

Ask the Coach

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Discovery – Then Persuasion

A New Paradigm for the Contemporary Advisor

PART I

This article is the first of a two part series discussing selling and prospecting. It's understandable that these subjects come up so frequently – with the very high rate of attrition in the sales business, advisors need to find more effective ways to market their services and build their practices so that success will be more assured.

In order to build your successful practice you must first engage in effective selling practices. Discovering your client's needs is the only way to provide effective solutions to your client's needs and to earn future referrals; in fact it is a prerequisite.

In my experience most advisors would be delighted if they could build a successful practice that met these 4 goals:

1. Earn the amount of money they want to make
2. Have a continuous flow of high quality referrals
3. Work with ideal clients 80% of the time
4. Have a good work-life balance.

The best way to achieve these goals is to use what I call the discovery process. This process can be illustrated first by looking at the 4 selling models that exist today; I'll then provide some very concrete examples of how the discovery process can be used to your client's benefit.

The Four Selling Models

		#1 Huckster	#2 Persuader	#3 Couns. Seller	#4 Partner
	Issues				
1	Win for the seller	Yes	Yes	Yes	Yes
2	Win for the buyer	?	?	Yes	Yes
3	Win for the manufacturer	?	?	?	Yes
	Basic Sales Techniques				
1	Presenting	Yes	Yes	No	No
2	Asking/Discovering true needs	No	No	Yes	Yes
3	Effective Listening	No	No	Yes	Yes
4	Honest Dealing with yellow and red lights (no)	No	No	?	Yes
5	Building Trust	No	No	Yes	Yes
6	Getting Consent for next step	No	No	?	Yes
7	Building Customer Relations	No	No	Yes	Yes
8	Closing	Yes	Yes	No	No

Yes: an important part of the selling process.

As you can see the partnership model is the only selling system that uses the best parts of counselor selling and then adds two important elements.

First, the concept of dealing with “No” had been added. “No” is now embraced as a means of truly discovering whether your prospect want to move forward. No can be described as yellow and red lights – and your job is to discover whether you are getting a No-for-Now (yellow light), or a No Forever (red light). In either case a No means you must stop now,

and deal with the issue at hand. While it is possible to continue the sales process, it is not advised when you are faced with unresolved issues or objections. The discovery process requires that you deal with No in real time with the intention of discovering your prospect's true feelings.

The 2nd difference in this model is that you cannot – must not – move forward until you receive agreement from your prospect as to when they will complete the next step. Every single step of the sales process requires that you receive a total commitment from your prospect to meet the next requirement in the sales process, or you must stop. Think about it! Without willingness to take the next step the process is almost always stopped, anyway.

Examples: Contacting other advisors your client will rely on to make a final buying decision. Or, talking to the spouse, anytime the spouse is involved in the decision making process.

Each of these examples gives you an idea as to how much discovery you must engage in for the sale to be made. Each of these people – The Advisor, The Spouse can influence the sale. How many sales have been lost, and how much time has been wasted because these influences were not contacted and their input received. Failure to talk with people who influence the ultimate buying decision generally means disappointment down the line, as well as much wasted time, because their influence may make or break the sale.

Now let's take this basic idea – discovery – and see how it works in a typical sales situation. Here are the first 3 steps in the sales process:

- Step 1. Obtaining an appointment
- Step 2. Conducting the initial interview
- Step 3. Completing the Fact Finder

Step 1. Obtaining an Appointment:

Sample Language

“Mr. Prospect, my name is Nick Ray, and I'm a senior financial representative for Northwestern Mutual Life. Jim Thomas, my client, and your good friend, suggested that it would make sense for us to meet for 15–20 minutes to see if we could accomplish 2 basic objectives:

1. Determine if I can be of service to you regarding my areas of expertise, and
2. See if there is a good fit between us.

With that thought in mind, would Tuesday or Thursday around 2:00 be good for you?"

Key Point: The only goal is to secure an appointment which will allow you to discover if the suspect is a good prospect, and if the two of you can work together well.

Step 2. Conducting the Initial Interview:

"Mr. Prospect, thank you for meeting with me today. There are 2 things I'd like to show you:

1. A brief agenda for our meeting today (which is why you are there)
2. Have you complete a brief questionnaire which will help me determine if I can be of help to you

Sample Meeting Agenda

Date _____
Prospect's Name _____

Our purpose for meeting is to:

1. Answer any questions about your immediate financial concerns.
2. Have you complete a brief questionnaire, which helps me help you.
3. Discover your important issues.
4. Provide you with a brief description of my background and experience.
5. Determine if there is a good fit between us and see if you are interested in moving this process forward.

This Agenda, 'What's Important to You' questionnaire, and your Fact Finder should be part of a file prepared for this meeting.

Helping You Solve Your Retirement and Investment Needs Questionnaire

	What's Important to You?	Level of Importance									
		Least	(Please Circle)								Most
1	Retirement Income Needs Planning Funding monthly and annual income requirements	1	2	3	4	5	6	7	8	9	10
2	Retirement Asset Protection Guarantee of principal/fear of outliving your assets	1	2	3	4	5	6	7	8	9	10
3	Investment Transfer Planning Passing assets to loved ones during your lifetime and upon death	1	2	3	4	5	6	7	8	9	10
4	Family Liquidity Issues Are your loved ones protected adequately upon your death?	1	2	3	4	5	6	7	8	9	10
5	Estate Tax Overview A custom review of the issues that apply to your estate	1	2	3	4	5	6	7	8	9	10
6	Funding Higher Education Expenses Tax-favored programs for you children & grandchildren	1	2	3	4	5	6	7	8	9	10
7	Long Term Care Needs Do you have enough assets to support 2 households?	1	2	3	4	5	6	7	8	9	10
8	Asset Allocation Planning Proper diversification reflecting your risk tolerance	1	2	3	4	5	6	7	8	9	10
9	Management of Retirement Plan Distributions Mandatory and elective distributions from IRAs, persons and company plans	1	2	3	4	5	6	7	8	9	10
10	Ongoing Plan Maintenance Staying up to date on current tax law changes that affect your plan Review and adjust your plan based upon life changes & market fluctuations	1	2	3	4	5	6	7	8	9	10
11	Level of Financial Service Currently Receiving How satisfied are you with your current advisors?	1	2	3	4	5	6	7	8	9	10

Client Name

Date

Client Name

Date

Nick Ray, CLU, RHU, ChFC, MBC

Advisor Name

Date

Key Point: Discover, right away: do you have a prospect, and do you have a prospect who wants to work with you now, or in the very near future. Please notice what we did not talk about (or talked about very little): the pictures on the wall, his diplomas, his children, sports, the weather, your company, your products, your achievements. Your only purpose was to discover what's important to your prospect, and discover if he wants to move forward with you.

Step 3. Opening the Case – Completing the Fact Finder

If you have agreement from the prospect to move forward, your next step is to complete the Fact Finder. This is the most important step in the sales process, because it is here that the sale is made, even though the paperwork will be completed later. The fact finder has 3 basic purposes:

1. To discover *what* is important and *why* it is important in your client's life
2. To *capture the names* of people who are important in your client's business and personal life
3. To discover the quality and level of satisfaction your prospect has with his professional advisors, such as the accountant, attorney, mortgage broker, etc.

Key Issues When Completing your Fact Finder

Your Fact Finder should have a designated section that corresponds to each question you've asked in your opening interview questionnaire. The preceding sample has 11 questions; your Fact Finder should have space to record answers to those questions where your prospect has expressed concern.

For Example

- If you sell LTCL - you should have a section which will allow you to record facts/feelings your prospect has about long term care and long term care insurance , and also record information regarding health history.
- If you ask about Retirement Plan Funding, you should have a section that gathers critical information about the current status of your prospect's retirement planned funding.
- If you asked about family liquidity needs, you should have a dedicated area that asks for facts/feelings about future Life

Insurance purchases and his current Life Insurance program.

- As you complete your Fact Finder you should also capture names of friends/ associates who are important in your prospect's life. By assessing the quality and satisfaction level your prospect has with his current advisors, you may also uncover a source of references to other advisors you know- and being able to make referrals to them when appropriate.

Summary of Part I of The Discovery Process

- Discovery always precedes persuasion because discovery uncovers true needs.
- Asking questions and getting answers is a low keyed, comfortable process which helps you discover your prospective client's true needs.
- Recommendations coming from the discovery process are usually met with a more positive response from the prospect, because your ideas are based on the client's needs – not yours.

Next: In Part II, we will discuss how effective selling practices lead to effective marketing and referral methods. We'll discuss the 4 most widely used marketing methods; and how to determine the right prospecting system for your practice.

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