

How to Present and Increase Your Advisor Fee Services



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International Association of Registered Financial Consultants

The Global Explosion!



In Financial Services

***Your Competition
is Constantly
Increasing***



Who Wants Your Clients?

- ***Other Agents and Advisors***
- ***Banks – Local and International***
- ***Securities Direct Marketers***
- ***Stock Brokerage Firms***
- ***Direct-Writing Insurance Companies***
- ***Credit Unions & Plan Administrators***

What Are Their Strengths?

- ***Very Big Advertising Budgets***
- ***Multiple Impressive Locations***
- ***Existing Customer Relationships***
- ***Huge Staff and Call Centers***
- ***Branding and Image Presence***
- ***Proposition: Size = Quality***

What Are Their Drawbacks?

- ***Very High Staff Turnover***
- ***Lack of Personal Connection***
- ***No Prospecting Experience***
- ***Poor Personal Communications***
- ***Internal Compensation Conflicts***
- ***Depend on Advertising & Branding***
- ***They Lack Your Passion***

Can You Compete?

Public Relations Experts:

Perception IS Reality!

Your Image is Your Brand!

- **Objective**
- **Competent**
- **Qualified**
- **Ethical**
- **Professional**
- **Thorough**
- **Attentive**
- **Caring**

Project Your Image:

- 1. Clients – Quality Referrals***
- 2. Prospects – Evaluating You***
- 3. Advisors – Cooperation, Referrals***
- 4. Local Media of all varieties***
- 5. Community Organizations***

Your 3 Image Concerns:

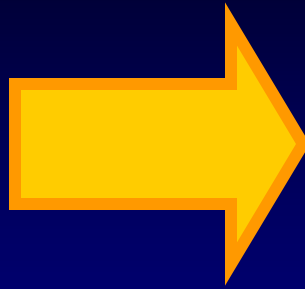
- ***Do You have a Product Focus –
Or a Customer Focus?***
- ***Are You Sales Oriented –
Or Advice Oriented?***
- ***Are You Largely Unknown –
Or Very Well-Regarded?***

Financial Planning
vs. Insurance:

**Perception – Insurance is
A High-Pressure Product**

**Perception – Planning is
A Professional Service**

Agent



Advisor

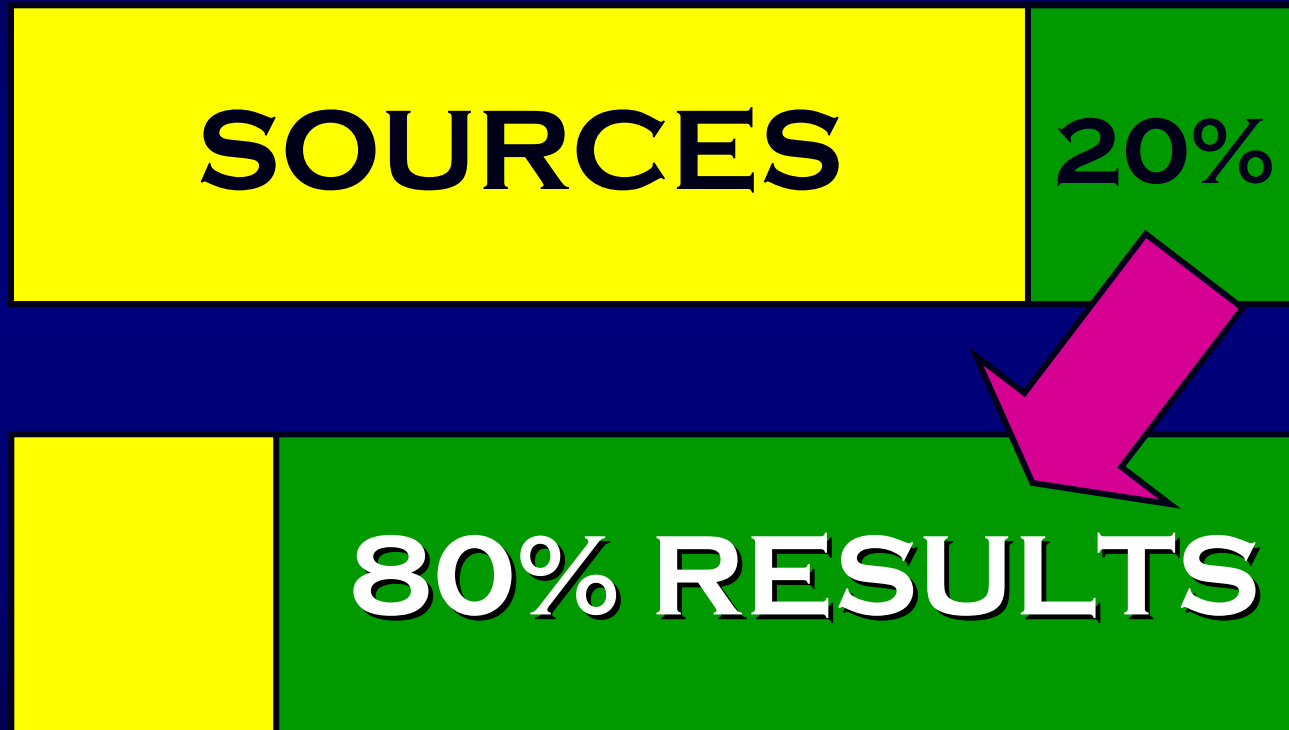
- ***Change Your Image and Job Title***
- ***Emphasize Advice and Service First***
- ***Move to a More Affluent Clientele***
- ***Practice Management Tools & Skills***
- ***Propose Plans and Emphasize Fees***
- ***Additional Academic Education***

Pareto's Law:

The Exposition of Income Distribution

Vilfredo Pareto, Ph.D. (1848-1923) Turin, Florence, Lausanne.

Pareto's 80/20% Law:



Pareto's 80/20% Law:

20% of Clients = 80% of Income

20% of Clients = 80% of Referrals

20% Prospects = 80% New Clients

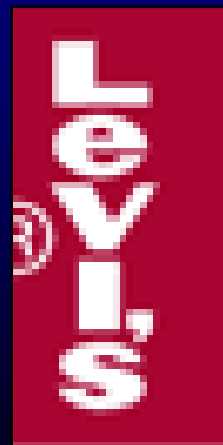
Your Branding Efforts =

80% of the Desired Results

What is Branding?



Branding Images



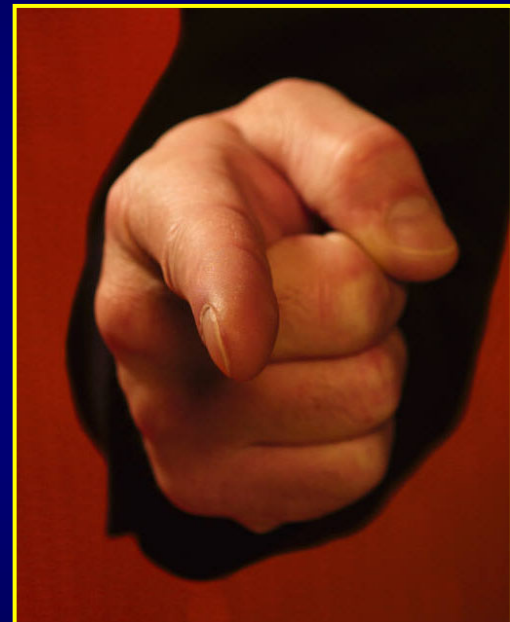
What is Advisor Branding?

- *Emphasis is You – not a Company*
- *Your Brand is Your Responsibility*
- *All Print Material: Letters, Agendas, Cards, Website, Brochures*
- *Office and Car Image – non-product*
- *Personal Grooming, briefcase, etc.*
- *Your Sample Financial Plan*
- *Your Presentation of Services*

Customers Want to Know:

What's In It for:

Me!



Customers Look For:

Benefits vs. Features

Values vs. Costs

Ease vs. Complexity

Confidence vs. Doubt

What Do Customers Seek?

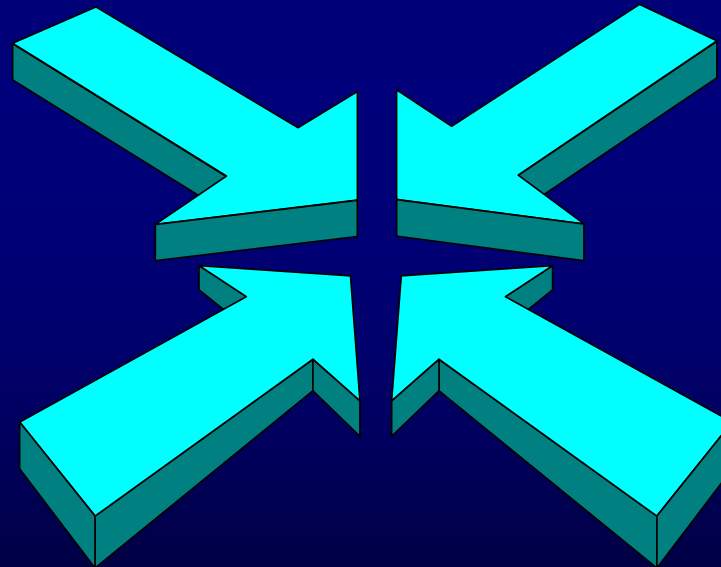
Advisors Who Are:

Honest

Inspiring

Visionary

Competent



First Perceptions Count!

**How Do Your Prospects and
Clients Absorb Information?**

Oral



Visual



Written



Emotional



Reality Check:

Life Agents and Financial Advisors

Need More Money!



The Consistent Need for More Income



New & Better Clients Constantly Needed



Conclusion:

***You Are Facing A
MAJOR
Prospecting Problem!***

Agents Financial Advisors

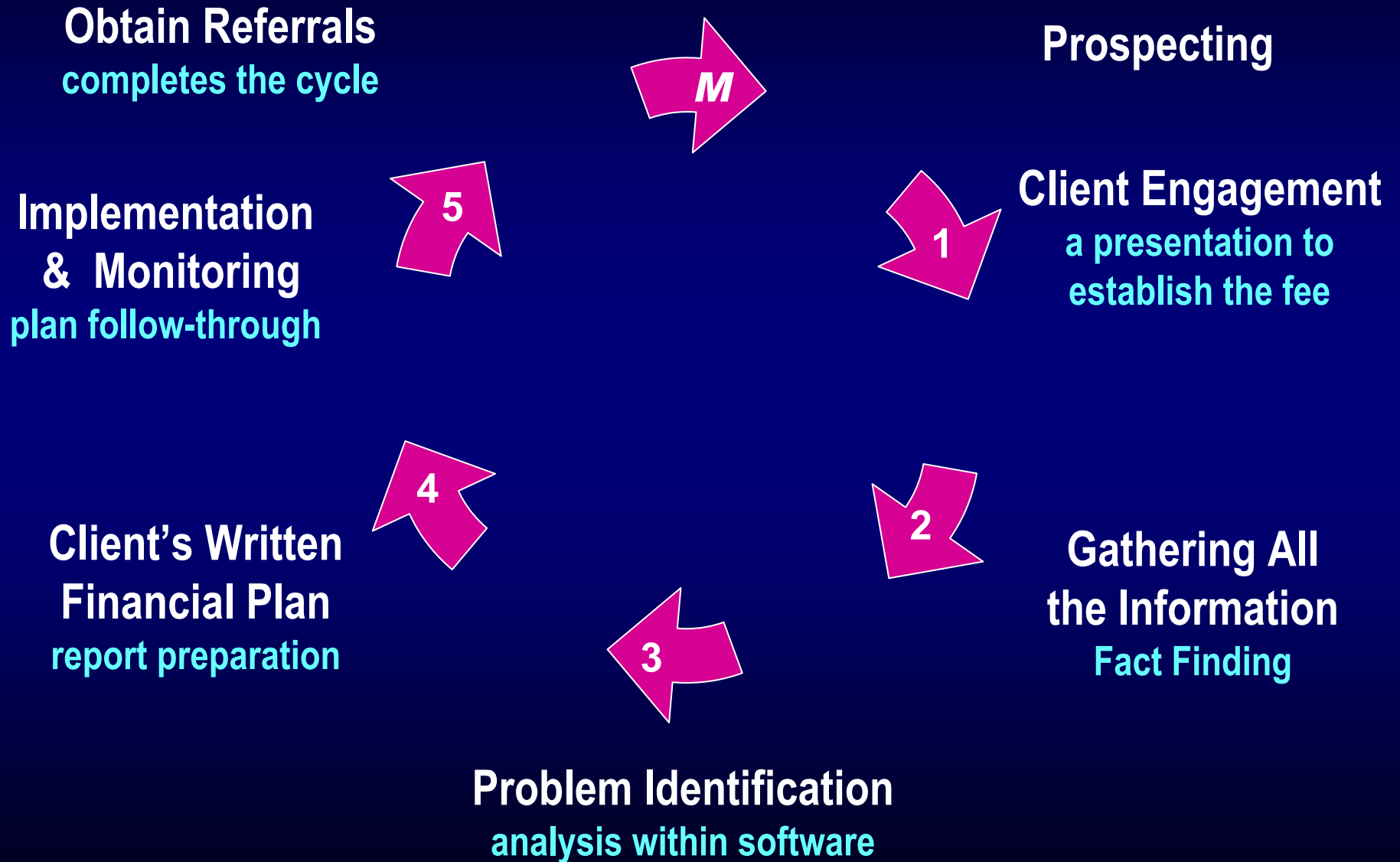


The Cycle of Service:

The Same Worldwide!

Prospecting for Client Acquisition

Based on your Marketing Plan



No. 1: Client Engagement

- **Converts Prospects into Clients**
- **Furnish You Complete Information**
- **Agree to Pay You A Plan Fee**
- **Agree to Purchase Products**
- **Commitment to Provide Referrals**



**Constant Search
for high-quality
New Clients**

Client Engagement Tools

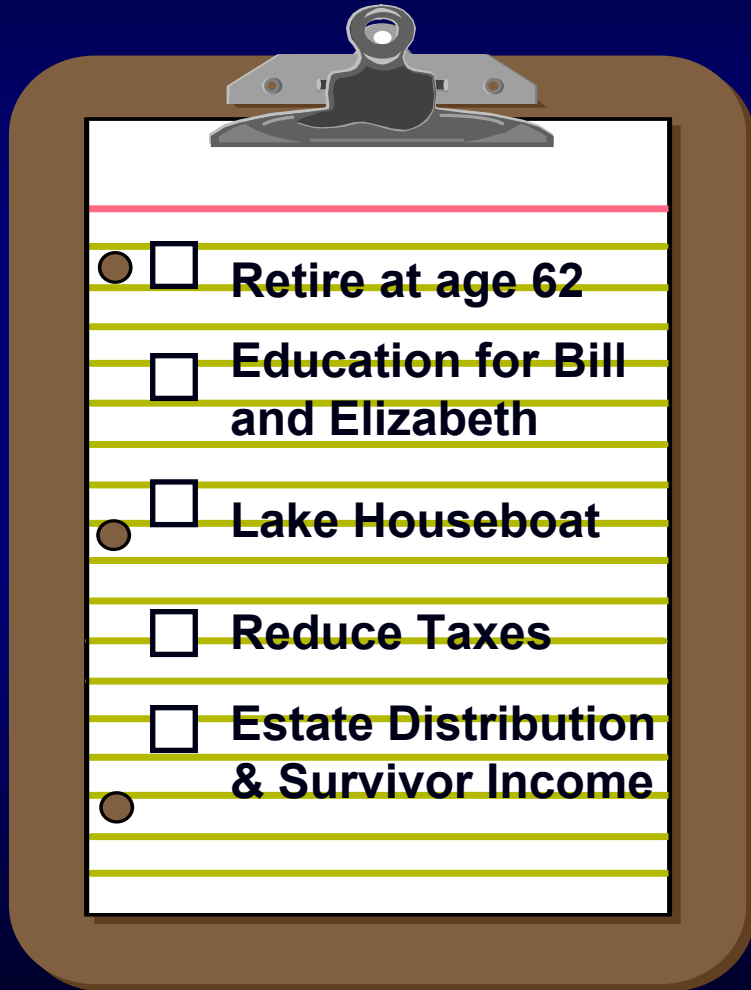
- **Sample Plans – Modular Analysis**
- **Sample Plans – Comprehensive Plans**
- **Script: Problems, Solutions, Systems**
- **Information Gathering Tools**
- **Fee Schedule, Explanation, Agreement**
- **Certificates and Disclosures**
- **Total Organization and an Agenda**
- **A Visual Presentation**

Why is Planning Essential?

- **Occupations** – constantly changing
- **Longevity** - will continue to increase
- **Medical Expenses** – always increase
- **Governments** – can't support everyone
- **Employers** – can't fully support retirees
- **Inflation** – the slow destroyer of wealth
- **Financial Security** – is now accepted as an individual responsibility

The Same Worldwide!

The Planning Process



#1

***Setting
Goals***

STRATEGIES

INVESTMENT

YOU

SERVICES

PROTECTION

The Planning Process



#2

***Gathering
Family and
Financial Data***

Organizing Your Records

Annuity & Pension Contracts/Forms
Bank Certificates & Safe Deposit
Birth, Adoption and Genealogy
Business Agreements
Cemetery, Funeral & Burial
Charitable Gifts and Bequests
Correspondence of Importance
Credit and Debit Card Records
Debts, Loans and Lease Records
Disability & Sick Pay Benefits
Education Plans and Documents
Employee Benefit Records/Forms
Healthcare Forms, Power of Attorney
Investment and Portfolio Reports
Life Insurance Contracts and Reports
Long Term Care Insurance and Plans

*Get Organized,
Stay Organized!*



Marriage and Divorce Records
Medical Insurance Cards and Plans
Property, Auto & Liability Insurance
Real Estate Tax and Deed Records
Retirement Plan Info. and Records
Social Security & Earnings Records
Tax Returns and Information
Veteran's and Prior Employment
Wills, Trusts and Letters to Family

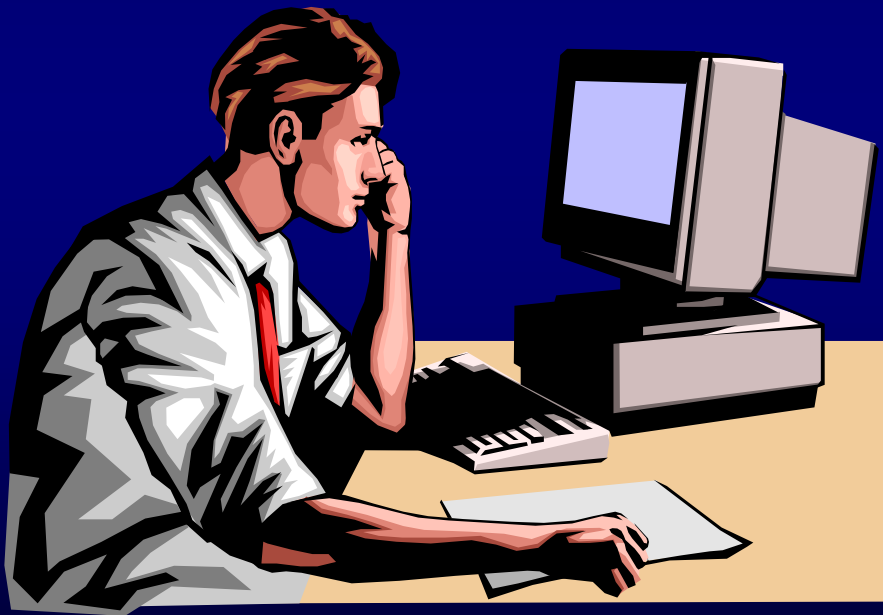
The Planning Process

#3

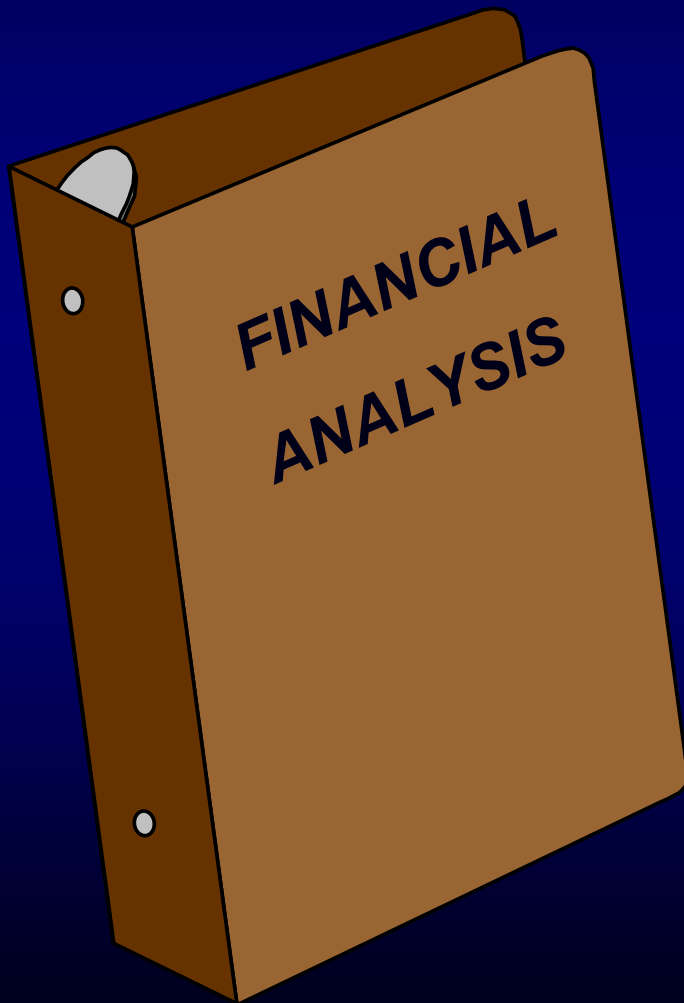
Analyze

All Your

Information



The Planning Process



#4

*Preparing
Your Plan*

FINANCIAL PLAN ASSURANCE

Our goal is to provide superior personal financial planning and service to all our clients. This is a multi-step process:

1. Communicating the need for and benefits of a personal Financial Plan, clearly describing the procedures and executing a Planning Agreement.
2. Gathering all the information necessary to prepare your personal plan, including: your family information, financial data, goals and objectives, investment attitudes and the planning assumptions.
3. Confirming this information with you - before your personal Financial Plan is constructed.
4. Preparing your personal Financial Plan, including our analysis of how you are currently positioned to accomplish your objectives.
5. Presenting you with recommendations and alternatives intended to help you achieve your goals.
6. Assisting you in the implementation of your plan, based on your responses to our recommendations.

We have indicated the fee necessary to prepare your Plan, which includes the first five steps listed above.

The fee for this Financial Plan is payable upon your agreement: one-half at the outset, and the remainder upon your receipt and satisfaction with your Plan.

If, for any reason whatsoever, you are not satisfied with your written Financial Plan we will refund your initial deposit and no further payment will be due.

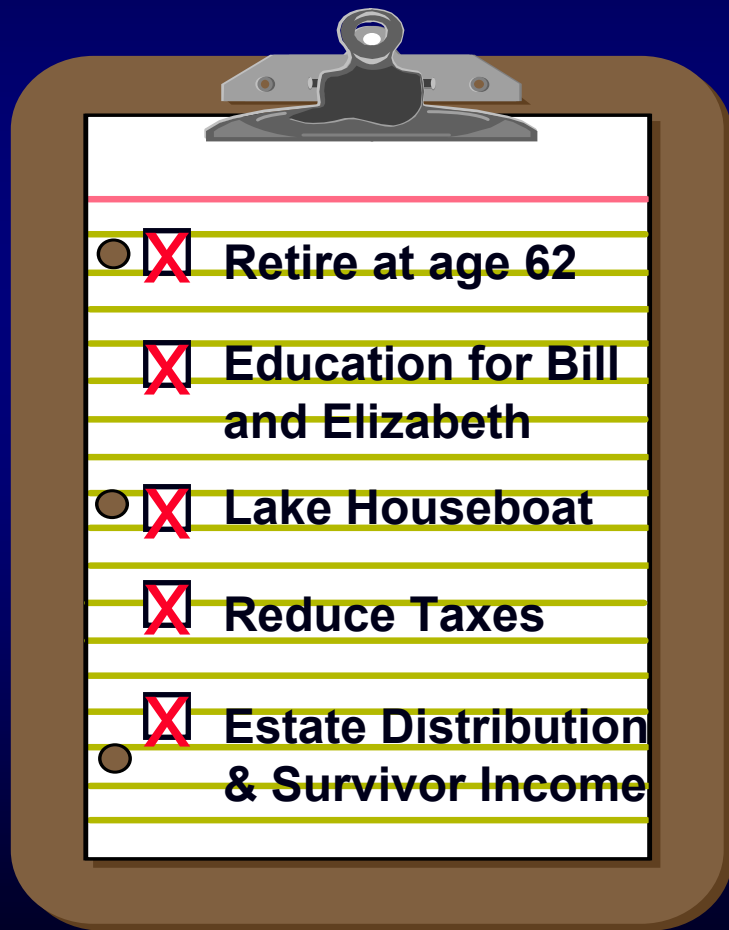
By: _____ Date: _____

***Satisfaction
Assurance!***

***Your Assurance of
100% Satisfaction
with your personal
Financial Plan – or
we refund all the
fee paid!***

*We cannot guarantee future
economic developments
or investment results.*

The Planning Process



#5

***Implement
Your Plan***

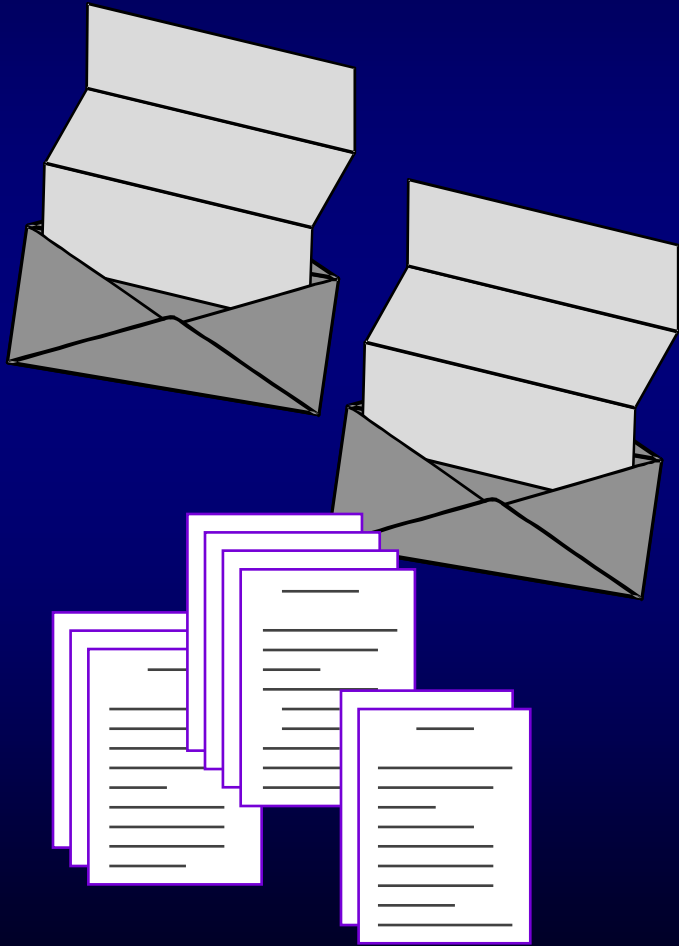
The Planning Process



#6

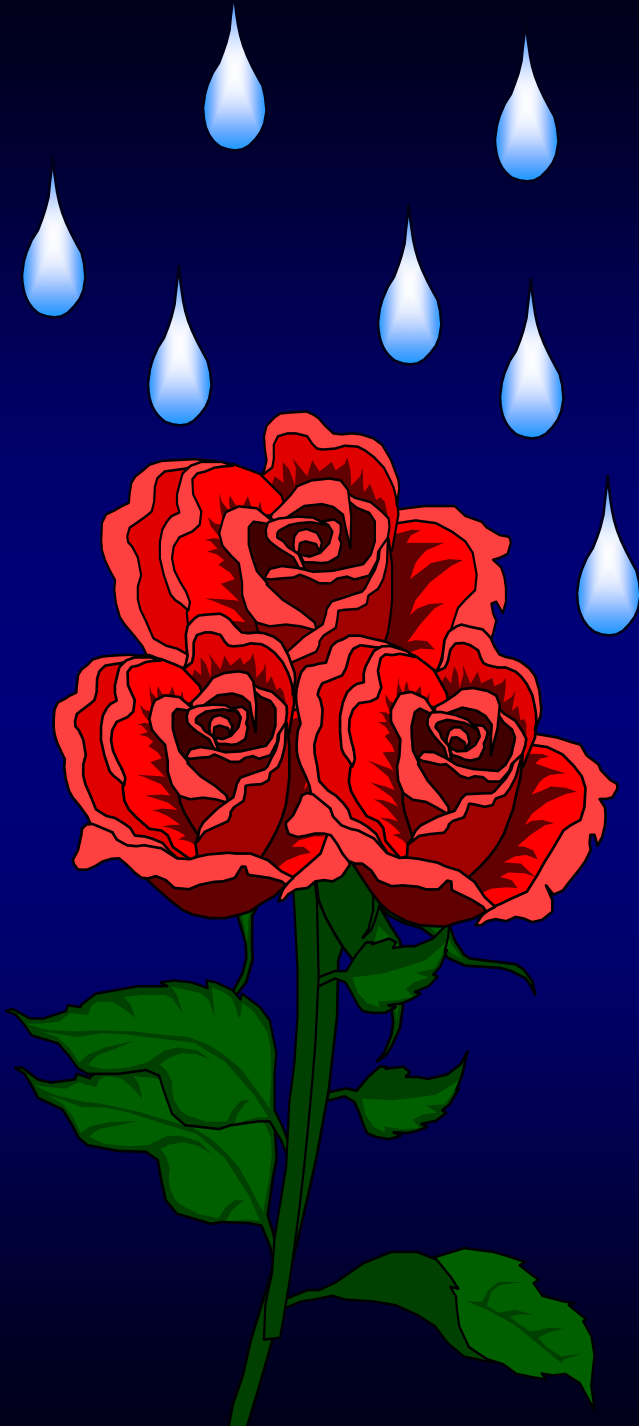
*Monitoring
The Results*

The Planning Process



#7

***Continued
Information***



Drip Marketing

A steady flow of valuable financial information...that gradually builds a relationship of mutual trust and confidence.

CRM - Client Relationship Management

Principles

Frequent

**Formal
Informal**

**Planning
Functions**

**Convey
Information**

CRM - Client Relationship Management

Content

Letters

**Schedules
Checklists**

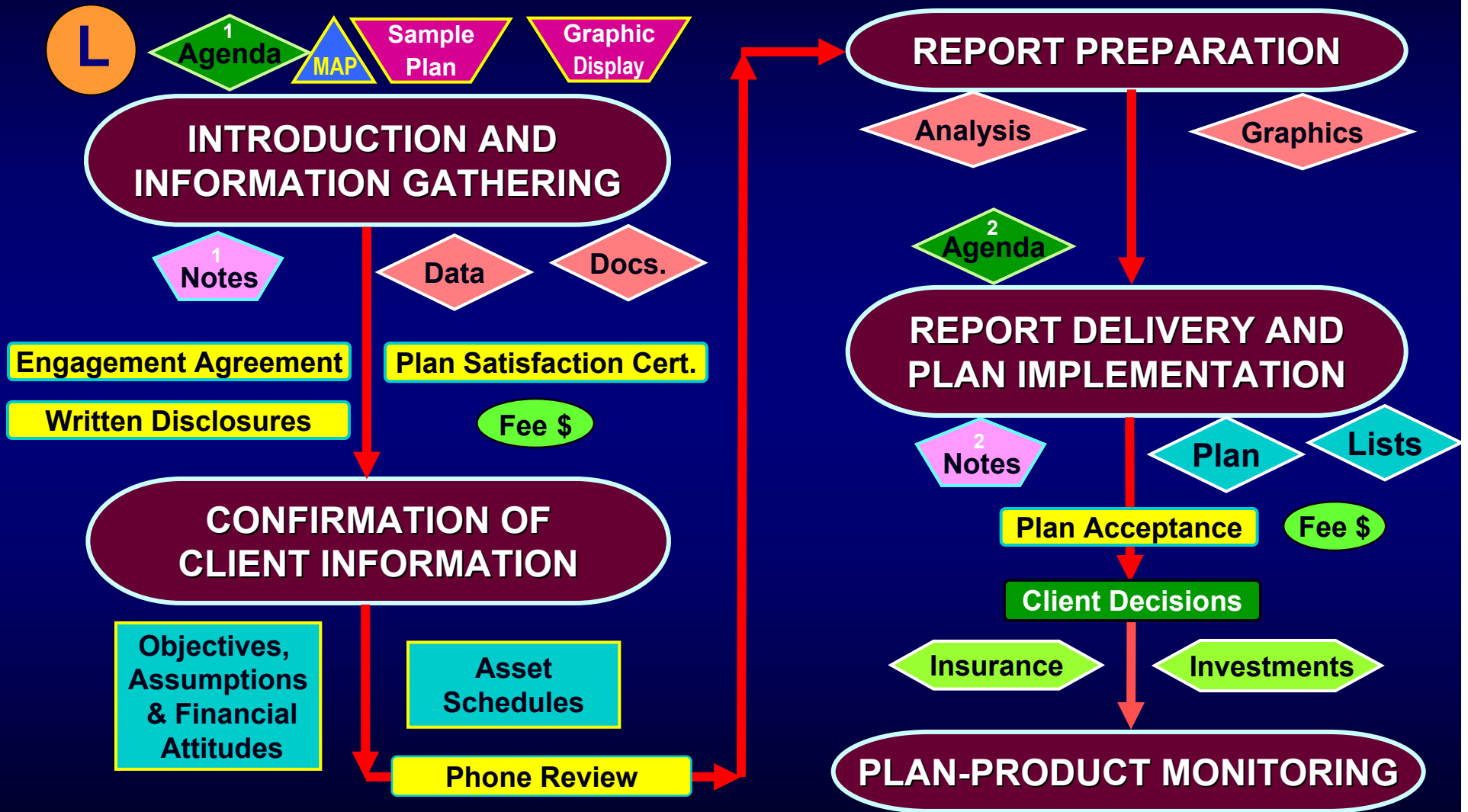
Articles

Agendas



***Most advisors are not
prepared to present
the Planning Process
Visually!***

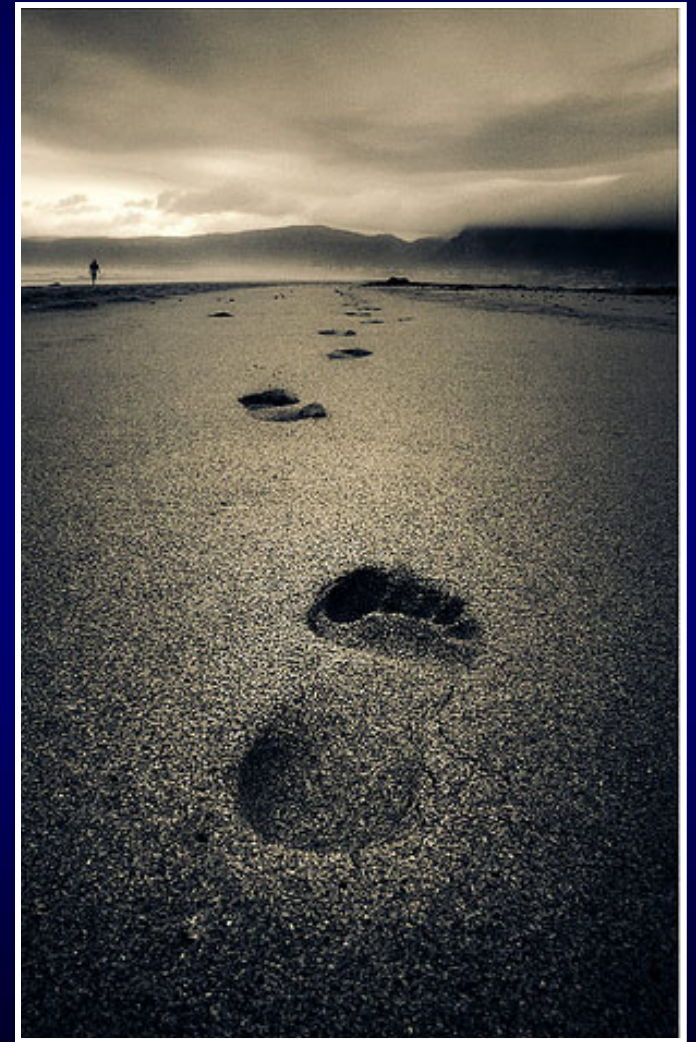
The Comprehensive Financial Planning Process



Journey: Agent to Advisor



Lao-Tze 550 B.C.



Charge a Planning Fee:



Financial Planning Fee Schedule:

<i>Total Assets</i>	<i>Yearly Income</i>	<i>Plan Fee</i>
Less than: 300,000	Less than: 50,000	800
300,000 – 600,000	50,000 – 100,000	1,500
600,000 – 1,000,000	100,000 – 200,000	3,000
1,000,000 – 2,000,000	200,000 – 300,000	4,000
Excess of: 2,000,000	Excess of: 300,000	5,000

Payable: Half at Agreement; remainder after Plan Satisfaction

Charge a Planning Fee:



**Sell Investments & Securities
With Insurance Products:**

Items We Can Provide

On a Fee Basis

**Comprehensive Financial Plans
Modular Financial Analyses
Hourly Project Consulting
Business Continuation Planning
Executive Planning & Incentives
Portfolio Re-Balancing and Asset
Management Service**

On a Commission Basis

**Annuities Disability Ins.
Mutual Funds Long Term Care Ins.
Life Insurance Major Medical Ins.
Retirement Plan Critical Illness Ins.**

Items We Don't Offer

**Homeowner Insurance
Car and RV Insurance
Liability Coverage
Group Insurance
Pension Administration
Hospitalization Ins.
Legal Services
Tax Return Filing
Stock & Bond Trades
Commodities & Options
Savings Accounts
Checking Accounts
Credit Cards
Consumer Credit Loans
Mortgages
Real Estate**

Charge a Planning Fee:



Sell Investments & Securities:



Deliver More Services:

Your Options Thereafter:

**Percent Of
Initial Fee**

Complete Annual Revision of the Financial Plan

Enter New Investment & Insurance Data

Revise and Re-Confirm all Objectives and Assumptions

Revise, Adjust and Re-Confirm all the Financial Data

In-Depth Planning and Implementation Session (s)

50 %

Review Session of the Plan, Annually

Review and Revise Data by Phone

Review Financial Schedules and Changes

A 1-2 hour Plan Review Session

25 %

Phone Conferences Review Process

Revise Objectives or Planning Assumptions

Revise Family & Financial Data

15 %

Wait for Further Developments

None

Charge a Planning Fee:



Sell Investments & Securities:



Deliver More Services:



**Earn a Lot
More Money!**

AGENT

ADVISOR

Insurance

Planning



AGENT & ADVISOR
Insurance & Planning

Marks of Professionalism:

- **Continuous Professional Education**
- **Multiple Organizational Membership**
- **Several Professional Designations**
- **Multi-Advisor Cooperation**
- **Superb Client Communications**
- **Practice Management: Preparation**

The Advisor Revolution!



Offer Fee-Based Advice



Insurance & Investments



Frequent, Good Referrals



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Registered Financial Consultants**



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