

ABC
RETIREMENT
PLANNING

TRAINING MANUAL

ABC RETIREMENT PLANNING ADULT EDUCATION COURSE

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Introduction: Tired of Dinner Seminars?	4
The ABC Planning Model and the ABC Planning Process	7
The ABC Retirement Planning Workshop	8
Course Concept	8
Adult Financial Education Services, Inc.	10
Agent Step-by-Step Guide	10
Mailings & Class Requirements to Continue the ABC Workshop Program	13
Promoting the Course	13
Sample Pre-Class Letter to Registrants from AFES and Workshop Goals	14
Course Syllabus	16
ABC Course Teaching Suggestions	17
Follow-up Discussion	17
Sample Newsletter Mailer	20
Sample Mailer Registration Page	21
ABC Course Resources and Costs	23
Sample Course Evaluation Form	24
Lesson Plans for Two Weeks	26
Lesson Plans for Three Weeks	34

TIRED OF DINNER SEMINARS?

MAYBE IT'S TIME FOR AN ABC ADULT EDUCATION COURSE!

Over the years, people have said that seminars are dead. Boy, were they wrong.

The reality, though, is that seminars around the country are getting harder and harder to pull off.

- More expensive restaurants
- Some say 70%-80% of those attending fit into the “plate-licker” category
- Mailings are more expensive
- Compliance is much more difficult
- Regulators are often in attendance
- Studies show that 70% of Boomers and Seniors won't go to a seminar

With all that being said, dinner seminars are still the marketing venue of choice for more than 80% of top producers. Yet, many agents have grown weary of the seminar routine and are wondering if there was another way that was as effective, or even more so than seminars. And now there is!

ABC RETIREMENT PLANNING ADULT EDUCATION COURSE

We have discovered the incredible opportunities that lie in adult education classes conducted by planning professionals at local colleges. While at first glance, it may seem an ominous task to create this course, but you need not worry, it's been developed and tested for you with tremendous results.

So, what is it? The ABC Retirement Planning Course is based on the book “Bat-Socks, Vegas and Conservative Investing” and its companion texts, “Don't Follow the Herd”, “Social Security Made Simple” and “The ABC Retirement Planning Workbook.” These resources help people answer the question, “Where do Index Annuities fit in a client's total portfolio of assets?” In fact, if you (and better yet your prospect), can answer that question you will significantly increase your premium. The workshop:

- Is an adult educational format
- Is for ages 50 and up
- Is held on college campuses, libraries, park district, or other educational settings
- Is a 2-3 class format held on weeknight evenings and/or Saturday mornings
- Involves 6-9 hours of teaching by the planning professional
- Has participants pay a modest fee (\$49-\$59)
- Ends by having the class develop a personal ABC profile and model in which they will need help with implementation
- Helps the prospects develop trust with the advisor over 2-3 sessions

As you can tell by the list above, the planning and materials for such an undertaking is quite involved. The good news is all the materials, lesson plans, PowerPoint presentations, invitations, questionnaires, and

more, have all been prepared for you. It is truly a “plug-n-play” marketing program. We even contact the college or other venue and take the registrations. All you have to do is teach the class and meet with attendees for a one-hour private strategy session. We have training that prepares you to confidently step in the classroom and begin what is the most prolific professional experience that you have ever experienced.

In this current environment, you have to ask yourself a question, “What type of producer do I want to be: transactional-oriented or process-oriented?” Look at the differences below:

Transactional-Oriented

1. Event oriented
2. Looking for one asset to put in an annuity
3. Looking for a “sale”
4. One and done
5. Stuck in the “Client Acquisition” mode
6. Few referrals

Process-Oriented

1. Process oriented
2. Looking for the best financial plan for the client
3. Best interest of the client
4. Ongoing relationship
5. Creates “raving fans”
6. Referrals come in on a regular basis

You see, most producers are so focused on a transactional sales event, looking for one asset that they can beat and roll-over into an annuity that they become myopic in their sales vision. Tunnel vision doesn't help increase your premium. The ABC Planning Process outlined in “Bat-Socks” helps you and your prospects through a simple planning process that result in larger cases and more referrals.

The ABC Retirement Planning Adult Education Course gives you the opportunity to get out of the dinner seminar circuit and join the elite producers of our day. Since introducing this strategy we've been amazed at how many \$10 million to \$30 million producers have joined our ranks! They are already wildly successful agents and saw the phenomenal opportunity in the ABC Workshop. Here is what they are experiencing:

- Over 90% success rate in mailings
- 12 to 16 households per mailing split between two classes
- 80-90% of attendees schedule a one hour “Strategy Session” with advisor
- Over 90% keep the appointments
- Average investible assets per class attendee \$500k - \$1.5 million in assets
- Average FIA case - \$300,000
- Average minimum premium out of course - \$500,000 – \$1,000,000
- Average AUM - \$750,000

There are a number of producers that are incredibly good planners, but aren't successful at seminars. They

have had to build their clientele more slowly using other, less public methods. They are great planners with more skill and knowledge than most “annuity salesmen,” but just don’t have that “entertainment gene” that is needed to be successful at seminars. They are good teachers and confident of their knowledge and ability to work on behalf of their clients.

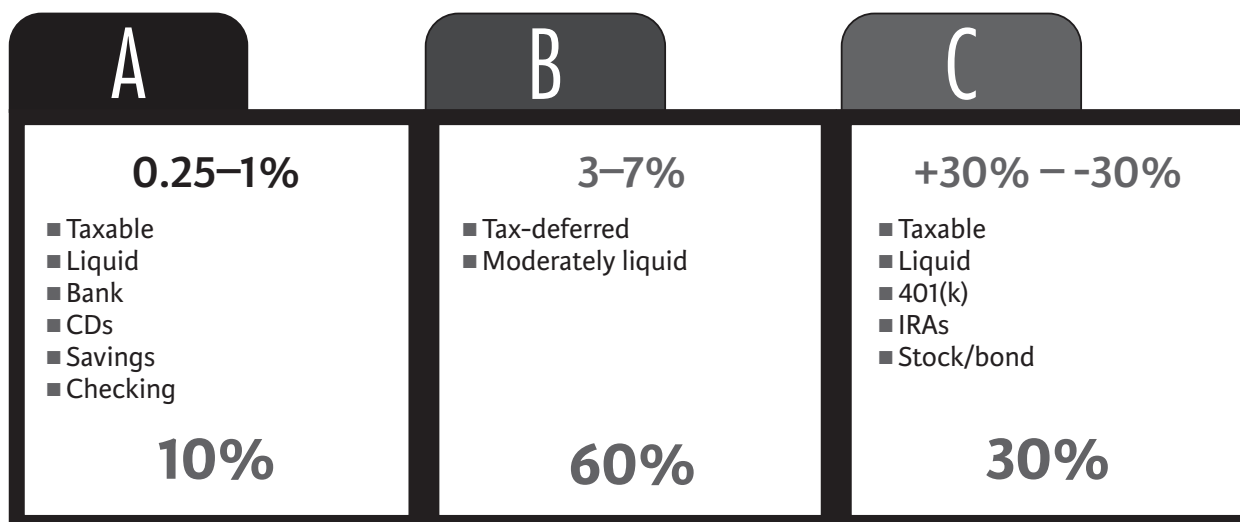
These are planners who would fit well into the adult educational format. They don’t like the idea of standing in front of a dinner crowd trying to make their case in 90 minutes, but would be excellent teachers in a classroom setting. Doing so for 2-3 weeks in a row would give them the opportunity to show their prospects their knowledge and abilities.

A planner who finished his first ABC Adult Education Course told us, “Tell the agents that are investigating these workshops that at the end of three weeks they (prospects) trust you!” If trust is the number one obstacle prospects have to get over, then the ABC Retirement Planning Course is the number one solution.

So, don’t be caught holding the last bag on dinner seminars, plan an ABC course and revitalize your practice and maybe your life.

IF YOU CAN ANSWER THIS QUESTION EFFECTIVELY, YOU WILL SIGNIFICANTLY INCREASE YOUR PRODUCTION!

“Where do Index Annuities fit into a client’s total portfolio of assets?”



Three GREEN money rules:

- RULE #1: Protect your principal
- RULE #2: Retain your gains
- RULE #3: Guarantee your income

Three RED money rules:

- RULE #1: Must be tactical
- RULE #2: Must be liquid
- RULE #3: Must be long-term

What is your client's greatest priority? What is your client willing to give up?

GAINS? LIQUIDITY? PROTECTION?

A	B	C
<p>CASH</p> <ul style="list-style-type: none"> ■ Potentially lower returns ■ Taxable or tax-deferred ■ Liquid 	<p>PROTECTIVE GROWTH</p> <ul style="list-style-type: none"> ■ Potentially moderate returns ■ Tax-deferred ■ Offer partial withdrawals 	<p>RISK GROWTH</p> <ul style="list-style-type: none"> ■ Potentially higher returns ■ Taxable or tax-deferred ■ Offer partial withdrawals or liquid
<p>LIQUIDITY</p>	<p>PROTECTION</p>	<p>GAINS</p>
<p>GAINS</p>	<p>LIQUIDITY</p>	<p>PROTECTION</p>

THE FOUR-PHASE ABC PLANNING PROCESS

There are two types of planners, which one are you?

Transactional

1. Event-oriented
2. Looking for one asset to put in an annuity
3. Looking for a "sale"
4. One and done
5. Stuck in the "Client Acquisition" mode
6. Few referrals

Process

1. Process-oriented
2. Looking for the best financial plan for the client
3. Best interest of the client
4. Ongoing relationship
5. Service creates "raving fans"
6. Referrals come in on a regular basis

THE ABC PLANNING PROCESS IS A SIMPLE

Four-Phase Planning Process

The challenge is to "think with" your clients to a better financial decision, rather than "sell" them something. It takes a process that can be flexible and creates enough space for the prospective client to work through all the information needed to make a decision they can live with for the rest of their retirement.

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, financial software 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 2-6 weeks. 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.

THE ABC RETIREMENT PLANNING WORKSHOP

ADULT EDUCATION COURSE CONCEPT

1. Adult educational format
2. Is for 50 and up (ages 55-65, \$100k IPA)
3. College campus, library, park district, or other educational settings
4. 2-3 class format on Thursday evenings & Saturday mornings
5. 6-9 hours of teaching
6. Participants pay a modest fee (\$49-\$59)
7. By the end of the sessions they will have developed an ABC plan and need help with implementation
8. Advisor develops trust with prospects over 2-3 sessions

The ABC Retirement Planning Course is a 2-3 session, 6-9 hour, non-dinner oriented, educational event for ages 50 and up held at a local college, library, or park district. Agents spend time teaching conservative retirement planning concepts and developing relationships with motivated prospects. Students will complete an ABC Profile at the end of the workshop and are in need of someone to help them implement the plan. Who better than their instructor?

Expected results:

- 12 to 16 households per mailing split between two classes
- 80-90% of attendees schedule a one hour "Strategy Session" with advisor
- Over 90% keep the appointments
- Average assets per class attendee is \$500k - \$1.5 million in assets
- Average FIA case - \$300,000
- Average minimum premium out of course - \$500,000 – \$1,000,000
- Average AUM - \$750,000

Program materials include:

- "Social Security Made Simple" book
- The ABC Retirement Planning Workbook
- Newsletter-style invitations and newspaper inserts
- Course PowerPoint presentation
- ABC Course Syllabus

The College Workshop is a real winner! In my 30+ years in the business, I have not used any marketing idea or process that has worked better. Since I conducted my first College Workshop about a year ago, I have had the best 12 months of production in my career! The class attendees are there to truly learn, not just to take advantage of a free meal or door prize or whatever else we may have offered at seminars in the past. I've found that the class attendees look upon us (the instructors) as knowledgeable teachers or expert professors rather than as salespeople. And when these people come in for their individual one-on-one final class session, they are coming to us because they want our help and they realize from the material presented in class that we are capable of helping them regarding financial advice.

Dennis

ADULT FINANCIAL EDUCATION SERVICES, INC.

Adult Financial Education Services, Inc., (AFES) is the servicing company for all ABC Workshops. AFES will handle the program's administrative duties so you (the instructor) can study the material, teach the class and meet with attendees to close business. We save you time and money! AFES will:

- Contact the colleges and venues, initiating the relationships with the venues
- Assign territories, schedule workshops, take in registrations, pay for room rentals, storehouse class materials, and communicate with attendees
- Work with the advisor/instructor to establish the relationship with the venues

We work with you to set-up the class by renting the room from the venue, acquiring all necessary materials, and managing the relationship with the venue.

The 12 month licensing fee for AFES services is \$750 for the first territory and \$500 for each additional territory. Territories consist of 10,000 names surrounding a selected venue. You will not only receive the territory, but also a registration hotline, a listing on the AFES website, an ABC Website, a multi-site landing page, discounted books and materials, and the Financial Software (renewals included).

You pay AFES a per workshop fee for each workshop to cover expenses (mailing fees and materials fees are paid directly to preferred mailing vendor; territory fee and room rental fees paid to AFES). AFES will take in registrations and fees and pay the school for the room rentals. Class fees are to be paid no later than 35 business days in advance of the workshop. A typical fee for the workshop breaks down as below:

Average Workshop Fee	\$7,900
Mailing cost	\$6,000 (10,000 piece mailing)
Cost of books and workbooks	\$400 (approx. excluding shipping)
Room Rental	\$750 (national average; could be higher or lower)
Territory Fee	\$750 (first territory)
<hr/>	
TOTAL COSTS	\$7,900

*You will be reimbursed 100% of the registration fees up to the total cost of the room rentals.

AGENT STEP-BY-STEP GUIDE

The following is a step-by-step guide to the workshop program. It is important that you do not contact a college prior to working through the following steps. We already have hundreds of successful relationships with colleges, and we do not want to jeopardize the program's solid reputation through an unintentional misstep or communicating misinformation. Please follow the steps below and always use AFES to help you successfully manage the college relationship.

STEP 1: Meet the qualifications

- Appoint with at least two core carriers with Dressander|BHC (or transfer contracts)
- Submit proof of \$1.5 million annual production (with any IMO/FMO)
- Note: the more carriers and business you put through Dressander|BHC, the higher the opportunity will be to guarantee your territory

STEP 2: Attend an ABC Workshop Training Class (mandatory)

- Contact your Dressander|BHC marketing consultant to obtain locations of upcoming classes

STEP 3: Sign and return the required documents

- When above qualifications are met, your marketing consultant will submit an email request to AFES to send required documents to you for signature (include core carrier appointments and annual production)
- Complete/sign documents and fax to 888-804-2863

STEP 4: Contact the National Director of AFES (Tom Jones 630-618-2789) to secure a venue and demographic study

- Upon receipt of signed AFES documents, you will be contacted by the National Director of AFES to discuss possible venue options
- Once a venue is determined, the Director will forward it to our preferred provider who will conduct the demographic study to determine viability of territory (you must use our preferred provider for marketing this program)
- Pay the licensing fee (\$750 non-refundable for the first territory; \$500 for each additional territory)

STEP 5: Request Access to AFES Website

- Contact your Dressander|BHC marketing consultant to request access to the agent area of the AFES Website (www.afes.org)
- This area contains all the tools necessary to learn and implement the ABC Planning Process, ABC Workshops, and trial of the Financial Software. There are training videos, webinars, workshop PowerPoint presentations, class syllabus, sample mailer, and much more.

When you have decided on the area or venue you would like to teach a course...

AFES will contact a local college, community college, park district/city, or library in your desired territory. We will call the college and tell them who AFES is and the course on retirement planning we want to teach in the community. We will describe the course and our intentions, and introduce your role in the program. You will want to tell them you are donating your time for the course, and that you will not be selling any products or services.

STEP 1: AFES will contact the venue coordinator to rent a room / schedule a class (no later than six weeks before the potential class dates to allow time to schedule mailings). Then we will:

- Call the school/venue and initiate the process of securing a classroom
- Set-up a time for you to meet with the venue coordinator to see the classroom/venue and become familiar with the facility
- Contract with the venue after you meet with the coordinator
- Once you meet with the coordinator at the campus, decide on the class schedule with the college as illustrated below:
 - 2 Saturday morning classes (3 hours each)
 - **OR** 3 Tuesday evening classes (2-2.5 hours each)
 - **OR** 3 Thursday evening classes (2-2.5 hours each)

Don't worry about the room fees; the AFES Director will negotiate those fees with the venue (you will pay AFES for the room rental fee so AFES can pay the school). Also, tell them you would like to conduct the course two to three times a year. You will present the course materials and course syllabus. Work on the relationship with the college and let us follow-up to work through the details. You are there to put a face on the course and answer any questions about the materials.

STEP 2: AFES will set up your registration system by:

- Setting up a local phone line to take registrations that feed into a registration line at AFES
- Setting up your workshop on the AFES website for registrations
- Developing a mailer with our marketing partner Step2Success Marketing that includes a local phone number and the class registration code, plus a mail-in form (mailed to instructor's local office)
- Registrants can enter the course code on the website and register, call in for registrations, or use the mail-in form
- Registrants can pay tuition by check or credit card

STEP 3: AFES schedules mailers

- Work with the AFES Director and our preferred provider to schedule your mailings—AFES and the agent are required to sign off on all mailings before they go out. Agent must pay S2S for the mailer before it is printed or shipped.

STEP 4: AFES orders materials

- We will order the following class materials and ship them to you at the time the mailer is sent (suggested minimum of 20 each). Payment for the mailer and materials are made directly to our vendor. Your first order is requested by AFES. Subsequent orders are the responsibility of the agent.
 - ABC Retirement Planning – paperback workbook (\$13)
 - "Social Security Made Simple" (\$9)
 - **Complete Kit (\$20 — savings of \$2)**

STEP 5: Conducting your workshop

You will conduct the workshop using the presentation materials and teaching principles from the ABC Workshop Training Class.

MAILINGS & CLASS REQUIREMENTS TO CONTINUE THE ABC WORKSHOP PROGRAM

- First step is to contact/submit preferred dates/venue to the AFES Director to get the process started
- 100% of all annuity and life premium must go through Dressander|BHC
- Conduct a class at your venue at least once every six months
- Market the class by mailing a minimum of 10,000 pieces through our preferred provider at least once every six months
- Produce a minimum of \$750,000 premium from the class within six months following the class date.
- If not met, venue may be reassigned

Average Workshop Cost: \$7,000 - \$8,000 for mailers, room rental, books & materials

PROMOTING THE COURSE

Advisor/instructors will be working with Brian Stepan at Step2Success Financial Marketing to promote the course through the mailer. We have developed, through trial and error, a very successful mailer. We suggest you send out at least 10,000 pieces. The mailer should be in the homes between 17-21 days prior to the course start date. Remember this is an educational format, not a seminar, so we won't use anything "salesy" in the materials. Some key elements of the mailer:

- Registrants can register by credit card or check. Checks will be made payable to "AFES," but mailed to your local office as the "Course Registrar." Advisor/instructor to fax registration form and copy of check to AFES at 888-804-2863 in order to register each attendee. Advisor/instructor will then mail in checks to AFES.
- We will use a local number for people to call in and register, not an 800 number. The line will feed into a national line and answered by voicemail in this manner: "Thank you for calling the AFES Retirement Course Registrar. Please leave your name, date you wish to attend, and phone number. We will call to confirm your registration, answer any questions and inform you of any needed updates on the course. Thank you for calling."
- The mailer will include a registration form that the prospect will fill out and mail in. Some decide to bring a check with them and show up at the door.
- The mailer will also include an option to register online at the AFES website (www.afes.org).

A pre-class email confirmation of registration will be sent out to the registrants from AFES. Please see sample of the following page.



ADULT FINANCIAL EDUCATION SERVICES

[Date]

ABC Retirement Planning
Registrar
[Your address]
[City, St, Zip]

[Recipient Name]
[Address]
[City, St, Zip]

Thank you for registering for the ABC Retirement Planning course at [name of college] on [date] starting at [time]. You have been charged an amount totaling: \$[tuition amount]

On the first day of class, you will receive your workbook and class materials.

We ask that you please arrive 10 minutes early to the first class in order to complete your registration and receive your course materials. This will allow the instructor to begin on time.

Again, thank you for your participation in this course.

Sincerely,
Registrar
Adult Financial Education Services

400 E. Diehl Road, Suite 400, Naperville, IL 60563 | Phone: 888-234-2805 | Fax: 888-804-2863 | afes.org

WORKSHOP GOALS

The ABC Retirement Planning Workshop seeks to help people develop a strategy for their retirement assets. We would like you to take a few minutes and jot down your initial thoughts regarding your expectations of this workshop, so your instructor can best mold the class to the needs of those present.

Name(s): _____

1. I was hoping this workshop would help me/us: _____

2. What are your immediate concerns about your retirement assets? _____

3. What are your greatest concerns regarding your retirement goals? _____

4. What is /was your occupation? _____

5. Are you currently retired? Yes No

If not currently retired, do you plan on retiring? Yes No

If not currently retired, in how many years do you plan to retire? _____

6. What type of an investor would you classify yourself? _____

Conservative Moderate Aggressive

In-between Conservative/Moderate In-between Moderate/Aggressive

7. Rank the following from 1 to 4 in the importance to you and your retirement assets (1 being most & 4 being least). _____

Liquidity Protection/Safety Growth Income

ABC RETIREMENT PLANNING COURSE SYLLABUS

COURSE DESCRIPTION

This course provides a fundamental working knowledge of the principles of conservative retirement planning. The materials cover varied aspects of conservative retirement planning, such as changes in planning paradigms, history of markets, impact of bear markets, retirement budgeting, planning for Social Security, and more, while highlighting the ABC Planning Model. Students will increase their awareness of the overall risk in the markets as well as possible asset allocation models to help manage exposure to risk. This course also covers conservative retirement income planning, asset allocation, and appropriate financial decisions. It is not designed to give specific solutions to individual needs.

This is not a financial seminar; this is a financial course of study where you will leave with the knowledge and confidence to make financial decisions suited to your level of risk and in line with the goals and objectives you establish.

COURSE OBJECTIVES

The objectives of this course are to provide you with the tools, insight, and proven strategies that will allow you to build a retirement plan that you are confident will achieve the goals you set for your retirement. This course will teach you easy-to-understand strategies on how to save money on taxes, manage investment risks and create the income stream for the retirement that you want. By the end of this course, you should be able to:

1. Understand the development of risk in the markets
2. Strategically allocate your assets in a conservative manner
3. Develop an income plan for your retirement including choosing the optimal distribution strategy for collecting Social Security
4. Know the difference between fixed principal and fixed income assets and how to use them
5. Develop your own financial profile
6. Know what questions to ask a potential advisor
7. Determine your own personal risk tolerance
8. Develop your own retirement budget

YOUR READING MATERIAL

The course uses the short textbook, “Social Security Made Simple” and excerpts from “Don’t Follow the Herd” and “Bat Socks, Vegas & Conservative Investing”, along with a custom designed workbook on ABC Retirement Planning which will be provided to you.

COURSE PARTICIPATION

If you are looking for answers to what happens to your plans when the financial markets experience a downward trending bear, and what you can do to limit the exposure you have to it, this course is for you. If you are concerned about your IRA, 401(k), 403(b) or other retirement accounts or maybe just want to be more confident in your current plan, you will believe this course is time and money well spent.

The best way to profit from this course is to read the assigned textbooks, do the assigned homework and participate in the classroom discussions as you feel comfortable.

COURSE OUTLINE

Below is an outline of the content of each section of the course.

Section 1: The Need for a New Model

The days of Pensions are disappearing and Social Security is in jeopardy! Today, retirees are forced to adapt to new rules which, in many cases, they have never played by in the past. Section 1 will cover ways to address these new rules and adjust to shifting paradigms and perspectives.

I. What is Conservative Investing?

Defines what conservative investing is and helps identify who is a conservative investor.

II. “Fool Me Once”; Perspective and Paradigm Shifts

This chapter discusses changes in planning perspectives & paradigms which affect the conservative investor.

III. Myths and Mistakes

Five well known Wall Street myths and five common retirement planning mistakes are discussed and analyzed.

IV. The Need for a New Model

Too many of the traditional approaches have not been suitable given the economic swings we have experienced in the last decade. This section explores the need for a new model that can take us through the good and the bad times.

Section 2: The ABC Planning Model

In Section 2, we will discuss the “Color” of Money: What is Yellow Money, Red Money, and Green Money, and what assets comprise them. You will learn how to allocate the proper assets to each category. We will discuss how the ABC Model can help you in Bull Markets and save you in Bear Markets.

V. The ABC Planning Model

The ABC Planning Model is explained in detail, showing the conservative nature of the model.

VI. Yellow Money Savings

Yellow money identifies the type of assets in Column A, the importance of liquidity, and their positives and negatives.

VII. Do you have what you think you have? Green Money Premium

Describes which assets are ideal for the B Column. Outlines three Green Money Rules and why they are important to the conservative investor.

VIII. Are you good at forecasting? Red Money Investing

Talks about the risk and reward nature of Column C and what type of assets belong in a conservative investor’s risk portion of the portfolio. Also discusses the difference between Tactical and Buy & Hold managed assets.

IX. The Worst Bear Market – What if it happened again?

We discuss the effects of a bear market on a portfolio of assets and why the ABC Retirement Planning Model works well in a prolonged bear market.

Section 3: Retirement Planning Issues

This section will address your number one need in retirement...INCOME. You will learn how to plan to have enough and stay ahead of the inflation curve. We begin that process by reviewing Social Security distribution options. For most Americans, their largest asset going into retirement is their 401(k), 403(b) or their IRA. In this section, we will go into great depth on how to preserve those accounts from the devastation of Taxes and Required Minimum Distribution (RMD).

X. Retirement Income Solutions to Social Insecurity

The greatest single worry in retirement is outliving your assets. We review retirement income distribution options available to most Americans through Social Security. Once the optimal strategy is chosen, the next thing we do is look at how a loss will impact retirement assets and the ability to generate lifetime income and how to lessen the risk by strategies that guarantee that income stream.

XI. “I’m Ok, I have a 401(k); Seven Potential Problems with a 401(k) in Retirement

The student will learn seven potential problems with a 401(k) plan while in retirement including limited choices and beneficiaries.

Section 4: Making Your Own ABC Plan

In our final section you will learn how to create your own ABC Plan. We will discuss the planning process in great length, including the Seven Steps to Building Your ABC Plan. We will also discuss how to use the tools for planning that are in your workbook to make sure your plan is designed to suit your true needs.

XII. You Need a Sherpa

Choosing an advisor who you like, trust and is competent is made easier to understand by asking the right questions. We provide you with over 20 questions to ask a potential advisor.

XIII. Process Makes Perfect

Discusses the planning process of investigate, recommend, implement, review and adjust. Shows the three elements of a decision and why a formal process is the best way to make a financial decision.

XIV. Seven Steps to an ABC Plan

This is a review of the previous chapters, while taking the student through a Seven Step process to develop an ABC Plan.

Tools for Planning

Below are forms used by the instructor to help students develop their own financial plan:

Asset Review Forms

- Includes two forms to use in planning: “Issues & Goals” & “Financial Planning Data Form”

Retirement Budget Forms

- Provides a comprehensive budgeting form for retirement needs

Risk Tolerance Questionnaire

- Provides a simple 7 Question Risk Assessment Questionnaire

COURSE INSTRUCTORS

Course Instructors come from the financial services industry. They bring many years of experience to the classroom and enhance the course with “Real World” examples of many of the principles being taught. This course is interactive and your participation is encouraged, but not required.

COMMUNICATION WITH INSTRUCTOR

The instructor is open for questions and inquiries about the material covered by the course and may be reached by telephone or email. Contact information is as follows:

Instructor Name

Instructor Company Name

Instructor Address

Instructor Email

Instructor Telephone

SAMPLE NEWSLETTER-STYLE MAILERS

Retirement Planning Course

ABC RETIREMENT PLANNING

A CLASSROOM COURSE FOR THOSE 50 AND UP TEACHING THE ABC'S OF RETIREMENT PLANNING



ADULT FINANCIAL
EDUCATION SERVICES
123 Main Street
Anytown, US 12345

PRSRT. STD.
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PAID
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\$25 MARK

Enroll Today for classes at Anytown Community College!

Complete Course Details Inside...

Retirement Planning Course

ABC RETIREMENT PLANNING
A CLASSROOM COURSE FOR THOSE 50 AND UP TEACHING THE ABC'S OF RETIREMENT PLANNING

Our courses are taught at over 125 colleges nationwide!

What You Will Learn By Taking This Course

- Aspects of conservative investing
- The trade-off with risk, return, and liquidity
- How to determine your personal risk tolerance and your own unique "Color of Money"
- 5 Myths and 5 Common Retirement Mistakes
- How to maximize Social Security distributions
- How to make "tax wise" distributions from your retirement plans
- What questions to ask a potential advisor
- Seven steps to an ABC Retirement Plan

January Classes Starting Soon at Anytown Community College!

Location
Anytown Community College
321 Main Street
Anytown, US 12345

Course Schedule
Thursdays (3 session course)
January 30, February 6 and 13
6:30 pm - 9:00 pm

OR

Saturdays (3 session course)
February 1, 8 and 15
9:00 am - 11:30 am

Special Section on Social Security!

Complete Course Details Inside!

Retirement Planning Course

A CLASSROOM COURSE FOR THOSE 50 AND UP TEACHING THE ABC'S OF RETIREMENT PLANNING

Learn how to plan with confidence - whether you are planning for retirement and looking to build a plan, or are already retired and looking for a plan you can finally understand.

- The Need for a New Model
- The ABC Planning Model
- Retirement Planning Issues
- Making Your Own ABC Plan

January Classes Starting Soon at Anytown Community College!



Our courses are taught at over 125 colleges nationwide!

Complete Course Details Inside!



Special Section on Social Security!

Complete Course Details Inside!

MAILER REGISTRATION PAGE

Retirement Planning Course

ABC RETIREMENT PLANNING A CLASSROOM COURSE FOR THOSE 50 AND UP TEACHING THE ABC'S OF RETIREMENT PLANNING

The ABC Retirement Planning Model was developed for people ages 50 and up who would like to have an alternative to a high risk approach to financial and retirement planning. For most conservative investors, the typical Wall Street approach doesn't give them the peace of mind to sleep well at night, leaving them instead to worry that their assets may not last as long as they do.

Course Description

This comprehensive course was developed using a common sense, Main Street approach to help you understand where you are in your financial and retirement plan, and how to get where you want to be at retirement. The typical American will spend 90,000 hours over a 45 year career span earning a living and building a retirement nest egg, but will spend only a few hours determining how to spend that nest egg. This course will be the best way for you to spend your time learning from the mistakes of others. You will learn what pitfalls to avoid - and what myths, too - as you develop confidence in a conservative investment model that will help you reach your retirement goals safely.

Who Should Attend

If you are concerned about your IRA, 401(k), 403(b), or other investment or retirement account, and you want to be more confident in the decisions you make, you should enroll. If you are looking for ways to protect yourself from the roller coaster ride of the financial markets and information on how to select the optimal Social Security distribution strategy, you should enroll. If you are looking for an investment model and process that is easy to understand and implement, you should enroll.

Why You Should Attend

This course will provide you with tools, insights, and proven strategies that will allow you to build an retirement plan that you are confident will achieve the goals you set for your retirement. Some of the practical knowledge includes strategies that reduce tax payments, manage planning risks, and create an income stream in retirement that will last your lifetime.



Classroom Instruction

This is an educational course that teaches the Principles of Conservative Retirement Planning. Course instructors are financial services professionals who bring many years of experience to the classroom and enhance the text book materials with "real world" examples. This course is interactive and you will have an opportunity to develop your own investment and retirement planning model.

Course Materials

This course includes a class workbook which is specifically designed to follow and support the classroom instruction. The book *Social Security Made Simple* by Mike Harper will also be provided to you.

Objective Information

Upon completion of the course, you will understand how much of your retirement is at risk, how much is safe, and how much is liquid. You will be able to evaluate and minimize the risk and make choices that allow you to maximize the return. This course will help you answer the question, "Are you ready for retirement?" The knowledge you receive will help you select strategies for you and your spouse that will maximize your Social Security distributions and make tax wise distributions from your retirement plans.

Course Instructor

Joe Agent brings many years of "real world" conservative retirement planning experience to the classroom. Joe Agent's own unique experiences and real life scenarios bring the content to life.

COURSE OUTLINE

Section 1: Introduction & Workshop Goals

Introduction to the course and setting up your workshop goals.

Section 2: The Need for a New Model

The days of pensions are disappearing and Social Security is in jeopardy! Today, retirees are forced to adapt to new rules which, in many cases, they have never played by in the past. Section 2 will cover ways to address these new rules, adjust to shifting paradigms, gain perspective on Wall Street myths, and learn about common retirement planning mistakes.

Section 3: The ABC Model

In Section 3, we will discuss the "Code" of Money: What is Yellow Money, Red Money, and Green Money, and what assets comprise them? Students will learn how to allocate the proper assets to each category. We will discuss how the ABC Model can help students in Bull Markets, and save them in Bear Markets.

Section 4: Retirement Planning Issues

This section will address the number one need in retirement... INCOME. The students will learn how to plan to have enough and stay ahead of the inflation curve. We begin that process by reviewing Social Security distribution options and exploring ways to maximize those distributions. For most Americans, their largest asset going into retirement is their 401(k), 403(b), or IRA. In this section, we will go into great depth on how to preserve those accounts from the devastation of taxes and Required Minimum Distribution (RMD).

Section 5: Making Your Own ABC Plan

In our final section, the students will learn how to create their own ABC Plan. We will discuss the planning process in great length, including the "Seven Steps to Building Your ABC Plan." We will also discuss how to use the tools for planning that are in the workbook to make sure the plan is designed to suit the students' true needs.

Tools for Planning

- **Asset Review Forms** - Includes two forms to use in planning: Issues & Goals and Financial Planning Data Form
- **Retirement Budget Forms** - Provides a comprehensive budgeting form for retirement needs
- **Risk Tolerance Questionnaire** - Provides a simple 7 question Risk Assessment Questionnaire

January Classes Starting Soon! Register Today!

Anytown Community College
321 Main Street
Anytown, US 12345
Classroom #XXXX

Thursdays (3 session course)
January 30, February 6 and 13
6:30 pm - 9:00 pm
Course Code: ABCXXX0000

OR
Saturdays (3 session course)
February 1, 8 and 15
9:00 am - 11:30 am
Course Code: ABCXXX0000

Tuition is \$49. Spouses may attend at no cost. An additional workbook for your spouse may be purchased for \$19.

Visit www.afes.org



Call 000-000-0000



Complete the Registration Form below and mail in with your tuition check.
To pay by credit card, please call or go online.

Registration Form

Name: _____ Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ E-mail Address: _____
(for registration confirmation purposes only)

Course Selection (please check one):
 Thursdays - 1/30, 2/6 and 2/13, Course ABCXXX0000
 Saturdays - 2/1, 2/8 and 2/15, Course ABCXXX0000

Tuition is \$49 per person
 I am bringing my spouse at no extra cost
 I am bringing my spouse and need an additional workbook for \$19

Spouse's Name: _____
 Total tuition included in this registration is:
 \$49 \$68

Please complete this Registration Form and mail with your tuition check to:
 Adult Financial Education Services Registrar
 123 Main Street
 Anytown, US 12345
 Make checks payable to: AFES

SAMPLE TRI-FOLD MAILER



Retirement Planning Course

A Classroom Course Teaching the Financial ABC's of Retirement Planning

Location

Green TTEC/Honey Creek Business Park

1110 Leed Parkway
Plain, WI 53577

(You will be notified of the room assignment prior to the start date.)

Course Schedule

Thursdays

April 4, 11 and 18
6:00 pm - 8:00 pm

Course Code: ABCPGT0404

For more information or to register,
call **000-000-0000**

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U.S. POSTAGE
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Tuition

Tuition is \$59. Spouses may attend for no cost. An additional workbook for your spouse may be purchased for \$26.

Registration

Visit www.adultfinancialcd.org

Call **000-000-0000**

Complete the Registration Form to the right and mail with your tuition check (made payable to AFES) to:
Adult Financial Education Services (AFES)

229 High Street
Mineral Point, WI 53565

Registration Form

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ E-mail Address: _____

Tuition is \$59

I am bringing my spouse at no extra cost

I am bringing my spouse and need an additional workbook for \$26

Total tuition included in this registration is (circle one): \$59 \$85

Make checks payable to: AFES

Adult Financial Education Services (AFES)
229 High Street
Mineral Point, WI 53565

ABC COURSE RESOURCES & COSTS

Item	Cost
"ABC Retirement Planning Workbook"	\$13
"Social Security Made Simple"	\$9
<hr/>	
Total Costs of Materials	\$22
Kits are available for \$20 each (saving of \$2)	
Total Materials — 20 kits @ \$20 plus shipping	\$400
Invitations @ .60 a piece for 10,000	\$6,000
<hr/>	
Total Cost of ABC Class	\$6,400

*Registration fees are rebated to the agent up to the room rental cost.

It must be noted that in all our ABC marketing efforts our preferred provider is **Step 2 Success Financial Marketing** and its founder Brian Stepan. They have been great partners in the success of our workshops, seminars and snackshops. They have many more programs that you will want to investigate. Their contact information is below:

Step2Success
 7789 131st St N
 Seminole, FL 33776
 727-258-8490
 727-369-8818 (Fax)
 brian@step2successmarketing.com

ABC ADULT EDUCATION COURSE EVALUATION FORM

Name: _____ Date: _____

Phone: _____ Email: _____

Instructor: _____ Location: _____

TIME FOR GRADES

1. On the scale below, how would you rate the class overall?

A+ A A- B+ B B- C+ C C- D F

Explain: _____

2. On the scale below, rate the quality of the materials.

■ "ABC Retirement Planning Workbook"

A+ A A- B+ B B- C+ C C- D F

Explain: _____

■ Social Security Made Simple

A+ A A- B+ B B- C+ C C- D F

Explain: _____

3. On the scale below, how effective was your instructor at explaining the concepts of the course?

A+ A A- B+ B B- C+ C C- D F

Explain: _____

4. On the scale below, how would you rate the class discussions?

A+ A A- B+ B B- C+ C C- D F

Explain: _____

5. Did the course fulfill your expectations?

Explain?

6. Would you recommend this course to a friend? Yes No

Explain:

7. Your course fee entitles you to a one hour strategy session with your instructor. Please select the best available time for you below and the course administrator will arrange your strategy session.

What time of day would you prefer?

Morning Afternoon Evening

We would like to thank you for your participation in the class and hope you enjoyed your time with us!

Additional Comments:

ABC RETIREMENT PLANNING ADULT EDUCATION COURSE

LESSON PLANS FOR TWO WEEKS

FIRST SESSION

First 75 Minutes, Lesson One through Three: Registration, Introduction & Goals, Concepts from Sections 1, 2, 3 & 4.

Second 75 Minutes, Lesson Four through Five: Concepts from Sections 4, 5, 6 & 7

SECOND SESSION

First 75 Minutes, Lesson Six and Seven: Review of First Session, Concepts from Sections 8, 9, 10 & 11.

Second 75 Minutes, Lesson Eight and Nine: Concepts from Sections 12, 13, 14 & Conclusion

FIRST WEEK, FIRST 75 MINUTES

The First Session should take approximately 145 minutes of teaching plus one 15-minute break.

Lesson One through Three: (approximately 70 minutes)

Registration and Introduction: 5 minutes

Welcome the class and thank them for their attendance. Tell them:

- Your name and give them your info packet.
- Attendance is one thing, but class participation in discussions will greatly enhance their learning experience.
- You will start and stop on time.
- The class uses “Social Security Made Simple” plus a workbook based on the book “Bat-Socks, Vegas & Conservative Investing” and “Don’t Follow the Herd.”
- Reading and study assignments will be given and are a very important part in the learning process
- They have paid their fees, received their materials, and for the next 2 weeks you will give them your dedicated time. At the end of the last session they will have completed an ABC Planning Profile and simply need someone to help them implement their plan.
- The course fee entitles them to a one hour strategy sessions for which they may sign up at the end of the second class.

1.A course overview: 5 minutes

- a. Preview the materials
 - i. “Social Security Made Simple”
 - ii. ABC Retirement Planning – Workbook

- b. Go through the topics listed in the workbook
 - i. Tell the class how the topics will be broken down by session

2. Workshop Goals – approximately 10 minutes

- a. Highlight the **Introduction**7
- b. Have students fill in the **Workshop Goals**8
 - i. Bring a separate copy of this sheet so they can fill it out and hand it in to you. You will be able to read them later and adjust class sessions based on their input.
 - ii. Have students share their answers to each of the questions. Then collect the forms.

Concepts from Sections 1, 2, 3 and 4 (50 minutes)

Note: Suggested material to cover is highlighted.

Section One: 15 minutes

Section One defines what conservative retirement planning is and helps identify who a conservative planner is.

- 1. The Retirement Planning Process9
 - a. Conservative Investing**9
 - Questions 1.1, 1.2
 - b. Ability to Deal with Market Risk**9
 - c. Risk vs. Reward10
 - d. Types of Risk**.....10
 - e. Risk Tolerance Scale**.....10
 - Questions 1.3, 1.4**
 - f. How to be Conservative When Planning for Retirement11
 - Question 1.5
 - g. Benefits of Conservative Retirement Planning11
 - Question 1.6

Section Two: 15 minutes

This Section discusses changes in planning perspectives & paradigm shifts that affect the conservative retirement planner.

- 2. Fool Me Once13
 - a. Investing Paradigm Shifts13
 - b. Looking Back at the Dow from 1980**13
 - c. Welcome to the Roller Coaster Ride**.....13
 - Question 2.1
 - d. A New Paradigm Shift**.....14
 - Questions 2.2, 2.3, 2.4
 - e. Changes Out of Bear Markets**.....15
 - Questions 2.5, 2.6

Section Three: 15 minutes

Section Three discusses some well-known Wall Street maxims and shows them to be myths.

3. Myths and Mistakes	17
a. Wall Street Saying #1: I Haven't Lost Until I Sell	17
Questions 3.1, 3.2, 3.3, 3.4	
b. Common Herd Mistake # 1:	
Paying Taxes on the Same Dollar More than Once	18
Question 3.5	
c. Wall Street Saying #2: Large Wire Houses	18
Question 3.6	
d. Common Herd Mistake #2:	
Stockpiling Hay for Everyone Else But You	19
e. Wall Street Saying #3: A diversified portfolio	20
Questions 3.7, 3.8, 3.9,	
f. Common Herd Mistake #3: Risking the Cow Instead of the Milk	21
Question 3.10	
g. Wall Street Saying #4:	
Buy and Hold is an Effective Conservative Strategy	21
h. Common Herd Mistake #4: Walking By Blind Faith	22
i. Wall Street Saying #5: Just Buy an Index Fund	22
Questions 3.11	
j. Common Herd Mistake #5:	
No Mailbox Money During Retirement	22

Section Four: 10 minutes

Section Four talks about how Wall Street is a broken culture, and the "Greed is Good" model of planning is good for Wall Street, for the broker, but maybe not for the planner. This Section explains the need for a new model.

4. The Need for a New Model	24
a. The Status Quo Bias	24
Questions 4.1,	
b. Financial Evaporation and the Story of the Tadpole	24
Questions 4.2, 4.3, 4.4, 4.5	
c. Long-Term Market Returns	26

Ask the class for questions and then take a 15-minute break.

FIRST WEEK, SECOND 75 MINUTES

The Section Five: 25 minutes

The ABC Planning Model is explained in detail in this Section, showing the conservative nature of the model.

5. The ABC Model	28
a. Wall Street's Pyramids and Risk Tolerance	28
b. A Conservative Planner's Dilemma	28
Questions 5.1, 5.2, 5.3, 5.4, 5.5	
c. The ABC Model of Investing	29
d. Category A: Cash Assets	30
e. Category B: Fixed Principal Assets	30
Questions 5.6	
f. Category C: Risk Growth Assets	32
Questions 5.7, 5.8	
g. Sample Models	33
h. Create Your Own ABC Model	33
Question 5.9	
i. Types of Assets	34
j. ABC Risk vs. Reward	35
Question 5.10	
k. Rule of 100	36
Questions 5.11, 5.12	
l. Major Differences Between Wall Street and the ABCs	37
Question 5.13	

Section Six: 10 minutes

This Section identifies the type of assets in Column A, the importance of liquidity, and the positives and negatives of cash assets.

6. Yellow Money Savings	39
a. The Goal of Yellow Money	39
Question 6.1	
b. How Much Liquidity	39
Questions 6.2, 6.3	
c. Yellow Money Categories	40
Question 6.4, 6.5	
i. Accessible with no penalties for withdrawal	40
ii. Accessible with minimal penalties for withdrawal	41
d. Savings, Not Investing	41
Question 6.6	

Ask the class for questions.

Section Seven: 40 minutes

Section Seven describes why Fixed Indexed Annuities are the ideal asset for the B column. This Section also outlines three Green Money Rules and why they are important to the conservative planner.

7. Do You Have What You Think You Have?	43
a. Fixed Income Asset or Fixed Principal Asset?	43
Questions 7.1, 7.2	
b. Three Green Money Rules	44
Question 7.3	
c. What is an Annuity?	44
Questions 7.4, 7.5	
i. Variable Annuities	45
Questions 7.6	
ii. Fixed & Fixed Indexed Annuities	46
iii. FIA Basics	47
Questions 7.7, 7.8, 7.9	
iv. How Does an FIA Credit Interest?	48
Question 7.10	
v. Additional FIA Points to Consider	50
d. Planning for Income with an FIA.....	51
Question 7.11	
e. Guaranteed Withdrawal Benefits	52
Questions 7.12, 7.13, 7.14	

HOMWORK

First, assign next week's Sections 8-14 in the workbook and answer the questions in the manual for the same Sections. Since they probably haven't read the first 2 Sections you discussed this week, it would be good for them to read those Sections also. Second, have them take the Risk Tolerance Questionnaire in the Appendix. Third, you will want them to fill out, as best they can, the Asset Review Forms: Issues & Goals Review Form, Highest Relational Needs & Expectations, Short & Long Term Goals, Financial Planning Data Form, Financial Information, and the ABC Profile found in the Appendix. Tell them that if they don't understand some of the questions just leave them blank and ask you before, during, or after class. Optional, ask them to fill out the Retirement Budget in the Appendix as best they can.

Be sure and tell them they are not required to do the homework, yet it will greatly enhance what they get out of the course.

SECOND WEEK, FIRST 75 MINUTES

The Second Session should take approximately 145 minutes of teaching plus one fifteen minute break.

Note: Suggested material to cover is highlighted.

Review last week’s session and talk briefly about Section Seven: 10 minutes

Section Eight: 20 minutes

This Section talks about the risk nature of Column C and what type of assets belong in a conservative planner’s risk portion of their portfolio. Also, the Section discusses the difference between Tactical and Buy & Hold strategies for managed assets.

8. Are You Good at Forecasting?	55
a. Red Money Planning	55
Question 8.1	
b. Systematic Risk, Variance, and Volatility	55
Questions 8.2	
c. Beta, R-Squared, and Standard Deviation	55
d. Stock-Type Risk & Bond-Type Risk	56
Questions 8.3	
e. Who Chooses the Assets?	56
f. Tactical vs. Buy and Hold	56
Question 8.4, 8.5, 8.6	

Ask the class for questions.

Section Nine: 10 minutes

This Section makes the case for how well the ABC Model performs in a Bear Market.

9. What if it Happened Again?	59
a. What if the worst Bear market in history happened again?	59
Questions 9.1, 9.2	
b. Using the ABC Model in a Bear Market	60
Questions 9.3	
c. Why the ABC Model Works	64
Questions 9.4, 9.5	

Section Ten: 20 minutes

This Section discusses Green Money options for the greatest need retirees have: income planning.

10. Retirement Income Solutions to Social Insecurity	66
a. How Many People Rely on Social Security	66
Question 10.1	
b. Long-range Projection for Social Security Trust Fund	67
c. Social Security Eligibility	68
d. Life Expectancy	69
e. Social Security Distribution Strategies	69
f. America’s Top Financial Worry	70

g. Accumulations and Inverse Returns	70
Question 10.2	
h. Green Money Income Plans	72
Question 10.3, 10.4, 10.5	

Ask the class for questions.

Section Eleven: 15 minutes

This Section shows seven potential problems with retirees holding on to 401(k) plans and presents alternatives to staying in a 401(k).

11. I'm OK, I Have a 401(k)	75
a. Seven Potential Problems With a 401(k)	75
i. Problem #1: Is your 401(k) compliant?	75
Question 11.1	
ii. Problem #2: Roth Accounts	76
Question 11.2	
iii. Problem #3: Limited Choices	77
Questions 11.3, 11.4 , 11.5, 11.6	
iv. Problem #4: 20% Withholding Trap	78
Question 11.7	
v. Problem #5: Limited Beneficiary Options	78
Questions 11.8, 11.9, 11.10	
vi. Problem #6: RMD Errors	81
Question 11.11	
vii. Problem #7: The Non-Stretch Plan	81
Question 11.12	
b. Understanding Your 401(k) Options	82

Ask the class for questions, then take a 15-minute break.

SECOND WEEK, SECOND 75 MINUTES

Section Twelve: 15 minutes

This Section shows the reader the three most important aspects needed in choosing an advisor. Also provides a list of questions they can use to evaluate an advisor, while providing the framework for becoming a "client-partner".

12. You Need a Sherpa!	85
a. How to choose an advisor	85
Question 12.1	
i. Trust	85
Questions 12.2 , 12.3	

ii. Like-Ability	86
Questions 12.4, 12.5	
iii. Competence	87
Questions 12.6, 12.7	
b. Questions to Ask an Advisor	88
Question 12.8	
c. Becoming a Client-Partner	89
Questions 12.9, 12.1	

Ask the class for questions.

Section Thirteen: 20 minutes

Section 13 discusses the planning process of investigate, recommend, implement, review & adjust. It shows the reader the three elements of a decision and why a process is the best way to make financial plan.

13. Process Makes Perfect	91
a. Three Elements of a Financial Decision	91
Question 13.1	
i. Logic	91
Questions 13.2	
ii. Beliefs	91
Questions 13.3, 13.4, 13.5, 13.6	
iii. Emotions	93
Questions 13.7, 13.8	
b. Process, Process, Process	94
Question 13.9	

Ask the class for questions.

Section Fourteen: 20 minutes

This Section is a review of the previous Sections and takes the reader through a Seven Step process to develop an ABC Plan.

14. Seven Steps to an ABC Plan	96
a. Step One: Get Your Assets Together	96
b. Step Two: Write it Down	96
c. Step Three: ABC Your Assets	97
d. Step Four: Choose an Advisor	97
e. Step Five: Process, Process, Process	97
f. Step Six: Review & Adjust	98
g. Step Seven: Sleep At Night	98
Questions 14.1, 14.2	

Ask the class for questions.

Conclusion: 20 minutes

Ask them to fill out a course evaluation form.

1. Go over ABC Profile
2. Ask them to fill out a course evaluation form.
3. Point out the “strategy session” opportunity – (Don’t sell it)
4. Invite to next client event.
5. Invite to come back to next set of classes free and encourage them to bring a friend.
6. Thank them for participating in the class. Hand out “Certificate of Completion” (found on the backend of the AFES Website, Instructor Downloads)
7. Collect evaluation forms.

LESSON PLANS FOR THREE WEEKS

FIRST SESSION

First Hour, Lesson One: Registration, Introduction & Goals; Section 1

Second Hour, Lesson Two: Sections 2 & 3

Third Half Hour, Lesson Three: Section 4

SECOND SESSION

First Hour, Lesson Four: Review of First Session, Sections 5 & 6

Second Hour, Lesson Five: Section 7

Third Half Hour, Lesson Six: Section 8

THIRD SESSION

First Hour, Lesson Seven: Review of Second Session; Sections 9, 10, 11

Second Hour, Lesson Eight: Sections 12 & 13

Third Half Hour, Lesson Nine: Section 14, Conclusion

FIRST SESSION, FIRST HOUR

The First Session should take approximately 135 minutes of teaching including two short breaks.

Lesson One: (approximately 50 minutes)

Registration: 5 minutes

Introduction: 5 minutes

Welcome the class and thank them for their attendance. Tell them:

- Your name and give them your info packet.
- Attendance is one thing, but class participation in discussions will greatly enhance their learning experience.
- You will start and stop on time.
- The class uses material from the book “Social Security Made Simple” (Session 3), plus a workbook based on “Bat-Socks, Vegas & Conservative Investing” and “Don’t Follow the Herd”.
- Reading and study assignments will be given and are a very important part in the learning process.
- They have paid their fees, received their materials, and for the next 3 weeks you will give them your dedicated time. At the end of the last session they will have completed an ABC Planning Profile and simply need someone to help them implement their plan.
- The course fee entitles them to a one-hour strategy session which they may sign up for at the end of the third class.

1. A course overview: 5 minutes

a. Preview the materials

- i. “Social Security Made Simple”,
- ii. ABC Retirement Planning - Workbook

b. Go through the topics listed in the workbook

- i. Tell the class how the topics will be broken down by session

2. Workshop Goals – approximately 10 minutes (page #s are Student Workbook)

a. Highlight the **Introduction**.....7

b. Have students fill in the **Workshop Goals**8

- i. Bring a separate copy of this sheet so they can fill it out and hand it in to you. You will be able to read them later and adjust class sessions based on their input.
- ii. Have students share their answers to each of the questions. Then collect the forms.

Lesson Two, Section One: 25 minutes

Section One defines what conservative retirement planning is and helps identify who a conservative planner is. NOTE: Suggested material to cover is **bolded**.

1. The Retirement Planning Process	9
a. Conservative Investing?	9
Questions 1.1, 1.2	
b. Ability to Deal with Market Risk	9
c. Risk vs. Reward	10
d. Types of Risk	10
e. Risk Tolerance Scale	10
Questions 1.3, 1.4	
f. How to be Conservative When Planning for Retirement	11
Question 1.5	
g. Benefits of Conservative Retirement Planning.....	11
Question 1.6	

Ask the class for questions and then take a ten-minute break. (Breaks are recommended, but not required. You need to gauge the mood and situation in the room and determine when/if they are needed)

FIRST SESSION, SECOND HOUR

Section Two: 20 minutes

This Section discusses changes in planning perspectives & paradigm shifts which affect the conservative retirement planner.

2. Fool Me Once	13
a. Investing Paradigm Shifts	13
b. Looking Back at the Dow from 1980	13
c. Welcome to the Roller Coaster Ride	13
Question 2.	
d. A New Paradigm Shift	14
Questions 2.2, 2.3, 2.4	
e. Changes Out of Bear Markets	15
Questions 2.5, 2.6	

Section Three: 30 minutes

Section Three discusses some well-known Wall Street maxims and shows them to be myths.

3. Myths and Mistakes	17
a. Wall Street Saying #1: I Haven't Lost Until I Sell	17
Questions 3.1, 3.2, 3.3, 3.4	
b. Common Herd Mistake #1: Paying Taxes on the Same Dollar More than Once	18
Question 3.5	
c. Wall Street Saying #2: Large Wire Houses	18
Question 3.6	
d. Common Herd Mistake #2: Stockpiling Hay for Everyone Else But You	19
e. Wall Street Saying #3: A diversified portfolio	20
Questions 3.7, 3.8, 3.9,	
f. Common Herd Mistake #3: Risking the Cow, Instead of the Milk	21
Question 3.10	
g. Wall Street Saying #4: Buy and Hold is an Effective Conservative Strategy	21
h. Common Herd Mistake #4: Walking By Blind Faith	22
i. Wall Street Saying #5: Just Buy an Index Fund	22
Questions 3.11	
j. Common Herd Mistake #5: No Mailbox Money During Retirement	22

Ask the class for questions and then take a 5 minute break.

FIRST SESSION, THIRD HALF HOUR

Lesson Three, Section Four: 20 minutes

Section Four talks about how Wall Street is a broken culture, and the “Greed is Good” model of planning is good for Wall Street, for the broker, but maybe not for the planner. This Section explains the need for a new model.

4. The Need for a New Model	24
a. The Status Quo Bias	24
Questions 4.1,	
b. Financial Evaporation and the Story of the Tadpole	24
Questions 4.2, 4.3, 4.4, 4.5	
c. Long-Term Market Returns	26

Ask the class for questions.

HOMEWORK

First, assign next week’s Sections 5 through 8 and answer the questions in the workbook. While the students probably haven’t read the first four Sections you discussed this session, it would be good for them to read those Sections also. Second, ask them to fill out the Retirement Budget in the Appendix as best they can. Third, have them take the Risk Tolerance Questionnaire in the Appendix. Fourth, you will want them to begin filling out the Asset Review Forms found in the Appendix: Issues & Goals Review Form, Highest Relational Needs & Expectations, Short & Long Term Goals, Financial Planning Data Form, Financial Information, and the ABC Profile. Tell them they might only have time to look them over, that’s fine, but it would be helpful to get a head start on these as they take some time to fill out. Tell them that if they don’t understand some of the questions just leave them blank and ask you before, during, or after class.

Be sure and tell them they are not required to do the homework, yet it will greatly enhance what they get out of the course.

SECOND SESSION, FIRST HOUR

The Second Session should take approximately 135 minutes of teaching including two short breaks.

Lesson Four: (approximately 50 minutes)

Review last week’s session: 5 minutes

Section Five: 30 minutes

The ABC Planning Model is explained in detail in this Section, showing the conservative nature of the model.

5. The ABC Model	28
a. Wall Street’s Pyramids and Risk Tolerance	28
b. A Conservative Planner’s Dilemma	28
Questions 5.1, 5.2, 5.3, 5.4, 5.5	
c. The ABC Model of Investing	29
d. Category A: Cash Assets	30
e. Category B: Fixed Principal Assets	30
Questions 5.6	
f. Category C: Risk Growth Assets	32
Questions 5.7, 5.8	
g. Sample Models	33
h. Create Your Own ABC Model	33
Question 5.9	
i. Types of Assets	34
j. ABC Risk vs. Reward	35
Question 5.10	
k. Rule of 100	36
Questions 5.11, 5.12	
l. Major Differences Between Wall Street and the ABCs	37
Question 5.13	

Lesson Five, Section Six: 15 minutes

This Section identifies the type of assets in Column A, the importance of liquidity, and the positives and negatives of cash assets.

6. Yellow Money Savings	39
a. The Goal of Yellow Money	39
Question 6.1	
b. How Much Liquidity	39
Questions 6.2, 6.3	
c. Yellow Money Categories	40
Question 6.4, 6.5	
i. Accessible with no penalties for withdrawal	40
ii. Accessible with minimal penalties for withdrawal	41
d. Savings, Not Investing	41
Question 6.6	

Ask the class for questions and then take a ten-minute break.

SECOND SESSION, SECOND HOUR

Section Seven: 50 minutes

Section Seven describes why Fixed Indexed Annuities are the ideal asset for the B column. This Section also outlines three Green Money Rules and why they are important to the conservative planner.

7. Do You Have What You Think You Have?	43
a. Fixed Income Asset or Fixed Principal Asset?	43
Questions 7.1, 7.2	
b. Three Green Money Rules	44
Question 7.3	
c. What is an Annuity?	44
Questions 7.4, 7.5	
i. Variable Annuities	45
Questions 7.6	
ii. Fixed & Fixed Indexed Annuities	46
iii. FIA Basics	47
Questions 7.7, 7.8, 7.9	
iv. FIA Crediting Methods	48
Question 7.10	
v. Additional Points to Consider	50
d. Planning for Income with an FIA	51
Question 7.11	
e. Guaranteed Withdrawal Benefits	52
Questions 7.12, 7.13, 7.14	

Ask the class for questions and then take a 5-minute break.

SECOND SESSION, THIRD HOUR

Lesson Six, Section Eight: 20 minutes

This Section talks about the risk nature of Column C and what type of assets belong in a conservative planner's risk portion of their portfolio. Also, the Section discusses the difference between Tactical and Buy & Hold strategies for managed assets.

8. Are You Good at Forecasting?	55
a. Red Money Planning	55
Question 8.1	
b. Systematic Risk, Variance, and Volatility	55
Questions 8.2	
c. Beta, R-Squared, and Standard Deviation	55

d. Stock-Type Risk & Bond-Type Risk	56
Questions 8.3	
e. Who Chooses the Assets?	56
f. Tactical vs. Buy and Hold	56
Question 8.4, 8.5, 8.6	

Ask the class for questions.

HOMework

First, have them finish reading the workbook and answer the questions for Sections 9 through 14. Second, have them complete the Asset Review Forms found in the Appendix: Issues & Goals Review Form, Highest Relational Needs & Expectations, Short & Long Term Goals, Financial Planning Data Form, Financial Information, and the ABC Profile. Again, tell them to leave blank what they don't understand.

Be sure and tell them they are not required to do the homework, yet it will greatly enhance what they get out of the course.

THIRD SESSION, FIRST HOUR

The Third Session should take approximately 135 minutes of teaching including two short breaks.

Lesson Seven: (approximately 50 minutes)

Review last week's session: 5 minutes

Section Nine: 10 minutes

This Section makes the case for how well the ABC Model performs in a Bear Market.

9. What if it Happened Again?	59
a. What if the worst Bear market in history happened again?	59
Questions 9.1, 9.2	
b. Using the ABC Model in a Bear Market	60
Questions 9.3	
c. Why the ABC Model Works	64
Questions 9.4, 9.5	

Ask the class for questions.

Section Ten: 20 minutes

This Section discusses Green Money options for the greatest need retirees have: income planning.

10. Retirement Income Solutions to Social Insecurity	66
a. How Many People Rely on Social Security	66
Question 10.1	

b. Long-range Projection for Social Security Trust Fund	67
c. Social Security Eligibility	68
d. Life Expectancy	69
e. Social Security Distribution Strategies	69
f. America’s Top Financial Worry	70
g. Accumulations and Inverse Returns	70
Question 10.2	
h. Green Money Income Plans	72
Question 10.3, 10.4, 10.5	

Ask the class for questions.

Section Eleven: 15 minutes

This Section shows seven potential problems with retirees holding on to 401(k) plans and presents alternatives to staying in a 401(k).

11. I’m OK, I Have a 401(k)	75
a. Seven Potential Problems With a 401(k)	75
i. Problem #1: Is your 401(k) compliant?	75
Question 11.1	
ii. Problem #2: Roth Accounts	76
Question 11.2	
iii. Problem #3: Limited Choices	77
Questions 11.3, 11.4, 11.5, 11.6	
iv. Problem #4: 20% Withholding Trap	78
Question 11.7	
v. Problem #5: Limited Beneficiary Options	78
Questions 11.8, 11.9, 11.10	
vi. Problem #6: RMD Errors	81
Question 11.11	
vii. Problem #7: The Non-Stretch Plan	81
Question 11.12	
b. Understanding Your 401(k) Options	82

Ask the class for questions, then take a 10-minute break.

THIRD SESSION, SECOND HOUR

Lesson Eight: (approximately 50 minutes)

Section Twelve: 25 minutes

This Section shows the reader the three most important aspects needed in choosing an advisor. Also provides a list of questions they can use to evaluate an advisor, while providing the framework for becoming a “client-partner”.

12. You Need a Sherpal	85
a. How to choose an advisor	85
Question 12.1	
i. Trust	85
Questions 12.2, 12.3	
ii. Like-Ability	86
Questions 12.4, 12.5	
iii. Competence	87
Questions 12.6, 12.7	
b. Questions to Ask an Advisor	88
Question 12.8	
c. Becoming a Client-Partner	89
Questions 12.9, 12.10	

Ask the class for questions.

Section Thirteen: 25 minutes

Section 13 discusses the planning process of investigate, recommend, implement, review & adjust. It shows the reader the three elements of a decision and why a process is the best way to make financial plan.

13. Process Makes Perfect	91
a. Three Elements of a Financial Decision	91
Question 13.1	
i. Logic	91
Questions 13.2	
ii. Beliefs	91
Questions 13.3, 13.4, 13.5, 13.6	
iii. Emotions	93
Questions 13.7, 13.8	
b. Process, Process, Process	94
Question 13.9	

Ask the class for questions, and then take a 5-minute break.

THIRD SESSION, THIRD HALF HOUR

Lesson Nine: (approximately 30 minutes)

Section Fourteen: 10 minutes

This Section is a review of the previous Sections and takes the reader through a Seven Step process to develop an ABC Plan.

14. Seven Steps to an ABC Plan	96
a. Step One: Get Your Assets Together	96
b. Step Two: Write it Down	96
c. Step Three: ABC Your Assets	97
d. Step Four: Choose an Advisor	97
e. Step Five: Process, Process, Process	97
f. Step Six: Review & Adjust	98
g. Step Seven: Sleep At Night	98
Questions 14.1, 14.2	

Ask the class for questions.

Conclusion: 15 minutes

Ask them to fill out a course evaluation form.

1. Go over ABC Profile
2. Ask them to fill out a course evaluation form (found on the AFES website, instructor section).
3. Point out the “strategy session” opportunity – (Don’t sell it)
4. Invite to next client event.
5. Invite to come back to next set of classes free and encourage them to bring a friend.
6. Thank them for participating in the class. Hand out “Certificate of Completion” (found on the backend of the AFES Website, Instructor Downloads)
7. Collect evaluation forms.



ABC
RETIREMENT
PLANNING

Fool me once...

Investing Paradigm Shifts



Welcome to the rollercoaster



ABC
RETIREMENT
PLANNING

A New Paradigm Shift

- Investing vs. Blind Faith
- 401(K) Plans
- Supply vs. Demand
- Changing Technology
- The Bears are Growling



ABC
RETIREMENT
PLANNING

An FIA Simple Four Year Graph



Items to Consider: _____
 Surrender Duration _____ Liquidity Options _____ Caps _____ Income Riders _____ Crediting Methods _____ Other _____



ABC
RETIREMENT
PLANNING



RETIREMENT
PLANNING

SAMPLE CONSERVATIVE MODEL

	A	B	C
Cash	↑	↑	↑
Potentially Lower Returns	↑	↑	↑
Taxable or Tax-Deferred Liquid	↑	↑	↑
Protected Growth	↑	↑	↑
Potentially Moderate Returns	↑	↑	↑
Tax-Deferred Offer Partial Withdrawals	↑	↑	↑
Risk Growth	↑	↑	↑
Potentially Higher Returns	↑	↑	↑
Taxable or Tax-Deferred Offer Partial Withdrawals or Liquid	↑	↑	↑
	10%	60%	30%

ABC PLANNING PROCESS TRAINING MANUAL

ABC PLANNING PROCESS TRAINING MANUAL

TABLE OF CONTENTS

The ABC Planning Model and The ABC Planning Process	48
What If They Simply Can't Decide – Sleepless Steve.....	49
The Planning Process Priorities	53
ABC Planning Process vs. Transactional Sales Model	54
Two Types of Planners	54
Decisions, Decisions, Decisions	54
Three Components of a Financial Decision	55
Don't Sell, Lead.....	56
The Power of the Process	57
The Four Step ABC Planning Process	57
The 12-Step Investigation Process.....	58
The ABC Planning Process Session Outlines and Scripts.	67
Is Anybody Listening?.....	69
The ABC Marketing Process.....	70
One-on-One Marketing	71
Relational Marketing	73
ABC Snackshops.....	80
Simple Relational Marketing Ideas	81

IF YOU CAN ANSWER THIS QUESTION EFFECTIVELY, YOU WILL SIGNIFICANTLY INCREASE YOUR PRODUCTION!

“Where do Index Annuities fit into a client’s total portfolio of assets?”

A	B	C
0.25–1%	3–7%	+30% – -30%
<ul style="list-style-type: none"> ■ Taxable ■ Liquid ■ Bank ■ CDs ■ Savings ■ Checking 	<ul style="list-style-type: none"> ■ Tax-deferred ■ Moderately liquid 	<ul style="list-style-type: none"> ■ Taxable ■ Liquid ■ 401(k) ■ IRAs ■ Stock/bond
10%	60%	30%

<p>Three GREEN money rules:</p> <p>RULE #1: Protect your principal RULE #2: Retain your gains RULE #3: Guarantee your income</p>	<p>Three RED money rules:</p> <p>RULE #1: Must be tactical RULE #2: Must be liquid RULE #3: Must be long-term</p>
--	---

What is your client’s greatest priority? What is your client willing to give up?

GAINS? LIQUIDITY? PROTECTION?

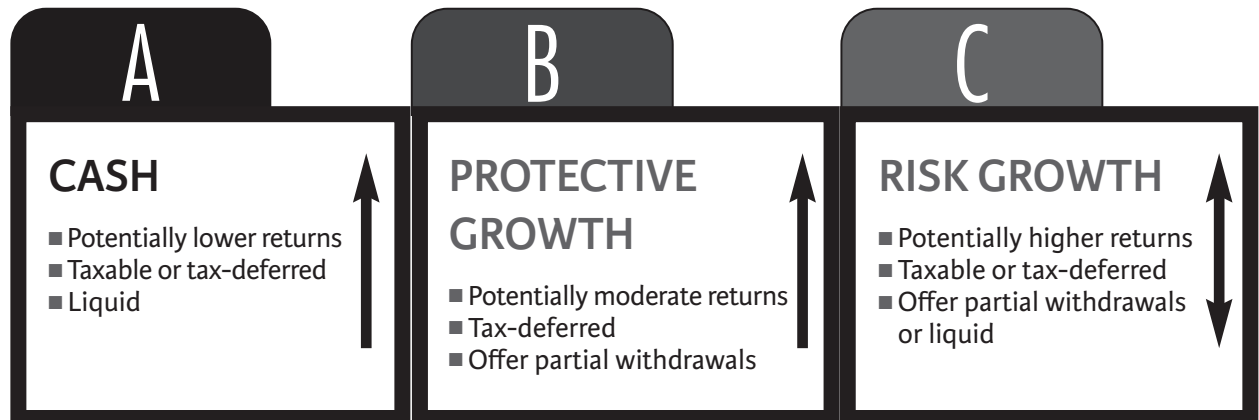
A	B	C
CASH	PROTECTIVE GROWTH	RISK GROWTH
<ul style="list-style-type: none"> ■ Potentially lower returns ■ Taxable or tax-deferred ■ Liquid 	<ul style="list-style-type: none"> ■ Potentially moderate returns ■ Tax-deferred ■ Offer partial withdrawals 	<ul style="list-style-type: none"> ■ Potentially higher returns ■ Taxable or tax-deferred ■ Offer partial withdrawals or liquid
LIQUIDITY	PROTECTION	GAINS
GAINS	LIQUIDITY	PROTECTION

Say to the client...

“You have about _____ in investable assets. There are typically three categories people place money. I’ll explain each category and you simply tell me what percentage you would want in each column.”

Below is a different way to explain the ABC model without using returns at the top.

WHAT IF THEY SIMPLY CAN’T DECIDE ON PERCENTAGES? LET’S USE THE EXAMPLE OF SLEEPLESS STEVE.



Sleepless Steve’s ABC Allocation of \$600,000

Steve’s Rule of 100

Steve’s Age - 65

Red Risk Assets 35%

Column A	Column B	Column C
10%	55%	35%
\$60,000	\$330,000	\$210,000

EXPLAIN THE ABC’S WITH EVERY CLIENT...

Every time I explain the ABC Planning Model, everyone chooses a different profile than what they currently have.

WHAT IS A BEAR MARKET HAPPENS AGAIN?

2003 THROUGH 2012

	A Interest	B Cap	C			
2003-2012	3%	7%	S&P 500	Total	Dollar	Percent
S&P 500 Returns:	\$50,000	\$0	\$450,000	\$500,000	Gain/Loss	Gain/Loss
21.94%	\$51,500	\$0	\$548,734	\$600,234	\$100,234	20%
8.44%	\$53,045	\$0	\$595,069	\$648,114	\$47,880	7%
5.55%	\$54,636	\$0	\$628,098	\$682,734	\$34,620	5%
11.64%	\$56,275	\$0	\$701,263	\$757,539	\$74,804	10%
2.15%	\$57,963	\$0	\$716,392	\$774,355	\$16,816	2%
-35.61%	\$59,702	\$0	\$461,271	\$520,974	-\$253,381	-32%
21.59%	\$61,493	\$0	\$560,867	\$622,361	\$101,386	19%
12.25%	\$63,338	\$0	\$629,617	\$692,956	\$70,595	11%
0.40%	\$65,238	\$0	\$632,187	\$697,425	\$4,469	0%
14.51%	\$67,195	\$0	\$723,946	\$791,142	\$93,716	13%
Total After 10yrs	\$67,195	\$0	\$723,946	\$791,142	\$291,142	58%
Percent	10%	0%	90%	100%		

\$4,810

	A Interest	B Cap	C			
2003-2012	3%	7%	S&P 500	Total	Dollar	Percent
S&P 500 Returns:	\$50,000	\$300,000	\$150,000	\$500,000	Gain/Loss	Gain/Loss
21.94%	\$51,500	\$321,000	\$182,911	\$555,411	\$55,411	11%
8.44%	\$53,045	\$343,470	\$198,356	\$594,871	\$39,460	7%
5.55%	\$54,636	\$362,533	\$209,366	\$626,536	\$31,664	5%
11.64%	\$56,275	\$387,911	\$233,754	\$677,941	\$51,405	8%
2.15%	\$57,963	\$396,279	\$238,797	\$693,040	\$15,099	2%
-35.61%	\$59,702	\$396,279	\$153,757	\$609,739	-\$83,301	-12%
21.59%	\$61,493	\$424,019	\$186,955	\$672,468	\$62,729	10%
12.25%	\$63,338	\$453,700	\$209,872	\$726,911	\$54,442	8%
0.40%	\$65,238	\$455,551	\$210,729	\$731,519	\$4,607	0%
14.51%	\$67,195	\$487,440	\$241,315	\$795,951	\$64,432	8%
Total After 10yrs	\$67,195	\$487,440	\$241,315	\$795,951	\$295,951	59%
Percent	10%	60%	30%	100%		

WHAT IS A BEAR MARKET HAPPENS AGAIN?

1969 THROUGH 1978

	A Interest	B Cap	C			
1969-1978	3%	7%	S&P 500	Total	Dollar	Percent
S&P 500 Returns:	\$50,000	\$0	\$450,000	\$500,000	Gain/Loss	Gain/Loss
-10.51%	\$51,500	\$0	\$402,674	\$454,174	-\$45,825	-9%
-1.98%	\$53,045	\$0	\$394,664	\$447,709	-\$6,465	-1%
11.54%	\$54,636	\$0	\$440,214	\$494,850	\$47,141	10%
17.14%	\$56,275	\$0	\$515,683	\$571,959	\$77,108	15%
-17.98%	\$57,963	\$0	\$422,938	\$480,902	-\$91,056	-15%
-28.10%	\$59,702	\$0	\$304,084	\$363,787	-\$117,115	-24%
29.43%	\$61,493	\$0	\$393,582	\$455,075	\$91,288	25%
17.71%	\$63,338	\$0	\$463,292	\$526,631	\$71,555	15%
-12.31%	\$65,238	\$0	\$406,225	\$471,463	-\$55,167	-10%
3.10%	\$67,195	\$0	\$418,825	\$486,020	\$14,557	3%
Total After 10yrs	\$67,195	\$0	\$418,825	\$486,020	-\$13,979	-2%
Percent	10%	0%	90%	100%		

\$126,219

	A Interest	B Cap	C			
1969-1978	3%	7%	S&P 500	Total	Dollar	Percent
S&P 500 Returns:	\$50,000	\$300,000	\$150,000	\$500,000	Gain/Loss	Gain/Loss
-10.51%	\$51,500	\$300,000	\$134,224	\$485,724	-\$14,275	-2%
-1.98%	\$53,045	\$300,000	\$131,554	\$484,599	-\$1,125	0%
11.54%	\$54,636	\$321,000	\$146,738	\$522,374	\$37,774	7%
17.14%	\$56,275	\$343,470	\$171,894	\$571,639	\$49,265	9%
-17.98%	\$57,963	\$343,470	\$140,979	\$542,413	-\$29,226	-5%
-28.10%	\$59,702	\$343,470	\$101,361	\$504,534	-\$37,879	-6%
29.43%	\$61,493	\$367,512	\$131,194	\$560,200	\$55,666	11%
17.71%	\$63,338	\$393,238	\$154,430	\$611,008	\$50,807	9%
-12.31%	\$65,238	\$393,238	\$135,408	\$593,885	-\$17,122	-2%
3.10%	\$67,195	\$405,435	\$139,608	\$612,240	\$18,354	3%
Total After 10yrs	\$67,195	\$405,435	\$139,608	\$612,240	\$112,240	22%
Percent	10%	60%	30%	100%		

WHAT IS A BEAR MARKET HAPPENS AGAIN?

2000 THROUGH 2009

	A Interest	B Cap	C			
2000-2009	3%	7%	S&P 500	Total	Dollar	Percent
S&P 500 Returns:	\$50,000	\$0	\$450,000	\$500,000	Gain/Loss	Gain/Loss
-11.81%	\$51,500	\$0	\$396,827	\$448,327	-\$51,672	-10%
-10.02%	\$53,045	\$0	\$357,060	\$410,105	-\$38,222	-8%
-21.27%	\$54,636	\$0	\$281,100	\$335,737	-\$74,368	-18%
21.94%	\$56,275	\$0	\$342,777	\$399,052	\$63,315	18%
8.44%	\$57,963	\$0	\$371,721	\$429,684	\$30,632	7%
5.55%	\$59,702	\$0	\$392,353	\$452,055	\$22,370	5%
11.64%	\$61,493	\$0	\$438,057	\$499,551	\$47,495	10%
2.15%	\$63,338	\$0	\$447,507	\$510,846	\$11,294	2%
-35.61%	\$65,238	\$0	\$288,142	\$353,380	-\$157,465	-30%
21.59%	\$67,195	\$0	\$350,356	\$417,552	\$64,171	18%
Total After 10yrs	\$67,195	\$0	\$350,356	\$417,552	-\$82,447	-16%
Percent	10%	0%	90%	100%		

	A Interest	B Cap	C			
2000-2009	3%	7%	S&P 500	Total	Dollar	Percent
S&P 500 Returns:	\$50,000	\$300,000	\$150,000	\$500,000	Gain/Loss	Gain/Loss
-11.81%	\$51,500	\$300,000	\$132,275	\$483,775	-\$16,224	-3%
-10.02%	\$53,045	\$300,000	\$119,020	\$472,065	-\$11,710	-2%
-21.27%	\$54,636	\$300,000	\$93,700	\$448,336	-\$23,728	-5%
21.94%	\$56,275	\$321,000	\$114,259	\$491,534	\$43,197	9%
8.44%	\$57,963	\$343,470	\$123,907	\$525,340	\$33,806	6%
5.55%	\$59,702	\$362,533	\$130,784	\$553,020	\$27,680	5%
11.64%	\$61,493	\$387,911	\$146,019	\$595,424	\$42,403	7%
2.15%	\$63,338	\$396,279	\$149,169	\$608,787	\$13,363	2%
-35.61%	\$65,238	\$396,279	\$96,047	\$557,565	-\$51,221	-8%
21.59%	\$67,195	\$424,019	\$116,785	\$608,000	\$50,434	9%
Total After 10yrs	\$67,195	\$424,019	\$116,785	\$608,000	\$108,000	21%
Percent	10%	60%	30%	100%		

What if the next 10 years saw a 20% loss in the market? How would it affect your clients' retirement?

THE ABC PLANNING PROCESS IS BROUGHT TO YOU
BY THE LETTER...

P

THE ABC PLANNING PROCESS PRIORITIES:

P EOPLE
P ROCESS
P LAN
P RODUCT



ABC PROCESS VS. TRANSACTIONAL SALES MODEL

THE ABC PLANNING PROCESS

- Is a system with predictable results
- Makes innovative use of technology and media
- Is a Process vs. Event or Transactional Sales: Investigate, Recommend, & Implement
- Gets the prospect “emotionally invested”
- Creates referrals
- Is incredibly compliance friendly
- Is NOT a Wall Street “Greed is Good” model

There are two types of planners, which one are you?

Transactional

1. Event-oriented
2. Looking for one asset to put in an annuity
3. Looking for a “sale”
4. One and done
5. Stuck in the “Client Acquisition” mode
6. Few referrals

Process

1. Process-oriented
2. Looking for the best financial plan for the client
3. Best interest of the client
4. Ongoing relationship
5. Service creates “raving fans”
6. Referrals come in on a regular basis

Why is a process so important? A process helps clients make better decisions. Better for the client and better for the agent. Better decisions usually mean:

- No Buyer’s Remorse
- Larger Cases
- More Referrals
- Happy Campers!

DECISIONS, DECISIONS, DECISIONS...

FIVE REASONS PEOPLE “PUT YOU OFF”

1. They don’t like you
2. They don’t trust you
3. They don’t see you as a valuable part of the process
4. They don’t have or haven’t expressed a compelling reason for change (Pain!)
5. They don’t feel a sense of urgency

“Objections are the result of a poor selling process.”

— Todd Duncan, High Trust Selling

“What I have found is when you connect with the consumer – if you do it right – you do not get objections that are really excuses and there is no “close” because the entire process is the consumer doing their own close.”

— Jack Marion, Change Buyer Behavior and Sell More Annuities

FOUR REASONS PEOPLE MAKE DECISIONS

1. They want to “feel good”
2. They want to avoid “feeling bad”
3. They want to move “away” from a position
4. They want to “move toward” a position

THREE COMPONENTS OF A FINANCIAL DECISION

LOGIC, BELIEFS & EMOTION

Logic

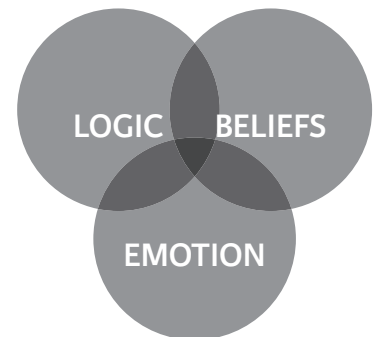
Logic is the science of reasoning. In other words, it’s how we “make sense” of something. We have an innate need to reasonably work through an issue with facts and details. We need to rationally decide on an issue.

Beliefs

Beliefs can be the stimulus for either a good or bad buying decision. What you believe about a topic will eventually determine how you feel about it. Counselors spend hours and hours trying to discover the beliefs of their patients which drive their behaviors. For instance, if you have an underlying belief that money is evil, you will continually battle the idea of making more of it. If you believe money is “king,” then you won’t be satisfied until you’ve tried every avenue leaving no stone unturned, including shady investment schemes to try and get rich. Beliefs matter.

Emotions

While beliefs can lead our emotions, the third facet of making a decision is firmly planted in that elusive realm. We all like to believe when we make a purchasing decision we have made it on a completely rational basis. Yet, every study in academia shows buying is an emotional decision. Make no mistake about it. When you are planning your retirement and choosing conservative methods and financial tools, your emotions are fully engaged.



DON'T SELL, LEAD

- Think WITH people, not for them!
- Think with people through a process that leads them to a better financial decision.

Merriam-Webster definition of “SELL”

- To deliver or give up in violation of duty, trust, or loyalty and especially for personal gain: betray—often used with “out” <sell out their country>
- To give up in return for something else, especially foolishly or dishonorably <sold his birthright for a mess of pottage>
- Deliver into slavery for money
- To give into the power of another
- To dispose of or manage for profit instead of in accordance with conscience, justice, or duty

Merriam-Webster definition of “LEAD”

- To guide on a way especially by going in advance
- To direct on a course or in a direction
- To serve as a channel for <a pipe leads water to the house>
- To go through
- To direct the operations, activity, or performance of
- To bring to some conclusion or condition
- To guide someone or something along a way

Which statement better defines you?

“I sell people on what I think is best for them financially.”

Or

“I think with people through a process that leads them to a better financial decision.”

HOW TO LEAD?

- Ask questions to determine needs
- Illustrate solutions to determine wants
- Develop with them a recommended strategy
- Work with them to implement the strategy
- Review with them to improve over time

THE POWER OF THE PROCESS!

The problem with transactional sales:

- “Buying” is an emotional decision
- Emotions are fickle and can swing either way, at any time
- “Selling or Closing” relies on the salesman’s ability to control and lead the prospect’s emotions
- “Transactional selling” creates an emotional ledge that the prospect has to “leap off”

A Planning Process allows the prospect to “close” him/herself:

- It presents logical reasons for purchasing an index annuity and where they fit into a client’s portfolio
- It deals effectively with a prospect’s “fictional beliefs”
- It allows the prospect to work through their emotional resistance to change by getting invested in the process

Process will win more often than clever closing techniques ever will!

THE FOUR-STEP ABC PLANNING PROCESS

INVESTIGATION

We investigate...

- Each other
- Their portfolio
- Any leaks, gaps, or deficiencies in the client’s current plan (diagnose)
- Needs, wants, and goals
- Present sample solutions

This meeting is designed to solicit the client’s ideas about planning and their needs, wants and goals. Set up the next meeting by establishing a commitment by both parties.

RECOMMENDATION

We recommend...

- Specific elements of the solution
- Which product is to be used
- How it will affect the strategy

We mold the plan to the client’s suggestions. The client will be asked to affirm the allocation and make the decision to move assets. All the information needed to fill out any and all applications is taken and the third meeting scheduled.

IMPLEMENTATION

We begin the process of implementation by...

- Going over each product thoroughly
- Going over each application, especially disclosures and suitability forms
- Procuring all needed signatures
- Explaining the time frame and process of transferring assets
- Preparing the client for conservation efforts
- Setting up proper review expectations

The third meeting allows for ample time to explain applications, procedures, timeframes and set up realistic expectations for good client communication.

REVIEW & ADJUST

We begin the process of Review/Deliver/Adjust by...

- Reviewing the ABC plan
- Review/deliver assets
- Annuity contracts review six months and then anniversary. Annually after that.
- Security accounts review 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.
- Always set calendar of client/prospecting events.

THE 12-STEP INVESTIGATION PROCESS

THE PROSPECT'S AGENDA

1. Keep the perceived "salesman" at a safe distance
2. Get the information needed
3. Leave without buying or committing to anything

INVESTIGATION: 12-STEP PROCESS

1. 90 Seconds
2. 3-5 Minutes
3. Standard Disclosure
4. Explain Process
5. "Tell me..."
6. Retirement Analyzer Software

Being a professional advisor

Part One:

Mastering the body of information that is relevant to your niche.

Part Two:

Mastering the ability to persuade people to move from point "A" to point "B."

7. ABC's
8. RYG DVD
9. 4-year Graph
10. Introduce your RIA or Broker Dealer
11. Sample Solutions
12. Close

1. 90 Seconds

Clients seated with coffee/water or such and watch a company video for five minutes. People make decisions about you and your practice that will affect their decisions at the end of the meeting, so think carefully about what they see, hear, smell, and how they are greeted.

2. 3-5 Minutes – Bonding and Rapport

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 clients, it will create the kind of atmosphere to move forward.

Too many advisors think they have to spend an exorbitant amount of time becoming a “friend” and getting comfortable with the client. All that’s needed is to ask some softball questions and pay attention to the volume and pacing of the prospective client’s voice. Try to fit in, not break and enter.

3. Standard Disclosure verbiage

“I need to give you the standard disclosure I give everyone I interview with, and it’s simply this... 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 upfront and tell you, and I don’t want you to be offended. Fair enough?”

4. Explain the Four-Step ABC Planning Process

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 “Financial Snapshots” software to help in this process. You will receive brochures from the financial institutions we use, “Financial Snapshots” and the ADV II (prospectus) for your BD or RIA. The meeting usually lasts about an hour.”

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.”

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 2-6 weeks. 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.”

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.”

5. “Tell me what you were hoping I could do for you?”

Financial Pain

Here’s where we begin the process of finding the prospect’s compelling reasons for change. These reasons often center on some sort of PAIN they feel over their finances. In order to find the PAIN, it’s important to have a strategy for asking questions.

Remember to try and listen without thinking of your PRESENTATION!

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

Questions:

1. Tell me what you were hoping we could do for you?
 - a. Sounds important, tell me why?
2. What’s important to you about _____?
 - a. Taxes, safety, guarantees, LTC, income
 - b. Achieving security, liquidity, returns
 - c. Diversification, inflation, passing assets to heirs
 - d. Communication with your broker
 - e. What do you like or dislike about your current financial plan?
 - f. How would you define success in that area?
 - g. What would you change?
 - h. How do you determine next steps?
 - i. What is your past experience with planners?
 - j. What will the response of your current advisor be if we make changes? How would you respond?
3. Who do you include in decisions of this nature?
4. If you haven’t solved it to date, why is it important that you take action now?
5. If we could wave a magic wand and solve these issues, what would that look like?

“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?

Take-Aways

- “It's probably not your broker's fault, right?”
- “You probably have enough money to weather another 20 - 30% loss, right?”
- “The market probably won't go down again this year, right?”
- “Would it be a fair statement that you have little or no interest in _____?”
- “I'm a little confused, you say you are afraid of losing money, but haven't done anything yet. Why not?”
- “I think we have a problem in working together. You already have a broker, yet you obviously need more support, so what are you going to do?”

“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

Sample Emotional Words

Frustrated	Ruined	Worried
Afraid	Infuriated	Upset
Angry	Annoyed	Shocked
Baffled	Frightened	Panicked
Discouraged	Anxious	Alarmed
Depressed	Rattled	Disappointed
Disheartened	Scared	

Highlight the Emotional Word

“_____ means?”

“Really? _____?”

“Again, you feel _____ because....?”

6. Software Verbiage:

Say: “Let’s take a snapshot of your finances to see where the things we’ve been discussing fit into the whole picture.”

Then pull up the financial software and interact with them as they go through their finances in rounded numbers.

7. Explain the ABC’

Say, “You’re probably wondering what the yellow, green and red boxes are. They represent three categories of assets that people typically use for retirement planning. I’ll explain each category and you simply tell me what percentage you would want in each column.” Then go to the white board and explain the ABC Model.

ABC Planning Model — Script

Use the white board while you explain...

“Let’s imagine your \$_____ of investable assets are liquid. Typically there are three different categories of assets that you can place money into a plan for retirement. I’ll describe the categories in these three columns A, B, and C. You simply tell me what percent you would want in each column. Fair enough?”

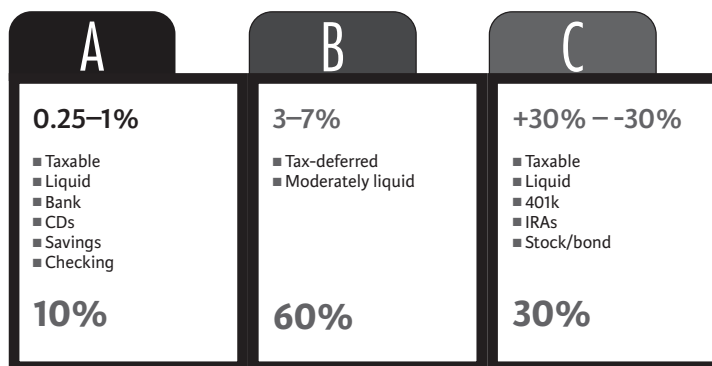
At the white board draw the columns you see below while you explain...

“Let’s divide assets into three categories, A, B, and C. The first column, A, represents assets that historically earn 0.25–1%. They are typically taxable and liquid. They can also be set up as IRAs and tax-deferred. These are typically bank-held assets like CDs, Savings accounts, etc. I’ll draw an upward arrow signifying these are principal-guaranteed accounts.

The second column, B, represents assets that historically yield about 3-7% over a period of 5 to 10 years. They are typically tax-deferred and moderately liquid. I’ll draw another upward pointing arrow signifying these are principal-protected assets, as well.

The third column, C, is the growth column. Assets can go up 30% or down 30% or more or less. You can set these accounts up as taxable accounts, such as brokerage accounts, joint accounts, trust accounts, etc. These accounts are typically liquid. Most of the money in this column in America is in IRAs, 401(k)s, and such. Just think of this column as your stock-type risk and bond-type risk”

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



“And, what percentage would you like in column C, the risk column?” (Write down their response in the 3rd column.)

“So, what you’re telling me is, you want _____% in column B.” (Write down the balance percentage 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 like to ladder maturities in 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 DVD and hit play.)

It’s here that we use the software to guide us in some financial questions:

1. What is your current income?
2. When do you plan to retire? What age(s)?
3. Will you get a pension? How much do you anticipate?
4. When do you want to start taking Social Security?
5. Will you work during retirement? What would you anticipate the income from this to be?
6. Is there any other income you are planning to receive during retirement?
7. What percentage of your retirement income would you like guaranteed?
8. In today’s dollars, what would you like your retirement income to be?
9. How much will you be adding each year to your retirement accounts until you retire?
10. What is your net tax rate?

A	B	C
CASH	Mixture of indexed annuities	SECURITIES

8. Retain Your Gains DVD

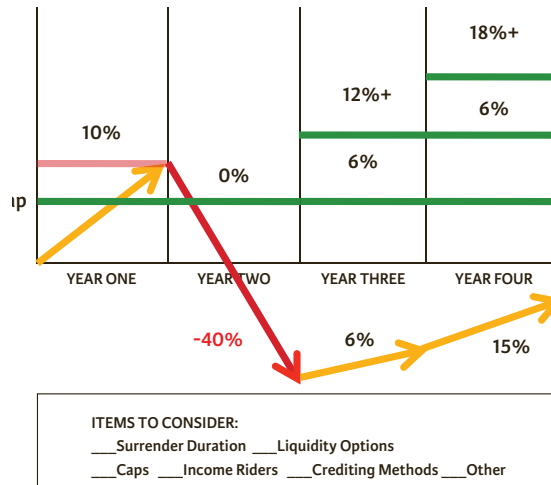
After the brief explanation of the ABC Planning Model, plug in the DVD and say, “Let’s take a look at the asset model in column B which is index annuities.” Then hit play and watch it with them.



9. Four-year Graph

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 6% would that be OK?" (Draw a line that represents the 6%.) 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 late, 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 6%), and they will reset the point in the index at where you end up each anniversary.

AN FIA SIMPLE FOUR YEAR GRAPH



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, -40%? (Write -40% under the second year graph.) They might not know what to say, but just tell them that it doesn't matter because the 6% 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 to over to the fourth year and write "0%" on that line at the middle of the second 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 6% the third year, the company would credit interest again according to the cap, let's say it's still 6%. Draw a new horizontal line about a third of the way higher between the second and third 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 fourth year 15% (draw the appropriate illustration in the fourth year) and your cap was 6%, you would be credited with 6%. 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 and we can look at some other crediting methods that work well in a market that's trending upward. The challenge is, we don't really know when the market will trend upwards, yet we can take a look at some alternative crediting methods and can change them on an annual basis in most indexed annuities. We'll choose an initial crediting method 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."

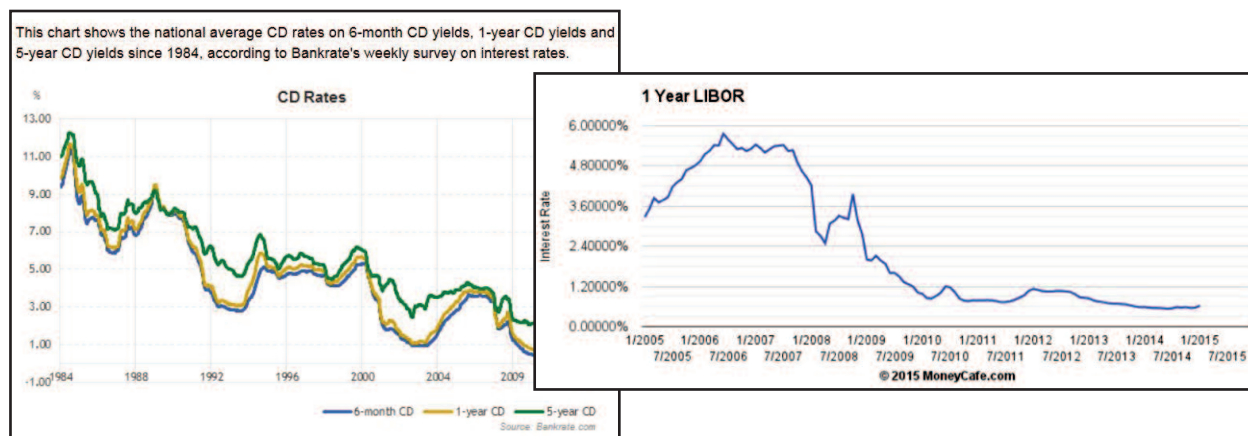
“First, you don’t get 100% of the gain. You get a portion. Remember, you are protecting your principal and giving up anything above the cap. Second, there are surrender penalties for totally liquidating the asset that decline over a specified number of years. You can take 10% out penalty-free and even 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 4-7% then you need to move to a 6-year to 10-year contract. If you want a bonus you can get as high as a 7% bonus, but will have to stay more years in the annuity. 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.

10. Introduce your RIA

Our RIA’s are great at providing the information and language you need to use through their various programs, which are compliant and effective. Be sure and hand the prospect the appropriate disclosures from whichever RIA you use.

You can tell people that you will do a comparison of their red money accounts vs. what your RIA does and if theirs is better, then they can stick with their current portfolio. They can make that decision next week. But, I would suggest you highlight why your RIA is who you use to manage money, including: Tactical vs. Buy & Hold, ETFs vs. Mutual Funds, communication frequency vs. brokers going dark and not communicating.



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. It’s important for them to buy into the solution, as that will be the end of the Investigation phase, and you move onto set up the Recommendation phase.

The prospect has to clearly say that your sample is what they want. You'll want to be sure that this isn't the detailed recommendation, but the well laid out concepts of a plan.

Once the prospect says, "That's it, that's what I want," you need to take it away by saying, "Great. I'm not sure I can accomplish that, but we'll get as close as we can." In reality, you don't know if you can accomplish exactly what's in the sample, or exactly how it will be done. Assets have surrender fees, some are recent purchases, some have sentimental value, and setting up a specific plan and transferring all the assets is never an exact science. Sometimes accounts are more or less when transferred; some don't make sense to transfer because of taxation. It's generally a mess. So, it's a fair statement that you really don't know if you can accomplish it. They'll definitely be motivated to come back and see if you can get it done.

Another thought is that if you let them leave your office thinking you found the solution, they will leave feeling fixed. The likelihood of them returning goes down, and the probability of them going to another broker to share the information goes up.

Counselors know that people don't finish the counseling process because at some point in the sessions they begin to "feel better" or "feel fixed." A counselee who feels fixed is less motivated to finish the process. That's why counselors keep their prospects in pain until the process is finished. Why do you think you see people coming out of a counselor's office in tears?

Don't let them feel fixed at the end of the Sample Solution!

12. Close

Most agents struggle with multiple meetings because they are just selling or giving away information each time with no clear agenda and expectations for the clients. It's very important to close the Investigation phase with a take-away after the Sample Solutions, followed by a Four-Part Contract. I gave you the take-away above, so here's the contract:

Part One: "Let's get back together again next week. My job is to take your statements and assets and create a detailed recommendation with the information we discussed today. I'll get as close as I can to what we talked about. That's my job."

Part Two: "Your job is to take these brochures and the Redhawk ADV and read them. Write down any questions you have and come back next week ready to mold a real solution."

Part Three: After thoroughly going over the plan and molding it to your expectations, all you'll need to do is tell me if we're going forward with the plan. Fair enough?

Part Four: Great. Then if you decide you're going forward with the plan, we'll begin to take down the information necessary to implement the plan. So, I'll need you to bring with you next week all your beneficiary information: your kids' names, addresses, phone numbers and Social Security numbers. Can you do that?"

If they answer "yes" to both questions, then set up the Recommendation meeting, 80% will come back and 90% will close.

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. Retirement Analyzer Software** – “Would you mind if we take a snapshot of your finances to see how all this fits together?” Pull up the Financial Software and let them see everything as you fill in the information.
- 7. ABCs of Retirement** – See “ABC Retirement” script.
- 8. Retain Your Gains DVD** – After the brief explanation of the ABCs 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 (or use ABC Concepts DVD).
- 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 financial 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 and 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 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 Financial 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 applications 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: REVIEW & ADJUST

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 at six months and at 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 for assistance with withdrawals, RMDs, beneficiary changes, etc.
2. Communicate regularly (weekly, monthly, annually)

IS ANYBODY LISTENING?

Two thousand years ago a Jewish carpenter was about to turn the world on its end and asked "Is anybody listening?" because things were really going to change. Forty years ago, Bob Dylan sang, "the times they are a-changin'." Then Barack Obama won an election by telling people that change was coming. Guess what? The times have changed! In fact, they have changed dramatically for the financial services community, and especially for the marketing and sales of annuities. Yet, most of the agents who sell the product, including many "top producers," are stuck in the old "Wild West," still using a "one-and-done" transactional sales methodology that has created a regulatory storm. Even some of the insurance carriers themselves seem unwilling to embrace the winds of change. They are seemingly either blind to the change, or unwilling to meet its demands. It really makes me wonder, if anybody is listening to the volume of changes in our regulatory environment, our products, and our target audience. Is anybody listening?

Truly you can't have lived through the last five years in the industry and not been aware of at least three major areas of change. First, the regulatory environment has been and is in the midst of change. Anybody that's not aware of this fact has just refused to deal with reality! The effect on suitability requirements that annuity carriers use to accept new business is dramatically changing. New mandatory product training, anti-money laundering training, and suitability training will continue to evolve.

Second, the products we sell have changed dramatically. Many new shorter term FIAs are now on the market with many of the features and benefits that make them attractive. There is literally a plethora of index crediting methods to use. Face it; you don't know what's going to happen over the next five to ten years and which crediting method will be the best. Laddering maturities is a great way to diversify index strategies and there are tons of choices.

Third, our target audience of Boomers and Seniors has become more savvy and technologically advanced. With Seniors being the most growing demographic of Internet users and the Boomers already buying everything from TVs to cars online, the culture has definitely changed.

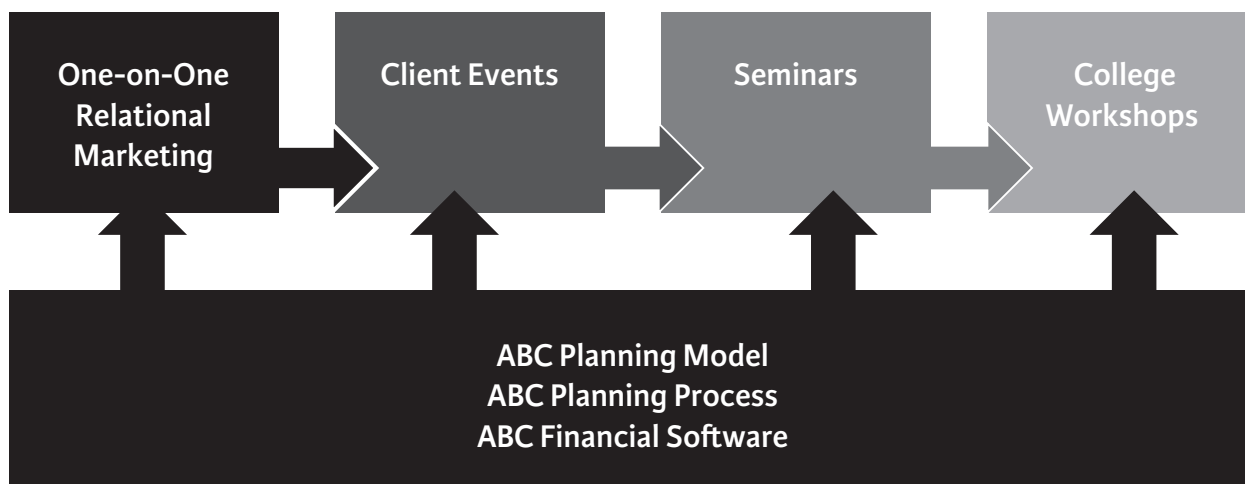
Not only is our target market more savvy, but when we talk about a portfolio of annuities and crediting methods, we begin to speak their language. This is especially true for Boomers who have grown up on 401(k)s loaded with a diverse mix of mutual funds. A Boomer who is used to such diversity laughs in the face of an annuity salesman trying to put their entire retirement account into one index annuity. It is so much easier to jump on the side of the Boomer and offer them a laddered maturity of index annuities with loads of crediting methods they can use to adjust their portfolio when needed. Give them what they're used to.

Yet, with all this said, the vast majority of agents are stuck in a "transactional" sales model instead of adopting a more successful "process-oriented" planning approach to their business. This is a real problem that can only be solved by a passionate conviction to do the best thing for the client, while realizing the obvious long-term advantages to an agent's business. There are tremendous advantages of developing a "planning process" with laddered maturities of short-term index annuities, and you need to learn how to make it happen.

With all this change in our regulatory environment, products, and target audience, it's a wonder that many agents are so hard-headed and unwilling to ask a simple question, "How do I use these changes to prosper both my clients and my practice?" And then make adjustments accordingly. It makes you wonder if the companies that design our products are also stuck in the same "salesy" methodology, glamorizing agents who sell "28 million from their company alone," and not even considering that one company's products can't possibly provide for the all the varied needs of affluent Boomers and Seniors.

We need a wholesale change in our industry from insurance carriers to FMOs to broker/dealers to agents and brokers. And change is coming. The question you have to ask yourself is, are you going to change and prosper, or are you going to go out with the high-commission long-term annuity dinosaurs.

ABC MARKETING PROCESS



It must be noted that in all our ABC marketing efforts our preferred provider is **Step2Success Financial Marketing** and it's founder **Brian Stepan**. They have been great partners in the success of our workshops,

seminars and snackshops. They have many more programs that you will want to investigate. Their contact info is below:

Step2Success
7789 131st St N
Seminole, FL 33776
727-258-8490
727-369-8818 (Fax)
brian@step2successmarketing.com

ONE-ON-ONE MARKETING

KNOW YOUR NICHE

What is your target market?

- Who are they?
- What do they like?
- What do they do?
- Know your solutions
- Know your product
- Know your people

What is your target market?

1. **Age:** 59 -62
2. **Assets:** \$250K
3. **Marital status:** Married
4. **Temperament:** RR/RB
5. **Social:** Connected
6. **Technology:** Facebook, etc.
7. **Recreation:** Sports

Develop target lists to invite to your events

Develop a target list and a “who knows your target market” list. These are people you know and/or who know your target:

- Clients
- Friends
- Church
- Golf league, etc.
- Retirement Clubs
- Everyday conversations

Then develop a constant communication strategy to give these people all the information needed about your upcoming event.

PERSONAL PROSPECTING PROGRAM

Get face-to-face with qualified prospects that want to hear what you have to say!

- Custom Invitation** – elegant, two-color or vibrant full color
- Pre-Screening** – meet only with qualified prospects
- Qualification Call Playback** – listen for little nuggets that can help you close the sale
- Options** – various packages to choose from to suit your budget
- Appointment Setting** – your appointments are set to your personal schedule



ANNUAL REVIEW APPOINTMENT

Call everyone in your database for an annual review and offer them a complimentary ABC Profile Review. Set up the expectation for reviews at the very first Review & Adjust meeting, telling them you'll cover changes they want to make in their portfolio, plus changes in their family that affect their plan, changes market conditions, or portfolio adjustments. These appointments make your clients raving fans and you'll write plenty of new business, and also get referrals.

The phone call should go something like this: "Hello, Mr. Smith? This is John Smith with ABC Company, and I'm calling because it's time for your annual (semi-annual or quarterly) ABC review. Most of the people we work with have experienced some concern over the changing financial scene.

We need to have you come in to go over your accounts and update you on the changes in the tax code and market conditions that may affect how you invest. Would an afternoon or evening be better for you?"

Once the client is in, get a new ABC profile form and start listening for their concerns and goals. Things change and people like the fact that you stay current with them.

Another valuable tool is asking clients to bring in their current tax return to see if you can save them tax dollars. People are always interested in paying less to Uncle Sam, and by just highlighting a few lines in their return, you can find some problem areas to work with as the following example illustrates.

ABC RELATIONAL MARKETING

THE MOST EFFECTIVE MARKETING STRATEGY IN THE INDUSTRY: RELATIONAL MARKETING

“In 2006, of the \$27.9 million of assets under management, \$18 million was derived from client referrals and new business from existing clients... I also gave them a calendar of events that includes referral dinners, appreciation events and public workshops to which they may bring guests throughout the year.”

— R. B. (\$28 million a year producer)
2007 Senior Market Advisor
Advisor of the Year Finalist

“Personal referrals are by far the most effective method of prospecting in the financial services industry. This has been the primary way that I have gained new clients... I work hard to cultivate the trust and confidence of my clients... and that compels them to refer their friends and family.”

— D. Z. (\$25 million)
2007 Senior Market Advisor
Advisor of the Year Finalist

“We get referrals by not asking for them, but by thanking people for them... As soon as I stopped asking for them, all of a sudden we started getting a ton more referrals.”

— C. R. (\$40 million)
2007 Senior Market Advisor
Advisor of the Year

What do all three of these familiar top producers have in common? You got it: They took their careers through the stratosphere by figuring out a way to get referrals without using old and tiresome, even boorish tactics. For most financial planners, the word “referral” is a four-letter word. To the top producers in the country, it’s the one strategy that changes everything!

Marketing through seminars is getting harder by the year. The “plate-lickers” are in abundance while overall numbers are diminishing. Yes, it’s true you can send out more invitations and go to higher class restaurants to keep the attendance up, but the competition is fierce. Having said all that, seminars are still one of the best ways to prospect in the senior market. Just because it’s hard, you don’t stop doing it. But, is there anything else? Do you really want to continue spending the time, energy, and money doing three to four seminars a month, month after month? Is that what it takes to keep your volume of prospects up? Or is there another way? A better way!

The answer is yes, there is definitely another and uniquely better way. Listen to Dale, the top producer for not only his broker dealer, but for one of the largest variable annuity carriers in the country. He says, “Last year, I did 40 prospecting seminars. This year I did eight seminars and cut my costs in half while doubling my production.” He discovered a tremendous way to layer on marketing strategies that exponentially increase the effectiveness of each one. He discovered the power of Relational marketing. That power comes from creating partnerships with some of your best clients.

Creating “Client-Partners” is radically different than asking for referrals. All the studies show us your clients do want to refer you. The problem is they hate to be asked. It’s a lot like the old saying, “I love to buy, but hate to be sold.” If you are still asking for referrals, you look like every other snake-oil-selling, plaid-suit-wearing salesman out there. The typical salesman says, “You know, I get paid in two ways....” and the pathetic line goes boorishly on. Asking for referrals is akin to still being on dial up for the Internet. Stop asking for referrals and start developing “Client-Partners.”

A “Client-Partner” is a client who when the subject of finances comes up in their conversations with friends simply says, “You might want to talk with my advisor John Smith”. If the client says they have an advisor, they just drop the subject. Yet, if their friend says, “Tell me about John” then the client-partner tells them, not about the products, but about their experience in working with you. Then simply asks them to attend the next luncheon or seminar that is scheduled. It works perfectly.

Some Relational Marketing Techniques

The following strategies are the tools in which you can create an environment where people begin to introduce their friends to you in mass. Learn how to create an environment where your client-partners introduce their friends to you at a time when they are most comfortable. Agents often ask for referrals and clients have a hard time responding. The interview ends with a very uncomfortable conclusion, exactly what you don’t want if you’re trying to create good will in the community. Yet, if you are the person in their mind when they are talking at leisure to their friends and neighbors, you can be assured of them talking you up. Relational Marketing is the most unique strategy to date which floods your office with prospects generated from client-partners who are out there working on your behalf.

ABC College Workshops

Imagine having 6-10 couples or households pay you to teach them how to plan conservatively using index annuities over two three-hour classes. Using an educational setting of a community college or library, you

can develop quality relationships with Boomers and Seniors at an educational workshop. At the end of the workshop, they need help implementing what they've learned and who do you think they would choose? You, of course!

Prospecting Seminars

Seminars are still a key component of Relational Marketing because of their ability to set you up as an expert in your field, someone they might like to do business with and someone they might be able to trust. They will be greatly enhanced by the strategies of Relational Marketing with more and higher quality of prospects. With your client-partners involvement at your seminars, the results are astounding. You will eventually only be doing 3-4 sets of seminars and easily getting 2-3 times the results based on RELATIONAL MARKETING strategies. The idea is to get substantially more out of each advertising dollar you spend. Doubling and even tripling your production while cutting your advertising budget in half. That is what we're after. That's the power of client-partners.

Client Focus Groups

A client focus group is a unique opportunity to create client partnerships. It is the hub of the Relational Marketing effort. You will receive valuable input from your clients: Information about their passions, interests, hobbies, their environment, and their openness to partner with you. Invite 10-12 of your "A-B" clients to a focus group luncheon, telling them you value their input, and want them to help you grow your business with people just like them.

The partnership appeal is very simple. You've partnered with them in their success, and are simply asking them to become partners in your success. It's a two-way street. Clients really want to see you succeed and will refer you in large numbers if they believe it is part of their partnership agreement. It's a very powerful event to have a small number of your clients hear others tell their stories of how you have helped them, and how others are willing to partner with you. They leave not only committed to partnering with you, but with a practical next step assignment.

Calendar of Events

I know it sounds pretty basic, but why don't most planners have a calendar of events that they give new clients and their existing clients? It is the one tool that informs your clients of lunches, seminars, client parties, and more. Without it, they have no way to plan for bringing guests to meet you in a social setting. With it, your clients get a vision for partnership.

Market Update Lunches

What an incredible tool to have 30 of your clients come to lunch bringing 10-12 of their friends to hear your take on the conditions of the market and economy. It's a room full of "friendlies" that are only there to get your advice. And when you wrap-up the two financial solutions you are most excited about, the "newbies" sign-up for appointments in mass. The result is an easy sales interview with a new client.

Testimonial letters

Prospects ask you all the time for references and your focus group is a great resource to help you. Train your client-partners to refer you by having them write a letter of affirmation.

Create a “wall of fame” with the letters and your clients’ pictures that will impress new prospects. Use them in your company’s brochures and at seminars to establish your credibility.

Strategic Client Mailings

What are the odds of a client-partner referring you if they haven’t heard from you for weeks after you initiated the partnership? Obviously, the odds are very low. So, it’s incredibly important to make contact in some simple manner on a weekly basis. Mailing clients a letter with a new recipe, travel tip, market highlight, small gift, etc., keeps you in the front of their minds. At a time when they are with their friends and the discussion of finances comes up, they will think of you because you have stayed in front of them on a regular basis, while not becoming a part of the financial noise in the community.

Conclusion

To be sure, all of these are powerful tools to make the most out of every marketing dollar you spend. They are meant to make the best use of the laws of influence and persuasion. Once you begin to use these cutting-edge tools, you will begin to see the three-quarters of the senior population that will never attend a seminar come through your office in large numbers.

Relational Marketing will bring you more qualified prospects with larger cases, shorten your sales cycle, and cut your marketing budget. That’s right. More money, less time, with less expense. Isn’t that what you’re looking for?

CLIENT SHARE VS. MARKET SHARE

A “WIN-ABLE” WAR

"95% of salespeople go 95% of the way and get only 5% of what's available to them. 5% of salespeople go 100% of the way and get 95% of what's available to them. You must decide in which group you want to be in."

— Todd Duncan, author “High Trust Selling”

Prospecting is an ongoing battle in the war of business, and it can be won or lost in the battlefields we choose to fight. Todd Duncan in his book “High Trust Selling” illustrates this point extremely well with a concept called “Market Share vs. Client Share.”

First, what comes into your mind when you read the phrase “Market Share”? Coke vs. Pepsi? IBM vs. Microsoft? American Idol vs. everybody else? Well, how about American Equity? What’s their share of the indexed annuity market? They are number two in the country in sales for the last three years. So what does that mean? Think of it in these terms: out of every 100 index annuities sold how many are sent to American Equity? It’s an interesting question isn’t it? Maybe it’s in the range of 10-12, but that would give them a 10-12% Market Share.

Now, let’s ask the same question about you. Out of all the advisors selling annuities (or other financial products) to seniors in your area, how many out of every 100 sales made are your sales? Don’t think about it for too long, because you’ll get depressed! The number is something less than one for sure. That’s right – you have a fractional Market Share in the industry that is providing your livelihood. Through your seminars, set appointments, newspaper ads, etc., you are prospecting in a highly competitive battlefield. The odds are stacked against you by the sheer numbers of agents, brokers, and planners doing the same things you’re doing in exactly the same way. So, how in the world do you gain any type of edge?

The answer is fairly simple – change battlefields from Market Share to Client Share and you now have a “win-able” war. So, let’s talk about Client Share.

Client Share is definitely a different, and by all accounts, an easier battle to win. Here’s why. Ask yourself a different question than the Market Share question. It goes something like this: How many people do each of your clients know that might be potential sales? After talking with our top advisors, and hearing numbers between 5 and 250, let’s put the number at a very realistic 20. Top advisors in SFPA tell us that out of the 20 a reasonable expectation of sales would be 5. Out of the potential 20 sales from a client, you can reasonably assume that they could introduce you to 10 and you could close 5. That’s a 25% share of your client’s referrals, and that’s your Client Share.

Now, do you see that pursuing a 25% Client Share is much more attractive a fight than a fractional interest in Market Share? In other words, the difference is prospecting for Market Share or partnering and training for Client Share. To that end, we’ve created a highly successful approach called Focus Group Marketing. Gold Rush uses strategies like “Focus Groups” with top clients that lead these clients to a decision to partner with you. Focus groups also do a fantastic job of training your clients how to partner with you.

You probably hate asking for referrals, and clients hate getting asked. But, surprisingly enough, clients enjoy the process of partnering and appreciate the training. The results are clients who “word-of-mouth” market for you and bring to your door the very people that will make you a success in the battle of the Client Share.

Let’s pursue the Client Share idea from a different angle by asking how much a high-trust, lifelong relationship with a client is worth. In other words, what’s the value of a high-trust client? Here’s an example:

A. What’s the value of a high-trust client?

1. Average sale	\$ 75,000
2. Average commission	\$ 5,250
3. Repeat sale:	\$ 75,000
4. Average IP referrals per year:	12
5. Minimum retention goal of client:	15 years
6. Client value in one year (2 + (4*2)):	\$68,250
7. Client value over lifetime (2 + 2 + (4*5*2)):	\$955,500

B. Here's a real-life example from an agent	Premium	Commission
1. Couple A:	\$115,000	\$ 9,200
a. Repeat business:	\$ 60,000	\$ 5,400
2. Couple A's Friends, Couple B:	\$150,000	\$ 9,000
a. Couple B's Friend, Friend C:	\$200,000	\$18,000
b. Friend C's repeat business:	\$100,000	\$ 8,000
c. Friend C's ex-wife:	\$160,000	\$12,800
d. Friend C's daughter:	\$ 40,000	\$ 3,200
e. Friend C's son:	\$150,000	\$12,000
3. Couple A's Friends, Couple D:	\$110,000	\$ 9,600
a. Couple D's daughter:	\$105,000	\$ 7,350
	\$1,190,000	\$94,550

In this example, please note that Couple A started with the agent about 5 years ago. That means that they have accounted for about \$200,000 a year in premium and roughly \$19,000 a year of income. That agent has about 300 clients. If the agent found just 30 clients that would follow a similar pattern, he could create \$6,000,000 a year of premium and \$570,000 a year of income. So, essentially only 10% of his current client base, if done correctly, could produce enough numbers for a very profitable business.

All of this happened because of high-trust, lifelong clients wanting to see the agent's business succeed and happy to partner with him to do so. These clients were obviously pleased with the service they received and intent on sharing with their friends. Imagine what would happen if you actually marketed in this manner intentionally. These results would repeat themselves over and over again, creating a "word-of-mouth" epidemic. Now, that's an easy way to win a war.

So, in the end, prospecting for Market Share is a lot less attractive than partnering and training for Client Share. Not only that, with seminar numbers dwindling by the standard way of marketing, what's next? If you don't answer the "what's next" question, you will end up with some huge marketing bills and not a lot to show for it while others in the industry have moved on. It's not to say that seminars are totally out. But what if there was a way to do only 3-4 sets a year, add your Client Share partners to the mix and see your seminars highly attended with more qualified prospects? It would cut your costs to less than half and see your sales skyrocket.

Think it's a dream? Just remember, Market Share or Client Share and ask yourself which is a better battle to fight and an easier war to win... then run to battle!

FOUR-BY-FOUR RELATIONAL 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 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, and 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 RELATIONAL MARKETING 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 and focus groups are tremendous way to accomplish it.

4. Create opportunities for client-partners to succeed

You must develop regular and events for your clients to bring their friends to. They cannot succeed any other way.

ABC SNACKSHOP

Conceptually, the ABC Snackshop is an inexpensive marketing event that uses both relational and mass marketing approaches to invite target-market prospects to a concise 20-30 minute presentation of the ABC Planning Model.

ABC PRESENTATION BOARDS BY STEP2SUCCESS

Perfect for agents who conduct ABC Snackshops or smaller ABC Workshop introduction sessions. Includes nine 2 ft. x 3 ft. full-color ABC presentation boards mounted on light, but sturdy, foam board.

The presentation boards are as follows:

- Board 1 (Green background):** ABC PLANNING PROCESS logo (traffic light icon). Title: **ABC's of Investing**. Subtitle: **Welcome to Our Presentation**.
- Board 2 (White background):** **A Few Questions**
 - Do you know how all of your assets (stocks, bonds, mutual funds, annuities, Life Insurance, etc.) work together to achieve the amount of risk you want in your total portfolio?
 - How does your current portfolio protect you in case of a bear market?
 - How does the average person determine which assets to use in a conservative portfolio?
 - What is your plan to manage risk?
 - Do you need a degree in finance to know how to manage risk?
- Board 3 (White background):** **Anxious Steve's Allocation of \$600,000**
 - Steve's Rule of 100: Steve's Age - 65
 - Percent of Red Risk Assets: 35%

Column A	Column B	Column C
10%	55%	35%
\$60,000	\$330,000	\$210,000

- Board 4 (Green background):** ABC PLANNING PROCESS logo (traffic light icon).

SIMPLE RELATIONAL MARKETING IDEAS

HOW TO THROW A CLIENT PARTY

You are probably thinking, “Why should I throw a party in the first place?” The answer is two-fold. First, getting in front of your clients at a social-type of gathering just helps build the relationships you need for them to become the vital part of your business that you want them to be. Positive relationships foster referrals, and a great deal of positive endorsement in your clients’ circle of influence. Second, you end up doing more business with your clients and their friends. It’s funny how they fit together.

Steps to take to throw the party:

1. Choose a restaurant that will be centrally located for most of your clients. If you have clients in different locations that are far away, just schedule two parties. The more the merrier!
2. Choose a date that is around a holiday so you can use it to spin off a theme. Christmas, Thanksgiving, New Year’s, Valentine’s Day, and Fourth of July are all great times to celebrate with your clients.
3. Mail an invitation that thanks your clients for the business they’ve done with you and invites them to the party. Make sure to tell them what you will be covering in terms of an agenda or special speaker. Also, be sure to tell them to invite some friends. Including two postcard invitations in your letter is a great way to get them thinking about bringing people. They will definitely get the idea you are serious about them inviting someone. You probably want the reservation calls to go to your office phone to create better contact with your clients.
4. Be sure to order some inexpensive gifts for your clients. You can purchase everyone a gift like a mug, calendar, or tote bag with your company’s name and phone number on it for around \$5–\$10 a head. Clients love this stuff. Be sure and have 3-4 large prizes like digital cameras, weekend trips, etc.
5. Party, Party, Party. Remember when you are there at the party to make it a celebration. Spend time in the content portion to thank your clients for their trust, their business, and their support. You craft specialty presentations on current topics of interest. If you need some ideas, give us a call, as we have several that you can tailor.
6. Be sure to either go around to each table and ask for a review for old clients and a first-time appointment with new folks, or have a response sheet that asks for them so you can call them the next day. The appointment rate will be high, and the business should be good.

Lastly, it’s a good idea to do a couple of these a year. They are less expensive than a regular seminar because the mailing is less expensive and your clients begin to look forward to them.

SAMPLE INVITATION

Howdy John & Sally Client:

It's that time again! Time for another [company name] client-appreciation party. You are cordially invited to our...

*Lazy Days of Summer Picnic—Tuesday, August 8th, at
5:30pm*

**Indoors of course at
Glendale Lakes Golf Club
1560 President St., Glendale Heights, IL
(About 5 blocks north of North Ave. on President; see the enclosed map)**

That's right! This will be one of our best events ever, with lots of summer fun!!! I appreciate you both as friends and clients and really look forward to these events with you!

We'll have our usual chocolate give-away, along with raffling off 10 three-day vacations. We'll also give away six dinners to some of the area's best restaurants... and as usual, everyone who attends will receive a gift and lots to eat. A special feature for this party will be Mike the Magician. He's been a local area hit and he's even been seen on HBO!

I've included two invitations that I would like you to use to invite your friends to have a great time with you. These parties are excellent opportunities for your friends to get a good look at us in a non-threatening environment. Please, if you know a friend or two, who might be interested in our services, (and they know how to party), give them an invitation. It would help us expand our business to the kind of people we already enjoy working with – people like you.

Our topic is an incredibly important one! "Medicaid Planning" Since there have been so many changes in the Medicaid Code, I'm going to share some information that will be of great value to you concerning nursing-home and long-term care. These changes in the code are of real value to you and your friends, so invite as many as you can to hear the news.

Bring a friend, join us and experience a lazy, crazy summer party. Seating is limited so reserve your and your guests' spot today.

Call Today . . . 000-000-0000

We would like everyone to have an opportunity to attend, so call as soon as possible!

See ya there,

[name]
The Lazy Picnic King
Lazy Days of Summer

Schedule of Events

- 3:00pm** Set-up
- 5:00pm** Begin welcoming guests
- 5:35pm** Welcome and Games
 - 1. Questions for chocolate
 - 2. Raffle 10 trips
 - 3. Questions for 6 dinners
- 5:55pm** Introductions
- 6:10pm** Presentation
- 6:45pm** Intro magician
- 7:00pm** Dinner & table magic
- 9:00pm** Evening concludes

Lazy days of summer

Question for candy bars:

1. Who won last year's World Series? (San Francisco Giants)
2. Last year, who won the the NFL Super Bowl? (Baltimore Ravens)
3. Who's the new coach of the Bears? (Marc Trestman)
4. Who do the Bears hate? (Green Bay Packers)
5. Who's the worst Major League Baseball team in Chicago? (Cubs)
6. Who's the manager of the Cubs? (Dave Sveum)
7. What is the name of Chicago's professional soccer team? (Fire)
8. Who's the best financial planner in the room? (Me)

Raffle off Four \$50 gift certificates for local dinners

Questions: (6 dinners) Yesterday the DOW was ?

1. DJIA when Jimmy Carter took office, 1/20/77? 959
2. DJIA when Ronal Reagan took office, 1/20/81? 950
3. DJIA when George H.W. Bush took office, 1/20/89? 2235
4. DJIA when Bill Clinton took office, 1/20/93? 3241
5. DJIA when George W. Bush took office, 1/20/01? 10,587

GOLF APPRECIATION OUTING

Hire a golf pro for one hour of practice at your local golf club. Tell him you'll be inviting about 10 people for a lesson on the short game, putting, or anything else he might suggest. Be sure and do these regularly throughout the summer.

Call your clients that might be interested in this type of an outing and ask them if they would be open to inviting a friend. Tell them you are looking to build your business with people just like them and would appreciate it if they could find at least one friend to bring along. Once you get 10–12, cut it off.

Start the lesson around 10 a.m. After the lesson, buy the group lunch and give a 5-minute commercial before it's served. You might have your business card and a brochure describing your practice as handouts. Keep it very simple. As you eat with the group, ask each one to fill out a response card listing a time for an appointment in the coming week. Set the appointments that day, and call them the next day to qualify them. For the commercial you could use the material from the "Paycheck for Life" seminar. Highlight the fact that you work with retirees as a specialty and that's why their friend invited them. Tell them that you only want to meet with people who are committed to getting needed help in estate planning, safe money planning, avoiding unnecessary taxation, and income planning... and that they are just looking for the right person to help them.

Remember, this is a social event. Keep it light and fun. If you are not a golfer, all the better. The people who come will have a great time rescuing you. It is a great event for just men, just women, or mixed. This will work both during the week, evenings, and Saturday mornings.

Costs: Golf-pro \$150–\$200; Luncheon for 10–12, \$150; total cost should be around \$300–\$350.

LUNCH AND MOVIE MADNESS

Call your clients who you think would like to go to an early movie and then have some lunch with you. Look for maybe 10-12 people; half your clients and half people they believe could use your services.

Make sure and choose a quality, non-offensive movie. If you can find an old theatre in your community that is showing some classics during the week, it would work well also. At any rate, choose a good movie that most everyone would want to watch.

Attend the movie, hopefully around 11 a.m., having lunch shortly after, around 1 p.m. If you can find a theatre to do it around 10 a.m. it would work even better. Lunch can be at a local restaurant close to the theatre or attached to it. At the lunch, give a 5-minute commercial before it's served. You might have your business cards and use a brochure describing your practice as a handout. Keep it very simple. As you eat with the group, ask each one to fill out a response card listing a time for an appointment in the coming week. Set the appointments that day, and call them the next day to qualify them.

For the commercial, you could use the material from the "Paycheck for Life" seminar. Highlight the fact that you work with retirees as a specialty and that's why their friend invited them. Tell them that you only want to meet with people who are committed to getting needed help in estate planning, safe money planning, avoiding unnecessary taxation, and income planning... and are just looking for the right person to help them. Be sure and ask each new person if they would like to spend about 30 minutes with you to determine if you are the person they are looking for.

Again, this is a social event, designed for people to get an idea of who you are. People want to work with people they like and trust. The social gathering gives you the opportunity to be authentically you in a fun setting, and definitely not “salesy”.

Note that a late breakfast or brunch would also be a good event.

Costs: Movie tickets for 10–12, \$80–\$90; lunch for 10–12, \$150; total cost, \$240.

SMALL DINNERS OR LUNCHESES

Ask about 3-4 of your clients if they would like to invite some people to a small luncheon or dinner. Ask them to recruit people they feel could best use your services. Create a casual social event over dinner or lunch. No agenda, but a 5-minute commercial before dessert.

For the commercial you could use the material from the “This is Your Retirement” seminar on the difference between a vendor, problem solver, consultant, partner, and trusted advisor. Highlight the fact that you work with retirees as a specialty and that’s why their friend invited them. Tell them that you only want to meet with people who are committed to getting needed help in estate planning, safe money planning, avoiding unnecessary taxation, and income planning...and are just looking for the right person to help them.

Be sure and ask each new person if they would like to spend about 30 minutes with you to determine if you are the person they are looking for.

Remember to keep it light and make sure to speak to everyone present. Talk about family, friends, vacations, etc.

Stay away from “shoptalk” as much as possible. You might consider a small gift for each attendee, like a coffee mug or calendar, something simple with your company logo and information on it.

Costs: Lunch for 6–8 people, \$100. Dinner for 6–8 people, \$200. Gifts for 6-8, \$60–\$100. Total lunch costs: \$200. Total Dinner costs: \$300.

SCHEDULING A SEMINAR

Month rating and dates to avoid

(Always avoid scheduling on Sunday, Monday, Friday & Saturday. The best days are Tuesday & Thursday)

January - Very good

AVOID: 1st–15th Holiday season ending; good for client parties, but not regular seminars; Martin Luther King’s Birthday

February - Excellent

AVOID: Valentine’s Day, President’s Day

March - Excellent

April - Very good

AVOID: 1st–15th Tax weeks; Easter weekend

May - Excellent

AVOID: Memorial Day weekend

June - Good

AVOID: Graduations & Weekend adjacent to 4th of July

July - Excellent

AVOID: 4th of July week

August - Excellent

AVOID: Week adjacent to Labor Day

September - Excellent

AVOID: Labor Day weekend week

October - Excellent

AVOID: Columbus Day, Halloween week

November - Good

AVOID: Election Day, Last two weeks (probably from the 15th–30th)

December - Poor

AVOID: Completely. You can still draw a crowd, but people will put you off until the new year, & then cancel.

Select a location

You want to think of a rotation of locations. What we mean is, use a place about every six months. Make sure that, if possible, you schedule seminars in such a way as to limit your cross-town driving. Using one location next to another can save a lot of time on the road.

It can be to your advantage to choose a location that is within 15-20 minutes of your office. That will enhance your credibility, being from the community, plus enable seniors to easily drive to your office.

Be aware there are some locations that may have a lot of seniors, but no prospects that meet your “money profile.” They may either be too poor or too wealthy, depending on your target market.

Choose a restaurant and menu

The best locations are those that boomers and seniors might already frequent or will have no problem finding. Choose a high quality establishment, not your typical “buffet” restaurant.

You don’t want to use hotels, but rather restaurants, banquet halls, and golf clubs. Make sure it is a nice restaurant and not a “buffet” type. You must have a room that is completely closed off to the other parts of the restaurant. Make sure that there are no noise carryovers from the rest of the facility.

Some other considerations are size of room (must seat at least 40), lighting (especially for the speaker), décor (comfortable and friendly), and the use of a sound system. Room size is a key, as you don’t want to have 30 people in a room for 250, or not enough room for those who have signed up. Be sure to monitor how many are coming and cut it off at room capacity.

Also, choose a place that is central and not off the beaten path, one that has no stairs to climb before they enter the room, and that the parking is a short walk to the seminar.

When selecting meals, keep it simple and know that you don't have to choose the most expensive thing on the menu. We generally spend about \$10–\$13 for lunch and \$22–\$35 for dinner, plus gratuity and tax. Spending more isn't necessary, though a range of \$22–\$30 per meal would be reasonable. Also, order dishes that you don't have to pick up and eat with your fingers, unless it's luncheon sandwiches.

Choose a demographic

A good example of a “center of the target” prospect is someone 59–65 years old, \$250,000 of investable assets, married and well connected with friends. So, when ordering lists, start with the 59–65 with \$40k of income, homeowner, and if you can't find 10,000 names, start expanding the ages. Then go to 60–67, and since you probably don't want to go below age 60, keep raising the age in 2-year increments until you get to a cut-off of age 75. Sometimes, if needed you can reach down to age 55, depending on your target market. These choices have consistently produced the clients we want to see, most of whom don't have a financial planner helping with their millions.

Select & set-up a reservation hotline

Step2Success will set this up for you and having a reservation hotline is a must. This service is invaluable. It frees up your office to do business as usual, while not missing anyone who wants to be at your event.

Remember to check that your reservation phone number is prominently and correctly printed on your invitation.

Write an invitation

Invitations need to include all the important details of date, time and location, and especially an offer to a free dinner/lunch seminar. You need to include information about yourself as the presenter, keeping it brief and to the point.

Postcard mailings have proven effective all over the country and are generally less expensive. You will have to shorten-up the invitation and probably keep it to no more than two nights per mailing.

Ordering the mailing

When using Step2Success or other companies the mailing must be ordered 35–45 days before your seminar date, depending on your location around the country (call for specific rules).

Step2Success will send you a packet of information with all the forms needed. Set your schedule to order the seminar mailing a couple days ahead of the deadline to avoid any unforeseen delays. Also, be sure to get the mail piece in the home 12–14 days ahead of your seminar date. Make sure that your mailing isn't received over any holiday.

Tracking reservations and leads

Be sure to track reservations on a daily basis. This will allow you to close off seminars that can easily be over-booked. Tracking your reservations will allow you to follow up better after your seminar, and enable you to track your success. It is advisable to enter the reservations in a database at your office that you can evaluate as time goes on.

You will want to know who is coming, who came, who wanted an appointment, and who kept the appointment? Who is a sale and whom you didn't close? Keeping all of this information helps you to evaluate, not only success and failure, but also the areas you need to improve. I think it would be most beneficial to get email addresses whenever possible. Use it to your advantage.

Reminder calls

It is best to make the reminder calls 2-3 days before the seminar. You can help remind prospects of their intention to attend, while getting a more accurate number for the restaurant. Some restaurants will want to have the information three days to a week in advance. If possible, you should avoid those locations that ask for a count more than three days in advance.

The reminder script is easy:

Office: "Hello. Is this Mrs. Smith? This is Sally from the office of Jones & Associates, and I'm calling to confirm your dinner/lunch reservation for the estate-planning seminar tomorrow night at The Terrace Restaurant."

Prospect: "Yes, we'll be coming."

Office: "Will that be a party of four?"

Prospect: "Yes"

Office: "Great. What area of interest do you want to hear most about at the seminar?"

Prospect: "Conservative investing."

Office: "That's fine. We'll make sure and pass that along to the speaker. Thank you again and we'll mark you down for a party of 4 and see you there."

Make sure and leave reminder messages on the machines of those not home with your office phone number, asking them to call if they have any questions. They will often call in to confirm.

PREPARING FOR THE SEMINAR

It is our suggestion that you overprepare for your first seminar by practicing 8-10 times before you ever do it live. If you do this, when you actually get up front and are feeling the anxiety everyone normally feels, the material will flow naturally. Remember, the audience doesn't know the material and so if you forget something, it won't matter. Just by studying the presentation, you will know more than anyone in the room.

Practice, practice, and more practice. It might be helpful to go to the restaurant, if it's a new location, and visualize yourself going through the seminar.

Make sure and think through everything from the registration table to the way you will set appointments.

Items needed for seminars

- Projector, remote control with laptop computer
- PowerPoint presentation

- Screen
- Extension cord for projector
- Spare bulbs
- Easel with pad or a dry erase easel
- Lapel microphone and small PA system
- Transportation bins for equipment
- 100 pens
- 2–4 felt pens
- Seminar handouts (*also on disk)
- Seminar booklet
- Bio sheets
- Personal brochure
- Seminar evaluation sheet
- Giveaways and prizes

PRESENTING THE SEMINAR

What to wear

On the surface, a discussion on what to wear may seem just a little overbearing. Yet, the idea of the seminar is to put people at ease with you the professional.

One thought is to dress business casual. No suits, maybe a shirt and tie, but ties are not necessary. Be sure to look sharp, just don't overdo it. You want to look like someone the audience would have over for coffee, not a "trained killer."

Others like to dress very professional to make a first impression. Since you only have one shot at making a first impression, you try to nail it.

Room Set-up

The night or afternoon of the seminar be sure and set your schedule to arrive about an hour and a half early for set up. You will need to make sure to schedule your early arrival with the restaurant.

As you arrive, check out the way the restaurant has set up the tables. You may need to make some adjustments. Make sure that the place where people enter the room is at the back, away from where you speak. The last thing you want is for guests to be distracted by "latecomers" registering behind your back. Also, look over the tables and make sure they are set up in the best location for the attendees to see and hear. If not, have the restaurant arrange it to your liking. Be sure to set up for maximum audience participation!

You want to make sure that you have a registration table, materials table, and projector table. The restaurant should provide nice table coverings for each table and chairs for the registration table.

The registration table should have a "Check-in" sheet, pens, and possibly nametags. Don't hand out flyers at the registration table, it holds up the line of people waiting to get seated. Put the flyers on each place setting at the table.

The materials table should have all the estate planning materials you want to provide as information, including your BIO, the attorney information, a map to your office, and professional designation information. Do not have brochures from annuity or mutual fund companies. This is too “salesy.”

Be mindful of cords on the floor that seniors may end up tripping over. Also, remember to be finished setting up at least 15 minutes ahead of the scheduled start time. Seniors tend to come early to these events.

Greeting

We suggest that you greet people as they arrive and welcome them to the event. Be sociable even if it's a stretch for you. Ask them which town they live in or how the traffic was driving in, anything to make them feel comfortable.

Social Event

Remember that this is a social event and not designed as a lecture, or high-powered sales pitch.

Interaction with prospects is the key. Relax and enjoy the evening, interacting with people as much as possible. You want to eat at a table with some prospects, even switching tables to enjoy dessert with someone else. If present clients come, acknowledge their presence, but I would advise sitting with some new folks. Do your best during the giveaway section to have fun with the audience.

Authenticity

This is a hard one to describe. Some have such a hard time in front of groups that they appear to be stiff and formal, while others somehow adopt a new and different persona to try and impress the group. Our suggestion is that being “you” is always the best. If you're nervous, go ahead and let people know. If you don't know the answer to a question, say so, and tell them you'll get the answer. Most of all be HONEST and TRANSPARENT. People can see through a “snake oil salesman” every time.

Be sure and use personal stories to connect with the audience. Have fun being you.

Let them rescue you

So many times we try and memorize or read a canned presentation in order to try and look the most knowledgeable. If you are the dazzling expert with no noticeable flaws, people will not want to invite you to their home for coffee. Instead, let them see you sweat. If you make a mistake, let them rescue you. You will appear human (whether it is true or not), and a person “grandma” can relate to.

It is a delicate balance though, to be yourself, be human, let people rescue you and still come across as a professional who can assist the audience with their needs. If “you will be you,” the seminar material will allow you to show your knowledge of financial planning.

Too much information

It is possible to overdo it! When you begin to master the material and have a tremendous amount of information that you are just dying to deliver, you begin to ad-lib substantially. This creates a problem for people who really just need to know that you have a simple mastery of the topics and are the kind of person they would want in their home.

Too much information causes people to be confused about their next step and they will put off an appointment. So, stick to the script as much as possible.

Handling questions

At the beginning of the seminar, instruct the audience that there will be a question-and-answer period at the end of the program and it would help if they would limit their questions until that time. Certainly, people still ask questions throughout the presentation, and the presentation itself is designed for audience response at just the right times.

When handling questions at the end of the seminar, or even as they arise during the presentation, be sure to repeat the question so that all may hear.

A good way to work with a question is to throw it back to the audience to see if someone might have an answer, also giving you time to mentally run through an appropriate response.

Again, if you don't know the answer, simply say you don't know and will be glad to find out the answer. Don't be afraid to tell someone who begins to outline their personal problems for the whole group that you would be glad to stay afterward and meet with them.

During the final question-and-answer time, try and field only 2–3 questions at the maximum. Besides, if you answer every question, who will want to see you?

Purpose of the Evening: An Interview

The idea behind seminar marketing is to give people an opportunity to interview you, to see if you are the kind of person they could TRUST and would LIKE doing business with. It is a guided interview, with you in total control. The problem arises when, in giving the presentation, you slip into your “business identity” and play out the evening in that role. People are generally turned off by the so-called professional demeanor and will not tend to make appointments.

It is better, then, to be yourself and be authentic. Remember, this is a social event and an opportunity for you to connect with individuals in the audience.

If they think you are bright and yet aloof, they will tend not to make an appointment. Yet, even if they think you're not the sharpest tack in the drawer but are very personal and easy to understand, they will gladly give you an opportunity to see them. Remember... BE AUTHENTIC!!

Seminar Close

At the close of the seminar, simply ask them to take a look at the Seminar Appointment form and tell them that “We are looking for a just a few, high-trust, long-term relationships with client-partners”. Explain what a client-partner is and introduce some of your clients in the room. You should prepare one or two of them to give a short talk about what it has been like to work with you. Then go over the options on the appointment form, ask them to make a choice and you're done. Call all the leads the next day to either confirm or schedule an appointment. Throw the “no's” away. Stick around and eat with your guests.

FOLLOW-UP APPOINTMENTS

Be sure and call all the appointments the next day in the afternoon. It would be best if the person who presented the seminar would make the call, but if you have an assistant with great phone skills, that will work also. It's still highly recommended that the presenter make these calls.

Here is a sample script:

Agent: "Good afternoon Mr. Smith, this is John Jones. I met you last night at our dinner seminar. Did you enjoy your time? Great. I'm just calling to check schedules with you. I have you down for next Thursday at 3:00 p.m. in our office. Is that what you have?"

Prospect: "Yes, that will be fine."

Agent: "Great. Naturally you will have some questions, and obviously I'll have some questions for you. At the end of our time together, we typically have one of three outcomes. First, you and I may decide to take another step together and we'll define together what that next step is. Second, you may decide we're not a good fit, or third, I may decide we're not a good fit. Are you comfortable with any one of those options?"

Prospect: "Yes. We'd like to talk about protecting our assets."

Agent: "Very good. It might be helpful if you bring with you any information regarding those assets. We'll make sure and cover that and I'll see you next Thursday then at 3:00 p.m. Okay?"

Prospect: "Sounds fine, see you then."

SAMPLE APPOINTMENT LETTER

John & Judy Smith
777 Evans Street
Carol Stream, IL 60188

June 3, 2010

Dear John & Judy,

It was great to meet you at our dinner seminar at Brian's Charhouse. We hope you had an enjoyable time while picking up some useful information regarding your finances.

As we discussed, we have you scheduled for a meeting in our offices at 3:00 p.m. on Thursday, June 10, 2013. We are located on the southeast corner of Lake Road and Main Street in Anytown. Our address is:

123 Main Street
Anytown, NY 12345
Phone: 123-456-7890

If you could bring with you any information pertaining to the areas you feel important to discuss that, too, would be very helpful. On your evaluation form, you checked off that you were interested in discussing equity indexing and estate planning. I have listed below some items you might want to bring with you.

- Last years' tax return
- Investment account statements
- IRA statements
- CD, savings accounts, or money market statements
- Annuity statements
- Trusts or wills

Again I look forward to spending time with you. We do planning in three phases as we discussed at the seminar. First is Investigation, second is Recommendation, followed by Implementation. At our first meeting, feel free to ask as many questions as you need. We'll both investigate whether or not we're a good fit as planner and client.

We're looking forward to seeing you. If you need directions or other information, please give us a call.

Sincerely,

[name]

APPENDIX A: FORMS

APPENDIX A TABLE OF CONTENTS

Three-minute Financial Planning Check-up	98
Financial Planning Score Sheet	98
ABC Interview Discussion Form	100
Financial Planning Data Form	102
Financial Information	103
ABC Planning Model	105

THREE-MINUTE FINANCIAL PLANNING CHECK-UP

A test to measure whether you have taken advantage of the best financial planning ideas available.

FINANCIAL PLANNING SCORE SHEET

Have you kept up with new financial planning ideas? This questionnaire will help you measure what you have done with your financial planning knowledge. Enter your score for each question in the box to the LEFT, and then total your score to see how your financial planning measures up.

QUESTIONS:

- 1. If you have reviewed your estate plan during the past three years, enter three points.
- 2. Using the formula of subtract your age from one hundred to determine a percentage of assets that should be in the market (ex. $100-65=35\%$) and have no more invested in the market than that percentage, enter three points:
- 3. If you repositioned assets to receive:
 - a. "Market-enhanced" interest that is locked in each year, and
 - b. Principal guarantees, enter three points.
- 4. If you have transferred old life insurance cash values to a more current life insurance plan, enter three points.
- 5. If you own a variable annuity without income guarantees, subtract three points.
- 6. If you have IRAs that are structured for multi-generational distribution, enter two points.
- 7. If you have adopted a revocable trust in addition to a pourover will in order to avoid probate, or if you know about revocable trusts and have decided not to adopt a revocable trust, enter three points.
- 8. If you have structured your income so as to avoid taxation on your Social Security benefits, or have researched out the income options and discovered you can't avoid taxation on your Social Security benefits, enter five points.
- 9. If you have converted CDs to other assets to avoid the negative effects of taxation and inflation on your standard of living, enter three points.
- 10. If you have reviewed your finances with your broker in the last six months, enter three points.

11. If you have rolled out of your 401(k) or other company sponsored plans to:
- a. Benefit from a broader range of planning options, and/or
 - b. To secure principal for retirement, or
 - c. To set up multi-generational IRAs, enter three points.

Total Score

SCORING

Point allocation by subject matter:

Subject	Points
Estate planning	6
Income planning	5
Investment planning	9
IRA planning	6
Broker relationship	3
Life insurance planning	3
Taxation	3

Total possible score: 35

How Do You Measure Up?

32 or more — Your financial planning is above average.

25 to 30 — Your financial plan may need a review.

24 or less — You might benefit from consulting with a new financial expert.

ABC INTERVIEW DISCUSSION FORM

Date: _____

Client Name: (Mr./Mrs./Ms.) _____

Client Source: _____

PART ONE

Standard Disclosure

“I need to give you my standard disclosure that I give everyone I interview with and it’s simply that as we go back and forth, asking and answering questions, I may discover that what you need and what I do are two different things. I will be real upfront and tell you that and I don’t want you to be offended. Fair enough?”

Their Questions:

Three Options:

- | | | |
|--------------------------------------|-----|----|
| 1. Define next step together | Yes | No |
| 2. They decide we’re not a good fit: | Yes | No |
| 3. I decide we’re not a good fit: | Yes | No |

Date of next step: _____

Agenda for next step: _____

PART TWO

What's Important (These are questions that discover highest value needs of your client)

Tell me again, what is it that you were hoping I could do for you? What's important to you about...

1. Taxes
2. Safety
3. Guarantees
4. Long-term care planning
5. Achieving security
6. Income
7. Liquidity
8. Return on investments
9. Diversification
10. Inflation
11. Passing assets onto heirs
12. Communication with your broker/agent

PART THREE

Highest Relational Needs and Expectations

(These are questions that discover the highest relational needs and expectations of your client. In other words, "their rules for change.")

1. Of all these concerns, how would you prioritize the importance of what you want to work on?
 - a. What do you like or dislike about your current financial/estate plan?
 - b. How would you define success in that area?
 - c. What would you change?
 - d. How do you determine next steps?
 - e. What is your past experience with planners?
 - f. What will the response of your current advisor be if we make changes?
 - g. How would you respond?
 - h. Who do you include in decisions of this nature?
2. If you haven't solved it to date, why is it important that you take action now?
3. What are the most important things to you about partnering with a professional?
4. If we could wave a magic wand and solve these issues, what would that look like?
5. Would this be an appropriate time for me to get a snapshot of your estate/finances so that I can see the broader picture of what we've discussed?

Sample questions

1. Tell me more about that.
 2. Sounds important. Tell me why?
 3. How long has it been a concern?
 4. How would it affect you if you did/didn't solve this issue?
-
1. Could you be more specific?
 2. On a scale of 1-10, how important is this issue? Why is that?
 3. Sounds like you've given up.
 4. What would the real impact be for you if you got this resolution to this issue?
-
1. Is there anything more?
 2. I wouldn't have guessed this one was important to you, what did I miss?
 3. Has there been a recent event in your situation that has made this of higher concern?
 4. How much do you think this would cost you if you don't get it resolved?
-
1. _____ means?
 2. Where does this fit in your "important" issues that need to be taken care of? And why?
 3. That's got to hurt, how long have you been putting up with this?
 4. Tell me how this looks "fixed" and what impact it would have?

FINANCIAL PLANNING DATA FORM

Client #1: _____ Age: _____ M D W NM

SS#: _____ DOB: _____ Citizen of U.S. Yes No

Client #2: _____ Age: _____ M D W NM

SS#: _____ DOB: _____ Citizen of U.S. Yes No

Address: _____ County: _____

City: _____ State: _____ Zip: _____

Home Phone: _____ Work Phone: _____

Children:

Name: _____ Age: _____ M D W NM

City/St: _____

Name: _____ Age: _____ M D W NM

City/St: _____

Name: _____ Age: _____ M D W NM

City/St: _____

Name: _____ Age: _____ M D W NM

City/St: _____

Name: _____ Age: _____ M D W NM

City/St: _____

Retirement Date(s):

Do you have a will? Yes No Do you have a trust? Yes No Type of Trust _____

Do you have a Property & Financial POA? Yes No Do you have a Health Care POA? Yes No

Living Will? Yes No Disability: Yes No

Notes: _____

FINANCIAL INFORMATION

Assets	Cost Basis	Present Value	Mortgage? Equity Loan?
REAL ESTATE			
Home			
Other real estate			
CASH			
Stocks			
Bonds			
Mutual Funds			
Business Interests			
Other Investments			
CDs & Savings Accts.			
Checking Accts.			
PERSONAL PROPERTY			
Home Furnishings			
Jewelry & Silverware			
Antiques & Collectibles			
SUB-TOTAL			

IRAs & INSURANCE	Husband	Wife	
IRA			
Pension (401(k), etc.)			
LIFE INSURANCE DEATH BENEFIT	Face Value	Cash Value	
ANNUITIES	Fixed	VA	IA
SUB-TOTAL			

TOTAL

Estimate Current Estate Taxes:

Estimate Current Probate Fees:

Income

Husband's SS

Wife's SS

Pension

Pension

Pension

W2/1099

W2/1099

Other

Total Income

Estimated Federal Tax Bracket

- 0-15% 16-28% 29-35% 36% & up

Primary Financial Objective (Rank in order of importance):




- Tax Deferral
 Income
 Growth
 Estate Planning
 Preservation of Principal
 Other _____

Willingness to Accept Risk for Additional Financial Performance (Choose One):

- Aggressive Moderate Conservative

ABC PLANNING MODEL

ADDITIONAL CONCERNS

A	B	C
<ul style="list-style-type: none"> ■ Potentially lower returns ■ Taxable or tax-deferred ■ Liquid 	<ul style="list-style-type: none"> ■ Potentially moderate returns ■ Tax-deferred ■ Offer partial withdrawals 	<ul style="list-style-type: none"> ■ Potentially higher returns ■ Taxable or tax-deferred ■ Offer partial withdrawals or liquid 
<p>Preferred % in this category</p>	<p>Preferred % in this category</p>	<p>Preferred % in this category</p>
<p>Estimated % in this category</p>	<p>Estimated % in this category</p>	<p>Estimated % in this category</p>



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