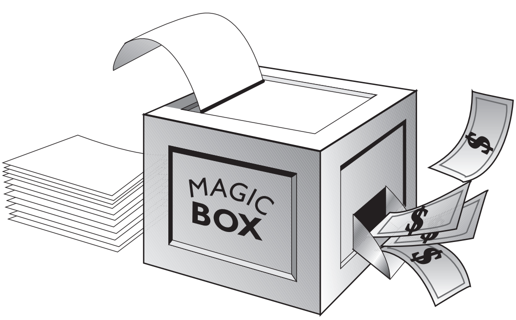



Larry Wilson wrote about partnering in the 90's. He said we have to come around to the other side of the table and start thinking and acting like the partner of the buyer. He was dead right! Studies on consumer preferences show that consumers want advisors. As these consumers convert their needs into buying decisions, they will seek vendors who will sell to them the way they want to be sold. Professional salespeople need to become sellers who appeal to those preferences.

CHAPTER THREE

# The Magic Box

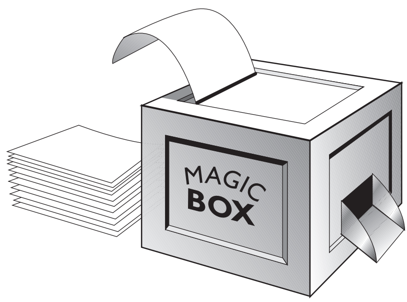
Once upon a time, there was a magic box. It was called a magic box because of its unusual capabilities. It could produce unlimited amounts of money from blank pieces of paper. That's right, money from blank paper. All you had to do was place a blank piece of paper into the slot on the side of the box and out came a large denomination bill–a $100, $500 or $1000 bill from the slot at the bottom. Imagine if you had a magic box like that. What do you think you would do?




Realizing this is not a trick question, most everyone tells me they would put as many pieces of blank paper into the box as fast as they could. Wouldn't you run around and find all the paper you could and then shove it into the box? Well, wouldn't you?

Would you really care how this box worked? Would you care what this box was made of? I doubt it. You would be very careful to protect your box and take very good care of it. I doubt if you would need to know every detail about how the box worked. All you would want to do is make sure you had enough paper available to put into the box.

After a while, you begin to notice you have a major problem. Your box jams periodically—sometimes for days. Using your best problem-solving skills, you decide that maybe you are putting the paper in a little too fast. So you decide you will modulate the flow and slow down when you put the paper into the box. Lo and behold, this works ... at least for a while. Your box starts up again and produces money, just the way it once did.




Fortunately, this story does have a happy ending. The magic box works forever and never stops again. Now, wouldn't you like to own a magic box just like this one?

Unfortunately, none of us will probably ever own this type of magic box, unless we are counterfeiters. But you have something that is equally as valuable: your sales organization. That's correct. Your sales organization is just like this magic box and it will only stop working when you do. Your organization is an integral part of the sales process.

In my business, my organization (my magic box) does all of the repeatable work. This repeatable work is the work which can be systematized and performed by either a computer or a non–professional. My organization consists of administration, design, and production components. The actual sales aspect, finding the prospects, is done by me. I am the one who inserts the paper into the magic box and the organization processes the paper into dollar bills.

To extend the analogy, the flow and grade of the prospects can impact the productivity of your organization. In the financial services business, we call bad prospects 'china eggs.' They won't hatch but they look pretty and draw a lot of attention. As you put more and more of these kinds of prospects into your organization, the box will either jam because the work flow is too fast or because the prospects take too much time and never buy. Discerning a good prospect from a bad prospect is an important part of keeping your magic box from jamming.

Ask yourself this question. How many salespeople who are properly trained and experienced, would lack the confidence they need to make a sale if they had enough good prospects? None?? That's what I think. Virtually every salesperson has confidence he or she can make a sale eventually if there are enough good prospects. I remember thinking very early in my career that if I could just line up the good prospects outside my office, I could make an unlimited amount of sales. The rhetorical question was, "How do I line them up?"

It was this question that started me thinking about the sales process and the magic box. As long as you put good prospects into your system, you will make sales. Whether you are a lone ranger, an independent with no staff, or you have a business organization backing you up, the most effective sales process will always be the same.

Let me give you an illustration. A good friend of mine, Jim Pittman, lives in Portland, Oregon. He is a very successful life insurance salesman. He tells the story of his friend who was a very successful crew member on a racing yacht. The yacht would always come in third or fourth place. The crew knew all of the routines and had learned all of the skills. But no matter how much they wanted to win, they could only come in third or fourth.

One day, this fellow's big break came. He was asked to crew with the best team. He naturally jumped at the opportunity. Months went by and the team continued its winning ways. The friend was integrated into the team and the team just kept getting better, improving a little with each new race.

Jim asked his friend what the difference was. "On the first team you always came in third or fourth," Jim began, "but now you come in first. Can you quantify the difference?"

"Sure," the friend said. "We just do things a little bit better." They tied the knots a little faster, ran up the jib a little quicker, made the turns a little cleaner. Everything was just 10% better. The moral is to practice and practice until you get it just right.

That story made me ask myself, is there a way to do things just a little bit better? Is there any one of us who really believes that the top sales people are just luckier than the rest? I don't think so. There are selling skills that make a difference–knowing the products, understanding the applications, knowing the competition, understanding your customer. If you can just do these things a little better, you can improve the results.

But what skills are there to practice? What can you as a salesperson do a little bit better so you can get the results you dream about? Hopefully, you will know what to practice when you finish reading this book. The very idea of practicing is at the heart of improving. But practice does not make perfect. It is perfect practice that makes perfect. You need to learn what to practice.

As a kid, I loved baseball. I would go anywhere and do anything to play. I was not an outstanding player, but I could hold my own with most of the guys. Every night, I practiced fielding ground balls. For hours I would throw the ball against the wall and practice catching it. I would practice throwing against another wall. I would practice my form and pitch until I was tired. Unfortunately, I could not practice batting. So I would throw the ball up in the air and then hit it against the wall. The point is, I always had my glove on my hand and a ball in my mitt.

Years later, when I started to teach baseball, I realized I had not learned the principles of baseball. I had learned how to play and I had practiced, but I had not practiced the right things. There were actual skills I should have learned and practiced, but was never taught. As I finally learned these skills, I taught them. I taught people how to field, how to slide, how to hold a bat, etc. I taught people to practice the skills they needed to learn to play a better game.

Selling is an art. It requires an excellent understanding of people and why they buy. This knowledge, combined with the right product knowledge and professional services, can bring sales success to anyone. But unless you apply this knowledge and practice it, you are like the formula one race car team with no driver. You have to match the practice with the skills.

Let's look more closely at these foundational skills.

CHAPTER FOUR

# Do We Sell Problems Or Solutions?

As I mentioned in the last chapter, I think the foundational sales skill is understanding people. Salespeople need to be people engineers so we can deal effectively with the many facets and differences in people. Not everyone will agree with you or think like you. That's why you have to adapt your communication style to appeal to as wide range of buyers as possible. This needs to be done ethically and congruently. You can't be something you are not.

One salesman I know is very unique. He is gregarious and outgoing. But he appeals to a very narrow range of individuals. He builds great relationships, but when it comes to the mechanics of the business he is lost. He can not adapt his style to make other types feel comfortable. This is a very successful salesperson by any measure. But he knows his success is limited to a very narrow niche. Get him outside of this niche and he is not well received.

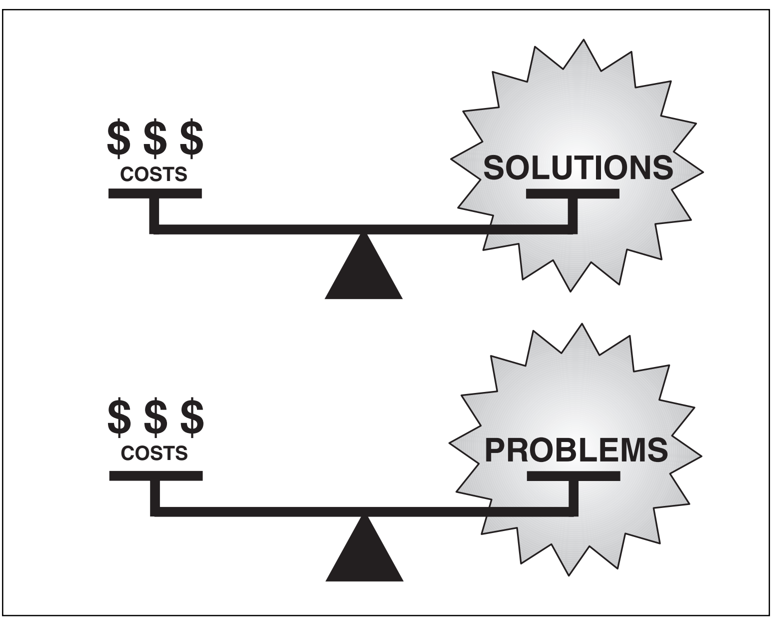
**The Common Bond of Buyers**

Most people operate from two dynamic positions. They either have fears and/or needs. This is the common bond that exists between all of us. I say all of us, because I don't think anyone is exempt from these human factors. At our very core, as humans, there are profound needs, which must be met (food, safety, shelter, emotional stability). There is often an accompanying fear these needs will not be met. Maslow identified this hierarchy of needs. A person can begin to focus on the needs of others only when his own fears have subsided.

When I speak to sales groups, I ask this survey question, "What is it we sell–problems or solutions?" I then ask for a show of hands to determine who believes we sell solutions. Nearly 95% of the audience will raise their hands saying they sell solutions. This makes a lot of sense. We find buyers who are in need of solutions. When we find one, and we have the solution, we complete the transaction. What could be more simple?

If I asked you that question, what would you answer? If you answer solutions, then you fall exactly in line. Imagine that! Ninety-five percent of every sales audience says, "We sell solutions." That's as close to unanimous as we will ever get. But let's think about this and see if that is what we actually sell?

Every sales situation starts in what I will call equilibrium. The buyer has all of the solutions he needs for all the problems he's got. In other words, if our buyer was interested in a solution, he would



be actively out looking for one. In fact, that may be exactly why they agreed to meet with you. They may, in fact, be actively seeking a solution to a problem they have already identified. If so, I call that a commodity, because the deciding factor is most often cost. But, let's assume for now, the prospect has not identified any specific need and is not price shopping. You have caught him off guard, before he began looking for a solution.

**Selling is Often Adversarial**

Let's go back and examine this question of "what we sell" for a minute. Do you believe that selling, by definition, is adversarial? It certainly can be. But should it be? I have personally found the entire process of overcoming buyer reticence/reluctance can be very adversarial. You, as a sales professional, are attempting to convince me, the prospective buyer that I should be doing something I am not doing or am not particularly interested in doing – otherwise, why would I be objecting? After all, there must be some reason why I haven't taken action yet.

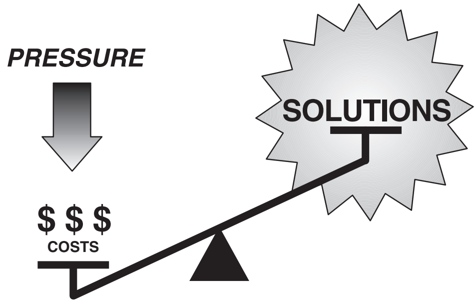
**If you see your job as overcoming my inertia, then you are truly selling solutions.**

The buyer has something every salesman wants –his money! You are offering something he may not necessarily want–your products and/or services. And even if the buyer does want it, he probably wants to pay less for it than you are asking. That sounds pretty adversarial to me.

**The Sales War Begins**

When we first meet a prospect, assuming the prospective buyer is not in too much distress, the problem and the solution are in this equilibrium. As long as the buyer is not focused on the cost, he usually remains calm and peaceful. However, once the cost is divulged to the prospective buyer, the anxiety heightens and the "sales war" begins.

As the conflict intensifies, the cost for the solution grows heavier. In other words, as you try to convince your prospective buyer the solution is worth the cost, you must load up the benefits. The buyer is focusing on the cost benefit ratio. The higher the cost the more they will evaluate the value of the benefit. Now most sales trainers will tell you that you must now go back and reaffirm the needs and why the benefits fit their needs. In other words, load up on the solutions side of the scale additional reasons why this purchase makes good, logical sense.




This is logical in some respects. The only way these benefits will convince the buyer to buy is if they feel the solution solves their problem. But that only happens IF the problem is clearly understood! That's the proper time to stress the benefits–when the buyer clearly understands the problem and acknowledges they have no solution.

**Problem Thinking**

Let's explore this for a moment. Think of the last major problem you were having to deal with in your life. Got it? Okay! Explore what were you thinking? Were you thinking about various solutions and how they might fit the problem?

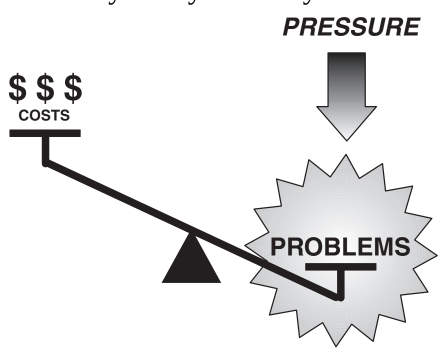
I think the mind sifts through the problem, the relevant information and then determines a workable solution for the problem. With computer speed, your mind sorts through your alternatives and why each one will or will not work. You finally settle on the best solution you think will work. That's how the sales process works. We help people solve their problem by bringing good solutions.

When we, the seller, fully communicate the benefits and value of the proposed solution, the buyer will readily agree to purchase our recommendation. Right or wrong?

Right? Wrong! I think this strategy is laden with conflict and tension for both the buyer and the seller. It suggests that all we have to do is convince the buyer of the benefits of our solution. I win when the buyer buys my solution. I lose when the buyer rejects it. Of course, we have convinced ourselves that when the buyer buys, he is the one who wins. But ask yourself if the buyer feels like he has won. How do you think they feel when it is all over?

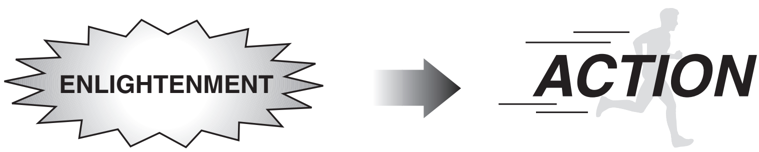
The more we focus on the solutions, the more the buyer is going to focus on the costs. We have to change this paradigm and get him to focus on the real issue–the pain of his unsolved problems. Think back to your problem. What was driving the problem? Wasn't it the pain? If the pain is great enough, then the urgency to resolve the problem increases. The less pain, the less urgency. It is the pain of the problem that drives the desire for a solution, not the other way around.

When the problem is clearly understood, the buyer will want to solve it. Think of the needs - wants paradigm. Is there anything you really need, that you have not already purchased? If you really had to have it, you would have found a way to buy it already. We must remember, people will always do what they want to do. Our job is to make the problem big enough for the buyer to feel the pain of the problem, not the benefit of the solution. In fact, our basic job is to help the buyer understand the magnitude of their problem. I repeat – their problem. If it is our problem, they won't care. But if it is their problem, they will want resolution – NOW! But it can only be accomplished when he participates in the discovery process. When the problem is SO BIG the buyer is willing to pay any price (reasonable or otherwise) to make the problem go away, we have a sale.




This has often been referred to as needs selling. However, there is a difference between perceived needs and real needs. We can gloss over the needs and fool ourselves that we have, in fact, fixed the needs of the prospect. But if the buyer doesn't think he has a need or doesn't believe he needs whatever we are selling, then he isn't likely to take action. It's the problem that matters. Once the buyer understands he has a problem, it is in our absolute best interest to give our prospect some space to process the pain. This is hard to do. We are trained to believe we must control the process and not let the prospect out of our grasp.

But, I think we must leave him on his own to figure out the best way to solve the problem. When the processing is through, it won't be long until you have a viable prospect. I believe it is our job to take the buyer through this curve of pain. We must bring them to a place of understanding.




There is a specific reasoning process every buyer goes through as he processes his problem and then ultimately makes a buying decision. If we can tap into that reasoning process and participate in his understanding of the relationship between "the pain and the gain" (doing nothing and doing something), we are then positioned to implement the decision after he agrees to take action. We'll study this part of the sales process in depth in the next chapter.But first, let me again ask you that all-important question.

**What is it You Really Sell? Problems or solutions?**

Remember, 95% of the audiences have told me we sell solutions. I would like you to consider the premise that "we really sell problems", not needs, not solutions, but problems. The better we are at defining and communicating the real problems to our prospects and buyers, the better we will be at helping them implement the proper solutions. Remember, we sell problems and we implement solutions.

Somehow the whole concept of selling has come to suggest we have some mystical ability and capacity to make someone do something he doesn't really want to do. But let me ask you another question. When was the last time anybody ever made you do something you didn't want to do? How did it feel? Were you happy you did it? Did you feel good afterwards? Probably not! In fact, you may have been a little bit angry about it. I doubt if you said,"I am going to rush out and do that again – it felt so good."

In the life insurance business, when someone purchases an insurance product he doesn't really want, we call it buyer's remorse. But when they really don't want the product, we call it a lapse. Anybody who purchases insurance must want it, or else they won't pay the premiums. I have found buyer's remorse translates into a returned product or an unhappy customer. If this happens, we have wasted both our time and our energy. Why not deal with the buyer's remorse before it strikes?

This idea that salespeople can manipulate, cajole, or pressure someone into doing anything he doesn't want to do is an old–fashioned selling idea. It is a total myth. There are no magic words. Today's consumers are too smart to allow themselves to be sold anything. There is too much information available and competition in the marketplace is too intense to pressure a decision. Remember, we sell problems, and implement solutions. Buyers will avoid relationships which make them uncomfortable. Buyers have learned to beware. They want to control their "buy." The job of a sales professional is to facilitate the buy, not make the sale. We must become known for the problems we solve, not the solutions we sell.

Let's go back now, to the magic box and discover the concept of a filter.

CHAPTER FIVE

# The Selling Process

Even though the Magic Box is simply a conceptual description of the selling process, it does epitomize the need for a repeatable sales process. This is the heart of our sales success. Why? We need repeatable systems so we can take the guesswork out of selling. Secondly, we need visual stories that can bring the more complex concepts into sharp focus. It is a real skill to be able to take abstract ideas and make them visual and understandable.

I had the privilege, several years ago to conduct a survey of the top 500 life insurance agents in the world. These agents are the top of their field. Their average income is $1,000,000 compared to an industry average of $35,000. We asked them a series of questions about their practices, how they sold, what they were trying to achieve. I was looking for common denominators, common characteristics that could be used by others to gain a higher level of success. There was only one trait they all shared. It was their ability to relate complex ideas to others by using stories. They would turn technical concepts into everyday parables to convey the message.

## The Magic Box is a Parable

The Magic Box is one of those parables. It offers a unique way for us to think about our own organizations and selling processes. In order to be successful, we all need to think like business owners. If we think like employees, we will act like employees. Employees do not take risks and are unable to visualize success the way a business owner can.

The Magic Box provides an organized way to think about our selling process. A sales process is a specific set of repeatable steps which leads the participants to a natural conclusion. The process is a path for increasing our sales results by steadfastly applying proven communication principles and learning to use them effectively. The ultimate key to increased productivity is having systems and delegating non-productive tasks.

As a result, our Magic Box provides a conceptual way to analyze your productivity. If we can formulate ways to be more productive, to spend less time doing unproductive tasks, we can either get better results in the same time frame or the same results in less time. Either way we win. We win by becoming more efficient and more effective. Think about how many tasks you can put into your Magic Box.

If you remember, there were two main reasons the Magic Box stopped producing – either the flow of paper bogged down the Box's productivity or the wrong grade of paper was being shoved into the Box and could not be processed efficiently. In our business, we need to modulate our flow of paper (prospects and clients) and select the right grade of paper (our valuable prospects for future sales). It is too easy to pick the wrong paper if you do not have a benchmark or standard. You must protect your organization from inefficient prospects and ineffective work flow.

I called this protection mechanism my FILTER. If your water wasn't safe to drink, you would filter out the impurities to provide clean drinking water. Filters are used in many industrial functions to protect the process. Likewise, filters should be used in various aspects of our life to make certain the impurities are removed. A prospecting filter separates good prospects from bad ones. If you spend your productive time seeking productive prospects, your sales results will increase. If your sales results don't increase, then you have to look for another reason. Either there is something wrong with your products or your sales story. Success comes from eliminating the unsuccessful functions in your selling process.

Top salespeople use a filter to distinguish between profitable and unprofitable activity and/or prospects. During the years, I have studied the top sales people in the life insurance industry. I have surveyed their habits, their selling techniques and their selling rationale. According to these studies, their filter is the most valuable selling tool they own. Why? First, it heads them in the right direction. It keeps them on target. Without it, we would all meander aimlessly, often toward the wrong objective. Second, a good filter prevents them from misusing their resources (the Magic Box) and helps them determine the best way to spend their valuable time. After all, time is really our most precious asset.

**Are Sales Professionals Created EQUAL?**

Every sales professional is given the same skills. They are given a sharp mind, a quick tongue and 24 hours. I was once asked about the number of hours I work. I said I worked half a day every day, and it didn't matter which 12 hours. How we utilize our time is the key to our sales effectiveness.

Alan Boal, a noted author, speaker and consultant has coined the term "ideal client." This client epitomizes your ultimate goals for your business–the type of client you want to be consistently working with.

Do you have a clear picture of your ideal client? Do you have that picture written down and do you look at it frequently? It is not good enough to just say, "anyone who will buy." Our studies show these top salespeople all pre-qualify their buyers. These high performers only deal with people who are pre-qualified to buy. That's right. They virtually make the sale before the sale. They effectively eliminate the unprofitable buyers from the queue.

What does this mean? It means your filter has to be very discreet. The prospect must pass certain tests before you will invest time and energy in your effort to do business with him. There is a critical difference. Instead of finding people who will do business with you, think about finding people you want to do business with. The prospect must meet a certain criteria you pre-establish and acknowledge before you even meet him. What type of factors go into this prequalification criteria?

Well, your test design should depend significantly on the product you are selling and the personality types you like to deal with. In the financial world, the beginning criteria might be age, income, net worth, occupation and family situation. But to prequalify them, I think the filter needs to be much more discerning. Seniors, (over 55) tend to be more interested in their financial security than young singles.

If I am selling to a business owner, do I want a start up or a mature owner who has need for my services? I want him to be successful, have employees and have a desire to see the business continue. When there is at least one family member involved in the business, I find they have a sense of urgency about planning. I want my prospective company/client to be profitable and have value worth protecting. If there are no family members, then I want the business to have partners or key employees who have a stake in seeing the business continue after the owner retires. Remember, we sell problems. If they have no problems, they have no need for our solutions.

If I am dealing with an estate planning situation, the prospect needs to have an estate greater than the tax-exempt portion within the law. My prospects should have an adequate income, plus some assets they consider heirlooms (meaning, they want to keep these assets in the family forever). In the final analysis, my prospects must love someone or something so much, they are willing to do the right thing to protect their assets for the benefit of their family.

If you don’t sell financial services, you may have a different criteria. If I were selling shoes, I would want people with feet. Just kidding! But the customer must need shoes, like shoes, or know someone who does, or why else would they be shopping? Can they afford good shoes? Cheap shoes? Dress shoes? Loafers? Are they able to make a decision?

If I were selling automobiles, the customers would need to have good credit before I would waste time on them. Perhaps he has bought this brand of automobile before. Maybe his car is coming off lease. He may be looking to upgrade to a new year and model, so I would ask whether he has a good trade-in, among other questions.

Each of us knows the best criteria for identifying or categorizing a good, qualified buyer. They can think back on their best sales and see a pattern of success. Why not try to repeat that pattern? Look for people who fit the pattern and then go meet them.

This doesn't mean you can't deal with people outside your criteria. But why? As long as you have a reason, you can stray from your set criteria. But don't just accept any prospect just because "you have nothing better to do." Surveys show top sellers all do the "right things right." They are unwilling to waste time on unproductive efforts. They have a target and are always aiming at it.

Frankly, in the beginning of my career, I wasted too much time on the wrong targets. I was survival driven, not purpose driven. I was not afraid to call on people I didn't know, but I spent too much time chasing buyers who were not specific to my defined market. As I said before, I was willing to go anywhere, anytime. While I tried to only talk to people who were interested in buying from me, I was not building a market. I was not purposely talking to people who would help me reach my long-term business objectives. As a result, my long-term goals became harder to meet.

After my second year, I primarily worked with referrals. But I did a good job of prequalifying them on the phone by asking them questions and establishing a rapport with them before I would go out to see them. My manager, Ralph Brown told me, "Guy, only do business with people who are predisposed to buy." Now I was prequalifying them, but they still didn't always meet my ideal profile. I was dealing with unqualified buyers. Little did I know I had stumbled onto one of the most important keys to successful selling. Remember, prequalifying a buyer is a major element to increased productivity.

**An Unqualified Buyer**

I have continued to use this term "unqualified buyer" and "prequalified buyer." What do I mean by an unqualified buyer? An unqualified buyer is a prospect who does not fit my defined profile for my ideal market. If a prospect does not fit this profile, then why should I spend time doing business with him? The Magic Box can only hold so much paper before it chokes. The prospect profile I developed was based on the long-term goal I had set for my business. I knew of other agents who were selling millions of dollars of insurance to upscale clients. They were doing what I wanted to be doing. I purposed to participate in that market, but I would not be able to reach that goal if I aimed my prospecting rifle at buyers who did not meet the demographics of my ideal client. I had to refrain from going after buyers who were not part of my long-term business strategy. This was very hard to do, especially since I had established work habits based on a high level of sales activity.

Let me make this more clear. In the early stages of any career, the most important aspect of success is activity. Practice, practice, practice. But there comes a time when we need to upgrade our prospects in order to improve our productivity. In other words, "how many heads of hair can a barber cut?" You can be the best barber in the world, but if you can only do four haircuts in an hour, you are going to be limited to how much money you can make. There are only two solutions, delegate (hire more barbers) or charge more money per hair cut. Both have their limitations.

Our productivity is increased by seeing more of the right type of people and selling a high percentage of them. But before you can do this, you have to earn the right to do business. Sometimes, this is done by being adept at manufacturing referrals. Others do it by creating value-added services, which are seen by new prospects as valuable. Regardless, we have to develop a clientele, a following and then upgrade who we talk to.

If I want to solve estate tax and business succession problems, then I need to have prospects who have these problems. That's simple enough to understand. It's like the old Willie Sutton story. When asked why he robbed banks he said, "That's where the money is."

Most of the prospects I was calling on back then were not banks; they didn't have a lot of money. My initial market didn't own their own businesses and probably would never accumulate large estates. They were wonderful people and I still love them and their families. I still appreciate their friendship and their trust in me and willingness to do business with me, especially when I was first starting to sell. I was and am totally dedicated to helping them, even today. But would they qualify for my long-term target market now?

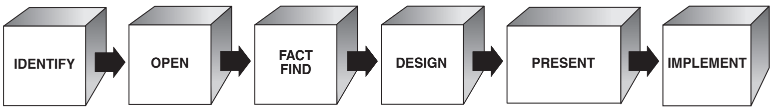
During those early years, I financially survived on the income I derived from my "non-profile" customers, as I systematically tried to upgrade my market. The question I have to ask myself is, would I have developed my market faster if I had exclusively worked on just my target profile? I don't know the answer to that question. I do know my number one job was to survive. I had to survive and I had to pay the staff I was training and developing. I made the best decisions I could at the time. But I look back now and can clearly see I wasted a lot of time waiting to earn the right to upgrade my market. Those unprofitable sales prevented me from growing faster, but allowed me the time to eventually pursue my primary market. It is a tough question to answer. The only one who can do it obviously is you.

I did not have the courage to redirect my activity so I could go after the type of cases I wanted to pursue and am dealing with today. Was that inexperience? Was that due to a lack of knowledge and confidence? Was that the lack of primary business contacts? Was that my own inability to prospect in those markets? Was I afraid?

The answers to those questions are unimportant to me today because I eventually solved the problem. If I had to do it again, I would concentrate more time on developing the people, people trust. I would have looked for ways to leverage the relationship with my clients to meet the people I wanted to meet. Ask yourself, what are you doing to penetrate the market of your choice? Do you have a defined market? Can you improve faster if you spend more time going after the type of clients you want to develop? Who are the people your target market trusts? Are you systematically earning the respect of those centers?

**Your Selling System**

As I said, this question is a personal one only you can answer. But I (your filter) do know each of us has to combine the right prospecting skills with the right selling system. Unless you have a solid, tested, repeatable selling system, it is impossible for you to have long-term success with the upscale customers. Why? I have found quality buyers will immediately determine your professional abilities by the subtle aspects of your presentation. They are less interested in price and more interested in value. Value means process, service, systems, backup. Let's look again, at the general makeup of a selling system.




There should be nothing new in this diagram. The simplicity of the selling system is based upon logic. We all know the basic framework of the selling steps. After you find your potential buyer, you must open up the case. Then you complete a factfinder. Once you have the facts, you must design a proposal based on your analysis. The recommendations must be consistent with the clients needs. You then present the recommendations and hopefully, implement them. Although this may sound insanely simple, you will see there is much sophistication (referred to as competent unconsciousness) that goes into this process. The learning process is best described by what is referred to as a learning curve.

There are four phases of learning that most people go through. In the beginning, you start with a foreboding. This is referred to as unconscious incompetence. You don't know what you don't know. Then you begin to get a sense of what lies ahead and your sense of foreboding turns into stark fear. This is called conscious incompetence. You begin to know what you don't know. The fear comes from wondering how you will ever learn what you need to know.

The third step occurs as you gain the upper hand on your fear and start to do things "on purpose." This is called conscious competence. You know what you know and you know what you don't know. You achieve remarkable results applying what you know. Finally, you become a real pro and everything becomes second nature to you. You are now called an unconscious competent. You have internalized more than most people will ever know. The big problem here is to not get bored and start doing dumb things which are self-defeating.

This learning curve takes you from the beginning to end. But learning never stops. For most of us, the challenges beyond what we know how to do drive us to begin yet another set of learning curves. We proceed through life, jumping from one learning curve to another. A successful career is a series of learning curves which are linked together to form the ladder of success.

Why is a selling process necessary? After all, some people are so influential and charismatic, they can just walk in and tell someone what they should do. And, you know what? The client actually does it. I don't think I could build my career on this approach. I need a process so I can minimize my errors and the chance of failure. Remember, this is riskless selling.

The reason most people fail in sales is because even though they make made it to the battlefield of sales, they lose the war. Somebody always wins and somebody always loses. If the prospect offers up one or more objections and the sales person cannot overcome them, the prospect wins the adversarial confrontation and salesman is defeated.

*Why People Buy* is about converting this adversarial process into a win/win situation. Selling is not really about selling; it is about relating. The sale is the ultimate outcome. It is how we measure our success and how we get paid. But selling is about helping people achieve what they want. Remember, people do what they want to do when they want to do it. So, why not help them do what they want to do and get credit for helping them?

## The Four Basic Objections

A prospect senses if you are just trying to sell him and if you are really not prepared. He knows if you are green and do not trust your ability to really help him. Most buyers typically won't buy if they feel uncertain or worried. These feelings can cause the prospective buyer to offer up one or more of the four primary objections: no need, no hurry, no money or no confidence. If you have done the right job of filtering your clients and you have successfully worked your sales process, then you will have automatically eliminated at least three of these four objections. We'll look more fully at these objections in a future chapter. But for now, let's get back to our filter.

I mentioned the importance of a "prequalification filter." There are actually two filters you will want to develop to successfully work this sales system. The first filter eliminates inefficient prospects from going into your Magic Box–your sales system. It manages the "paper flow"–the quantity and quality of paper flowing into the Box. But even the most sophisticated computers have a redundant backup system. This second filter is your backup system the most important system in your selling process. This filter refines your process and makes certain your first filter is working properly. This second filter validates and then verifies the decision your first filter made. We will look at the second filter in depth in the next chapter.

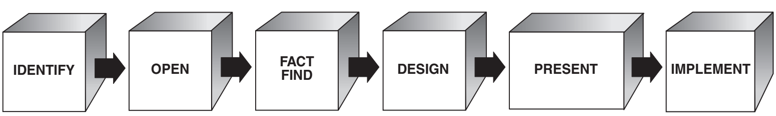
But remember! Without this second filter, you run the risk of overestimating the value of your prospect. With it, you verify the information you have gathered and you develop the foundation for the third step of the sales process, the factfinder. There are two things to keep in mind while you work your selling process at this point. First, the only goal of the opening interview is to get to the next step in the process, the factfinder. Second, and most important, the factfinder is where you make the sale, regardless of what product you are selling. A good factfinder will be the ultimate reason the customer buys.

Right now, let's look at the first stage of the selling process–the opening. Practice does not make perfect. If you practice the wrong things, then you will do the wrong things. It is perfect practice that makes perfect. Let's learn how to develop a filter so you can establish an opening interview you can practice.

CHAPTER SIX

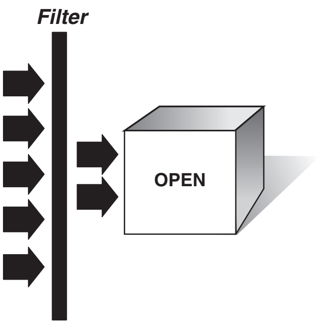
# Developing The First Filter

The way to protect your selling process–the magic box–is to make certain that you put the right prospects into your system. The only way to assure this protection is to have a reliable filter.




Before we can look at opening the interview, let's review the role of this filter. Where does this filter fit into the process? Why is it important to have this filter? In the last chapter I wrote about prequalifying your prospects. The "opening" filter helps you to determine if your suspect should become a prospect before you waste any time.

The filter is used to protect your magic box. Now that may sound strange. Why would you have to protect your selling system? But remember, if you let just any prospect into your system, you run the risk of bogging down the entire process. You have to be discerning. You must profile the customers you want to develop. You need a business plan and a marketing plan so you know where you are going. Remember, do everything "on purpose."




In the beginning of developing your system you may discover it is hard to turn away from a potential prospect. But as time goes by and you develop your "on purpose" thought process of protecting your selling system, it will be easier to determine who is and who is not a good prospect. The key is having effective criteria. Bruce Etherington has a criteria I think we all could adopt. He asks himself these four basic questions and poses them to his referral sources. Among the people you know, who do you know that:

1. Is affluent?
2. Has integrity and character?
3. Can make a decision?
4. Is going places in their career?

If you can "load up your wagon," so to speak, with prospects who fit this criteria, you will rarely make a prospecting mistake. However, in addition to those four questions, I think you should ask about the referral's circumstances. Do they own a business? How many employees do they have? Is it family-held? What type of clients are you looking for in the first place? Just ones who will buy? Do you want to specialize in the estate planning market, or the retirement/investment market? Maybe you want to be known as a specialist in the business succession field.

If you sell hard goods or services, what type of questions should you be asking? Is the basic nature of the questions really any different? Obviously, your prospects must have the ability to pay for any services or products you are selling. You need to have access. You need to know if they use certain kinds of equipment or service processes. You need to find out if they make the decisions or need to consult with others. Is it a committee or a supervisor above them? Are they influential and able to help you build your business with introductions? You see, the same type of questions apply here as well.

This filtering process is always the same. It never changes. Whether you are selling widgets, consulting services or financial products, the process of finding people who are "predisposed to buy" is the same. Unfortunately, very few people take the time to assess the qualities of their buyer. As agents we are so busy trying to be successful (or dealing with our call reluctance) that it is easy to forget the true basics of success. Before anything happens, you have to find somebody to talk to about their problems. But before you can make any money, somebody has to buy something from you. You only have a limited number of hours in a day to accomplish this task. Where is the most productive place to put your time?

So the first filter is your criteria. You have to match each and every name up against this criteria. Here are some general categories you might consider when you build your filter.

1. Occupation
    - Industry
    - Job title
    - Trade Organization
2. Income
3. Net Worth
4. Family situation
5. Affinity groups
    - College
    - Trade Association
    - Community activities
    - Service Clubs
    - Hobbies
    - Charities
    - Country Club
6. Peer group
7. Professional Advisors

The point here is to find ways to network your contacts within your market. Look for ways to provide added value to each of your prospects. The more you can do for them, the more likely they will remember you when there is an opportunity.

I heard of a concept once that seems to fit here. It is called the "shelf of your mind." Think of how you relate to ideas or products and how you remember things. Usually the first thing that pops into your mind is what you respond to. Think of the detergent that comes to mind first. Think of another and another. Eventually it will take several minutes to come up with another. The same is true with automobile advertising, hair spray, deodorants, etc. There are immediate services or products that come to mind when you are expected to recall an item. These are on the "shelf of your mind."

As a marketer of services and products, you want to be so well-positioned with your clients that when your name is mentioned, they immediately associate you with the service or product. That is the difference between prospecting and marketing. Prospecting is an active process of identifying a potential buyer, and if not a buyer, then at least someone who would consider talking to you about the goods and services you offer.

The front of successful marketing occurs when you are on your client's "shelf." You have succeeded when you are front and center and he thinks of you every time the products and services you represent are mentioned. What can you do to position yourself on the "shelf" of your client's mind?

A filter allows you to sort through the names of people who will talk to you and isolate only the ones you prequalify and want to talk to about your services and products. What a nice situation to be in, to have a list of prequalified prospects who know what you do, who want to talk to you, and who are accessible because of your marketing skills.

It can be done. But it takes discipline and courage to build a filter that will eventually provide you with what you want. The main deterrant is survival. I believe we become so concerned with what we have to do to survive that we lose focus and become willing to talk to anyone. We lose sight of our business objectives and accept any potential prospect who comes through the door.

I can tell you first hand I did this for years. In fact, 35 years later, I still find it hard to say "no" to a potential prospect. I have had to discipline myself to only focus on the "profile" prospects. I want to talk to people who are going to enhance my long-term business objectives. If there is no rational reason to accept a case that is outside my business plan, then I need to walk away.

I have discovered this same principle applies to products I choose to represent. There has to be a rational business reason to spend time evaluating, understanding and eventually representing a specific product. I remember a way to state this problem, "If it walks like a duck, sounds like a duck, then it must be a duck." Not that there is anything wrong with ducks, mind you, but we need to be discerning and make good judgments.

Here's an example of where I blew it, big time. There was once an insurance carrier that sounded like a duck. I had seen proposals from this carrier several times in competition and had successfully defeated the product because I could show the illustration assumptions were unrealistic.

One day, I was approached to represent the carrier and I told them no. Unfortunately, my business associate really believed in the stories. He thought their assumptions were valid and tried to convince me. He could not do it. But, he continued and eventually, he wore me down and I agreed to show it to prospective buyers. The illustrations were so good that the buyers liked them and bought them.

I went to meetings and heard the insurance company tell wonderful stories about how they were doing all of their economic magic. I was skeptical, but they told the story with such enthusiasm and sincerity I began to doubt my own business principles. After several years of hearing the story and seeing the results, I eventually was able to articulate the story to others with some enthusiasm and sincerity. I overcame my skepticism and began to believe in the tooth fairy, too!

Unfortunately, when the balloon burst, my original skepticism and arguments turned out to be reality. There was no magic and the illustrations were nothing but misrepresentations based on wishful thinking. The lesson in this for me was to listen to my instincts.

Anybody who is experienced and has seen the various scams and shams knows when something cannot work. As fiduciaries for our clients, regardless of the products we sell, we have to take responsibility for the quality of our work.

The only thing we have to sell is our reputation and integrity.

People count on us to do our homework and represent products that will deliver what we say they will deliver. We have to use our instincts, contacts and best judgment to protect our reputation. As long as we keep the golden rule uppermost in our minds, we can never fall from grace with our clients.

The golden rule is not "them that has the gold makes the rules." The golden rule is that we always treat people in the same manner we want others to treat us. In other words, if you were in the client's place and had to make a decision, what would you do for yourself?

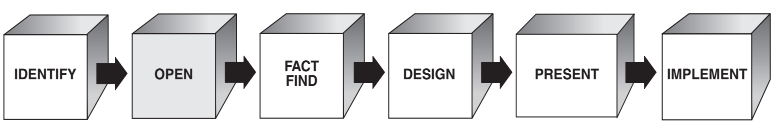
Your filter should help you build the courage and faith needed to always make the right decision. I have learned to effectively choose between the people I want to do business with and those who are just busy work. Those skills have helped me in other areas of my personal and business life.

Now that we have looked at this filter, let's move on to the next phase of the sales process–the opening interview.

## CHAPTER SEVEN

# Opening The Case

This chapter is written specifically, to assist financial professionals in their efforts to move a client through the opening interview to the factfinder. However, for sales professionals in other fields, the sales psychology is the same. You must identify the parallel issues and adapt the philosophy to your industry. The gatekeeper function is different in different situations, but the method for dealing with the gatekeeper is often the same. Try to




draw parallels for your industry and product. See if you can match the principles I am describing with the objections and problems you face most often. Remember, the patterns are always the same.

Okay! Early in the book, I said perfect practice makes perfect. But what is there to practice? Let's look at the opening interview and see if there aren't some key principles which are repetitive.

Think again about professional athletes–the tennis pros, golfers, baseball players, all skilled and gifted athletes who are unconscious competents. Do they practice? You bet! Why? Because they want to keep their skills sharp. They know they must maintain their edge or they will go flat and run the risk of losing their top standing. Professional salespeople must practice too. If we don't then we could lose a good opportunity, simply because we were not ready. Let's quickly review what we have learned.

- First, you need a filter to increase your efficiency and effectiveness.
- You need a backup filter for your main filter.
- People do what they want to do when they want to do it.
- The sale is always made in the factfinder.
- Each step of the process must be "on purpose."
- Each step must lead to the next phase of the selling system.

So now, let's look at the opening interview–the phase of the sales process which follows identifying the prospect.

**Developing Your Opening**

Think about this! Here you are. You've worked diligently for months to be positioned in front of this ideal prospect and now the time has come. You have the appointment. You are about to go on stage. You remember what every sales/consumer psychologist in the world has told you - you have exactly 30 seconds to make a favorable impression. What are you going to say? What are you going to do in that 30 seconds?

I have found many salespeople live with what I call the "Magic Words" syndrome. I believe it has plagued the sales profession forever. What do I say? What will work?

When I first started selling, most of the sales books I read taught the magic words principle. I had to learn what to say, not why I had to say it or how to say it, but just what to say. Memorize these words and you will successfully sell. They are the keys to the kingdom.

Now, we would all agree that knowing what to say is very important. After all, words are the only way we have of conveying our ideas and concepts. But imparting our knowledge is only 10% of the equation. "Knowing" people accounts for 90% of our sales skills. We must also be aware of our body language and our inflections.

Are "magic words" really that important? Only if they are tied to a concept. The meaning and the compassion behind the words are more important than the words themselves. The concept will succeed more than the words you use to convey it.

Remember my sales axiom. If people only do what they want to do, what makes any of us think there is anything that we can actually say or do that will change or manipulate our prospect into taking action? The key to communication is being able to convey ideas and concepts to open up the prospect's mind.

Once the concept phase is completed, then provide him with an opportunity to evaluate information – respecting his pace. Sales is a thoughtful process, not an singular event. Even the purchase of a consumer product in a department store is a process. The key is to have the consumer return for additional purchases in the future. The sale is the beginning of the relationship, not the end.

When I first started selling life insurance, I was faced with this "opening interview" syndrome. After all, if you can't get by the opening interview, how will you ever make a sale? I constantly experimented with using the right phraseology, the right ideas, trying to discover the right concepts that would move me down the process path. I believed I had to be quick enough, smart enough, shrewd enough to outtalk and outthink the prospect. But I soon discovered something else. I gained insight through my own experience and also through listening to the top sales people share what they had learned. I began to understand what relational selling really meant. People respond to my caring skills and caring words. I knew this instinctively. But it was only through trial and error that I discovered there is no one method which will work every time. Just as we differ in our tastes, ideas and ways of expressing ourselves, prospects are different too. Therefore, as salespeople, we need to be flexible in how we deal with people. We need to be sensitive to their individual needs but also be aware of the common denominator that exists in every client.

**Common Denominators**

When I evaluated the profile of my best prospects, I learned there was some commonality. Here is a list of specific things most prospects have in common:

1. They virtually all have attempted to do some planning at one time or another.
2. They are all concerned about the well-being of their family and want to make certain their economic security is assured.
3. They want their businesses to continue, which often means paying off lines of credit or retiring long term debt.
4. They usually have a trusted advisor, someone outside their business to help them evaluate all of their options.
5. They want options, not ultimatums.
6. They are frustrated by the fast pace of change.
7. The complexity of the options makes them feel some what helpless and hopeless.

For sales people in areas other than the financial arena, the issues listed are different from what their buyer may face, but the tone will be the same. Listen to the tone. These customers (whether they are purchasing agents, buyers, general managers or other titles) are lost in their own world of pain. They face daily challenges which far surpass the duties of their job. They are melding together personal biases with dictated regulations. Your ability to weave your services into their life fabric is a valuable talent. Getting beyond the specifics of your product and onto a personal level with clients will produce long-term relationships. Look for ways you can add value to their life by exploring the integration of business and personal issues.

I learned a long time ago I could not be best friends with every client, no matter how much I liked them. In fact, I purposed to not become so knitted with them that I became their sole confidant. The business associate I mentioned earlier used to refer to every new prospect, as his “new best friend.” That’s not what I mean. But you can demonstrate you care by being a good listener, looking for ways to help, adding value and going beyond the simplicity of the sales presentation.

My biggest fear when I first discovered the power of relational selling was this “best friend” syndrome. Think about the intensity of the sale. It requires a real investment in the process. There are facts to gather, information to process, hours of discussion and evaluation. The personal involvement is often very high – especially in financial sales. All of the sudden, the transaction is complete. What happens? You are on to the next deal. That leaves a void in the life of your client. “Where did he go? What did I say? What did I do? He was here yesterday, where is he now? We need to fill that void and still be able to maintain our independence and ability to build a client base.

**Dealing Direct**

As I continued to gain sales experience, I studied the common denominators of my clients. I found what I really needed was to learn to confront pertinent issues head on. I needed to be direct and speak to the prospect’s specific fears. Ignoring them or hoping they would go away was foolish. My tendency was to sidestep and avoid tough issues. After all, avoidance is much easier than being direct– but only at first. Eventually, if the issues are real, you cannot avoid them. It takes more courage to confront these BEFORE they become problems than to wait for them to rear their ugly head.

I learned a very important lesson many years ago. I call it the compound curve of consequences. I have written extensively on compound interest in my other books, so I won’t repeat it here. Suffice it to say, compound interest is the most powerful economic tool. Growth occurs on a geometric scale (1,2,4,8,16,32) not linear (1,2,3,4,5,6,7). Consequences are geometric as well.

There is what I’ll call, a compound curve of consequences. It is far better to deal with your problems, right now today, than to put them off. Putting them off only allows them to get worse (at a geometric rate). When you are finally forced to deal with your consequences, they are likely to be significantly worse than when you first tried to avoid them. When I learned this principle, I purposed to deal with every problem immediately. It was far better than having to deal with them after they had gotten worse.

Years ago, I entered into a business arrangement with another insurance producer. It took several months before we were able to bring our two organizations together into one facility. The first day our new "merger" I knew I had made a major mistake. Instead of cutting the cord and undoing the mess, I persisted. I was afraid of the pricetag of admitting failure. I was afraid of the fallout, the embarrassment and many other side issues which would inevitably arise. So I bit the proverbial bullet and purposed to gut it out.

Three years later, the problems I recognized that first day came to a head and the deal blew up. We ended up in a lawsuit. Unwinding was far more traumatic and the pricetags (money, emotion, time, energy, fallout) was a multiple of what it was that first day. Had I known the first day what I knew when it blew up, which decision would have been easier? I bet each of us can look back and see how our fears have caused us to postpone major decisions, only to find we ultimately had to face the problem, head on, no options. And what happened? The consequences were much worse.

The compound curve of consequences is an important concept to understand in selling. If we face our worst fears early, we can minimize the damage. Whether it is a PR problem, a service problem, a delivery problem or whatever, clients respect courage and boldness. They rarely see it. How you deal with problems will be a significant factor in setting yourself apart from the crowd in your clients mind.

**Riskless Selling**

By digging deep enough, you will find every prospect has real issues and real concerns. It doesn't matter what we are selling, the buyer is a real person with real problems. Once I realized I had a choice, it was easy to see what I should choose. I could use a canned selling technique, "magic words" (manipulative in nature) and attempt to coerce prospects into doing what I wanted them to do. Or, I could deal directly with care and compassion, letting them make up their own minds. Since "people do what they want to do", I wasn't risking much.

If I tried to manipulate, I risked my credibility. On the other hand, if I was too direct and confrontational, I risked offending them. Not everybody is ready for direct confrontation. They may not want avoidance, but they may not be ready for confrontation, either. So I decided I needed a direct approach. Not one that was manipulative or confrontational, yet one that allowed me to deal on a personal level. I call this riskless selling.

Riskless selling means I am allowing the prospect infinite freedom to be themselves. I can be as direct as the prospect will allow (sensitive to their mood), yet I can still give him enough space to evaluate and think about his issues. Most importantly, it makes me go at his pace. If people truly do what they want to do, then I will meet their needs. No matter what type of person you are dealing with (direct or passive, outgoing or reserved, bold or timid), they all want to be given their space. They must feel they are in control of their destiny. Nobody likes to feel as though they are being manipulated or controlled.

But all good salespeople know we have to make lemonade out of lemons. So, I had to learn how to take this list of negatives and turn them into positives.

**Finding The Key To Common Objections**

Let's stop here and review the basic rule for overcoming a sales objections. This is a simple rule. It says, "Whoever says the objection first, owns it." I'll develop this more in the chapter dealing with objections, but trust me, it's true! If you say the objection first, as part of your concept, then the prospect will have a very difficult time using it against you. However, if you once allow the client/prospect to gain control of an objection, then you are forced to play by their rules. That objection then becomes the reason they can't move forward. This trap will reign holy havoc during your entire presentation. Think about the objections you have heard most often. When the prospect successfully raises an objection, he uses it until it doesn't work anymore. My objective is to always anticipate the objection and then find a way to make it positive. By being creative you can make the objection the very reason for him to do business with you.

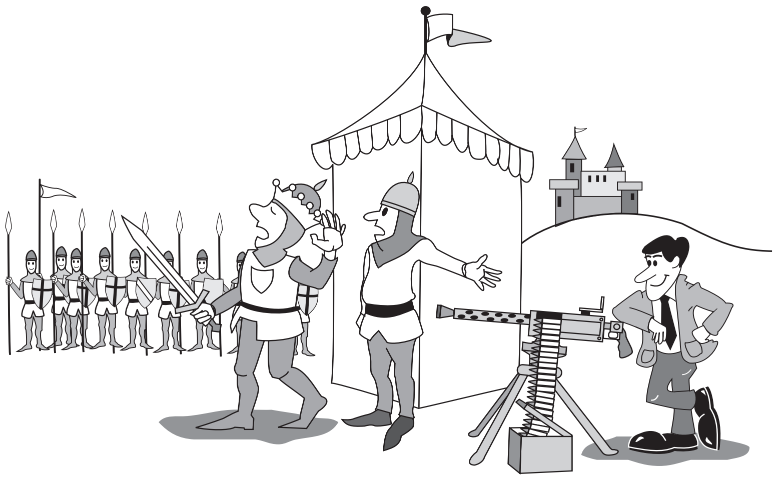
Why might someone not want to meet with you? Perhaps they are already doing planning and feel they have invested enough time in it already. Another spin on this same objection might be they have just completed their planning and they don't want to go through it again. They may be in the middle of some big project at work and just don't have time. Perhaps, they just lost staff and they want to wait to replace them before putting anything new on their plate. There is no end to the list of reasons people are hesitant to move forward. Economic set backs, economic boom times, lost staff, new staff, new location, contraction and down sizing - it doesn't matter and besides, an objection is an objection.

When I first meet a prospective client, I need to adequately and accurately express my understanding of the issues they are coping with, without becoming too invasive. As I evolved an opening interview, I experimented with various selling concepts, all aimed at getting me to the next phase of the process – the fact-finding interview. Eventually, I discovered I had left the most obvious issue off the list.

**Too Busy**

After I reviewed this list of common objections, it became apparent that being "too busy" was the most prevalent objection. Every person, regardless of their status and wealth, feels overwhelmed with some aspect of their life. Whether it is business, money, children, marriage, family, or parents, life is fraught with issues. They are caught up in those issues and often consumed by the problems they face. We could say they are busy, in fact too busy doing whatever it is they have to do to spend much time dealing with __________ (you fill in the blank). You could say, they are so busy being successful they are usually reluctant to allocate their valuable time to discuss these subjects, especially with a stranger. "Too busy" was the very key I had been looking for. I decided to make it the central theme in my opening interview. Of all the objections I ever heard, "too busy" was used most frequently and was the hardest one to overcome. Since you can't make people do what they don't want to do, you have go with their flow. If they want to procrastinate, what choice do you have. If you push them too hard, then you'll lose them. Procrastination always leads to another call and perhaps still another; that's if I could even get through to them again. After all, people do what they want to do, right?

So I began to play around with being “too busy.” But there was more to consider. Take a look at the list of common concerns again. What else is obvious from this list? I think it is the overwhelming desire to have a plan that works. People of substance want to be



***I’m too busy! Tell him to come back later.***

responsible and have a plan and virtually every successful person has done some planning already. I usually find their planning falls into one of three categories:

1. In some cases, they think their planning is entirely adequate and they have a false sense of security.

2. In other cases, they know they have not taken care of their tax obligations and succession/transition issues. They have grave concerns about this shortfall. As a result, they will rely on someone they trust sometimes (their favorite attorney or accountant) and proactively attempt to resolve their biggest issues.

3. Once in awhile, I will find someone who has done a significant job of planning. But often their planning was done several years ago and when they find out what is possible, they become

angry that the planning they have done has become obsolete and they resent having to do it again.

For salespeople who are not in the financial services or professional service field, the issues are the same. Potential buyers all have a false sense of security. If you truly have a product that revolutionizes their usage, they won't know unless they listen. If they are too busy to listen, then what happens? Put out cartoon here. Either they won't see you or if they do, they won't listen. You have to overcome their lethargy. This can only be accomplished by giving them permission to have a feeling of being overwhelmed. They need a plan of attack and a way to overcome their inertia.

In virtually all financial planning cases, there is never really a coordinated plan which takes into consideration all of their planning issues. There are usually some big holes in the plan. Some of the most overlooked items include: a business succession plan that won't work, an incomplete tax plan, inadequate preparation for retirement. There is also very little thought given to the fairness vs. equity issues between family members except on a macro scale.

Denial is also rampant. (By the way denial is not a river in Egypt.) There is a high probability they have decided they cannot possibly keep up with the changes and have given up. They have become satisfied with their current arrangement. Some have delegated the blame to their attorney or accountant. Others are confident their family will figure out how to handle the problems after they die. The list is inexhaustible. As a result, they don't want to do anything.

Here's my point. Many are convinced they are helpless and unable to deal effectively with the complexity and magnitude of the planning problem. More importantly, remember, they are too busy anyway. So, it is easier to just ignore the problem and hope it goes away. (This is true of technological changes, as well.)

**Mr. Big**

This resistance to doing anything is often masked by a tough exterior which creates a challenging paradox even for an experienced sales person. Take Mr. Big for example. He is often a success-driven person. He is energetic and competitive, and will delegate responsibility, but rarely an authority. He is usually self-made, very intelligent and usually decisive. (Take an inventory of the common characteristics of your most common prospects). Under this thick veneer of projected competence, however is often fear and insecurity. He fears losing his business, his family, his self-esteem, maybe even his job. He is often driven by hidden motives which aren't always readily apparent to those who know him best. There may be family problems, alcohol, drugs or workoholism. Quite often he has children who have problems stemming from neglect and psychological abuse.

There is usually a wall of pride as big as the Great Wall of China and his mega accomplishments are often devalued by the family issues which haunt his psyche. There is usually the proverbial dike with a hole in it. The plug is weak and tired and it is ready to blow. There is every probability he may be waiting for just the right person to come into his life and help him resolve these major issues. But he also may fear opening Pandora's box. In order to discover our role, we must just listen and learn.

What we have to remember here is that most business owners are independent thinkers. They have often taken extreme risks to achieve all they have. They are egotistical about their life goals. Their belief in their own self-sufficiency is paramount.

Remember though, they live in a paradox. On one hand, they want to be independent and ignore the heavy hand of the government. On the other hand, they know they need to solve these problems and these problems weigh heavily. They know it would be foolish to let a lifetime of success be destroyed because they were too stubborn to take the necessary steps to protect what they have done. These people are planners and really hate the thought of losing what they have built, even when they are dead. The other side of their dilemma is the intense need to remain independent and not give into the system.

This very paradox is your opportunity. The fact they are "too busy" is to your advantage. The fact that many of them have done some planning and realize it is probably inadequate, works to your advantage. The fact they want a logical method to help them make a decision is also to your advantage.

**Finding The Right Key To The Right Keyhole**

Having said all this, how do you organize all this information to effectively tap into this opportunity of meeting with this really great client? You are faced with the ultimate challange: to open their mind to what is possible in "30 seconds." But who's counting? Here you are. You're in your meeting with this really great prospect and you are ready to start the process. But you've been here before and when you left the last few times, you intuitively knew you wouldn't be doing business together anytime soon. What did he say to you? Did he tell you he already has an agent? Or did he say he doesn't believe in insurance? Was he not ready to do anything just yet or does he have great advisors that handle everything?

You have heard it all before, haven't you? When this has happened to me, I leave frustrated and a little angry at myself. I know I should be able to do something or say something to let the prospect know what I can do for him.

What could I have said that would have worked, that would have gotten his attention? Where did I go wrong? How can I disturb this complacency and self-satisfaction? Why couldn't I remember that cute phrase I heard recently? What could I have practiced or prepared before this meeting that would have helped me get to the next phase?

If left undisturbed, these prospects are open to undisclosed liabilities and potential family discord. As financial counselors, we possess many of the answers to their financial security, but they hold the key to unlocking the door to their imagination. We not only have to find the key, we have to find the right keyhole.

I mentioned before, that most wealthy prospects have done some planning and this can be intimidating for us. It's even more disheartening to find out they own substantial amounts of insurance already. We must remember, these "super" prospects feel they have already invested substantial time and energy to solve their problems and are skeptical we can bring anything meaningful to the table. If they agree to see us, it is usually out of courtesy or respect for the referrer. They generally dispatch us with the skill of a surgeon, a skill developed through years of practice. "Talk to my controller," they say. Or, "Gee, I'll need to discuss this with my trusted attorney."

The net result is often the same – another "good prospect" deleted from our inventory or put into the "china egg" file.

**The Key Is Riskless Selling**

But it doesn't have to be that way! I believe riskless selling can solve these problems. You can disturb and prod even the most confident prospect into taking action. It just requires patience and wisdom to understand the dynamics of their thinking.

Truthfully, I think most salespeople are too hyperactive. They lack patience and don't allow the prospect time to decide what they want to do. The very personality characteristics of the salesperson who is likely to appeal to a type A (the prototypical driver) prospect are the very characteristics which cause the salesperson to give up in frustration when he can't get an immediate decision from the prospect.

Make no mistake about it, patience is KING! It takes a long time to grow an oak tree. It takes real skill and endurance to land a sport fish. Most sport fishermen tell me it can take up to 6 hours to land a big game fish on the deck. What makes us think it won't take a commensurate amount of time to bring these "super" prospects to a decision?

Now you might be thinking you don't have "super prospects." I would suggest you do. The "big case" is relative. Even if you have a really good case, the way to deal with every prospect is the same. In fact, sometimes a smaller case is harder to sell simply because the cost represents a larger percentage of their income. However, don't focus on the size of the case, focus on the sales dynamics.

**The "Too Busy" Obstacle**

For each prospect, the puzzle of caring and loving is going to be different. But as I mentioned earlier, we do know they share one basic trait–they are too busy! They have made decisions which place an inordinate demand on their time. Between their business and social obligations, their home life and personal time and their charitable desires, they are often overwhelmed by their life style. As a result, we represent yet another intrusion on their time. But here is our chance to turn those lemons into lemonade - the judo move of selling.

If they are too busy and we know this is the case, then this is also their Achilles heel–their one weakness that we can use to our advantage. On some level, they know they are vulnerable to the multiplicity of changes the government has imposed on all of us. Sure, they have relied on their advisors to help them keep up with the changes. But every time they get together with their attorney, it costs $1,000 or more and then they have to do it again and again. If they need a quick answer ... over the phone ... it costs $175, and so on. Their penchant for avoiding these nit-picking bills opens a door of opportunity for us.

Our ‘super’ prospect might cynically ask us why we think we have all the answers. My response is very candid. We are idea merchants and facilitators, not technicians. My job is to stay on top of the new planning ideas and find competent advisors who can convert these ideas into workable solutions that will actually solve the problem. It is important to stress the teamwork nature of our business. Today, no one person or organization can be all things to all people. We can coordinate their existing advisors in a more efficient manner to minimize the cost.

**The “Advisors ” Obstacle**

Most ‘super’ prospects use their advisors as a shield. But they don’t really understand the professional’s dilemma. This dilemma is just another component to our “too busy” equation. The client may subconsciously realize, but not want to accept, the fallibility of their legal and accounting advisors. Good advisors are also “too busy.” They are swamped with too much work! They have, in many instances, ceased being a planner and become just a scribe. The complexity of execution has converted most professionals into a transactional mode. Write a document, do a tax return, research a problem. They rarely have time to call up and just brainstorm problems and opportunities. These advisors are just too busy to really meet the unspoken expectations of their clients.

The closest many advisors get to being pro-active in their clients’ affairs is holding client seminars to update their following on recent tax changes. Others might do a mass mailing which announces the tax changes that will apply across the board. These mailings are not specifically tailored to their clients. I have had many advisors tell me they have been trying to get Mr. Big in to do their wills/buy-sell/ estate plan/etc. for months/years. They are so glad I could convince Mr. Big to do this. I believe they are being genuine.

It is important we thoroughly understand the plight of the advisor. Our studies show that MDRT members receive less than 3% of their business leads from referrals by attorneys or accountants. Yet, these advisors control some aspect of virtually every significant selling opportunity you will ever have. I find most agents view these advisors as the enemy. Frankly, every major sale I have ever completed was with the advisor being actively involved. Why? Because I include them in every phase of the process. They were able to give me input into the plan. They became the guy nodding their approval, instead of trying to shoot holes in my sale.

Face it! These advisors are just like any of us. They need to look good to the client to maintain their credibility. They must play a significant role to feel they have been valuable. So why not let them look good to their client? It's a "win-win" situation for everyone. Do we care who is the hero? In some cases, I think we really do! The insurance companies have convinced us we need a standing ovation every time we do something good. Bring on the plaques! I say, let the advisor take credit for your ideas and initiative. If all you get is the joy of knowing you were instrumental in the transaction and you get paid commensurate to your contribution, isn't that enough?

## Rules of the Game

If you follow the rules of riskless selling, the only problem you will have to resolve is how to deal with the prospect if the rules to the game change "mid-game." Tell me the rules of the game and I'll tell you if I even want to play. As long as the game is fair and the rules are clearly defined, you can usually find a way to win. But often, what happens? We become fearful. We become so afraid of our own shadow that we avoid establishing the rules of the game up front. When it gets down to the end, the close of the sale, the client often takes control. Remember, you cannot lose something you never had. Yet, I've seen agents hang on for dear life for fear they will lose the sale. Why do they hang on if they never had the sale in the first place? But just the thought of having the sale is enough to encourage most agents to keep trying. Unfortunately, having "nothing" doesn't pay the bills.

So, what does this have to do with opening the case, anyway? EVERYTHING! For you see, it is during this opening gambit and the subsequent factfinder that you make the sale. Think of it as a peg in a peg board. You are placing pegs in the board each time you get a commitment. These pegs are to hold each piece of the commitment. These commitments are the most important part of the sale. They are the rules by which you play–managing client expectations, handling the specter of competition, converting the advisor to an ally. All of these rules become the way you complete the sales process. They make it possible to hold the prospect accountable. But, be very careful to not overcommit in the beginning to what you are going to do for them. It is better to promise a little less and deliver a little more than to fail to meet their expectations.

**My "Too Busy" Opening Interview**

Okay! I promised I would share my Riskless Selling approach. So let's go. I have been using this exact interview since 1977. Why? It works, that's why. It works better than anything I have ever tried.

**Building Rapport**

We know every meeting starts out with the rapport building. You know this part of the interview well! It's like one might visualize a mating dance. You walk in, saunter around the office, maybe sit down. You smile, he smiles. You comment on the weather, your prospect agrees. You mention the friends in common and he says nice things. He tells you about his recent trip and you notice his trophies on the wall and compliment him on the nice fish, his nice desk, his nice telephone, nice painting and then finally, after what seems like an interminable length of time, he starts to look bored and begins to wonder when you are going to get to your point. Why are you here?

At this point you had better be ready with your 500mm salvo because the clock has started ticking and you have exactly 30 seconds to make a good, lasting impression. I figure this is crunch time - make it or break it. So I lead with my best thought. I introduce the concept of being “too busy”.

I say, “Mr. Smith, as you may know, we work with a lot of successful business people just like you and I have found they all share one major thing in common. May I share what I’ve learned from other successful business people like you?” (I always ask permission because it implies consent and given them control of the process.)

“I’ve found they are all so busy being successful doing the things they have to do to keep their businesses going that they have virtually no time to pay attention to all of the changes going on in Washington. Do you ever feel overwhelmed by all of this constant sea of change?”

Now, wait for his response. (This is one of those poignant pauses we hear so much about.) Most of the time they are curious about this common denominator. The response is never exactly the same, but it is always the same. Remember, selling is initially adversarial. He expects you to ask him to buy and he is prepared to say no. But the paradox is he knows he should be doing something and really wants help, otherwise you wouldn’t be there. If he believes you have an answer to this thorny issue, then he might listen. Believe he wants help and cling to this belief. If he was not interested in SOMETHING, you would not be there. Your goal is to discover why he granted you an interview.

When I use “too busy,” I see the tension of our meeting of this moment recede as he begins relax. Sometimes the prospect will smile that knowing smile of agreement. The stress is reducing and a bond of intimacy begins to form. Someone understands, he thinks, he hopes. On some level, he knows I’m right and he knows he is vulnerable. As the meeting progresses, I then continue and share the next common denominator.

“Mr. Smith, I have discovered that everyone we work with has a plan by design or default.”

**Design or Default**

Don't forget, your prospect has probably done some planning. But they are often angry the proliferation of change keeps coming and nothing ever stays stable. What was once a plan by design can easily become one of default just going through the vortex of time. A plan by default is still a plan. If you don't have a will, then you die intestate. This is also a plan, but it is one now by default. If there is no buy/sell agreement, someone still buys and some one still sells when death occurs. So there is a tacit buy/sell agreement, it just may not be in writing. Likewise, when someone retires, if there is no retirement plan, they will still become old and need an income. Will they have to cut back on expenses? working? Again, there is a plan. It just may not be the one they want.

This concept of default, plays right into what the prospect has always known. But it is important for you not to make him feel any blame or shame. If they chose to feel it on their own, so be it. You need to be neutral. "Too busy" gives him a logical reason for the problem and he feels like he is not alone. This will give them the excuse they need to release the shame and start moving again. It is very powerful and should not be minimized.

**Pricetags and Alternatives**

"Mr. Big, every plan has a price tag. In other words, there is a measurable economic impact for every plan. Our firm measures the economic pricetag of your plan. We do this by creating an economic model of how much your plan would cost if it were operational. We then create models of alternative plans, which may be better suited both financially as well as emotionally, based on your goals and objectives. These alternatives have a pricetag as well, and we can help you measure the difference in price. Do you know the pricetag of your plan?"

Let's review the psychology of these points. First, being too busy gives the prospect an excuse, a way out. It releases him from having to feel any guilt and responsibility. Being "too busy" provides a logical excuse for not having the time to keep up with the constancy of change. More importantly, it is something everyone experiences. By releasing the blame and guilt, people become more willing to risk planning and to accept the inevitable. It is easier for them to find a reasonable way to deal with their fear. “Maybe,” they think, “this person can help me!”

The next point is default. The prospect understands default. He knows he gets new business because of default. He takes advantage of his competitors because of default. It is not hard for him to understand that his plan is constantly going be outdated. Default releases his blame. It explains why he feels vulnerable. More importantly, he knows must face a decision. Does he want to be a victim of default? As he begins to identify with these common denominators, he relaxes and understands he is NOT ALONE. Because it does not reflect on him personally, he can agree that it also impacts others and he can accept what you are saying in a general way. You are giving him an “out.” You are not threatening his self-esteem by telling him he is dumb or has made terrible mistakes.

The final point of alternatives, I believe, clinches the deal in his mind. Every plan has an alternative. This is logical. They intuitively know there are many ways to accomplish the same thing. The concept of alternatives is a great way for the prospect to assess his situation and not feel pressured. He knows the concept of alternatives is true.

Consumer studies show most consumers want to know their alternatives. They like knowing they have a choice. If you don’t give them a choice, then doesn’t it make sense he will go get them from someone else? We need to give them the whole picture, not just a portion of it. If the prospect is going to trust you, then he has to feel you are going to tell him the whole story. When you add the pricetag aspect, it puts the alternatives on a business basis. He can see a logical business approach to the problem. Identifying the pricetag makes sense to him! When you say he doesn’t know his pricetags, you are right! He doesn’t. So the offer to determine the pricetag is an appealing option, because in the back of his mind, he wants to know what it will cost.

Think about yourself. When you decide to purchase an item, do you cost compare? Most of us do. Nobody wants to be thought the fool. This comparison shopping syndrome is built into the heart of every buyer. To ignore it, is to set yourself up for failure. On the other hand, where is your incentive if the buyer is going to take your ideas and then find the lowest bidder? You have to be prepared to handle this objection. Or as I said before–own it.

**Closing the Interview**

After I've presented logical and effective reasons to move forward with the process, I bring the interview to a close. An important key to moving from the opening interview to ultimately closing the sale is how you handle the "How do you get paid?" question. You need to practice and practice until you feel confident you can clearly communicate your value and what you bring to your client. That value varies depending on your client's needs and the level of his sophistication.

Suppose the client is unsophisticated or has a small business or small net worth. I leave the opening interview at the "too busy" level and close the thought with how we get paid. The client always wants to know what it will cost for us to prepare these economic models. If he doesn't raise the issue, you must to it. It is important to address this subject in the opening interview. I start with what I call "The Two Profits." (And I don't mean the two prophets Elijah and Elisha!)

"Mr. Big, one of the questions I always get asked is how much it will cost to do this planning. May I share how we work with clients? I have learned I need to invest in the relationship with my clients. I must invest time and energy to demonstrate our value and commitment to you. I have learned there are really two sources of profit in my business.

"The first profit comes in the planning stage. It is fee based. We charge an hourly fee that covers our cost, our overhead and our profit. The second profit comes when the plan is implemented. Usually financial products are used to accomplish the determined objectives and to make your plan more efficient. Commission on these products is paid by the vendor to the financial planner who implements the products.

"As a firm, we think you should only pay one profit to us. If you decide to let us do the planning and implement the products, then we will charge you only our minimum planning fee and delete the profit. We will get our profit from the product sponsor.

"However, some clients prefer to do their planning with us and their product business with someone else. They realize, of course, they will be paying two profits in that case, one for the planning and one for the product. Which way would be most acceptable to you?"

If you are uncomfortable with collecting fees, there is another approach. I tell the client there are three ways that we can be paid for our services–fees, commissions, and referrals. I tell the client, "Most people don't like to pay fees but are willing to compensate us through commissions paid by the vendor on the products we implement for them and by referrals. Being introduced to quality people like you reduces our marketing costs and allows us to spend more time servicing the clients who need our help." Don't underestimate the value of a good referral. In closing then, I tell them we are happy to work with whatever combination of fees, commission and referrals makes them the most comfortable.

Concisely and confidently communicating the value of the your services in the opening interview is crucial to moving into the next step of the sales process whether your client's net worth is small or large. But how do you communicate the importance of your role when Mr. Big has surrounded himself with advisors whose whole function in life is to protect him from buying? I've had enough experience with these "guard dog" advisors to realize I needed to develop a concept to overcome their objections. I call it the "Three Circles of Wealth."

8

## CHAPTER EIGHT

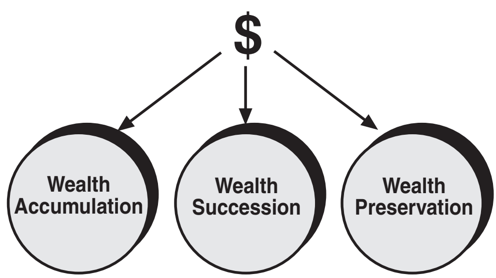
# Three Circles of Wealth

A word picture or story is a powerful way to give prospective clients information by taking the abstract and making it concrete-visual. We can obviously just say what we mean, but often it is difficult for the listener to truly hear what we mean because biases and previous experiences block their ability to fully comprehend the ramifications of what we are saying. By creating a story, the listener ascribes his own feelings and experiences to the story and identifies with the emotion and concepts. A word picture brings a new meaning to what you are trying to communicate.

I designed the "Three Circles of Wealth" story as a word picture to be used with a more sophisticated client. Knowing he didn't build his successful business without the advice of an attorney and a CPA, it was unrealistic to think I could just waltz in and start working with him without dealing with his protective advisors. So for the advisors that always come with the client of significant wealth, I needed to expand what I had already introduced–"Too Busy," "Design or Default," and "Price Tags/Alternatives"– to include the advisors and their objections.

Three Circles was designed specifically to blunt the objections of the advisors. Remember now, whoever owns the objection controls it and I want to control their objections. Their objections are too important to try to bypass, hoping they will go away. By taking the time to set up the story with "too busy," "design or default," and "price tags and alternatives," the benefit is a bonding and a common understanding. This rapport creates the receptiveness needed to shift into the Three Circles of Wealth. With this shift, other benefits begin to occur. The Three Circles story works as a mini factfinder and it demonstrates the complexity of the financial tools available to the prospect. Watch how these benefits unfold.

"Mr. Smith, when we have worked with business owners like you, I have found they have three primary areas where they invest considerable money. I call these the Three Circles of Wealth: "Wealth Accumulation, Wealth Succession and Wealth Preservation.




"Each of these circles involves the use of unique investment and legal tools people use to achieve their financial goals. In addition, we find the people we work with are often spending thousands of dollars in each of the circles as they try to achieve their objectives." (I then draw three circles side by side but not touching.)

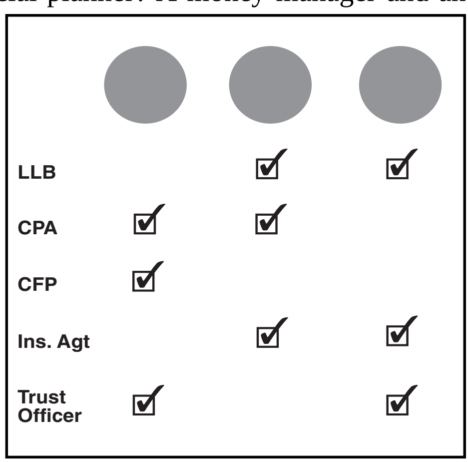
"The Wealth Accumulation Circle represents all of the tools used to build wealth using both company dollars and personal dollars. Pension plans, profit sharing, 401K, thrift plans, and nonqualified plans are all common tools used to convert taxable income into capital. The strategies of the '80's are no longer the strategies of the '90's. Did you know 75% of all pension plans have been terminated because of new laws? Most companies are switching to 401K plans because they are less expensive and allow the employee to participate. But the IRC415 limits have left the highly compensated employees with reduced benefits. We have developed ways to fill this deficiency."

"The Wealth Succession Circle represents all of the common tools used to pass ownership from one generation to another or from the family management team to professional management. These tools are buy/sell agreements, stock options, 303 stock redemptions and cross purchase agreements. But these tools can also include compensation planning, bonus structures, sales compensation and fringe benefits. You can diversify your holdings in your company today TAX-FREE. Would you like to pull out 30-50% of your company's value ... in cash?"

"The Wealth Preservation Circle refers to all of the tools used to pass assets from one generation to another at the lowest cost. They include charitable trusts, QTIPs, a marital deduction trust and liquidity concerns. We can help you discount your taxes 80%-90% using your corporation's cash flow. We can create tax-free capital with tax-free income. This wealth preservation is done free of estate tax and income tax."

Now comes the fun! The prospect is probably thinking he is paying several advisors to help them do all of this. But before he can express this as an objection, let's do objection judo and turn it into a positive. Whoever owns the objection, controls it.

"Mr. Smith, if you are like most of our wealthy clients, you have several advisors you rely on to help manage these three circles for you. I'm sure you have an attorney and an accountant, don't you? What about a financial planner? A money manager and an insurance agent? Is that accurate?"



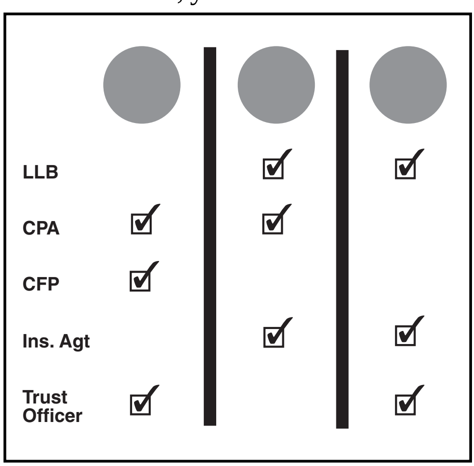

By asking these questions, it keeps you in a factfinding mode and prevents the prospect from turning your question into an objection. As long as you are not threatening him with what he should believe or buy, your questions can be very direct and to the point. You can obtain virtually any information as long as you don't attempt to use the information to make a point. This rule is extremely important to remember.

As soon as you turn your questions from being an advisor to being a salesman, you lose your ability to factfind. Always try to keep in a factfinding mode, be low key, be nonthreatening. When you expose your agenda or you try to convince them of your point of view, you change the whole counseling nature of the discussion. Continue to seek information until you have enough data. Remember, this is riskless selling.

**The Interrelationship with the Advisors**

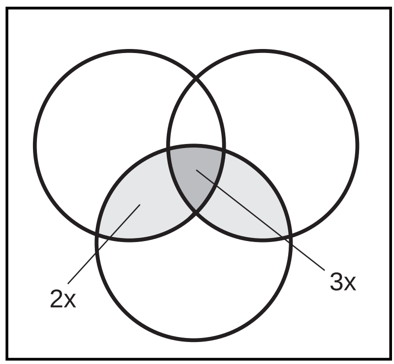
"Mr. Smith, may I share what we have discovered happens with these advisors? They are usually so busy being successful themselves, barriers are erected between the circles, which prevent effective communication with their clients and with each other. As a result, inefficiencies are created in your circles. The left hand doesn't always know what the right hand is doing. You may end up spending more than you need to in order to get the job done."

Depending upon the response you get, this line of thinking can achieve several objectives. In some cases, you'll discover the advisors are talented and competent. If this is true, then you want to meet them and start developing a relationship with them. Hopefully, you may know one or more of them. Using Three Circles gives you an opportunity to work as a facilitator to bring all the parties together to eliminate the inefficiencies you spoke of.




In other situations, you may learn that the prospect doesn't really like their attorney or CPA. Virtually every prospect will tell you they like their advisor, even when they don't. But if you give them a little time to discuss what they like best about their advisor, you may discover the advisor has not done a particularly effective job. Then you have a referral opportunity to your team of advisors. You win either way. I have found the prospect rarely will say no to Three Circles reasoning. He instinctively knows there are areas where he could be more efficient and effective. You have given him a logical reason to let you work with his team to pull things together.

"Mr. Smith, this lack of coordination between the Circles creates an opportunity for us to work with people who are busy like you. Because the advisors are so busy and often unable to keep up with the volume of change, our firm teams up with them to bring you updated information. Often we find we look at things a little differently. We attempt to combine these circles like this ... (Now I draw them like Olympic rings.)



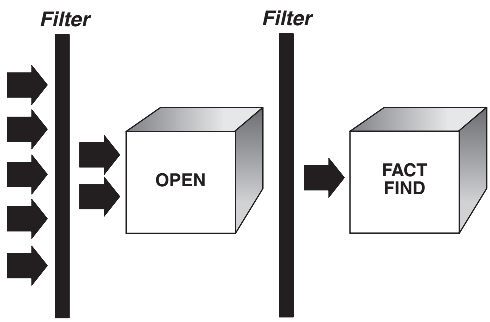

"Notice how each circle overlaps the other ones. This represents the many opportunities to combine tools and solve common problems with the same dollars. We can often achieve double and even triple duty dollars. There are ways to combine tools and use them in more than one circle. You have already made the decision to invest substantial dollars in your planning solutions. If I can show you an acceptable way to get double or triple duty from your existing dollars, would you find this interesting?"

The whole point of this explanation is to demonstrate that creative planning can convert the dollars he is already allocating to the various solutions to a way he can get more "bang for his buck." Notice, I call the place where the circles overlap three times "triple duty" dollars. The place where the circles overlap twice is called "double duty dollars." If you could find a way to make your money more efficient, would you want to know about it? It's a rare prospect who could resist discovering ways to get more value for his money. All you can really do is make your offer enticing. But it has to make sense–it has to be real. In other words, you must learn the tricks of the trade and be able to actually help them - now there's a novel concept.

At this point, either the prospect is going to agree to let you see his planning ... OR ... you will get some objections. But first, he will probably ask you how you get paid.

**How We Get Paid–The Second Filter**

I have mentioned the importance of the second filter several times. Let's look at it now and see why you need to employ it. This is an important part of the first interview and often overlooked. "If you don't work for free, how do you get paid?" The prospect knows you don't work for nothing. You know he is fee sensitive, just ask him how he likes to pay fees to his attorney and CPA. He also knows he doesn't want to buy anything new, so you can't get paid with a commission. By offering to do this analysis and provide an overview of his existing plan, you need to set his expectations properly.




"Mr. Smith, may I ask you an important question. If you allowed us to look at your current plan and then we came back to you with a report showing you how you might combine these tools to achieve better efficiencies, is there any reason why you wouldn't do business with us? I want an opportunity to earn the right to do business with you. I am willing to invest my resources in this relationship to see if there are ways we can help."

This approach allows me to turn the proverbial lemons into lemonade! I have taken control of the advisor objection and offered to review his planning for the right to build the relationship. Most good business people like new ideas, but they don't want to pay for them.

Bruce Etherington, from Toronto, Canada, calls this “the deal before the deal.” I call it the second filter. It comes after you have done the Three Circles mini-factfinder in the opening to determine whether you want to do business with this person. Remember, your first filter protects your magic box and puts you in front of the right type of prospects. The first filter has brought you to this specific point in the process. But the first filter is not enough. If you want to increase your productivity, you need to make certain you are not putting the wrong type of paper into your Magic Box. You need to find out exactly what opportunity exists and then determine whether you want to pursue it.

That may sound crazy, but determining whether you want to pursue an opportunity is what maturity is all about. You have to know your limitations and capabilities. If a set of problems is beyond your expertise, admit it. You have time to bring in the calvary BEFORE you blow the deal.

The second filter will save you a lot of time and heartache. Remember, if the prospect is not willing to agree to your proposed deal now, then he certainly isn’t going to agree to it later. We can waste a lot of time, energy and effort helping people, only to find out the deal was different than we imagined. We need to get a commitment up front. We need to set the expectations properly. You can’t lose something you never had. It is wishful thinking to believe that this prospect will feel obligated after you have done some work. Find out now who he does business with and whether you have a chance or not.

If this sounds painful, (and it is) then remember back to the last time you lost a sale. How painful was that? Can you remember? Now, ask your self, when did you know you were going to lose that case? Most sales people, if they are really honest about it, will tell you they knew at the beginning of the sales process. They were uneasy about the case and knew they would have trouble making the sale. They knew BEFORE they had put any real time and energy into the sale. If that is true, then why did they pursue the sale?

Most of us are the same. We believe in our heart of hearts that we can sell anybody anything. We have the confidence that if we just hang in there long enough, say the right words, give the prospect enough opportunity to say yes, they will eventually buy. But this idea of sales power is totally against the reality of how buyers process information.

**An Unwilling Buyer**

When was the last time you did something you didn't want to do? How did it feel? I'll bet you were so excited about that experience you could hardly wait to do it again? Right? Wrong! Most of us would do anything within our power to avoid having to re-experience a bad situation. Most of us are pain avoiders. If we know it's going to hurt, we will walk miles around a situation to avoid having to deal with it directly.

Is there any reason to think our prospective buyers aren't the same way? Is there any reason to believe they are going to hang in there with us as we badger them into doing something they don't want to do? That's why I say people will only do what they want to do, when they want to do it.

Now I will grant you there is an occasional weak prospect, who is susceptible to charismatic sales prowess. But I certainly would not want to try to build my career on consistently finding them. No! Buyers are only going to do what is in their best interest. If this is true, then our selling process must give them every opportunity to exercise their right, hold on to their dignity and allow them the ability to feel they are being treated with respect.

This sounds logical now, but how many of us have fallen victim to the belief we can sell ice to Eskimos? Some sales managers cannot allow their sales staff to feel defeated. So they use manipulative jargon, immature motivational methods or the other 1950's sales material to keep their salesmen moving.

Wasn't it P.T. Barnum who said, "There is a fool born every minute"? If we just search hard enough and often enough, we will find them and make a sale. But there is a huge difference between making a sale and building a career. A career-minded salesperson cannot afford to use undignified, disrespectful sales strategies on their best prospects. There is no future in it.

It is important to establish up front how you are going to work together. This will be the foundation for your long term business relationship with this client. If you "make the deal before the deal" properly, you will have a beneficial relationship. But if you fail to use the second filter, then you will run the risk of being disappointed.

Assume your prospect doesn't ask how you get paid ... then bring it up! Remember, this is your second filter. This is how you to make your first filter effective. You need to find out several things about your prospect to place him into your Magic Box.

First, you need to know he has a need. Second, you need to know if he can afford to do what you recommend. Third, you need to find out if he will do business with you. Finally, you need to determine if he can make a decision.

**Two Profits**

I mentioned the idea of Two Profits before - but it bares repeating. This is basically the same approach I used before, when I didn't go into the Three Circles story. I say, "Mr. Smith, I think it is important for you to know how we get compensated. Our firm works on a comination of fees paid by the client and compensation paid by the vendors of financial products. We have found there are two ways we can charge fees–retail and wholesale. Our retail fee is based on billing you our standard hourly rate. It covers our overhead and profit–much like your CPA or lawyer. That way, if you decide you want to purchase a product, you can use anybody you want. You pay us our profit for doing the analysis and then you pay the other profit to whoever you typically purchase your products from.

"Or, you could elect to use us on a wholesale basis. In this case, we only charge the actual "hard costs" we invest in doing your study. We simply eliminate the profit and overhead portion of the fee. A company like yours purchases a lot of financial products during the course of the year. You probably purchase group benefits from a broker; you have a 401k plan and there are other benefit plans as well. Your representative gets a fee for servicing the account. But, what services do they really provide?

In many cases, redirecting the compensation they receive for providing limited service, can offset the costs of doing this study and help you implement the changes you need to make. In addition, we find there are often additional products required to complete the job you have started. By doing business with our firm, we offset our overhead for doing the analysis. Our profit can come from any revenue you would pay ordinarily to another broker. So you basically have a choice, Mr. Smith, you can either pay the profit once or twice."

**The "I have an Agent" Obstacle**

What if the prospect has an existing agent? Most successful business owners, especially if the company is substantial, already have somebody they are using for many of the services we provide. The question is, who is the agent? In some cases the agent will be a very professional and talented advisor. Why waste valuable time competing against a good agent? There is a lot of business out there.

On the other hand, it may make sense to go head to head because the client is prestigious and there will be outstanding contacts generated from the relationship. "The deal before the deal" needs to address exactly how the prospect is going to make this decision. If you can't satisfy yourself that you will be fairly treated, exit stage right.

The final alternative is to do joint work on the case. There may be reasons why neither of you wants to compete with each other, but joint work is difficult and requires a firm agreement up front. It is important to differentiate between your services and those of the other agent. This is why you need to have a clear understanding of your image, your business philosophy and how do you convey this philosophy in your business and to your clients?

I have found most people are loyal to their current advisors, especially their life insurance agents so it is important to handle this objection carefully. If you attack the other agent, it could backfire. You might blow your creditability. Many people are turned off by any signs of greed. Ruthless criticism never wins many friends. Besides, you ultimately want this same loyalty shown to you.

Silence is often a more potent killer. My mother told me, "If you can't say something nice about someone, don't say anything at all." When someone intentionally attacks another, I find myself questioning their motives. In a sales interview, it is important to put your best foot forward. If criticism is warranted, there will be another time for it.

**Three Terrific Truths**

I have utilized three philosophies during the years. First, if a mistake is made, whether I have made it or the client has made it, I take responsibility for it. Therefore, I feel I should make it right. Even if this costs me some profit on the case or causes me to actually lose money, it is worth it to know I did the right thing.

The second "philosophy" is ... don't ever burn bridges. Life is too short to go out and stink up your marketplace with egotistical pride. I've seen agents respond with foolish pride and "win" the battle. But people never forget. You have the choice to make a big thing out of a small matter or accept the responsibility and let it go. Tom Peters has said repeatedly that one unhappy ex-client will tell everyone they can about you. You don't need that kind of help.

The third philosophy relates to problem solving and complaints. Get on it ... NOW! I think about how I feel when I want something done. I can't relax until I know the solution is in process. I think others feel the same way. Develop a sense of urgency to resolve problems quickly. I will confront anything which is detrimental to me, my business or the well being of my clients. This has always been a successful strategy.

**Perseverance is an Important Key to Success**

Winston Churchill was asked to give the commencement address to a boys' school in England. After a flowery introduction, this distinguish statesman and world leader took the podium. He waited for the applause to die down, cleared his throat and said these eight words, "Never, never, never, never, never, never, never quit." Then he sat down.

I have found many of the prospects I approached and cases I lost five years ago are open to doing business today. Perhaps the solution or agent they chose instead of me didn't work out or they liked my ideas but the timing wasn't right. Too often the case goes to the agent who was in the right place at the right time. Let's look at how this comes about.

Many of the best prospects started business in their garage years ago. They became successful and have enjoyed dramatic growth during the last few years. They hired their neighborhood attorney, and local CPA to get them started. Somehow, their agent met Mr. Prospect and won his confidence. The agent sold him some term insurance and a group health plan. He's been there ever since.

It is not unusual for Mr. Smith to replace both his attorney and CPA during the years. As his business has grown, his needs have changed and he has had to find advisors who could help him grow. He has made the appropriate decision. The survivor is the insurance agent. Why? Life insurance is perceived as a commodity, not necessarily a service. Most buyers feel they need to get the best price and they deal on trust. If that trust is ever disturbed, then there may be an opportunity to do business, but usually not until then.

If Mr. Smith is a loyal, honest person, he will admit to you in your opening interview he has an agent he trusts. When this happens, I say, "Mr. Smith, I'm not surprised to hear you have an agent." Of the "3 R's of objection" – repeat, reassure, and resume – this is the 'repeat.' "In fact, I would have been surprised if you didn't (reassure). But what I have discovered is most people outgrow their agents (resume).

"As the laws change and the specific applications of planning tools are better understood, sometimes old friends are often outgrown. They aren't able to keep on top of these changes. I spend four to six weeks each year in continuing education. I do this to keep from falling behind and having clients outgrow me."

The best clients almost always have an agent. If you don't learn to handle this objection, then you will be passing by a lot of business because invariably, the prospect is under planned. Unfortunately for them and fortunately for us, even though they have an agent, the work has rarely been done. And even if it has been done, it is probably outdated or even sloppy. Why accept "I have an agent!" as the final word? Find out for certain they are doing the job.

We have all heard the "second opinion" response. If insurance companies make doctors do it, then shouldn't you do it as well? But if canned answers are insulting, if I come across too slick and polished, then the client may feel uncomfortable. The best answer is the honest answer.

“Mr. Smith, I mentioned early in our meeting that most people are “too busy” to pay attention to these changes. I can assure you, if you allow me to review your program, two things will happen. First, you will get a competent review and possibly, a list of areas for you to reconsider. And second, I promise I will never recommend changes unless I can prove to ALL of your advisors it makes sense. All I want is an opportunity to earn your confidence and loyalty. And just as with your current agent, I hope you will come to value us as one of your most trusted advisors.”

Again, the theory is to get up to bat - have the chance. Once you have it, then you’d better do something professional with it.

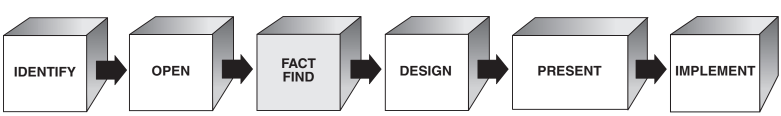
## CHAPTER NINE

# Nothing But The Facts

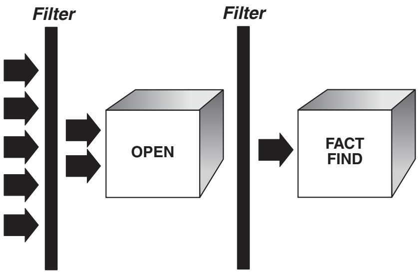
So tell me then, why do people buy? Any sales person would like to know why people buy. I sure would! It would make our life as a salesperson so much easier. Well, before I give you my answer, there is some more thinking we have to do.

There is substantial research proving you can read intent by watching which way the eyes move.  By mirroring behaviors, you can lead your prospect into compatible thought patterns. People who relate to hearing need audible communication.  Those who relate to seeing need visual. But does that seem somewhat manipulative to you? Wouldn’t you rather just enjoy discovering the real persona? Let the prospect go where he wants to go and do what he wants to do. After all the prospect is going to do that anyway. He will be happy and you will have a long relationship.

As we have learned together, the opening interview is designed to develop an open-ended discussion with your prospective client




about his hopes, desires and goals. If he agrees to let you explore his alternatives, then you have taken the biggest step towards a sale. Once you get through the opening interview and he has given




you permission to do a factfinder, you are virtually home free. MDRT studies show that 85% of all factfinders end up in sales. Imagine what it would be like if you could know for certain that 85% of every factfinder you took would end up in a sale. If that were actually true for you, what would you do? Practice closing techniques or opening techniques? Obviously, the more quality cases you opened, the more productive you would become.

Factfinding is a wonderful time to learn what you can about how your new client thinks and why he makes the decisions he makes. He has essentially given you unlimited license to explore his past, present and future. You can ask questions about the decisions he has made and how he feels about those decisions. What would he do differently if he had a second chance? You can ask him how he feels about insurance, why he bought it and how he determined the amount he wanted to purchase.

**NEVER “Sell” in the Fact Finder**

During this time of gathering information, stay away from any decision-making statements. Do not, under any circumstances, sell. It will undermine the client’s confidence in you. Not too long ago, a businessowner, Pete, came to my office to do some financial planning. He wanted to start planning for retirement. I knew his attorney and in a discussion with the attorney, I found out that this business owner really needed a business succession plan. In fact, the entire subject was on the table.

When Pete and I got together, I immediately started talking about the business succession plan. I totally bypassed the reason Pete came to see me. To add insult to injury, he told me how little insurance he owned. I was shocked. He was 50 and had two small children. If he died, he knew and I knew they would be in huge trouble financially. I explained to him the problem and he agreed his coverage wasn’t nearly enough. My sense of urgency was so high that I convinced him to sign an application for $1,000,000 of coverage and he agreed to take the physical. We scheduled the exam while he was in the office. He left and I was pleased because I had averted a potential disaster for his family.

The next week he canceled the doctor's appointment and never took the physical. I saw the attorney who referrred me regularly. I took him aside and asked what happened. After a few moments of awkward silence, the attorney told me that I had pushed Pete into doing something he was not prepared to do yet. In fact, Pete had come to me for an entirely different reason than what I ended up talking about. The attorney told me that Pete said I was like every other insurance agent he had ever dealt with and was disappointed in me.

Naturally, I quickly backpedaled and apologized for my error. I explained I only took that course of action because he had suggested to me Pete needed more coverage. I never made that sale. In fact, I never got back in front of the prospect. I could have made the sale in the factfinder, but I pushed the solution because I thought I had all of the facts and could see the big picture. I did not follow the strategy of the process of getting from beginning to end in the fact finder so I lost the sale.

**Basics of Factfinding**

If you emerge from the opening interview successfully and make it to the fact finder, you have a high probability of making a sale. You may not know what you have sold, but you have sold something. At this point if you do the right job, it is your case to close. Remember the Magic BOX. By protecting your magic BOX and only putting in good paper, you increase your chances of success significantly.

Here is where your filters play a major role. If you have prospected properly, if you have done the opening interview properly, if you have done the "deal before the deal," then you will most likely make a sale. The only way you can lose the case is if you make a mistake.

The basic principle of the factfinder is just what it says; you are gathering facts. The purpose of gathering facts is to understand your prospect's situation and to restate the facts to your prospect in a clear and concise manner. The purpose is NOT to sell a product. Although a sale may very well be the outcome, it is important to have a consultant's mindset during the fact gathering period.

Your most important job is to be objective. Remember you were given two ears and one mouth for a reason. You are supposed to use your mouth half as much. You must listen with both ears to the information. Why? There are really two reasons. First, the answers are important as you begin to understand the prospect's long term objectives. But equally important, the answers will lead you to the next questions. By hearing what the client says, you can find the thread to the central issues in his life. By listening, the client will tell you not only how to sell him, but what to sell him. You must believe you would not be there unless the client wanted to do something. You must figure out what that "something" is.

Don't shame or blame your prospective client during the factfinder. Don't be judgmental when you hear the answers. There are obviously right and wrong ways to do things. But in the factfinder, you are just trying to find out what he has done and why. If you are critical or judgmental, you're likely to discourage your prospect and turn them off to the process. Be kind and understanding. He is just doing the best he can with what he knows. Our job is to enlighten him about what is possible so he can make a good decision.

Another important aspect of the factfinder is not to be helpful–yet. It is too early for solutions. Answers to the prospect's questions should be postponed until later. If we come up with the answers too quickly, he won't trust us. Remember my experience with Pete.

If you have the urge to be too helpful, ask yourself why? Very often it is only to build yourself up in the prospect's eyes, often at his expense. So, postpone giving answers to their problems. It is hard to refrain from being helpful, especially if he is asking questions. But you can just say that "we will get to those issues later."

The key to the factfinder is to make the prospect "feel" the questions. Ask him hard questions that take thoughtful answers. By making him dwell on the answers for awhile, he will often come up with important insights.

## NOTHING BUT THE FACTS

Speaking of hard questions, we must remember to emphasize the soft facts. There are hard facts and soft facts. The hard facts are the numbers. But the hard facts are only a snapshot of a specific period in time. They give us the information we need for the economic models. The soft facts give us the priorities and objectives. It is through the soft facts we are able to determine the prospect's real needs and help him discover what he really wants to do.

Learn to ask soft fact questions. Your ability to be a good consultant depends upon how you manage the process. Here are some basic rules of asking soft fact questions:

1. Make the prospect feel the problem.
2. Let him gain a sense of the issues and the cost of not taking action.
3. Don't fill the silence–let him answer the questions.
4. Don't lead him in his answers.

It is critical the prospect has time to process his own answers. I think agents are so focused on making the sale they often miss the real reason agents do what they do. Don't we sell to help people? If you blow through the process, all you've done is to have made a sale. In some cases that is enough, but there is usually so much more there. Why let the opportunity go by because you need to get on to the next prospect?

Here is an example of a series of questions you might ask about estate and business planning:

- How do you feel about paying estate taxes?
- How much tax would be acceptable?
- Which assets would you want your family to sell to finance the tax?
- What would happen you were unable to get a loan?
- What would happen if there was no market for your company at the time you had to sell it?
- Who is the logical president to take over your company?
- What training and experience has the replacement had?

- If something were to happen to you tonight, what are the three biggest problems your family would face?

When you are asking “soft fact” questions, it is almost as if you are building a doctor/patient relationship. You want to gain their respect and trust. You want them to count on you for the answers. You want them to confide in you and feel you will treat their problems and issues with the highest level of respect and integrity.

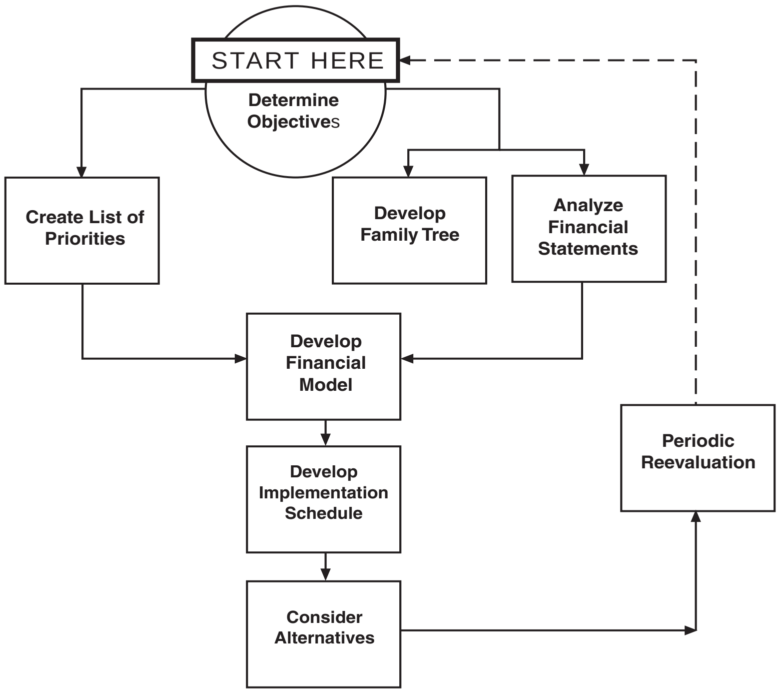
Remember, you are trying to create an atmosphere of safety and security. Your prospect may have never been here before and your job is to guide them through the treacherous waters to safety. Your factfinder is the beginning of a nine step process that will lead them to a decision. These are the steps you should follow:

1. Obtain permission to ask questions.
2. Gather the facts.
3. Demonstrate the scope of the problems.
4. Measure the price tag of their current situation.
5. Show them alternatives that they should consider.
6. Allow them time to think about it.
7. Show them a prospective implementation schedule.
8. Ask them if they are ready to make a decision.
9. Ask them when they would like to start implementation.

If you follow this outline, your probability of making a sale increases substantially. Once you have used this process effectively and really adopt it as your own, you will never go back.

I think you need to share these steps with your client. He wants to know what is going to happen and what to expect. The chart on the next page is one we use to effectively convey the process. Show people where they are going and how they are going to get there.

Most people need to feel like they are in control of the process. If you keep it a mystery, they will tire of the process and quit. Tell them what you are going to do and how long it will take. Remember, they are still tentative about the outcome of this process. They




need time to adjust to the steps. You need to let them become comfortable with what you are going to do. Show them you are working a system and have done this many times before. They will gain confidence from knowing you are skilled at what you do.

The entire purpose of the factfinder, besides learning about the prospect's needs and how you can help him, is to build an attitude of exploration and investigation. By getting him to explore and investigate his alternatives, you move him into the next phase of the sales process-negotiation.

If you are going to build economic models to show the prospect how his plan works, then you need to understand his plan. You have to be able to capture the details in such a way you will be able to show exactly how much it is going to cost the prospect if his plan were to be implemented today. Once you can do this, then showing him the alternatives and the potential savings, is easy.

If you blow this opportunity by making any of the major factfinding mistakes, you probably will have lost any opportunity to sell this prospect. This is where most joint cases fall apart. The introducing agent has taken the case too far and already exposed many of the strategies that should be considered. Instead of leading the prospect along the path, the introducing agent has forced the sale and alerted the wary prospect to the danger. When the joint agent arrives on the scene, the damage has been done and the sale has been blown. It would take a Herculean job to put Humpty Dumpty back together again.

**Two Rules of Factfinding**

Before we look at five common errors made in factfinding, we need to consider two fundamental rules that will make factfinding more effective.

First rule, never, never, never use the ‘I’ word in the factfinder. By making insurance an issue in the factfinder, you blow all credibility as a consultant. You become the enemy because you are trying to sell the prospect before he is ready to buy. The ideal strategy is to make the prospect say the ‘I’ word first. In fact, that is the rule. Whoever says the ‘I’ word first loses. (Quite the opposite of “owning” an objection) By that I mean, if the prospect says the “I” word first, then he has determined insurance is a viable product and makes sense for him to investigate. If, on the other hand, you use it first, then you have put your cards on the table. If the prospect is ready, then he may buy. But if he is not ready, then he is likely to run for the hills. He won’t return your calls and he is unlikely to give you another chance.

This is maybe a controversial position. Many agents feel you have to be bold when you are in the selling situation. But take my story about Pete, he was not happy when my sense of urgency exceeded his. I believe every potential prospect has a bias about insurance. Unless you know for sure his feelings about insurance, you run the risk of introducing insurance too early in the conversation.

Our fear, of course, is the prospect might buy from someone else or we will be perceived as being dishonest or pushy. But remember, in the opening interview you did the “deal before the deal.” If you did this properly, the prospect has already agreed to buy from you, you just don't know what. All you have to do now is wait for the right time to bring up the subject. Better yet, let him bring it up. Prospects are smart, and they will understand their problems if you show them economic models that demonstrate the costs. They will eventually be open to alternatives that solve the problems.

Another problem created by introducing insurance too soon is it takes the focus off the alternatives approach. As a result, the relationship becomes solution driven instead of problem driven. You may want to review Chapter 4 and the problem/solution scale. Insurance is such a wonderful solution that it really sells itself when it is the right solution. Your strategy needs to be one of problem identification. Load up the wagon and you only enhance the probability of making a significant sale. If you bring the solution into focus too soon, you run the risk of losing the sale or reducing the size of it. Let the client guide this part of the process.

We must never forget insurance is a financial commodity. As a commodity, it is price driven and the prospect will want to compare prices. Buyers are groomed from birth to price compare. This often means extra work and potential risk. However, when insurance is presented to the client as a service and perceived as such, the client will buy from you with very few questions about price.

In the legal profession, the factfinding process is called discovery. Each side has to interview the various players and ask questions. They piece together the information and ultimately get the big picture. The power of self-discovery is awesome. It plants on the "shelf of the mind" the importance of the solution because they discovered it for themselves. We don't want to rob our prospects of this opportunity.

Rule Number Two of factfinding is "Don't Hurry the Sale." As long as you don't make this tactical mistake, you will almost always make a sale. Virtually the only thing you can do wrong is to hurry the process. It is important to have the confidence that underlies this truth. If you have confidence in your ability to help your client, then your confidence will be transferred to your client. This is the heart of riskless selling.

If you are having difficulty accepting rule number two, ask yourself this question, “Why would your prospect give you all of the information you requested, allow you to probe personal issues and participate in the negotiation process, only to say no?” It doesn’t make sense. If you allow the prospect to understand his own problems, negotiate his own solutions and design his own implementation schedule, why wouldn’t he buy?

You must trust this rule from the start. If you have confidence in yourself, then the prospect will have confidence in you. That is why having a sales process that you use over and over again is so important. Without the process, you will appear disorganized and incompetent. Your trustworthiness depends upon your process.

Now, let’s look at five common errors agents often make in the factfinder.

**1. Overpromising, Underdelivering**

When I look back through the years, I must admit I have been guilty of overpromising. I got caught up in the circumstances and jumped to a conclusion. Instead of being patient and looking thoroughly at all of the facts, I seized one or two “big” items and gave a solution. I call this over-promising.

Then, I was put on the spot. I had to deliver. But I didn’t understand this is not a win/win situation. If I deliver, then I gave the client exactly what he expected and I won. If I didn’t deliver, then I lost. So I have toned down my style and I don’t set the expectations too high or too early. I let the process flow and wait until all of the facts are on the table.

I think I was trying to be a hero and show how valuable I could be to the client. I have learned to wait for the facts and let others participate in the process. The results end up the same but the perception is different. Instead of delivering what I said I could, I now deliver more than what was promised. The client is happier. On the downside, if the savings is less than anticipated it is not as painful for me. It is better to underpromise and overdeliver because then you are always the hero with little or no downside.

**2. Making Statements that Cannot be Substantiated**

This error is similar to overpromising. However, the root is different. Here, the agent is just plain wrong. Instead of doing the research and making sure of the facts, the agent jumps out with a stupid statement and blows his credibility. This usually happens because of impatience and inexperience. The only way to avoid this problem is to make certain you know all of the facts and the issues before you start to speak. Sometimes it is painful to wait. But in the end it is smart to wait until you are certain about your facts.

**3. Pushing Too Fast**

Here is the heart of riskless selling. If you start moving too fast the client will put on the brakes. I'm reminded of training a dog to walk on a leash. Remember how they dig in their heels and you have to pull them down the street? Dogs do this because they are afraid and the leash upsets them. Proper training techniques say you should just let the dog wear the collar and leash for a few days to get used to it. Then start guiding them.

Clients have much the same temperament. If you let them walk around a while and get used to the leash, then they are happier when you start to guide them. Pushing too fast occurs when you start pressing for a decision, using the 'I' word too soon, or offering solutions when you should be dealing with problems. The sales process has its own timetable and requires strict sensitivity and adherence.

I have discovered through the years top sales people instinctively recognize the nuances of this process and are able to gauge the proper speed. By guiding the client through the process at his speed, we retain his confidence and loyalty. But this guidance takes patience and perseverance.

**4. Not Working With the Advisor**

This error can be fatal to your sale. It is easy to overlook the advisor and his importance to the client. But most successful business owners know the value of counsel. Would you be willing to make a big expenditure without getting some independent feedback?

I don't think so! A good CPA or LLB is too critical to a client's long term success to just pass them by. But the interesting thing is that many of these advisors have not successfully addressed many of the problems we uncover. Another aspect is our perspective. As underwriters, we often view the issues from a different angle and bring a new viewpoint.

I have had many advisors through the years tell me they were glad I got involved because they had been unable to get the client to take action. Sometimes the confidence we have is only the result of the confidence we have gained. These are dangerous waters and may require the experience of another agent. I strongly urge you to consider joint work when you recognize you are in new waters. This is a great way to learn and earn. Think of it as tuition. It is only one case, not a marriage. You can take your experience and use it many times over in the years to come.

**5. Not Being Responsive**

Benign neglect is a sad commentary on the sales process, but it happens. I know from my own experience you get busy, other issues arise, you aren't altogether certain what to do. There are many reasons, but the result is you fail to follow through and the client loses confidence.

A personal philosophy is the only way to solve this problem. You must do what you say you are going to do regardless of the cost. Your reputation is all you have to market. If you do not do your best 99% of the time, it will catch up with you. In those cases where you don't want to follow through, you need to be honest and just tell the prospect that you are not able to help him at this time.

Frankly, there is no excuse for not doing what you say you are going to do. Sometimes we just have to reach down and gut it out.

So why do people buy? Because they want to. Your factfinding/discovery process allows them the dignity to understand the issues and process their alternatives. Result–they want to take action.

CHAPTER TEN

# The Buyer's Process

I hear a lot of talk at various sales meetings. The question most often asked is, "How did you meet this prospect?" The second most asked question is, "What did you say to get him to buy?" I've already told you I think "Magic Words" are a myth. Yet salespeople are always looking for the right words. This concept of "why people buy" is the heart of the sales process. But many look for the right answers in the wrong places. Instead of trying to find the Magic Words, we need to seek the right attitude.

I want to explore this subject with you and see if we can't build a mutual understanding about the natural process of converting ignorance to knowledge. It is my belief the reason most people do not buy (assuming they need it) is because they do not understand–they are ignorant. However, I have to be open to the fact that I am equally ignorant about their needs. Sales is really about communication and communication revolves around the buyer's needs, your understanding those needs, and demonstrating the alternatives. Here is my definition of selling:

**Selling is the process of developing a mutual understanding of the problems and the alternatives faced by the prospect. A sale occurs when I have a solution the prospect wants.**

Most salespeople usually enter into a sales dialogue with a preconceived notion – a bias – of what the client needs to buy. I call this size ten shoe selling. When I sold shoes, I would have been in real trouble if I only had size ten shoes. What would happen if a customer came in with size eleven feet? Too often, I think agents approach the business as if they only had one size shoe. We need to act as if we have an entire shoe store of sizes and styles. Our knowledge is based on our experiences and we ascribe to the buyer our estimate of his problems and his need for our solution. This bias can turn a dialogue into a monologue.

It is almost like a software program. The program functions on input according to the bias of the programmer. If the programmer has the wrong formula, then the output will be wrong. These mistakes are often referred to as "bugs." If our sales software has been programmed by years of personal experiences, then our program may have "bugs" as well. Some of our experiences have been very healthy but some are dysfunctional. Our output (communication) is the result of our software's ability to process the information (any input and stored experiences).

Does this sound familiar? You are there in the interview, listening to a client explain his situation. When he says the "need words" (buy/sell, estate taxes, retirement), I often tune out and start thinking of my next response. I may miss the nuances of his concerns while I am processing where to go next because he triggered my thought process with key words.

I am reminded of a time early in my career when I approached a very successful senior level executive who indicated he was willing to help me. I tried to explain a very complicated financial transaction (minimum deposit life insurance) used to fund retirement benefits for large corporations. I felt awkward and ill-at-ease in the discussion. I was intimidated by his stature and I was not totally comfortable with my knowledge of the transaction.

During the discussion, he asked some very pointed questions but I heard them as objections to the idea. When he offered these questions, I responded defensively, thinking he was trying to find fault with my idea. After a couple of attempts, he stopped and asked me why I was so defensive. I tried to explain I was attempting to clarify this concept and his objections were making me uncomfortable. He then explained I wasn't listening to him. He wanted to understand this idea, so he was asking questions for information, not giving reasons against my idea.

He pulled me up short because I was being defensive when he asked me questions. My defensiveness was the result of my prior programming, wasn't it? This executive's willingness to confront me reprogrammed my software. If that experience was stored properly and reassessed in similar situations in the future, I could say I learned from that interaction. Believe me, I did.

**Reprogramming our Thinker**

I believe we can be our own worst enemy in the sales process. If we have utilized our filter properly and eliminated potential prospects who are not compatible with our magic box, then we have gone a long way towards our eventual goal, achieving sales success. We have a choice. We can reprogram our "thinker" so it will gather input from the prospect and give output that will help the buyer to buy, or we can adhere to our presuppositions and react based on our experiences.

Let's talk about our programming. From my own personal experience, I don't think there is just one single reason why people buy something. If people really do what they want to do, when they want to do it, then there are probably as many reasons as there are people why they take action. But I have discovered there are predictable patterns of behavior people invariably follow. If we can understand those patterns, learn to recognize them, and learn to respond ethically and rationally, we can predict their likely behavior. This then allows us to move our prospect down the learning curve. By anticipating his reactions to the sales process, we are in a better position to help him do what he ultimately should do.

Is this manipulative selling? I don't believe so. When I hear sales psychologists talk about buying behaviors, I am ultra sensitive to the manipulative elements that may be suggested. Manipulation occurs when the influencer (usually us) causes the prospective buyer to do something he would not chose to do by using artificial gimmicks or tricks. The “fatal alternative” is a benign example of this. “Would you rather meet Friday at 7:00 PM or Thursday at 8:00 PM?” Assumed consent is an example of manipulative selling techniques. I always ask permission. If someone jumps the gun with me, I will stop and ask him what he is doing. Do you like it when someone sells you using manipulative techniques?

Other techniques of manipulation are guilt, shame, fraud or other equally offensive behaviors to cause the prospect to take action. It is no wonder the image of the insurance agent backing the hearse up to the door is a stereotypical description of our trade.

**Achieving the Predictable Result**

There is an important rule of selling I try to follow. It allows me to guide the discussion. I never ask a question unless I know the answer, or, at the very least, I know the answer won’t hurt my process. By relying on what I know and adding to it what I don’t know, the prospect and I move together towards the ultimate goal–understanding the problems and the alternatives. I call this achieving the predictable result.

What is the predictable result?  If you had perfect knowledge and you knew all of the inputs and all of the reactions, you could predict the outcome. Because there is a predictable pattern of behavior for most problems, once you understand the problems and the objectives, you can predict the outcome. If a wealthy estate holder says he is not interested in giving much of an inheritance to the kids, the result is predictable. You will have to overcome his understanding of inflation and taxes before he will consider any planning solutions. If a prospect owns a business and plans to retire, it is predictable you will have problems if he or she has not yet started any succession planning. If he says, “I think I will buy term and invest the difference,” you know you have to demonstrate the mathematics of life insurance at the older ages. You know too, that he needs to understand his need for insurance after retirement.  This can only be done through asking questions.

The patterns are usually the same. We must learn to recognize the patterns and develop a catalog of appropriate responses. Unless we learn to recognize these patterns, we will always be on the defensive, trying to find effective arguments to overcome his objections. If, on the other hand, we are congruent, honest and ethical in our relationships, we can ultimately help him do what he wants to do.

To me, persuasion is the effective exchange of information between the consultant and the client. This exchange is meant to cause the prospective buyer to re-evaluate his own issues and perhaps change his mind based on new input and understanding. However, it may result in the consultant learning new information about his buyer and ultimately causing a better outcome for both the buyer and the seller.

Every salesperson accepts the fact knowledge is power. Imparting knowledge to someone in a way that allows him to process the information and perhaps change his mind is communication–not manipulation. I think you will see this as we develop these thoughts further, sales can be a constructive process of continual education. If we allow the prospect enough time to think through his concerns and fears, he will take the appropriate action. After all, he always does what he wants to do.

## Denial is not a River in Egypt

We need to have freedom in our relationships to communicate honestly and openly with our prospects. If our communication is tainted with unethical or selfish motives, then selling ceases to be a noble profession and becomes fraudulent. Professional salespeople take great pride in knowing they have benefited their clients through ethical and honest selling methods. Is there any one of us who wants to have his reputation soiled by using improper tactics? I don't think so!

Having said all of this, let's look at an ethical approach to dealing with people who are tentative or slow to act–an ethical approach that allows you to improve your probability of success, yet still allows the prospect to retain his dignity and self-will. After all, if your job is to make something happen, then you need to develop skills that will increase your probability of success. If nothing happens, then you are out of business.

Think about a recent sales experience where your prospect was reluctant to take action. Think of a situation where your prospect would not explore his alternatives with you. Perhaps you could not get past the opening interview, into the factfinder. Often, the objection is unspoken. In this particular situation, did you recognize any of the problems your prospect was overlooking or ignoring? Probably! Remember, there are patterns. In most cases, we can see the problems more clearly than our prospects. We recognize these problems in just a few moments of conversation.

We can see it so readily, why can't they? This fog that surrounds their ability to recognize their own circumstances is called denial. Denial is most often a passive resistance to seeing reality. Denial is a protective behavior used to suppress uncomfortable or unpleasant feelings. These feelings are usually the result of fear– fear of consequences, fear of the unknown. Haven't you ever dreaded something so much you refused to even think about it? I certainly have. Our subconscious uses denial as a way to protect us from depression and ultimately death.

Most often, our prospective clients are so busy being successful they just don't want to deal with issues they know need to be addressed. Can you think of any? Here are some to ponder.

- The client who has done his planning several years ago and knows the laws have changed.
- The prospect who knows retirement is coming and hasn't started to set anything aside for income.
- The wealthy estate holder who has seen several estates decimated by taxes but hasn't taken the time to make any arrangements to protect his own estate.
- The business owner who knows he is nearing retirement and has not made any arrangements for successor management or business continuation.

The list is much longer than I could begin to detail. But the common denominator is always denial. They have an unwillingness to confront their problems primarily because they don't know an acceptable solution exists.

Sometimes they avoid issues because they are afraid of the cost. Other times they may be unwilling to exert the effort. It may be a hidden agenda about the ramifications associated with the solution. They don't want to deal with the black sheep in the family, the alcohol, drugs or other family problems. They are afraid to tackle the underlying issues. Whatever the reason, the prospect is caught up in his denial and is often militant about even addressing it.

Ask yourself, what is the state of mind of your reluctant prospect when you first come into his office? It probably would not come as a surprise this prospect may not be a very good buyer at this moment. In fact, he probably will never really want to buy unless he can be emotionally moved from this place of denial to a place where his fear is replaced by desire–a desire to eliminate the issues and problems he faces.

It is difficult to feel confident sitting across from this prospect, who is anything but a "sparkplug of enthusiasm." So, what do we usually do? We attempt to make ourselves valuable by offering specific ideas and solutions to what we think are the most likely problems. After all, this strategy makes good sense. If the prospect hears something he likes, maybe he will "bite." The problem is he may not be interested in hearing solutions because he is too busy denying he has any problems.

Herein lies the paradox of selling. The very solutions the prospect needs, which you have, are rejected because he doesn't know he needs the solution. Talk about a Catch 22. What is a person to do?

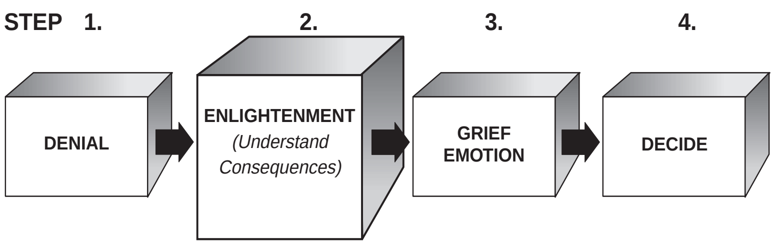
**The Buyer's Process**

I believe salespeople can deal effectively with these prospects if they understand not only why people buy, but how they buy. This is what I call the Buyer's process. Just as the seller has a process, the buyer does as well. The process is simple.  The seller must learn to identify the buyer's process and where he is in it?

The first step in the Buyer's process is denial. Remember, they have all the solutions they need for all the problems they've got. In all likelihood, the pain of the problem is so great the prospect has suppressed any acknowledgment of its existence. There he sits, with all the solutions he needs for all of the problems he is willing to admit he's got. Our job is to bring them out of denial to the next phase – enlightenment. This can only happen if we allow the client to discover the truth of their situation.

The factfinder allows the client to discuss the subtle aspects of their personal situation. As they open up and discuss their concerns and fears, the prospect moves from a place of ignorance to one of acceptance and understanding. The light bulb starts to go on and he begins to realize there are some issues here he needs to consider. When the buyer begins to realize their issues, you will usually get some positive feedback. This is not a time to break the mood with solutions. Deal with problems. Dig deeper and deeper as the client becomes more open and vulnerable.

I think we also become most vulnerable at this point. Our usual response is to start the "fixing" process. We bring out the charts,




graphs, and illustrations in an attempt to become the hero by showing him how easy it is to fix his problem.

If the prospect is left to dwell on his new found understanding, then the next stage is the prospect's recognition of the consequences of his problem. We must conform our sales process to help them understand the pricetag of their solution. Whether the consequences are an insufficient retirement income, the potential of forced liquidation of assets to pay taxes or the sale of the business, recognizing the cost is crucial to the buyer's process. If the prospect is shortchanged in his ability to understand the consequences, the likelihood of making a sale diminishes significantly.

After the enlightenment and consequences phase comes the most important phase in the process–emotional acceptance. This phase could also be identified as the grieving phase. Once the prospect has been enlightened and the probable consequences are understood, the pain becomes apparent. The more it hurts, the more likely the prospect is to take some action, any action he can, to relieve the pain. In the recognition of this pain and the pricetag of fixing it (within his scope of knowledge) he grieves what he has lost by not planning sooner. The pain comes from realizing he has very few alternatives and, if he doesn't take action, the pricetag will be much higher than he expected.

Once the prospect comes to grips with the reality of his circumstances, he becomes agitated and will want to remedy the problem. This agitation is the key to the sales process. It is here the negotiation begins. The pricetag of his current circumstances works towards a preferred solution. The degree to which you are involved in this negotiation process will determine whether or not you can make a sale. We must allow them the dignity to grieve. Sometimes this will look like procrastination. But in reality, it takes time for them to accept the fact their solution does not work.

The fourth and final phase of the buyer's process is the decision. The prospect accepts his condition and wants to relieve the pain. He is willing to do whatever is reasonable to eliminate the pain. As salespeople, you need to be available with an action plan, which allows the prospect to implement their chosen course of action. The lack of choice will usually postpone the decision and may even drive him back to denial.

When the prospect becomes confused or feels he does not have enough information he becomes paralyzed. Paralysis results in procrastination. When people procrastinate, it is not because they are unable to make a decision. It is usually because they do not feel they have enough information to make the best decision. I have discovered most buyers want to make a decision and move on with their lives. But if they lose confidence in the process they will freeze. The consultant/salesperson's job is to keep the process moving. It will only stop when the buyer becomes confused or loses confidence in the process.

Now this may seem like psycho mumbo jumbo to you. But, if you can get past the words I am using and look at the feelings behind the issues, I believe this accurately describes the process everybody goes through when they are faced with tough decisions.

The buyer takes action because he believes the action will relieve the pain and solve the problem. As long as the pain feels worse than the cost, he will move forward. If the cost feels worse than the pain, he will not take action. Why fix something that is not broken? Most of all, why make it worse?

**Defeating the Sales Process**

Commission salespeople want to take action and take it soon. The longer people wait, the longer it takes to get paid. This can be quite painful. This compensation system demands results. There is very little time to waste. Straight commission requires expedience. You must have a sense of urgency and move people through the buying process.

The temptation however, is to move people through this process too quickly. In fact, when I first started in commission sales, I could take a prospect through this sales process in one interview which culminated in what is called the medical close. The medical close occurs when the buyer decides to see if he can qualify for insurance. He writes the premium check when the policy is delivered. I was able to factfind, identify the problem, look at alternatives and then close by selling him on the best alternative, all in a matter of a few minutes.

However, the more complex the set of problems, the slower the process. When a fisherman hooks a marlin, the big game fish needs time to play out the line and become tired. Otherwise, the fish is too strong and you'll never get it into your boat. Smart fishermen know how to play the fish and work the process until they can land it.

So remember, allow the prospect enough time to assimilate the information and feel the pain. He needs to see clearly he has a problem and he needs to feel the consequences. Once the prospect understands, he will formulate the best solution from his own perspective and take action. If he chooses something other than what you recommended, it's likely you didn't clearly present your solution.

**Discovery**

Before we move to the next chapter on compensation, let's look more closely at the enlightenment phase. In the legal world when a case is being prepared for trial, each side must go through the arduous phase of interviewing potential witnesses. This phase is called discovery. The enlightenment phase is the discovery phase. It involves allowing the prospect enough time to work his way through all of the elements of his problem so that he can identify (on his own or with a minimum of help) what consequences he is up against. If you shortchange the prospect by cutting short his ability to experience the discovery process, you have undercut your chances in a couple of ways.

First, you have virtually eliminated the prospect's ability to grasp the full meaning of his situation. By moving too fast, you rob him of the opportunity to "own" the problem. This ownership requires that the prospect first discover the scope of the problem and then believe that it is a problem. This is called "owning the problem."

For instance, a businessowner who has not yet thought through the consequences of business succession, may not fully grasp the impact his death will have on his company. As a result, this owner may disregard any attempts to set up a business continuation plan or keyman insurance. Most advisors know a business faces severe economic and internal turmoil when it loses its leader. Loans may be called, suppliers may pull back credit and decision-making may falter causing cash flow problems. Whatever the problems, they are unique and yet the same.

The discovery process needs to focus on the survival strategies a company must implement when a key manager disappears. Ask the owner if he has ever known any businesses where the owner died or became disabled? Find out what happened. Develop his attitudes and thoughts about that situation. Ask what would happen if he were no longer there.

Sometimes he will demean his own value and say the company will be better off. But you need to stick with the pain and develop this further. Determine if what he says is really true.

You might say, "I hear you, but how many of your employees would feel comfortable working for this company if you were no longer here to solve the problems?" Put your statements and thoughts into questions that need longer answers than a grunt or moan. The prospect needs to come face to face with the possibility of death or disability. He needs to see that his death or disability could destroy the business. Most people will not want their life's work destroyed, especially if they can easily prevent it.

Likewise, a wealthy landowner, stockholder or investor needs to see clearly the impact of death on his estate. You need to help him visualize the possibility of losing 50-60% of his holdings. Ask him which assets would need to be sold. Ask what the sale of these assets would do to his portfolio. Would it make them feel like they did a good job of planning if 50% of their net worth were to suddenly evaporate, because of taxes.?

Again, salespeople need to be known by the problems they solve, not the products they sell. When the focus is the product, then it becomes a commodity and becomes price sensitive. The buyer can become confused, and subject to multiple discussions of whose price is lowest. All of the features and benefits become less meaningful. The buying decision is often on the wrong issue.

**Where is the Focus?**

When the focus is on the problem, then the buyer is focused on the benefits and features. The price is important, but it does not dominate the decision-making criteria. As a result, the buyer becomes more rational and the decision is based upon the appropriate factors, price being only one of them.

A lack of trust occurs when you do not allow the buyer to process the discovery information properly. In chapter 5 on objections, you will find there are four fundamental objections. The fourth one, No Confidence, occurs when the buyer doesn't feel ready or competent to make a decision. He lacks trust because he lacks confidence either in his own ability to decide or in your ability to lead– either one is deadly to the sales process.

Besides the loss of confidence, another by-product of shortcutting the discovery process is the buyer's "loss of innocence." As mentioned earlier, when you first meet a prospect, he is usually in some stage of denial. The opening interview and factfinder are designed to bring the prospect through the denial process into enlightenment. Once he is enlightened, he must transition into the consequences mode. If he doesn't make this transition, he will return to denial.

Comments like: "I don't need to deal with this now," "the family will be all right if something happens to me," "the company can figure out a way to survive," are all denial statements. These statements indicate the prospect has little understanding of the problem and is unwilling to look closely at the consequences.

If we jump in with a solution too quickly, the prospective buyer will link the solution to the problem and will recognize the strategy the next time around. While there is nothing inherently wrong with this situation, the fear of taking action and the obvious bias that has prevented the prospect from taking action before, all come into play. The prospect, however, is now armed with limited information given out of sequence.  The result is a "loss if innocence."

No good comes from "giving" the solutions away too soon. That's why you must learn to speak "consultation" (problem) and not speak "insurance" (solution) until the time is right.

**Paralysis of Analysis**

Another problem that a proper discovery process overcomes is the paralysis of analysis. Once the prospect understands the scope of the problem and the limitations of his alternatives, it is easier for him to make a buying decision. If he feels there are other alternatives he does not understand or hasn't seen, his skepticism will "sink the ship."

As an advisor, you need to help the prospect discover his alternatives. Not only will you gain his confidence and trust, you will also maintain control of the process. If he learns his options from another source, you run the risk of losing the "most favored" position. If you are going to be faithful to your objective–to provide an ethical and complete array of choices–you need to fully explore all of the prospect's choices.

By now you should have an appreciation of what riskless selling is all about. The perfect sale is one where the buyer is brought through a process of enlightenment to discover his needs and selects your recommendation as the best solution. This can happen frequently if you are faithful to the process.

The closer you come to emulating this ideal model, the higher your probability will be of making a sale.

CHAPTER ELEVEN

# Only Monkeys Work for Peanuts

The most difficult obstacle becoming a consultant is the transition to charging fees. It is much easier to move the client/prospect into the factfinder if you don't charge fees. People are always willing to recieve perceived value for free. The trick is to convert "free value" into value added services for a fee. If you promise to work for free and are willing to do unlimited amounts of work on the "come" so to speak, your prospect is likely to participate.

But what happens when your prospect realizes you want to charge a fee for your services? Business customs often dictate what you can do. If your traditional business custom has been to deliver value up front, for free, and then get paid on the back end, you may discover charging a fee is tough sledding. It is hard to convince a client to now pay for something, they have come to expect to receive for free. You may have trouble making the shift. However, there is a way. Change the rules.

Just because everyone else gives away their knowledge and experience for free, doesn't mean you have to continue doing this as well. We all know the world is shifting. Years ago, the consultant controlled the data, the information, the knowledge and the wisdom. But the world is different today. Now, a prospect can get on the internet and find all the data they would ever want to analyze. You can download the entire library of Congress between Washington DC and San Francisco in virtually a nanosecond. So data is now available to anyone who wants to search for it making it a lot harder to charge fees for data.

Information is virtually the same issue. It has become a commodity. Anyone can find out practically any fact in a few key strokes. So it is difficult to charge for research and analysis. Likewise, knowledge, which was the key to client control for so long, is now transferable because the data and information is so readily available. Chat rooms and other mediums are open now for anyone to venture in. That leaves only one skill that has not been turned into a commodity – wisdom. We get paid for making recommendations to our clients based on our years of practical experience.

**How to Charge Fees**

I first started charging fees in the late 70's. It was very difficult to convince myself I was worth a fee. But I discovered many prospects would rather pay a fee than be obligated to do business with me. They didn't object to a small fee as long as they believed they were getting value. In fact, I discovered, they expected to pay a fee for services and often were surprised when it didn't cost them anything. They liked the freedom to be able to walk away with no guilt. When I look back, I see the darkness more clearly. Rarely did they ever walk away. But by allowing them the freedom to make that choice, it left them in control.

You can always afford to give away that which no one will take. Charging fees is an art. The first lesson in fee charging is simple. Never make the fee too large! Ouch you say! How am I going to get paid enough to make it worthwhile? The answer is simple. Break your tasks into small parts so that they are logical and valuable. Make each stage of the sales process a fee. That way, the client remains in control and can disconnect anytime they feel they need to.

**Phase One – The Factfinder**

Think! What is the first step of the sales process for which you can ask your client to pay a fee? The factfinder? Right! So make the cost of entry low enough that the client will want to give you their data. But what value can you deliver back? What about an analysis of their current situation? This allows them to assess the cost of their current plan and to understand the pricetags associated with the decisions they have already made. There is little risk in helping them understand their current situation. See how this fits right into our seven-step sales process.

This is phase one. You will gather their data and give them a quick analysis of the pricetag of their plan. Maybe you only charge $1000 for this phase. Remember to keep the end in mind. What you really want to do is to help them plan their entire program. You are merely getting paid something for what you used to give away.

**What is the Next Step? – Step Two**

Now that you have obtained all of the data, what is the next logical step? You need to help them assess the pricetag and determine how they feel about their plan. This moves us into the next level of planning. Once they understand their current plan and realize it does not fit their objectives, they are ready to consider other alternatives. Here you can up the ante, so to speak. They want answers, wisdom. You can now charge for what you know and how to apply it.

I remember hearing my friend George Hester, give the best answer I could possibly tell a client. When they ask what you charge, you tell them, “You can’t buy my time; only my family can buy my time. I charge for my ideas.” Your value is to remove the pain. The better job you have done of creating the pain, the easier it will be for you to move them to the next step.

I remember the first real significant fee job I ever sold. I knew the cost to provide the whole plan would be upwards of $50,000. When the client asked me the fee, I told them the cost of the first phase was going to be $5,000. I thought he was going to have a heart attack right there in the restaurant. Job over! But I didn’t blink and after he thought about it, he decided to go ahead with the job. Why? Because he wanted what I was offering. He wanted to see if I had an answer for his problem.

**Phase Three – The Flaw**

After the factfinder was completed and after I showed him the pricetag of his plan, we had to move to the next phase – the plan design. By now the ante was a little higher. If he wanted to see how the solutions I was talking about really worked, he was going to have to pay a little more. He weighed the cost. My fee versus the pricetag of doing nothing - or cost in excess of $20,000,000 if he did it his way. He wanted answers and a plan which would reduce the cost to his family. When I told him the fee would be $75,000, he didn't blink this time He wrote the check because he wanted the solution.

You see the basic rule about pain is simple. If it hurts enough, most people will do anything to get rid of the pain. That's why we have to concentrate on selling the problems, not the solutions. When the pain is great enough, they will pay anything for the solution. But if we focus in on the solution without making the pain hurt enough, the price of the solution is too much.

**Finding the Solution**

Once you have found the pain, now you have to find the solution. Selling fees is all about selling process. Anyone who is knowledgeable about the problems, probably knows the solutions. The key is defining the problem in terms the client can understand and will buy. When this occurs, you have a long-term client.

Managing the pain-solution paradigm is a learned art. You have to spend enough time studying the problem with the client to help them understand the problem. Once they get it, the pain starts. It may take a little time before the client really gets it. But this is where we have to patient. Unless we are willing to wait for the enlightenment to occur, we should not even be there. We are doing our prospects a tremendous disservice to not do this right. After all, you may be the last person who will ever earn the right to talk to them about this. If you blow it by being unprepared, moving too fast, being unprofessional, you may destroy the opportunity for anyone else.

I remember an older client who approached me after a seminar. He had heard me do this seminar three times. He told me he wanted to hire me. He thought I was the only person he had met who could help him find a solution to his planning issues. He was in pain already. But he couldn't find anyone to help him out of the problem.

When I did the factfinding, I discovered a very scholarly memo from an extremely bright tax attorney. He had covered all of the bases and had outlined a gift solution for this man's problems. What happened? They didn't connect emotionally. As it turned out, we used the attorney to draft the final plan after I did the factfinding and plan design. The attorney was grateful for our ability to bring the client to a satisfactory conclusion. What was interesting, however, was the attorney was worried about how to present the final documents to the client for signature. When I suggested that I should help, it was a bolt of lightening. He had never even considered me as a facilitator for the signing of the documents. Everything went smoothly and the client signed without hardly having a question.

What's the point? Client management is more important than data, information or knowledge. We possess the power if we have built the right relationship.

**Phase Four – the Documents**

We need a fourth phase to our planning process. This is the documentation of the plan. Again, this requires a fee for crafting the right words to make the plan happen. We don't write documents, the attorney does. But, we can be paid for bringing the transaction to conclusion. This is true added value. Most planning stops and starts a few times along the way. If we can short circuit the roadblocks and procrastination, then we have created value.

We need to make certain we are seen as an important part of the team. This allows us to build further rapport with our clients and the other advisors. I think it is easy to see that his value can translate into referrals and other professional benefits along the way.

There is a possible stumbling block in this process. If you haven't adequately tied down the commitment to the team, other players can creep into the equation. When this happens, all bets are off and you may lose total control. It is important to make certain you have a letter of understanding and agreements before you start working towards the end result. Otherwise, you may end up with an unwanted partner in the case. This can only be controlled by experience. Once you have seen it happen, you probably won't let it happen again.

One case I did, I did perfectly, well, almost. I did the factfinding, the plan design and we got the go ahead for drafting. But the client decided to do a second look without telling me. He took it to a bank trust officer who had no idea what we were trying to do. The trust officer raised a series of ridiculous issues and made the client nervous and confused. As a result, the plan stalled and we had a hard time getting it back on track. How did this happen? It happened because the client needed assurance and felt he had to get the assurance independent from me. Had I addressed this up front, when he signed the letter of retention, I could have prevented this situation from happening. This was a lesson learned.

**Phase Five - Service**

As my friend and associate Stan Mountford has said many times, these plans are like children, they don't raise themselves very well. They need service and tender loving care. This is another opportunity to charge a fee and earn the right to maintain a relationship that is profitable. So often, once you make a sale, the only way you can get paid is through the additional sales. It is hard to justify fees when you are earning commissions. But if you are a consultant, then you get paid for your time. Believe me, these plans need on-going guidance and support.

**So When Do You Sell Any Product?**

That is a good question. Product is the ultimate solution. You can't introduce product until AFTER the deal is signed, sealed and delivered. To interject product before the plan is finalized violates the basic thesis of riskless selling. The focus becomes you and your needs, not the client's. If you introduce product too early into the process, you run the risk of having them focus on whether they want the product or not. The focus should always be on the plan and how the plan eliminates the pain.

In the ideal situation, the client will say, “Wouldn’t (insert your product ) work here?” Do you think you could make the sale now if the client has suggested the product? Riskless selling is all about helping the client discover a way to solve their problem with their solution. The better we are able to guide them to this place, the better able we are to make certain the client does what is right.

**Conclusions**

I am occasionally asked, “How can you charge so much. That’s too high!” Ever heard those words? The best answer I've heard is, “If you are only willing to pay peanuts–you'll get monkeys.”

There is a lot more that could be said about fees — how to set your fees, how to make certain you earn them, how to hold your organization accountable. But those are subjects for another book. Suffice to say that if you are really going to do consultative selling, you are going to have to think and act like a consultant. This requires you to answer the basic question, Why Do People Buy?

By now, you should be able to answer this question. You should know that people do what they want to do when they want to do it. As a result, your job is simple. All you have to do is find out what they want to do and then show them a simple way to do it. If you can master this simple task, then you will succeed.

CHAPTER TWELVE

# Tying It All Together

If you have stuck with me through all these pages describing my concept of sales consciousness, you have probably wondered how you can apply any of this in a practical way. After all, when you are in the "heat of the battle," it is difficult to maintain your composure. But as we all know, it is often at this point in the selling relationship the sale is made.

Many of the thoughts and experiences relate directly to the sale of financial products, specifically life insurance. But I would suggest that these concepts will work for any type of selling - even for developing deeper relationships with friends. Transactional sales occur because a buyer knows what they want and are looking for someone to complete the transaction. But relational sales occur because trust is formed and through that trust intimacy is developed. Intimacy creates a professional relationship of awesome proportions.

Remember, if we are known by the problems we solve, not the solutions we sell, we become referable. People are unwilling to take action unless they believe the problem warrants the cost. If we focus on solutions, we are forcing the client to acknowledge they have a problem. If we focus on problems, we are forcing the client to accept they need a solution. It is really that simple.

The way to accomplish this transition from solutions to problems is to develop a selling process that allows the prospective buyer to understand his problem and then decide whether or not the solutions he has readily available will work for him. These steps are the buyer's process. The ability to synchronize the buyer's process and the selling process is an art and it is crucial to any successful strategic plan.

Let me summarize what I have tried to communicate for you in this book about the buying and selling processes–the basic components of a strategic plan.

**The Strategic Plan**

There are some very basic selling principles that have helped me establish a selling process, but there is only one strategic plan. By tactically applying the basic principles, you can then follow your overall strategy and achieve your ultimate objective of personal satisfaction and plenty of sales.

Before reviewing the basic selling principles that make up the strategic plan, let's review the strategy itself first. Imagine a baseball manager going out to the ball park without a complete understanding of the skills and talents of each of his players. He knows each player's strengths and weaknesses and tries to manipulate the game situation to his advantage. He may order an intentional walk, a sacrifice, a stolen base or a hit and run. Regardless of his tactics, he has an overall game plan in mind. Like the manager, we must think strategically, too. We need to have a reason for everything we do, with an ultimate purpose in mind. The sales strategy is simple – let the buyer do what he is going to do anyway.

In this book, I have concentrated on how to discern whether or not you have a prospect, how to open a case and some issues to develop in the fact-finding process. But most agents who have problems in the fact-finding process have difficulty because they are unable to tell the difference between a good prospect and a china egg. They waste time on prospects that they will never have a chance to sell. It is better to err on the side of productivity than to waste time with a prospect who might never buy. This is especially true during the beginning stages of your career.

I know this concept is likely to be controversial. Many sales trainers say an agent should have as much activity as possible early in their career. But perfect practice makes perfect. Why not prospect a little harder and practice on buyers instead of non-buyers. It is pretty easy to sense who loves their family, who has character, who has a need, and who can afford to buy. Poor prospects are a result of fear. I have held on to bad prospects because I was afraid I would get no other prospects. Your ultimate strategy then is to start with the good prospect and from there apply the basic sales principles to the selling tactics in your selling process. You can achieve success faster by talking to successful prospects.

**The Sales Principles**

In order to effectively implement your sales process, think about following the sales principles I have already discussed in previous chapters. These principles cannot be ignored. You must learn them and trust them before you can apply them. A sales principle is nothing more than an observation about human behavior.

1. People do what they want to do, when they want to do it. We visited this one earlier in the book but do you believe it? If not, experiment and see how many people you can get to do what they don't want to do. Understanding this principle will set you free from guilt, shame, and blame. It will also release you from a lot of fears.

2. Whoever uses the objection first, owns it and controls it. An objection is either an appeal for more information or the prospect's way of telling you that you have not sold them yet. Either way, being complete in giving your prospective buyer all of the information they could ever need to make a decision is just good sense.

If you surface the issue and discuss it openly and honestly, you will be perceived as trustworthy. If you avoid the tough questions and hide from the issues, especially if you know they are going to be a problem, you are just kidding yourself. Be frank. Bring up the problem before they do.

3. People are too busy being successful. If ever there was a truth in selling, it is this one:  people procrastinate because they don't want to take the time to focus and because they are afraid of making a mistake. As sales professionals, our job is to overcome

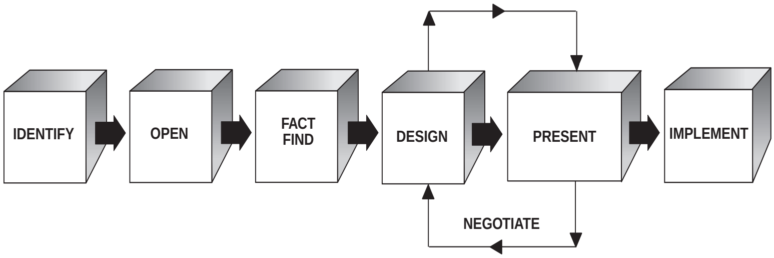
this natural reluctance and develop a logical way for them to look at the issues. Being busy is the excuse they use to hide from the reality of their situation. Use their busyness to your advantage by making it the reason they need you. Take away the objection before they can use it on you.

4. Value-based selling. We are hearing a lot about this, but what does it mean? Values are arbitrary unless they are based on solid truths. It means simply that buyers are going to be consistent with their previous decisions if they understand the basic truths. We need to help our prospects understand the inconsistencies that may exist between their beliefs and actions. It is a rare prospect that will not bring their overt decisions into parity with their truths.

**Sales Tactics**

Once you believe these sales principles, you then must develop sales tactics in order to complete your strategy. Let's look at several tactics you can utilize to help you increase your effectiveness.

1. Have a selling process. Every successful seller has a pattern they have perfected, that works for them. Know your process and practice it regularly. Be so confident and bold in your process that you know you will always sell something. It is in this boldness that you can make the biggest impact in the lives of your clients. Understand the merits of what you sell and why people buy it. Work




your process like an artist painting a portrait. Do everything on purpose and with confidence. The more you believe in yourself, the more the client will believe in you.

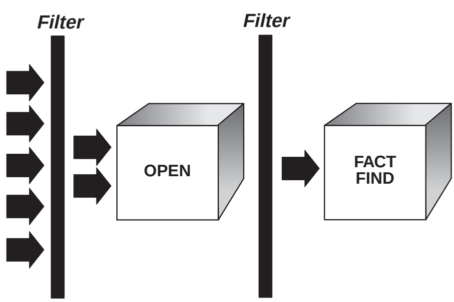
2. Be known by the problems you solve, not the solutions you sell. It is too easy to fall into the size 10 shoe mold. Be known for your creative ideas, not for selling products. Be able to discuss the

problems your clients face in a non-product manner. Don't be trapped into offering a solution before you know they are concerned about the problem.

3. Make your sale in the factfinder. I hope by now you are convinced that the factfinder is where you allow the prospective client to discover their problems and the consequences for themselves. It is here you can delve into their mind and determine all of the pertinent data and values. You need to be able to show them how you came up with your conclusions.

4. Develop a filter. A filter helps you protect your magic box. It gives you a set criteria to use as a measure for all of your prospects. If you are going to invest your time and resources in a prospect, make certain the prospect fits your business model. Do things on purpose. The first filter helps you determine whether or not you want to do business with this prospect.

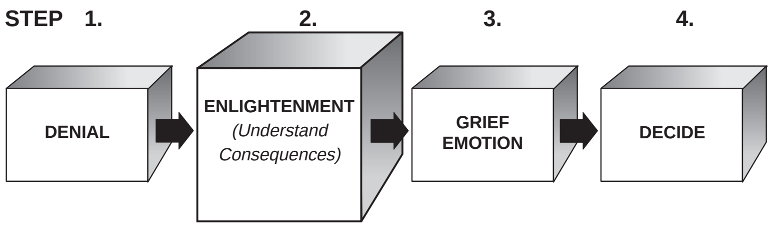
5. Develop a second filter. The second filter determines whether the prospect wants to do business with you. Here you ask the simple question, "Is there any reason why you can't do business with me?" Eliminate everybody who is not going to use your services. Obviously they cannot guarantee whether or not they will buy, but you can certainly find out about any obvious reasons why they will not buy–like a brother-in-law in the business, an agent they already trust, or they don't do business unless their advisors agree. Whatever the reason, you need to negotiate the buying terms–up front.




6. Recognize the buyer's process. Here we have probably the most subtle aspect of selling. We need to acknowledge the buyer's rights. The buyer needs to have time to process the importance of the decision they are making. Their process is one of understanding, price tags, acceptance, and decision. If we accept this process and manage our information process around their timing, we will be successful. If we fail to consider their timing needs,

we are almost certain to fail in our attempts to do business with them.

7. Don't be afraid to establish the rules of the game. Tell me the rules to the game and I'll tell you if I want to play. The buyer needs to know that you are serious about your relationship and that, as a business person, you are investing your resources into the relationship. When you negotiate the rules of the "buy," don't be afraid to tell them what you are doing. If they tell you they want to




shop around, then find out how they plan to make the decision once they have all of the information. Make the buyer respect you and your business values. The more they respect you, the higher the probability they will do business with you.

8. Speak directly to their fears. If you have confidence and boldness, you can speak directly to their fear of what might happen. You may know exactly why they are not taking action but you back off because you are afraid to confront them. Speak directly to those fears. Raise the issue. Put it on the table. Then you can deal effectively with the issue and help them understand how your process can help.

9. Raise the issues before you show them solutions. A key to selling is to make certain you know everything you can, before you start to disclose the best solution. That's why the "I" word should not be used until the last part of the process. Once they know the solution, they can start coming up with all sorts of excuses. Remember, people will solve problems, but they don't buy solutions unless they have first bought the problem.

10. Don't use the "I" word too soon. This is probably the most important tactic you can adopt. Hold off using the "I" word until you are certain they understand the price tag of their problem and have emotionally internalized the cost. If you move too fast to solve their problem, they will not have processed it long enough to really

want to do anything about it. Make certain they understand the price tag of their problem, before you show any solutions. Remember, whoever uses the "I" word first, loses.

**Buying And Selling–The Strategic Plan**

I have talked about the importance of understanding the buyer's process and the seller's process. When your selling tactics are implemented, they have to be used with an eye on the buyer's process. It is the buyer's process that really controls the flow and tempo of the sale. If you allow your own agenda to control the buyer's attitude, you run head to head against one of the basic sales principles—people do what they want to do. Helping them to do what they want to do is your strategic plan.

If people do what they want to do, then it is important to keep pace with their involvement. It may require an additional factfinding meeting. You may have to negotiate with them several times on the complexities of an irrevocable trust or a gifting plan. They must first buy into the liabilities of their plan before they will buy into the financing aspect of the plan.

I think we make a major mistake trying to get the prospect to understand the price tag of the solution too soon. It takes patience and skill to move a buyer through their buying process and end up at the decision point together. But when this is accomplished, great things happen. When we fail, it is a fiasco.

**Matching the Processes.**

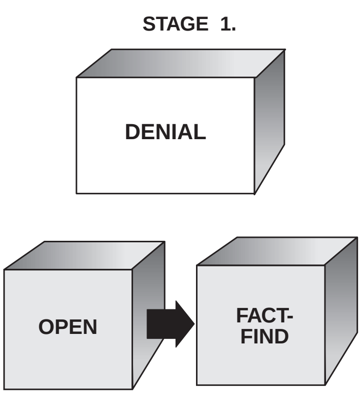
Let's look at how the selling process and the buying process work together and our role, as the facilitator, in trying to time the outcome. Take a step back and think for a minute–what is our ultimate objective? Isn't it to help our client/prospect accomplish what is in their best interest? I would think that in the final analysis if the prospect does what is best for them, then it will be best for us. Remember, people do what they want to do...

Having said this, there are two processes that are happening simultaneously. The buyer is processing the information and we, the sales person, are attempting to hold to a sales process that works. The objective is to make both arrive at the destination together.

**Stages Of Buying And Selling.**

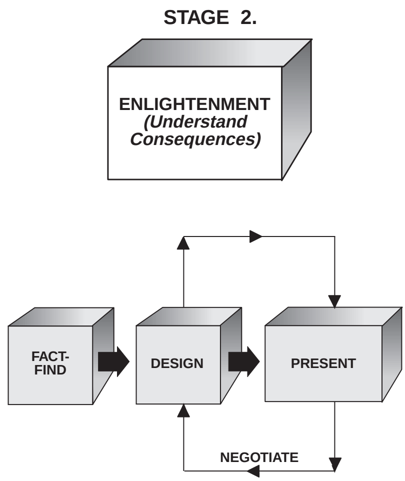
Look with me at the first stage of the buying process–Denial. Here we have a buyer who is unaware or unwilling to address important issues that relate to the financial well being of their family or business. The second two stages of the selling process, the opening and the factfinder are designed to awaken the denial. The buyer must respond to the stimulus or else we do not have a prospect. As a facilitator, we need to identify the problem and then achieve a corresponding reaction. No reaction means no sale.

Assuming the prospective buyer responds, the second stage of the buying process is enlightenment and consequence. Here the buyer comes to the realization that they do indeed have a problem, and, better yet, they also begin to understand the price tag of their problem. The third stage of the selling process, the factfinder and negotiation, is aimed at helping the client come to grips with the scope of the problem and the magnitude of the solutions which are available to them. Without our intervention to help the prospect uncover the natural consequences, the price tag of the problem is predictable. Remember, every problem has a price tag and the prospect needs to be given time to process the problem and the related price tag consequences.

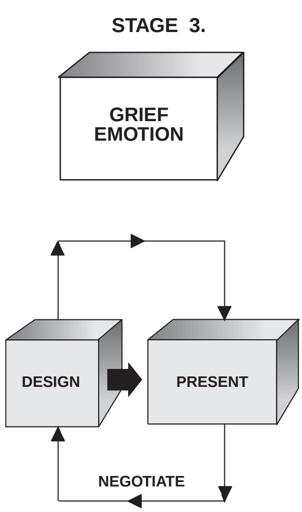



Stage three of the buying process is the emotional buy-in. I called this "grieving" earlier in the book. They have to assimilate the consequences and go through a process whereby they emotionally understand the severity of their circumstances and the lack of reasonable solutions to them. They need to "feel" the problem. Our job is to help them through this process. The corresponding stage three of the selling process is the emotional bonding between you and the prospective buyer that takes place at this point. We become their confidant and friend. It is through this process that they learn to trust us and they see us as the implementor of a solution. The problem needs to be seen in qualitative terms as well as quantitative terms. As long as this bonding is real and complete, you are virtually assured of making a sale.

The selling process needs to last long enough to allow the buyer to move through their buying process naturally. As the sales facilitator, we have to be aware of the progress our prospect is making through these stages and adjust the tempo of our presentation to accommodate their progress.




The worst thing we can do is finish our process before the prospect has finished his. If this happens, you can be almost certain there will be no sale.

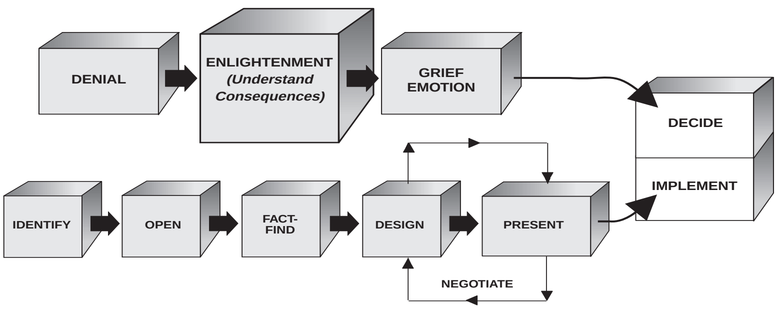



**Pacing Your Selling Process.**

Many sales people have learned to pace their presentation by experience and have come to a point where they do it without thinking. But I believe leaving this important strategy to chance causes many of us to fail under pressure. In golf, a player can shank a shot (hit it dead left or right because they fail to follow through) or yip a putt (lift up as they start to hit it.) These are signs of pressure and show up at the worst times. As professional salespeople, we need to have confidence in our "game." We need to know it will hold up under pressure. That's why understanding the buyer's process is so important. By recognizing each stage and pacing our presentation to our prospect's needs, we not only increase the probability of success, we also build lasting relationships.

The negotiation phase of the sales process is where we allow the buyer to process their grief. I do this by working through their issues in a series of well thought out iterations. An iteration is taking the plan design you have in mind and breaking it into smaller steps. Then introduce each step to the client as they become ready to move along the map you have drawn for them.I must warn you this is tedious. But if you want to sell big cases, you must learn to do this or the only sales you make will be by good fortune, not

**THE BUYERS PROCESS**




**THE SELLERS PROCESS**

necessarily sales skill. You have to pace the negotiation to match their understanding of the consequences and the emotional buy-in needed to make a decision to implement your suggestions.

Can you see why the "I" word becomes such a critical issue? Giving away the solution before the buyer is ready to consider alternatives shifts the focus from the pain of the consequences to the need for insurance. Then, the focus is on the wrong issue. You don't need to talk about insurance when the client is still thinking about whether they even have a problem. Until they understand their problem, there is no need for the insurance.

If you have paced the selling process properly, you arrive at the solution at the same time the buyer accepts that they have to do something. Masterfully orchestrating the timing of these processes can be as thrilling as hitting a home run in the bottom of the ninth or sinking a hole-in-one on the last hole. Having achieved this remarkable conclusion many times, I can tell you from my own experience, it is a wonderful feeling. There is joy in knowing you have done the job properly.

So now, the buyer wants to take action. They see the problem and understand that your solution is the ideal action. They want to solve their problem and they know there are no other acceptable alternatives. What greater testimony to the value of your service and experience is there than the satisfaction of knowing you have helped someone?

**Why People Buy**

So there you have it–Why People Buy. They buy because the facilitator has given them enough time to understand the dynamics of their situation and to face consequences without interference from you, the salesperson. In this psychobabble world, the need to interfere with this process could be called codependency. Our need to help others fix their problems is so great that we cannot stand to watch them agonize over the consequences of their situation. By interfering, we may temporarily become the hero but usually end up scaring the prospect away before the process is complete.

By waiting, we allow the progression of natural consequences to fall into place. We can influence the prospect's desire to deal with his circumstances. Once the prospect truly accepts the consequences and realizes the harm that could be done to the ones they love, they will do anything within reason to solve the problem and to remove the pain. Once they have had the opportunity to internalize that pain, they will buy to eliminate it. Your challenge is to trust this concept and apply it to your selling process.

**Your Action Plan**

1. Review your selling process. Do you have one? If not, develop one now before your next interview.
2. Develop a criteria for your future client base. Write down who you want to do business with and what common characteristic they share.

3. Start now to match your prospect against your criteria. If they match, go sell them. If they don't match, then ask yourself if you really need to invest your precious resources on them.
4. Develop a sensitivity to your buyer's process. Learn to recognize when they are in denial and when they begin to understand the problem and the consequences. Watch them go through the emotional buy-in and the acceptance.
5. Learn to pace your presentation to their process. Figure out how to turn your sales presentation into a negotiation–a back-and-forth fine tuning. Time your recommendation to coordinate with their acceptance that they must do something.

These five easy steps will bring you sales success. You can start now to build the practice you have always dreamed of having. You can reap the rewards of terrific referrals from happy clients. You can become the success you have always wanted to be. All you have to do is practice these concepts. Just remember, it is perfect practice that makes perfect.

**HAPPY SELLING.**