



Words of advice from a \$15 million annual annuity producer who built his business from scratch in a cold market

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The Negative Annuity Factor - What can we do to convert it to a Positive?

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Do You Have a Business or Just a High-Paying Job?... What's the Difference?

For many years I successfully packaged, marketed, and completed a series of real estate ventures. By the mid 90's, both myself and my clients had done quite well. We were aging, our zest for speculative growth and accumulation real estate ventures was waning, and we were more interested in protecting what we had accumulated. I decided to make a career change, with a focus on preservation and distribution of assets, as opposed to growth and accumulation. I had decided to focus on the needs of retirees, and soon to be retirees, and had chosen fixed annuities as my primary product due to their safety and security.

Fortunately, in the process of making the transition, I was introduced to a book titled "The E-Myth" written by Michael Gerber. After being rejected by many major companies in the United States, Mr. Gerber re-located to Japan where his business development concepts were embraced by several companies, then relatively unknown, that have now become household names in the United States.

One of the most important things that I learned from Mr. Gerber's book was the difference between a legitimate business, and just a high-paying job. A true business can provide income when you are not working it yourself, whereas a job will only provide income when you are working.

A true business must be built on SYSTEMS, rather than personality. And those systems must be easily operable by ordinary people. If the systems that drive your practice can only be operated by extraordinary people, then you'll simply be a trainer for an entrepreneur, who will eventually leave you to start their own practice. We also must be willing to invest some capital into our business, in addition to our time and effort, in order to build a true business. Gerber also emphasized the importance of first defining specifically how you want your business to look when you finish developing it.

The first thing that I did was develop SYSTEMS that would continuously provide me with a stream of qualified prospects who ask me to contact them. This is an ongoing process of constantly evaluating and improving existing systems and developing new ones.

The next focus was on a series of SYSTEMS designed to encourage, and create the opportunity, for both new and existing clients to introduce me to qualified prospects.

The next SYSTEMS are designed to provide a level of service that our clients have never seen before, in order to encourage them to continuously introduce us to qualified prospects, as well as to want to do more business with us when the timing is appropriate for them.

I then developed a regular and consistent DRIP SYSTEM to continuously stay at the top of the consciousness of Prospects who were not ready to meet with us, or do business with us, the first time around, and to encourage existing clients to do more business with us when appropriate.

Any and all of these systems can be operated by a solo practitioner themselves, but it's much more efficient and profitable to eventually bring on help.

This effective model has created a business that works continuously when I am not working, and will continue to provide me with income when I choose to slow my pace, or can't or don't want to work anymore.

Using this model and these systems, I was able to break the \$1,000,000 income barrier in 5 years, and this was in a market area I had not been in for over 25 years, and had no warm market to start with.

It took a tremendous amount of time, effort, focus, and concentration to develop the SYSTEMS that support this business. I had long ago discovered that I could not comfortably use many of the sales and marketing strategies that have been touted for many years. As a result you will find that the marketing strategies included in our systems are very straightforward so that they can be comfortably used with prestige and dignity.

A \$500,000/Year Lesson Learned About the Value of Persistence...

Words of advice from a \$15 million dollar producer ... Two years ago I purchased a packaged Social Security Workshop program. I felt it could be a powerful prospecting tool for our financial advisor marketing strategy. Before actually doing any workshops, however, I purchased 2 other programs in order to compare them. I found that, in content they were all pretty much the same.

Initially we did 5 workshops over a 2 month period, and were quite excited when over 50% of the workshop attending units (a couple counting as 1 unit) requested appointments. What we found, however, was that it was very difficult to transition to a serious Retirement Income Planning appointment, since all of the workshop programs close on a “free Social Security Analysis”. You could actually see the prospects backing away as soon as we ventured from the Social Security Analysis into Retirement Income Planning. We made a profit on the cost of the workshops, but it was a lot of work for a relatively low return.

I was quite tempted to abandon the program, but had a gnawing sense that this could be a very powerful prospecting tool, if it could be done correctly. So, instead of abandoning the program, I decided to put some serious time and effort into tweaking the workshop format so that the attendees would be properly conditioned to ask for a Retirement Income Planning appointment, with the Social Security Analysis simply being a part of it. We figured this would give us a lower appointment ratio, but would provide a better qualified prospect. Well it certainly did provide a better qualified prospect, but to our surprise the appointment ratio actually increased and the leads program immediately became quite profitable.

As we continued the program, we found that many of the prospects had long standing relationships with an existing Financial Advisor, who they liked. We also found that those relationships were difficult to break into. With the success we had from the first tweaking of the program, we found the persistence to tweak it again to dramatically lessen the adverse impact to us of the existing Financial Advisor relationship.

We are very excited about the recent changes to the Social Security System because it has created a much greater public awareness of the importance of getting accurate, usable information before making the Social Security filing decisions. We have already seen increased attendance at our Social Security workshops as a result.

As we continue to conduct the workshops, we have improved the invitation process, the presentation process, and the other various components of the system. We now conduct 10 workshops per year at a total cost to us of approximately \$45,000 per year. We bring in immediate increased income to the practice in excess of \$500,000 per year, and have a drip system in place which brings in additional income downstream. In addition we have a very effective Referral/Introduction system that provides considerable additional income as well.

I have made all of the components of our Social Security Workshop program available to DMI, and will allow them to share it with selected agents.

The Negative Annuity Factor – What can we do to convert it to a Positive?

Those of us who use a Fixed Indexed Annuity as a key component of a client's Retirement Income Plan have all had this experience.

We gather all of a Prospect's pertinent information, and spend a significant amount of time painstakingly designing the best possible Retirement Income Plan for them. We then carefully deliver our proposal to the prospect, and answer all of their questions and concerns. Many times they are right in step with us, and we proceed to implement the Plan. Often time, however, we are working with someone who simply needs more time to make sure that this is exactly what they want to do, and this is fine. Not everyone handles the decision making process the same way, and we need to respect that. So we ask them to carefully review the proposal, write down all of their questions and concerns, and we schedule another appointment.

If we've done our job properly up to that point, most of the time they will come back in for that next appointment, and we will implement the Plan at that time, sometimes with some minor modifications. But what about the times when we get the phone call canceling the appointment, and they tell us, rather apologetically, that they are just not ready yet, or they're not sure that our proposal is the right thing for them at this time? What do you think happened?

Our practice was built on referral, and most of our new prospects continue to come to us by referral. This is rarely an issue when working with referrals. In 2013, we began doing Social Security Workshops. After considerable refining and tweaking, we have become very successful in developing substantial new business from this source. We don't, however, have the same credibility level yet with the prospects that come to us from the workshops as we have with a referral, so this dilemma is sometimes an issue.

With the time, effort, and care that we put into developing a proposal for a Retirement Income Plan, we know with certainty that we showed them the best possible plan for them, so why didn't they want to implement it? The answer is really quite simple. We live today in what I call a Goggle society. When they search the Internet, do you think they are going to find more positive information on "annuities", or more negative information? And if they have a relationship with an existing Financial Advisor, don't you think they are going to talk to them about your proposal? What kind of information do you think they are going to get from those sources?

After thinking this through, it became obvious that it would make a lot more sense to let them know in advance what kind of information they are going to get from these sources, and explain why they are going to get that kind of information, and neutralize it, instead of just ignoring it. As a result we've designed a brief written report. When the prospect isn't ready to implement our proposal right away, and needs some time to think it through and research it, we simply give them this report along with the Proposal to assist them in making the right decision for them.

I think that you will find that by using this approach, you will be able to significantly reduce the number of "the ones that got away".