

ABC  
RETIREMENT  
PLANNING

ABC PLANNING PROCESS SCRIPT



# THE ABC PLANNING PROCESS

## SESSION OUTLINES & SCRIPTS

### First Session: Investigate

- 1. Opening** – Clients seated with coffee/water or such and watch the Company video for five minutes.
- 2. Create comfort level** – This is not sitting for 45 minutes discussing vacations and trying to find common ground. Just spend the first few moments listening and trying to fit in with tonality, pacing, and the volume of your words. People like those who are like them. So, if you fit in rather than break in, and are genuinely interested in the people, it will create the kind of atmosphere to move forward.
- 3. Standard Disclosure** – Say, “I need to give you the standard disclosure that I give everyone I interview with, as we go back and forth asking and answering questions I may discover what you need and what I do are two different things. I will be very upfront and tell you, and I don’t want you to be offended. Fair enough?” Let them answer.
- 4. Explain Investigate, Recommend, Implement, & Review and Adjust** – See the “Planning Process Script”.
- 5. Say, “Tell me what you were hoping I could do for you.”** – Then take a few notes as you listen. No need to do a lot of discussion here, but one thing is important. The prospect needs to tell you what he/she wants you to do for them, not “show me information” or any other substitute. I also believe they need to tell you the “pain” they have in their financial plan. In other words, have them tell you what it is about their financial situation that concerns them the most.
- 6. Financial Software** – “Would you mind if we take a Snapshot of your finances to see how all this fits together?” Pull up the Retirement Analyzer Software and let them see everything as you fill in the software.
- 7. ABC Retirement Planning** – See "ABC Retirement Planning" script.
- 8. Retain Your Gains DVD** – After the brief explanation of the Financial ABC’s of Retirement, plug in the DVD and say, “Let’s take a look at the asset model in column B which is Index Annuities”. Then hit play and watch it with them.
- 9. Four Year Graph** – After the DVD, go to the white board and draw a four-year graph and follow the Four Year Graph Script.
- 10. Market Money** – My suggestion here is if you are licensed to sell securities, you tell them that you will compare their portfolio with a plan you design specifically for them in the ABC Model.
- 11. Sample Solutions** – Show some possible laddering, income, or combination Managed Account and Indexed Account solutions that are appropriate for the client’s needs. It doesn’t have to be the final, but just enough to give you a clear direction and the client’s approval.
- 12. Close** – “Next week we’ll iron out the specifics and make decisions. We’ll take information on everything we need to set up the new accounts. We’ll then implement them the next week. Fair enough?” Don’t schedule a second appointment if they are not willing to make decisions at that appointment and then implement those decisions the following week.

**Note:** Client leaves with brochures and ADV, print-outs from the software, next appointment scheduled and a commitment to make decisions. Advisor does homework on setting up the actual plan and prepares for at least two options.

## Second Session: Recommend

### 1. Create comfort level

**2. Say,** “There were probably some things that came up between last session and today. Would you mind telling me what they were?”

**3. Say,** “Any further questions?”

### 4. Review the plan.

**5. Go over specific numbers & quotes** – First, compare their brokerage account with your suggested portfolio, showing them how it fits in with the ABC Model. Then ask them, “So, what would you like to do? Transfer the assets you have to (your BD or RIA) and start the new account for the securities portion?” Next, simply review the specific numbers you recommend for laddering annuities. It’s at this point that you need to show them the Recommendations tab on the Financial Snapshots software. It should have the specific transfers outlined for the FIAs and securities. Ask them, “So, is this what you were hoping I could do? Great, let’s get started.”

**6. Describe the process for implementation** – Tell them, “In order to do all the paper work to get the transfers done and the new accounts set up, I need to spend about 10 more minutes with you and input your specific information. After you leave, my staff will fill out the applications, which takes hours, and we’ll go over each one next week. Fair enough? Great, I need to get a copy of your driver’s licenses...” (Fill out the Personal Snapshot, Beneficiary Snapshot and Questionnaire.)

**7. Prepare them for conservation efforts** – Ask them, “Your current agent or broker will not be pleased with this transfer. What will your response be?” Let them respond. If they respond positive, then rehearse what the broker will probably say and rehearse their response.

**8. Set appointment for next week** – After you set the appointment for next week and they are headed out the door, make the last words you say to them a repeat of the main reason for their change. It might sound like, “Just remember, your income plan for the future is now secure.” Or, “Just remember, no more worries about losing everything in the market.” When they go home and discuss what they’ve done, it will come down to those last words that they heard from you. Make them count.

**Note:** Print from Retirement Analyzer software anything they need that updates the plan from the week before. Staff prepares applications to be reviewed by advisor.

## Third Session: Implement

### 1. Create comfort level

**2. Ask them,** “Did anything come up from last week’s discussion that we need to address?”

### 3. Address questions

### 4. Go over applications and collect signatures

### 5. Give them copies of apps and checks

**6. Go over transfer process** – Rehearse with them again the conservation efforts by brokers, agents, and companies. Tell them when you anticipate the next meeting to deliver contracts and review accounts.

## Fourth Session: Deliver and Review

### 1. Create comfort level

### 2. Review plan

### 3. Review/deliver assets

**4. Go over when you will have the next meeting to review accounts.** Usually, if they are security accounts review them quarterly, face-to-face the first year and semi-annually after that. It's still important to review quarterly, but you can do two of them over the phone in normal years. If they are annuity contracts, review six months and one year and then annually after that. Reviews are an important part of the client communication process. Do them religiously! Your clients will appreciate them and bring you referrals.

**5. Give calendar of upcoming events and invite them to be a client-partner.**

## Finally, create RAVING FANS by extraordinary service and communication!

1. Set up review expectations such as:

a. Quarterly for first year securities clients, then semi-annually.

b. Semi-annually for first year Annuity clients, then annually.

c. Call our staff or me for assistance with withdrawals, RMDs, beneficiary changes, etc.

2. Communicate regularly (weekly, monthly, annually).

*Pursue perfection and catch a little excellence along the way!*

—Lombardi

## “THE PLANNING PROCESS” – SCRIPT

**A. Investigation** – “Our planning process begins with Investigation. We investigate each other, investigate your portfolio, investigate any leaks, gaps, or deficiencies in the client’s current plan, and investigate sample solutions to your needs. We also look to establish specific, realistic financial goals. We make use of our own Retirement Analyzer software to help in this process. You will receive brochures from the financial institutions we use, Retirement Analyzer and the ADV II (prospectus) for (Your BD or RIA). The meeting usually lasts about an hour.”

**B. Recommendation** – “The second phase of the planning process, Recommendation, brings the specific elements of the solution to bear on the diagnosis. This may involve the use of Fixed Indexed Annuities, Fixed Annuities, Life Insurance, Living Trusts (through our excellent Estate Planning Attorney), or Securities Accounts through (your BD or RIA). This phase may include income planning, protection of assets from market loss, or asset management recommendations. It’s at this meeting that you’ll be asked to make decisions regarding asset allocation and transfers. Again the meeting usually lasts about an hour.”

**C. Implementation** – “In the third phase we begin with the process of allocating assets to the proper areas by way of applications and transfers to the various companies. We then begin to follow-up on the transfer of assets to the proper companies which can take 2-6weeks. Once the assets are transferred we sit down again with you to review the end results. We then meet periodically to communicate progress and answer questions as they arise.”

**D. Review & Adjust** – “The fourth phase is the ongoing process of reviewing accounts as they relate to the ABC’s and adjusting as necessary, while keeping you informed of upcoming events.”

## “ABC RETIREMENT PLANNING” – SCRIPT

### **Use the white board while you explain...**

“Imagine that all your investible assets are liquid and we could set them up anyway we like, starting today. Not where they were 10 years ago or last year, but from now on. This is important because you want to have your assets set up for your needs going forward, not left in accounts that will jeopardize your future. We realize that not all your assets are liquid and in a position to move to your ideal situation. This will just give us a glimpse at your “ideals” in planning.”

**At the white board, draw the columns you see below while you explain...** “Let’s divide assets into three categories, A, B, and C. The first column, A, represents assets that historically earn 1-5%. The principal is protected and you simply are adding interest to the accounts. They are typically taxable and liquid. They can also be set up as IRAs and tax-deferred. These are typically bank held assets like CD’s, Savings accounts, etc.

The second column, B, represents assets that historically yield about 5-8% with the principal guaranteed and all previous years gains retained as interest. They are typically tax-deferred and moderately liquid. These are indexed annuities where the interest is linked to the performance of a market index such as the S&P 500, DOW, Russell 2000, etc. We prefer short term annuities with no fees.

The third column, C, represents assets that historically go up or DOWN 30% or more. The principal isn’t protected, and last year’s gains may be lost in a downturn of the market. The accounts are typically liquid and taxable, although a large amount are in IRAs, 401(k)s, and tax-deferred. These are brokerage accounts, mutual funds, stocks, corporate bonds, etc. There are typically two types of risk in column C, stock type risk and bond type risk”.

“So, what percent would you like in column A?” **(Write down their response in the first column)**

“And, what percent would you like in column C, the risk column?” **(Write down their response in the third column)**

“So that means you would like \_\_\_\_\_ % in the B column.” **(Write down the balance percent in the middle column) Turn and ask them,** “So, does that look about right?” **Repeat the column percentages.**

“The assets we typically use in this column are Index Annuities. We ladder short term Index Annuities much like a money manager would ladder bonds or CDs in a portfolio. There are some obvious reasons for using an Index Annuity, so let’s take a look at a DVD that will help you understand them better.” **(Plug in the "Retain Your Gains" DVD and hit play)**



## “FOUR-YEAR GRAPH” – SCRIPT

Go to the white board and draw a four-year graph illustrating four consecutive years. In the first year draw a jagged diagonal line from the bottom of the first year’s starting point somewhere up on the vertical line representing the beginning of the second year. Draw a straight horizontal line across from that point back to the first vertical line and put a 10% figure above. Ask them this, “If the market does 10% in this next year and you got 7% would that be ok?” (Draw a line that represents the 7%.) They will say yes. Write in capital letters below the illustration, APTP and say, “This is what we call Annual Point to Point,” as you touch with your pen each appropriate initial of the APTP. Say, “It means that when your contract starts, say the first of next month, that one year later on that date the company will see what the index did and credit you interest based on your CAP (Write the word CAP next to the 7%), and they will reset the point in the index at where you end up each anniversary.

At that point, make the second year’s diagonal line illustrate a drastic loss that goes underneath the bottom line representing the principal. Ask, “So what happens if the market goes down, let’s say, -30%? (Write -30% under the 2nd year graph.) They might not know what to say, but just tell them that it doesn’t matter; because the 7% gain the first year is simply interest and unless you take it out, it’s a protected gain. Remember the DVD, RETAIN YOUR GAINS is the key here.” (Draw a straight line from the point of the first year’s ending 7% gain over to the second year and write “0%” on that line at the middle of the 2nd year). Ask them at the end of the second year if they are happy with not gaining anything if the market goes down, but retaining the previous year’s gain.

Now, make another jagged line going up to just below the end of the third year vertical line. Don’t go all the way to the principal line. Tell them that if the market came back 7% the third year, the company would credit interest again, say 7%. Draw a new horizontal line about a third of the way higher between the 2nd & 3rd year line and fill it in with diagonal lines representing interest. Tell them that this gain too is protected and if the market went up in the 4th year 15% (draw the appropriate illustration in the 4th year) and your cap was 7%, you would be credited with 7%. Now they may say that they would like more if the market goes up. In fact, ask them if they would like to know how to get more if the market trends upward. They will say yes. Tell them, “There are different ways to credit interest but one that works if the market trends upward in

double digits is called Monthly Point to Point (write MPTP as you say it underneath the APTP). Draw short vertical lines on the first year's base line illustrating months as you say, "The company, instead of yearly anniversaries, looks at 'month-iversaries'. They net out the twelve months at the end of the year, just like the Annual Point to Point and credit it to your account, re-setting the Index point. The months have a cap that might be 2.5%, which means that you can't get more than a 2.5% gain in a month. The negative is that there is no downside cap. If the market goes down 5% in a month, it takes more than two months to get it back. It's a great strategy for upward trending markets. The problem is, we don't know what will happen over the next 12 months. We can guess, but I suggest some combination of the two. Either 50/50 or 70/30, something like that. We'll choose that when we get to the Recommendation meeting. Any questions?"

Point out at the end of the fourth year; if they were still in the market, they would not yet have recovered their lost principal. At the end ask them, "Sounds too good to be true doesn't it?" "Yes." "Let me tell you the negatives."

"First, you don't get 100% of the gain. You get a portion. Remember, you are protecting your principal and giving up anything above the cap. Second, there are surrender penalties for totally liquidating the assets that decline over a specified number of years. You can take 10% out penalty free and even get an income stream after one year. There is more money available for an emergency like nursing home care." At the end simply ask, "Is this the kind of solution that fits your needs?"

At this point tell them, "If you would like additional benefits, you usually have to go longer in years. If you want an Income Benefit or Withdrawal Benefit where your account is guaranteed to grow between 7% & 8%, then you need to move to a 5 year or 6 year contract. If you want a Bonus, you can get a 5% bonus at 6 years or a 10% bonus at 10 years. My suggestion is that we ladder maturities in annuities so we can use a number of different companies crediting methods, get some bonuses and even make use of an Income Benefit. I'll send you home today with information on each one to read over before we meet again." You might want to set up a sample ladder on the board illustrating your point.

## 4x4 REFERRAL MARKETING

### FOUR BASIC BUSINESS VALUES

**1. People Matter** – We believe that each person is innately valuable and worthy of respect and honor. We believe that relationships matter and that business is relational top to bottom. People First, Money Second is a priority statement that places people and relationships ahead of financial matters.

**2. Integrity Matters** – We believe that integrity and truth matters. We believe we need to conduct our business in such a way that we are "above reproach." We believe suitability and ethical practices come from placing a high value on people and their needs before our own.

**3. Communication Matters** – We believe that communication with our client partners builds and maintains the trust that is necessary for business relationships to reach their full potential. We believe that our client partners deserve the type of communication that is frequent, timely, truthful, & relevant.



**4. Service Matters** – We believe that good service is practical and that great service is necessary in the pursuit of business excellence. We will pursue perfection and in so doing “catch a little excellence along the way.” (Vince Lombardi)

## FOUR STEPS TO REFERRAL SUCCESS

**1. Create a qualified database.** You must develop a database of 250 people, including client partners and others that have the capability of referring you. You must qualify each person by their ability and willingness to refer you.

**2. Systematize your client partner communication.** You are only as good as your ability to communicate. Consistent and strategic client communication is necessary to build and maintain referral relationships.

**3. Develop Focus Groups.** You must develop a client-partner, referral staff and train them regularly.

**4. Create opportunities for client partners to succeed.** You must develop regular events for your clients to bring their friends to. They cannot succeed any other way.

## THE ART OF ASKING QUESTIONS

*Becoming a Trusted Advisor...is acting like a trusted advisor by committing to a planning process rather than a sales event.*

### To become a professional you have to master two parts of planning:

**Part One:** Master the body of information that is relevant to your niche.

**Part Two:** Master the ability to persuade people to move from point “A” to point “B”.

### The Counselor

1. Describe the process
2. Ask them to agree to the process
3. Ask them what the problem is three times, and they can't use the same language twice.
4. Ask them what they think a good plan of action is.
5. Determine each person's role in the plan.
6. Carry out the plan, review and adjust.

## Start with a “Standard Disclosure”

“Feel free to ask as many questions as you like.”

“May I ask you some questions?”

“As we go back and forth asking and answering questions, I may discover what you need and what I do are two different things and I will be upfront and tell you. Would you be comfortable with that?”

## Describe the Process

### **Investigate**

We investigate each other, investigate your portfolio, investigate any leaks, gaps, or deficiencies in the client’s current plan, and investigate sample solutions to your needs.

### **Recommend**

The Recommendation phase brings the specific elements of the solution to bear on the diagnosis. It’s at this meeting that a prospect will be asked to make decisions regarding asset allocation and transfers. .

### **Implement**

In the third phase, we begin with the process of allocating assets to the proper areas by way of applications and transfers to the various companies.

## “What’s Important to you about...”

1. Taxes
2. Safety
3. Guarantees
4. Long Term Care Planning
5. Income
6. Liquidity
7. Achieving Security
8. Return on Investments
9. Diversification
10. Inflation
11. Passing assets on to heirs
12. Communication with your broker/agent

## Types of Questions

### What

1. Tell me more about that.
2. Could you be more specific?
3. Is there anything more?
4. \_\_\_\_\_ means?

### Why

1. Sounds important, tell me why?
2. On a scale of 1-10, how important is this? Why is that?
3. I wouldn't have guessed this one was important to you. What did I miss?
4. Where does this fit into your "important issues that need to be taken care of?" Why?

### Concern

1. How long has this been a concern?
2. Sounds like you've given up.
3. Has there been a recent event that has made this more important?
4. That's got to hurt, how long have you been putting up with this?

### Impact

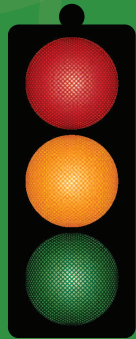
1. How would it affect you if you did/didn't solve this issue?
2. What would the real impact be if you got this solved?
3. How much do you think this might cost you if you don't find an answer to it?
4. Tell me how this looks fixed and what impact it might have?

## "Highlighting" technique

1. Listen for emotional words instead of listening for something to present to.
2. Repeat the word in your mind and tag a question on it.
3. The key is patience and a belief that you are not obligated to answer questions and give your knowledge away.

## Take-Aways

- "It's probably not your broker's fault, right?"
- "The market probably won't go down again this year, right?"
- "You have a lot of assets here, losing another 20%-30% really won't matter, true?"
- "Would it be a fair statement that you have little or no interest in \_\_\_\_\_?"
- "I'm a little confused, you say you're afraid of losing money in the market but haven't done anything yet. Why not?"
- "I think we have a problem in working together. You already have a broker, and I'm not interested in giving financial advice to educate him, so now what are you going to do?"



# ABC RETIREMENT PLANNING

CALL US TOLL FREE AT 800-201-0224 TODAY OR  
VISIT US ON THE WEB AT [DBHC.COM](http://DBHC.COM) TO LEARN  
EVERYTHING WE CAN DO TO HELP YOU.

Rev. 2/14

For agent use only — not for use with consumers or the general public.

©2014 Dressander BHC Inc.



**DRESSANDER|BHC**  
synergy | solutions | success