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The Premier Association of Financial Professionals[®]

2009 Top of the Table Annual Meeting October 7–10, Kauai, Hawaii, USA

Title: How to Welcome Clients

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Day: Thursday, October 8, 2009

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How to Welcome Clients

Mark R. Hynes

To start with, I'd like to have one minute of indulgence. (Video of rugby match)

Can't tell you how funny it was to meet Mark and Jeff this morning for breakfast, friends from Australia, and to find out that Jeff was actually at the match. I knew I was going to start the presentation off with that, so I've been chuckling to myself all day. I couldn't have staged it better.

Now, winning at sports, for England, is quite unusual. So, that's a big event for us to win. When we're at school, we're pretty much taught it's the taking part that's important, rather than the winning. We don't actually get to win too much at sports. So that's a real special event for us to win the World Cup in rugby in 2003. The chap that scored the winning points, Johnny Wilkinson, is an absolute legend at point scoring, but he isn't as well known for his defense or tackling skills. I remember an interview with one of his colleagues saying that he's so competitive that if you put an opposition jersey on a train coming down a track toward Johnny Wilkinson, he would try and tackle the train and knock it off the tracks. He was so determined to win his tackles.

Anyway, the point of the connection with the video on the rugby is, in fact, the coach that coached the England team, Clive Woodward. Now achieving World Cup status, Clive got recognized in the U.K. He got knighted — which is where the queen puts a sword on him and he became Sir Clive — and he won an OBE, Order of British Empire. He was highly decorated for the success that he brought to England in that sporting occasion.

What I want to do is establish a link between Sir Clive Woodward, the England World Cup winning coach, a dentist from Brisbane, Australia, and a financial advisor, myself, from Surrey, and what I've learned from these other two characters and brought to my business and to my clients.

Before we develop that part of the presentation, I want to talk about a concept that I refer to as "getting it." These are Hawaiian waves and the metaphor for that is that I think, in life, we're given lessons and we're given an opportunity to learn from those lessons. What I think about the ocean is that if I was to take a step into the ocean, the first lap of the wave would really be quite inconsequential. But if I step further and further into the ocean, the power and the frosty of the waves is eventually going to knock me over and it's going to do me some damage.

And, in life, I think we are given the lesson. If we choose to learn from it, then the lesson has been learned and we benefit from that. But, if we don't learn from it, in the metaphor terms, the waves get bigger and bigger and bigger and will actually knock us over. And as three examples, we probably all know people who have had bad relationships. They seem to go from one bad relationship to the next and then the next. And, of course, it's never their fault. Or, perhaps, people that are bad with money, always in debt and always getting into difficulties and there is always somebody else to blame for that. Or, perhaps, a car accident where there's always a little

nudge and a knock and something goes wrong with the car, but it's always somebody else's fault.

What I think these people fail to appreciate is that we all have choices, we all can choose to take actions, and we have total control over the consequences of those actions.

So bearing that in mind, I want to talk about two examples where I either got it or did not get it in my life and in my business. The first example where I didn't get it was MDRT. When I started back in the business in 1982, a group of guys and I would have sales meetings. This is my notebook of taking good notes in sales meetings way back in 1982. What we would do each month is sit around and listen to some tapes from MDRT legends. There are some notes at the bottom there from Norman Levine, Bruce Etherington, Ron Barbaro and all these people. So I'd listen to legends from MDRT but not do much about it.

Now another legend is Tony Gordon from Bristol, England. We had a little start-up business and we invited Tony to come and talk to us. He traveled 100 miles, asked for his travel expenses and a contribution toward charity. Tony told us his story which started off with the fact that many of you might know that he had 42 presentations before he made his first sale in this business, which then lapsed.

What actually changed was his attitude and he decided to learn from others. The two areas that he credited them with was the LIA — was our national association at the time, Life Insurance Association — and MDRT. He spoke about MDRT and he spoke about Top of the Table, the elite of MDRT. So I learned about that in 1982, but chose not to do anything about it.

Roll the clock forward 18 years and, in February 2000, Tony was again speaking at the local association in Surrey for the LIA. Tony came up with a few ideas, one of which was describing the difference between need and want, or selling to wants rather than selling to needs. Sitting in the audience on that occasion, I actually got the importance and I got the relevance of that. He also spoke about MDRT again and he spoke about Top of the Table. And, sitting there in February 2000, I resolved that I would actually go to MDRT, but if I was going to go I wanted to go as Top of the Table.

But, at that stage, I was probably only about Court of the Table productivity and that meant I had to double whatever I ever achieved in the past within the remaining 10 months of the year — which I did. I didn't actually have any more sales, I didn't have any more appointments, all that happened is my appointments generated a lot more revenue simply by talking to people about what they "want" rather than about what they "need." I do thank Tony Gordon for being the catalyst for me with that concept, and with MDRT and with Top of the Table.

The funny thing is, when I dug this book out to prepare for the presentation, on the very, very first page of my sales notes, Norman Levine was talking about the difference between needs and wants. So, all these years, I've been thinking it was Tony Gordon's idea and it was actually one he borrowed and hasn't fully credited to Norman Levine as yet.

The second concept about getting it that I want to talk about is life and death and claims. In my first year in the business I actually had four death claims. The first one was a friend of mine named Phil, aged 21. He was a designated driver for a night out with his friends. He was stone-cold sober. Unfortunately, the car that hit him wasn't. A drunk driver killed them outright. Phil died at age 21.

I have to say the meeting with his parents taking the check along wasn't the same sort of experience as we often hear with MDRT stories about people appreciating the benefits of life insurance. In fact it was the reverse. The family actually resented the fact I was bringing along money in exchange for their son's life and they really wanted their son rather than a check for it. They were a little bit offended by the notion of money in exchange. We spoke a little bit more about it and wondered if we could do something perhaps to celebrate Phil's life or to help them get over it. They were a close family: father, mother and sister. What they decided was to have a nice family holiday and get closer to get over the bereavement.

Phil had introduced me to his father. I had done some work with his father, a very fit man, a builder. They went to the west coast of America and went to a boat trip on the San Francisco Bay and he had a heart attack out on the sea. So, the second claim was Phil's father at 50.

The third one was a friend of mine, Charlie. I used to work at the Bank of England and we had a boat called "Sterling," as in the currency. I often hired the boat and had a couple whole days on there. It was really good fun. Charlie hired the boat for his 30th birthday. Unfortunately, he slipped getting back on the boat, caught his head, went under water and it took a few days to find his body. He died at 30.

The fourth one was a lady named Barbara. She was a teacher and mother of three. She just traveled a few hundred miles to visit her son for the weekend. He had moved down to London and had become a financial advisor. She shared a weekend with him. She was walking the dogs along the River Thames with her husband and on June 6, a warm summer's evening, a dry evening. A tree just fell out of the sky and crushed her to death. She died instantly.

So, in my first year in the business I got to experience the fact that we all die. We don't know when we're going to die. Sometimes it's a bit soon. Sometimes it's tragic. But the implications of finances and emotional bereavement that happen at these occasions are the sort of the lessons that were ingrained in me. I think losing two good friends and the mother in the first year in the business have given me an opportunity to learn of the importance of what it is that we work at, what we sell.

I didn't get MDRT, but I do get the importance of life insurance.

Now, back to Clive Woodward, who we saw in the introduction — Sir Clive, as he is now referred to, of course.

Zurich is one of the insurance companies in the U.K. I'm not sure how big they are worldwide, but I think they're pretty big. Zurich was a sponsor of England rugby and, so, part of the deal of that was that Clive would do seminars and presentations to financial advisors.

So I went along to Twickenham, the home of English rugby, and Clive was doing a presentation about what he had learned from being the England World Cup winning coach. One of the things he said was that there was only one business book that he's ever read more than once, and it is by an Australian dentist from Brisbane named Dr. Paddi Lund. He credited Paddi with a lot of the thinking that he learned.

One of the concepts that Paddi talks about is a thing called "critical nonessentials," CNEs — things that you haven't got to do but, if you do, they make a difference — attention to detail.

Clive's presentation had numerous CNEs or critical nonessentials. I'm going to talk through a few of them just to give you some examples.

Clive noticed that when players were running around being tackled, often they had been brought down by grabbing hold of the shirt or the shorts. So, he redesigned the kit so it was pretty much spray-on. There wasn't anything to get hold of. It increased the amount of ladies watching the game: seeing the spray-on bodies of the rugby players running around. But, it also meant that only a proper tackle would bring a guy down, rather than grabbing hold of his short or shorts. He also noticed, when the guys run out onto the pitch at the beginning of a match, a bit more spring in the step, a bit more positive, a bit more upbeat. But, after they'd played the first half and they were muddy and wet, they were a bit sort of groggy. They didn't come out in the second half with as much bounce. He was the first one to change the kit. They went out for the second half with brand new kit. It made them clean and a bit more attentive to get stuck into the second half.

They introduced team rules, where anything that he wanted to incorporate as a rule he got the squad to agree to and sign up to. There was a book that they would all sign to say this is what they agree to. Any new member called up would have to read it and countersign to say, "I agree to abide by these rules."

I believe he was the first coach to bring on an eye coach. He employed a South African lady who was an eye coach. She would do an hour a day of eye strengthening exercises for the team. What they recognized was that, when we're awake, our eyes are really bright and vibrant. But pretty much the first thing that goes when you're tired or your concentration goes is your eyes get a little bit tired and weary. So he was strengthening the eyes of the squad so that they could be more attentive and they could make better quality decisions throughout the match.

One of the acronyms they used was "t-cup": thinking clearly under pressure. What they wanted was to be able to react to whatever happened at any one moment.

He's got a whole pile of these stories because, when you're performing at the highest level, all these teams can beat each other, all the players are as good as each other. So it's the little attention to detail that's going to make the difference between one team winning or not winning.

The final example he used, which I actually use at the firm, was a chauffeur company. When he first went to Twickenham, there were three companies that had the contract for driving the staff

around. They all had clean cars, they were all punctual, none of them got lost so there was nothing between the businesses of the chauffeur companies. But, one of the companies he used, every time he got in the car, passed him a cold bottle of water and said, “Would you like a drink Clive?” He thought that was a nice touch. He asked the driver to explain and he said, “Well, we think that our customers would appreciate chilled water.” So, it was a critical nonessential — didn’t have to do it, but it was the attention to detail and they did it repeatedly. So what he did was sack the other two firms and gave the whole contract just to the firm that gave away free water.

What I’m saying is that there are certain things that can make a difference in business. The other guys didn’t do anything wrong, but this firm did something slightly better and they got more business as a result.

So, I decided I would buy the book. It’s not an easy book to buy. You can’t buy it. You can’t go on Amazon and you can’t go into the bookstore to get hold of this book. The only way you can buy it is by referral. The mystery of this guy’s business is quite interesting, but if you get a referral card from an existing book owner you’re then allowed to contact Solutions Press and you end up with a very nice experience of buying the book. They e-mail you on Christian name terms, they tell you about the progress of where the book is. Of course it arrives early. It’s gift wrapped. It’s got little sprig of lavender on there. Then you end up with a little sort of e-mail campaign with the publishers.

There is lots of stuff in there that’s interesting — some of Paddi’s story and some of Paddi’s CNEs. I’m not sure if you know, but dentistry has a very high level of suicide. I believe that Paddi was about to give up on his business and perhaps his life as well. But, he realized that there was about five percent of the patients that he worked with that he actually liked and 95 percent he didn’t, so he sacked the patients he didn’t like.

He wrote to the five percent and said because of you guys I’m still in business. I’m still here. But I only want to work with people like you. So he gave them permission to refer to him, but he doesn’t take referrals from anybody else. There’s no signage and there’s no listing. He’s not in phonebook. There’s nothing outside his door to know that he’s a dentist. So, you only get to go along to Paddi if you’re introduced to him by an existing client.

He has a huge cappuccino machine and he has 20 or 30 different types of tea that you can have when you go in there. What does confuse me is he has an oven and he bakes dental buns for customers coming in. I always found it a bit bizarre that he’s going to examine your teeth, but he’s going to fill them with cake or something first. But, when you go in, you get your name on the waiting room. You get your personally assigned care assistant. The fuss and the relationship building is top-notch.

Way back, decades ago, he realized that people were nervous when they were being examined so he put TVs on the ceiling so they could lie and watch television while they’re there. He noticed that people were obviously nervous when they’re being treated by a dentist and they can’t really talk too much when their mouths are being poked around, so he put a panic button or a pain button on the bed next to them. If anything happens that you’re uncomfortable with, just hit the

button and we'll stop the treatment straight away. Nobody has ever hit the button, but the fact they know they've got that as sort of a release has helped relax people.

They renamed all the instruments because they realized the patients didn't like the sound of the instruments when the care assistants and the dentist were having their own professional conversations, it made people nervous.

I have to tell this story because, on a personal basis, I had a vasectomy last month. So, I'm lying there on the bed. There's a nurse and a female doctor that is performing the procedure. So, they're handling my assets and she says "Needle." And I say, "Oh." And they say, "Relax, Mark." And they say, "Scalpel." And I say, "Oh." And they say, "Relax, Mark." I said, "You need to call that something else. I don't want to know what's going on down there. You just do what you need to do." Hopefully they're going to rename some of the tools that they use when they're working with the patients from there.

In the bathrooms (at Paddi's office) they've got French cologne and perfumes and things. Everything about the visits to the dentist is a pleasure and is a nice favorable experience.

They have strict time keeping. If you're a minute late, you're not allowed in. Basically they've allocated you a certain amount of time. They might then be late for the next patient. You have to reschedule or book another meeting. Total respect for time and everything that goes with it.

One of the things that Paddi learned was that he was very good at dentistry. He liked making a profit, but he didn't like selling. What he didn't enjoy doing was spending time with patients persuading them that they needed treatment and they needed expensive treatment, which was profitable and good for him as well. How he overcame that was to produce a welcome book for his patients and in that he explained everything about the quality of service that you're going to get, everything about the quality of the materials they use, that they only use the highest quality things and if you come to be a patient you're only going to get top-notch treatment and top-notch quality.

When a patient is being recommended to Paddi, they've been referred by an existing patient. They've come along. They've had a wonderful experience and are looked after within there. They had a welcome book to understand how it all works. Pretty much then Paddi when says, "What you need to do next is this," people just went along with the treatment. What it does is cuts out the bit where he has to justify it and actually sell the process of the treatments. So, I thought that would be quite a good idea in terms of a welcome book, which we'll come back to.

One of the things I think he does particularly well will be familiar to those people who have had coaching by Dan Sullivan. Dan quantifies three factors to create value: You have to have relationships, creativity and leadership. One of the things I noticed when I was reading through Paddi's experiences is the absolutely excellent work he does with relationships. Lots of things about his businesses are incredibly creative. I think he respectfully leads people on with the treatment that's there. His existing customers will have incredible value in their eyes as measured by Dan Sullivan's three factors.

What's that? Well, that's the pyramid. That's the last remaining wonder of the world, and that's what they look like. I say that and know that because this summer I was there on a holiday with my children. We were charging around the desert on camels. The reason I say that's what they look like is that when I set my business up, Well Strategies, I decided to use the pyramids as my branding and the designer that we've got had a slightly different color and shading than what the pyramids actually look like from there.

I want to talk to you about some of the ideas that I've got from those experiences of Paddi Lund and thinking about critical nonessentials and thinking about ways to be different that will have a favorable impact.

The first one is my business card. My business card isn't of standard size. It is presented in a little folder which is pocket size, but it has a real nice quality feel to it and on the inside the card tucks in so you can take that away and it's got the details still in there. It folds over. There's a little biography about me there and there's the eight-stage process that we have around the outside. It's just a little summary of it. What that does when somebody says, "Can I have your card?" and we do an exchange, instead of the "That's interesting," and it goes in the pocket and they forget you straight away, is it gives me a chance to engage in just a few minutes of conversation. It allows me to say why it's different and what we do that's unusual. There's a better chance to be remembered and to be hopefully a bit more impressive than my peer group.

I've got three support staff and my support team members have all got their own personal cards as well. Now, to be honest, they don't need them and they don't use them very often. But, if we have suppliers come to visit the premises and they say have you got your contact details, it's really nice for the team to be able to hand out their own cards. Or to share their e-mail addresses with their friends, because not many friends who work in offices will have personalized cards.

If you ask the team about critical nonessentials, they'll tell you we're a very family friendly firm. They don't work on their birthdays, and if there's anything like a sports day or a pantomime or some sort of play that they want to watch the children for, they just take the time off. They don't even have to ask for it. I don't monitor time. I don't monitor holidays. I don't monitor anything. They basically come and go and do whatever they think are the right hours that they should do. In the bathroom, we've got some nice moulded brown soaps and hand lotions and we try and make the premises for them a nice place for them to work, a happy place for them to work.

This is a folder that we've had designed and we give out. Working in financial services, it's an intangible business. We're always selling concepts. There's no product, nothing to feel or touch. But, within financial services, despite that, there is loads of paperwork that's generated — just bucket loads of paper and valuations and things. Nobody knows what to do with it all. We have quite a chunky folder and they can have as many of these as they want. In the U.K., hole punches are two. I appreciate in other parts of the world they're three or whatever, but we have two hole punches, as typical in the U.K. Hence, it's this deep and we've got little tags down the side for reports or wills or pensions or mortgages or so forth, so that someone can file all the papers and keep them neat and tidy. Obviously, it's got my contact details on the back. So, if somebody has kept all of their key valuable documents in one place and maybe there's a

death claim or something, then the family that's sorting out will say Mark was the guy who knows all about that, and hopefully I'll get a chance to be contacted by them.

So I've run these for a number of years at different businesses and some people have three or four of them and some people just have the one, but it's a nice way to turn an intangible service into a physical product and be useful to them along the way.

Another thing we do which is unusual is my e-mail signature. I remember being at an MDRT presentation, and I've forgotten the chap's name, but he said we ought to be able to summarize who we are and what we stand for in 12 words or less. I did for a while, but I didn't like it. So I've cheated and have more. At the bottom of my e-mail signature, I've put out that "Trusted to deliver a reassuring choice of independent financial solutions with honesty, clarity and confidence." So, that's what I hope I stand for. And, by sending this out on every single e-mail that's new, I give myself a sense of accountability that that's what I actually then have to deliver on. Sort of a mini ad or promotion for what I hope to be delivering for my clients.

David Batchelor is a TOT member from the U.K. and he's a prolific fee charger, as anybody knows David well, and I've paid him lots of money over the years. But one of the things he did I thought was quite nice is he sent the receipt back in a thank you card. He had his logo on the back of it. So I've got nice, white, crisp thank you cards with our details on the back. Boxes of these printed up, so I'm living with an "attitude of gratitude" to try and look out for people who've done nice things for me or referrals or instructions or something that they've done which I appreciate. I think, in this day and age, life just goes a little bit too quickly. We don't actually spend the time to say thank you enough. And, if we do, it might be just a verbal thing or an e-mail. But there's not that many times in these days that people take time to write something down, stick it a stamp on it and mail it out as well. So, here's a chance to be a little different and to hopefully have a more lasting favorable impression.

Another thing we do is ask for feedback cards. Now that my branding is with pyramids and usually it's got an eye above it to help people with vision creation. On my feedback cards we've got little smileys. Did we impress you is the top one. Did we disappoint you or was it something else on the front page that we mail out. Then we've got six questions that we ask down the side to see how we're getting on from there.

For example, what do you think we do really well? How do you think we could improve on this? How would you describe us to someone else? How do you think we could best market ourselves to you? What could we do for you to refer us to someone else? And finally, can we have your permission to use your comments on our testimonial section of the Web site? So, we send those out to get some feedback from clients.

Just before I came away there was something on the news in the U.K. One of the counties in the U.K. is called Devon. The Devon police were issuing feedback questionnaires for people that they had kept in custody. Sometimes you shouldn't be surprised by the feedback. The feedback they got from the people who had been kept in custody was twofold. One is they didn't like being accused of committing a criminal offense. Secondly, they didn't like being locked up and

prevented from going home. So, sometimes the feedback isn't as useful as you might hope it was going to be.

We do birthday cards. Lots of people do, so these again have been branded. They're slightly larger than normal and they sit portraits on people's mantelpieces. But it's quite vibrant and quite striking the imagery and the branding that we've got. Again, it's got the contact details on the back just in case any of their friends visit them and say "Who's that from?" They say "Oh, it's from my financial advisor Mark." That alone prompts two, three, four inquiries a year where people have had a birthday card with a little note inside it that says we must get together, must have a review and we generate some more money as a result of sending those out.

Another thing I do differently is use personalized notepads in meetings. Lots of people use white or yellow legal pads such as we've got at the back. What I do is take my ordinary business stationery. It's nice quality paper with all the logos on there. When I'm doodling and writing notes and selling concepts, I do that on branded notepaper. Sometimes clients want to take that away with them as a reminder of the message that we've been talking about. Again it's nice touchy feely and it's nice branding and locks the whole thing in for them.

We do pocket diaries and desk diaries, nice leather things as a year-round chance to remind them of me with the e-mail and contact details on there. I appreciate that, more and more, people are using electronic calendars, but I've still got lots of people who say they actually like something on their desk or in their handbag.

Forty years ago, a U.K. Top of the Table guy said that he had a drinks menu. So, when we set up this new office, we got a really nice drinks machine and we have a drinks menu. When people come visit us we don't say, "Do you want a drink?" or "Do you want tea or coffee." They're handed the menu. "Would you like to select a drink from the menu?" They still want tea or coffee, but that's what we do.

Since I went to Egypt this summer, I also brought back some nice china mugs with pyramids on them as well, just to enhance the branding of the pyramids within the office premises as well.

Now some of you might think that looks like a barn on a farm that's been converted to a business park, but actually it's the worldwide headquarters of Well Strategies. We trade from a little farm out in the countryside, really nice and peaceful. Plenty of places to park and half the rent of main town centers. There are two reasons for this picture. One is that under each of the windows we've got hay mangers with flowering baskets all year round, so we've got pretty things to look at. The second thing is on each of the windows we've got branded blinds as well. We've got "Well Strategies" with our e-mail address and we've listed what we do on the window. So, people driving past have half a chance to know what we're doing. It's a bit of advertising or branding in there as well.

Lots of people now do nice client appreciation events. I like to spend some money back on the clients, so we'll take people on the boat. We've taken people to Wentworth Golf Club, which is the home of the European PGA and they do a world match play event there. I'll take people to Cartier Polo, where the royals often are playing in polo matches. Jonathan Palm was a Formula

One driver. He's got a racing school where we've taken people. We've taken people to the opera. So we spend a bit of money back on getting a chance to spend time socially with clients and giving them, hopefully, some nice experiences as well.

One thing we did earlier this year, was redesign my Web site. I had a professional Web site done — lots of nice features on there. If the technology worked really well the next click will show you something about my Web site. This is what happens when people first view the Well Strategies Web site.

[plays audio from Web site]

That does a number of things. First of all, it's still quite unusual to have a video when you first launch a Web site. It's been turned off today, the streaming, but the technology is such that it recognizes that a computer has already been to the site once. The video plays the first time someone visits it and after that they've got to choose to do it — so they're not bothered every time they visit the site to have that video appear. What it's done is, hopefully, it shows that we have some differentiation, we're unusual. I'm not sure they listen to the words on that, but it's quite a big filter in there. If you're shopping around or you're looking for something cheap, go away, this isn't the place for you. If you are looking for relationships and long-term stuff, this is the place, come on board. So it acts as a filter, I don't want people just bothering me all the time but if they want something serious long-term, then this is the site for you.

So I spoke earlier about Paddi Lund and his welcome book. I thought that was a good idea. I'm going to spend the next few minutes going through some of the pages. What I decided to do was have a welcome book as well so that when I have an inquiry for a referral or an introduction to meet somebody new, we'll post this out in advance so they've got half a clue who we are and how we work and some of the things that we do that are different.

I'm not going to go through every page. This is on the opening page. The second paragraph: "At your initial consultation, which is entirely at our expense, we will explore how we can work together." Now, I put that in because lots of people in financial services, say that the first meeting is "free." I've got a problem with saying something is free because, if it's free, it's not appreciated and it's not valued. So my time has a value, has a cost, but I'll actually meet the cost for them. So, we never say anything is free, but we always use the expression "it's entirely at our expense," rather than it's "free."

Then, the next six questions I really want to find out from them: what their previous experience has been and what it is they're looking for. For example, what do you expect from a first-class financial planning consultant? Why is that important to you? What would it mean to you to get that level of service from us? What things have you valued in the past when dealing with a financial consultant and why? What things have frustrated you in the past when dealing with a financial consultant? And finally, if you had used a different financial consultant in the past, what prompts you now to talk to us about your future financial objectives? So, it gives me a chance to know what their problems are, what they're looking for and it positions the relationship before we kick off.

There's a page or two about biography and some other introductory remarks. Then I set out on two occasions within the book that we've got full criteria for accepting new clients. It amuses me because I think often clients presume that you should just accept them if they say I want to work with you. They assume we'll take them on. So, by the very fact that I say to them that I've got criteria before I'll take people on, it positions me as taking myself a little bit more seriously.

So the four things that are important have all come about because things have gone wrong in the past. Someone said what would be my criteria. It's come about because some things have not worked in the past and I want to avoid that and have a better life going forward.

The first one is that we have to like and respect each other. If I sense that someone doesn't like me or I don't like them, then really we'll just exit the meeting quite early on. We say you know, I'm not really the right fit for you or we think you can get better service from somebody else. I just won't work with them. There's so much energy goes into planning and the work with clients that if I'm not happy to see somebody, I'm not happy to hear from somebody, I don't want to work for them. The phone comes in and everybody goes "Oh, it's that client." Or you get an e-mail from them and there's an energy sapping if you don't like them. I don't want to work in an environment where my energy is being sapped. I only want to work where it's being enhanced. So you have to like each other.

The second thing is that their time has to be valuable to them. Every so often you come across somebody, you make a recommendation and they want to go and research it themselves and look up on the internet and read all the magazines and come back and test it. You're totally entitled to do that if that's what you want, but don't come to me and expect me to do it and then you double-check it. So, if you come to me, trust me. Delegate that part of your life to me. If you want to do it yourself, then go off and do it yourself. But don't do both at the same time.

Thirdly, you've got to have future economic needs. There's going to be something else that I can do for you going into the future. For example, if you had won the lottery and the money was already invested and there's nothing further to do for you, then there wouldn't necessarily be anything for me to do for that client. So, I have to see a need and see that I'll be able to do things for them that will benefit them, otherwise I won't take them on in the first place.

And finally, they have to be happy to follow my recommendations. If you've ever had situations where you've done a lot of work, you've made your presentation, given them the report and they want to think about it. They're not quite sure. They just drift and drift and drift and it never gets anywhere. I want people that are happy to follow the actions that we've made. And that will flush them out because, if they don't want to do that, then they're not really the sort of clients I want to work with anyway. So we spend a bit of time talking about that in meetings as well.

We go through a quite a few pages about how we are remunerated. As you heard this morning's session, in the U.K. commission is being removed by 2012. So, we set the scene around the fact that, in the past, we worked on commissions. We worked on transactions. But, going forward, that isn't going to be an option. We have to explain to them that we have to be paid for advice and relationships as well as for outcomes and transactions. We'll go through a couple of examples within there about things like doctors. You wouldn't expect a doctor to have to

perform an operation to get paid. Sometimes the consultation is more valuable than having a procedure. He shouldn't be transaction driven. It's the advice and the investigation that needs to be paid for. So, we go through a bit about the background for that, the changing marketplace and what's happened.

I wrote this out but then I had a professional copywriter go through it all and so what he's done is he's taken my words on occasion and put them in italics and quotes and things like that. He thinks it appears better.

One of the things that I particularly like is a quote by John Ruskin because throughout the book we speak about the importance of value. I emphasize repeatedly through it here that we don't work on an hourly basis. We don't want to work on a time/cost basis. We want to work on value.

John Ruskin wrote the following. He died in 1900, so it would have been 1800 and something that he wrote this. "There is hardly anything in this world that some man cannot make a little worse or sell a little cheaper. And the people who consider price alone are this man's lawful prey. As it is as unwise to pay too much as it is to pay too little. When you pay too much, you lose a little money that is all. When you pay too little you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do. The common law of business balance prohibits paying too little and getting a lot. It cannot be done. If you deal with the lowest bidder, it is as well to add something for the risk you run and if you do that you have enough to pay for something better. Quality is never an accident. It is always the result of intelligent efforts."

And, a hundred and something years later, I think that still remains true.

I've bought a number of Mercedes cars over the years, and on the very first occasion I bought one, the Mercedes dealer became a client. It's funny how that works. But he got that in a report and he likes it and it's laminated on his desk so when he has people try to buy cars from him and they say that's expensive he brings out the value quote to say that you've got to pay for quality, that's the importance of it from there.

When we work with new clients now, they've got a choice of three membership levels. We've got a reactive service, a proactive service and an interactive service. By default the majority of my existing clients are in the reactive camp. We've done something for them in the past. They're staying there. They've got no expectations from me formally, but if they want to become a proactive or interactive client, they have to start paying me a retainer and getting on board for that. We've got two different services just for a modest monthly fee, but we set down on a menu what we'll do for you and for that monthly fee. So this is the expectations of what we'll deliver for you if you pay us a bit more and we add to that for the interactive service as well.

A printout within the welcome book, that's the page on the Web site when I said please enter the site now. This is the screen print of our unique eight stage process. On the Web site these light up and then there is a description behind each of the eight stages as to what that means and how

it works. In the welcome book we've got the same eight stages. We've got the vision creation strategy, the discovery process, the value appraisal report, the gap analysis, the protection foundations, the wealth preservation advantage, the retirement maximization program and the implementation service. Behind each of those you've got descriptions of how that works for them. So, before I've even met somebody, they've got an idea we have a unique process and how it's going to operate for them.

We have an indicative fee structure for each of those there and I sat that against the background of an iceberg. The reason I use an iceberg on that is a bit of a metaphor. As you probably know less than 10 percent of an iceberg is above the water. That you can see. That's visual. More than 90 percent of an iceberg is under water. That you can't see. My explanation of that to clients is the time we spend face-to-face is perhaps 10 percent of the time that my team and I will spend working on your affairs. So don't just judge us on the face-to-face time. The total package of the work we're doing for you is probably nine times as great as that. That gives me a little bit of a chance to explain that to them as well.

We have two pages of commitments. My commitments to clients: if you come to us as a client, this is how we will treat you. This is what we expect to deliver to you. And as importantly: your commitments to us. You will return phone calls. If we send you some forms, you will send them back. You'll be courteous to the staff. You'll act in a certain way. If anybody was ever rude to the team, then they'll just be let go. I'm not going to have my team get any of the stress that clients might experience. So, we say right at the beginning that we want to be professional and courteous to each other.

We give them an example of the client retainer agreement that we invite them to sign and we also have a page about my USPs: my unique selling points. Somebody asked me once, "Well, what's the USPs? Why should I come to you?" So we wrote them all out and we put that in as a bit of self-promotion in the book as well.

And finally we have a code of ethics for the U.K. Association of Personal and Finance Society so that they see that we act to professional standards as well. There's about 30 pages and it gives them a clue as to how we operate from there. That goes out before the first meeting.

When I then have a meeting with somebody, I used to try and work out with NLP about the way their eyes went and their body language and what it all meant. But as a bloke, I can't multi-task. I can't have a conversation and listen to them and try to work stuff out. So, I just ask easy questions now. I need to know from them: what's their preferred information style, how do they like to receive information. As you probably know, some people like to see pictures, some people like to be spoken to and just listen to it. Some people like touchy feely, so just ask them. What is it you prefer? What is it you like to have? Then I can talk to them or I can make sure all the dealings with them is in the style that they prefer.

It's important to know whether they're big-picture, just broad brush stuff, or detail. If it's a teacher or engineer then they obviously want all the detail. Other people just say, "Well, no use for that. Just tell me what to do." You don't need to drill down for someone who wants the big picture. And, you must drill down if somebody wants that. You need to understand how to work

there. I want to understand from them about how their goals work, whether they're motivated toward something or motivated away from something, so that I can phrase and I can present my conversations in that style.

For example: in retirement. I don't want to be poor in retirement. I don't want to be this. Or, I do want to be rich and I do want to be comfortable. Most people in their language they'll either say "This is what I want" or "this is what I don't want." What that would mean is if I'm talking about retirement planning, I'll say if you do this retirement plan it will do this for you or it will avoid you having these things — so that we get a better connection, so we're going with the flow of the way the client thinks and the way the client operates from there.

Not everybody knows how they make decisions. But, if they do, it's quite important to try and say when you make big decisions how do you do those. It might be talking to a partner or an accountant or "I like to read all the brochures first" or "I like to sleep on it for a few nights and then I'll make a decision." There's no point in pushing somebody if they need a few days. There's no point in pushing them if they need to speak to their partner before they make a decision. So, I want to work with them in the best way that they're most comfortable with in making decisions as well.

Whenever possible, we'll use the R factor. Again, something that Dan Sullivan suggests that we use. Nice easy question, if we were to be meeting here three years from today, what needs to happen both professionally and personally to you for you to be pleased with the progress? That does two things. If they don't see a future with you, they don't see a relationship with you, then they can't answer that question because they can't answer what it's going to be like in three years time. And, if they can see a future with you, it will answer their expectations in what they're looking for. That gives me a chance to try to make sure I can deliver on what it is that's important to them.

Hopefully, before we've met with somebody they've had a chance to visit the Web site. They've had a chance to see the video, which is unusual. They've had a chance to see an unusual business card. They've maybe had a drinks menu. They've maybe seen that we've got this folder. There are lots of things that we do which are unusual and are different and demonstrate that we take ourselves seriously. The inference is that we're going to be taking them seriously as well.

When we then get into the advice stage, we've already hopefully created credibility and we've already got to the stage where we are understanding what's important to them, what their goals are, what their stars are and how everything works from there.

I am going to invite some questions before the presentation closes. I want to come back to have closing remarks after the questions. And the reason for that is the middle picture is Victoria Labalme. She spoke at the meeting in Indianapolis in the summer and she's the lady that came on, danced around, did mimes and everything else. Again, I chose to learn, so in the Power Center she had DVDs about how to make a slam dunk presentation without Power Point, and I've got 52 slides so obviously I ignored that piece.

But what she says is you should never finish a presentation with questions and answers because you've lost control and you don't actually know whether there are going to be any questions or you're not sure how it's going to go. We're going to have questions and answers slot now and then I'll just have a minute to close the end.

Q. I noticed the fees that you charge for the various slots that you have there for retirement. Do you charge commission as well as that? Do you rebate any commission at all? Or, do you take full commission and also take a fee for the process?

A. Yes, no, yes. I do take commission. I don't rebate the commission and so we charge for the process, that's to do the process. Commission sits on top from there.

Q. Kent Larson, ChFC, Las Vegas, Nevada: Do you have a minimum investment dollar or pound amount?

A. No, I don't. I know lots of people do and that's important to them, but the full criteria that I set are the only things I work on.

Q. Followup. Are any of your other staff licensed in the United States?

A. No.

Q. You're the only one? So you do all the work for the client and you don't farm that out to anyone else?

A. No, I carry the responsibility for the advice. I'm regulated to give the advice and the support team does the administration and the research and the compliance paperwork and things.

Q. Do they do the research or do you?

A. They do the research. They prepare it, I evaluate it and present it, but they get it ready.

Q. Lee Clarke, CertPFS, from Cardiff, Wales, U.K. I think you said you had three types of clients. You only told us two of them that I seem to remember — the reactive and the retained. What was the third?

A. Not types of clients, it's types of service we offer, a proposition that we offer. So, we have reactive, proactive and interactive. The third one is just twice as much fee and a few extra things that we'll do for them. I understand from research that most people will pick a middle option if you give them small, medium and large, most people will go for middle. And, so, if you're going to set a proposition up, be happy with the middle option. So the middle option is the proactive and that covers most people.

The interactive, to be honest, the people who would qualify for that, they get that level of service anyway because they're doing so much business that I fuss them to bits anyway. So, they get that but they don't realize that that's what they're getting on the existing ones.

Q. Ralph Antolino, Jr., JD, CLU, Columbus, Ohio: On behalf of all of us thank you for a great presentation that you've obviously put a lot of time and effort into. Two things, a rough idea of the financial and the time commitment it took for you to package all of your processes in this wonderful book that you have and the branding you've done. Can you give us a sense of when you got the epiphany to do this and how long it took you and the financial resources you have to dedicate to it.

A. Over a period of several years. It's evolving. And it's evolving still. Just the week before I came across, I've redesigned the welcome book now so my printer can bind a book and personalize it with a name on. So Ralph's name would be on it and it would be bound like a proper book and they're going to do that for me on a one-by-one basis. So that will be a new change that I'll do by the end of the year. It isn't a done deal, it's something which is evolving constantly. I've got no idea what it's cost me, I just pay as I go really. Some of it's to do with strategic coach as I go across and learn things and spend time thinking about my business, I then come back and implement it. But, I'm not very fast at getting things done. Sometimes it can take me months and years to complete a good idea that I've had. You go back and you're busy working on the clients rather than working on the business, so it's trying to get the blend between the business and the earning the money working in the business as well that's key.

Q. It looks marvelous.

A. That's very kind, thank you.

Q. Mark Dorfman, CLU, ChFC, Lynbrook, New York: Thank you very much. Your presentation was excellent. I think there's a lot of good things I can take away from that. I see you've put quite a bit of time into packaging the way Ralph has pointed out so I have two quick questions. One is, do you have a formula for your elevator talk? Do you say kind of the same thing all the time to attract people when you meet them casually? And also, do you have kind of a prepackaged way to approach your referral requests?

A. They are very, very good questions which unfortunately I don't have very, very good answers to. I've thought about an elevator pitch a number of times and I've written out some wonderful ones. But, at the moment, somebody says "What do you do?" and the brain goes south. So, I haven't learned and engrained anything that I feel happy and comfortable with that I use repeatedly, would be the honest answer to that.

And the second question, I don't really say too much about it. I hope that the experience they get from working with us pleases them. We have an agenda that we work to and one of the items on there is introductions so I ask them there, but I don't really have any fancy questions. I hope the client's experience they're having is enough for them to use their own thinking processes to who they can introduce me to from there. So, I wouldn't say that I was particularly skilled or talented in that area, but somehow they come naturally. Sorry I couldn't give you better answers to those.

Q. Follow-up, Kent Larson: So you don't do seminars?

A. No.

Q. Because if you only get people by referral or personal contact, then seminars are out. And yellow pages or those kinds of things are out. Is that right?

A. Yes. I'd like to do seminars. I've dabbled at it a few times, but unsuccessfully so far.

Q. So what do you count as personal contact?

A. Networking. I go to networking breakfasts or events. Networking brings in some new people and it's existing people coming back, existing clients coming back for repeat business.

Q. So if someone just calls you, you'll say I won't talk to you?

A. No.

Q. I just want to know how definite you are in that.

A. Well, I'll take client opportunities from anywhere. It could be from referral. It could be from networking. Maybe it might be from the Web site or something like that that somebody's found us from there. But when we first meet them, I'll explain that we meet the full criteria. I'll meet them to start with and there isn't a minimum dollar amount or anything like that. And then we take it from there. But, probably if they've seen the Web site, and we've mailed them a welcome book, they'll have a flavor because what I'm hoping to do is filter out the wrong fit sort of clients and filter in the right fit sort of clients.

Q. ... Kansas City. What will your handout have on it or is there a handout that's posted on MDRT's Web site? I haven't gone there yet.

A. I hadn't planned to have a handout. But, if anyone wants anything, ask me what you want and you can have whatever you want.

Q. If we go to your Web site?

A. The welcome book that I referred to is under "good stuff" on the Website. So, yes, you can see anything that we've spoken about there on the Web site easily.

Q. ... Sidney, Australia. We're going through the whole commission restructure and fee restructure that you have probably just gone through. Are you going to lose the commissions on your life insurance products?

A. I think that's evolving. I understand that, on life insurance, we can still have commission. It's on investment business that commissions are going to be removed. We have to agree it with clients so it's called "customer agreed." If a customer agrees to an amount, we can then take it from their investments. But, previously it had been set by the providers. So, they would say, if you sell our product, this is what the remuneration will be. Now it's going to be set between the

advisor and the client for investment business. At this stage, I believe we're still going to be able to keep the protection, life insurance commissions, but who knows with governments.

Q. ... Toyko. [female translator] Within two or three years, I'm thinking to go independent and, when that happens, I'd really like to pay a visit to you and be able to learn from you in terms of the materials you use and the presentations that you are putting on, and I'd like to get the most updated version. The one request I have to you would be if you could have for me Japanese tea on your drink menu.

A. LOL...

Q. The rate that you mentioned for the various services, these are prior to the removal of the commissions?

A. Yes.

Q. So when is this new system coming on board?

A. By 2012. So it's happening now. There are now companies which have stopped paying us commission already and that will probably be accelerating. We expect it to be fully implemented by 2012. It's partially with us now and there are a few companies still paying commission and many that aren't. But apparently by 2012, it's all finished.

Q. So now in the new regime, what are the kinds of strategies you are looking at for charging a fee? Is it linked to the assets of the client you are managing? Is it a fixed fee for a service?

A. What we'll do is we'll have monthly retainer just to be a client. We'll have fees for each of the eight stages that we work through, our unique process for them. And, then there will undoubtedly be a percentage of investments, be it pensions or investments, an initial percentage and a percentage for assets under management as well. So it is an ongoing, recurring thing. It will be pretty much the same as it is now, it's just that we've got to call it a fee. We've got to pre-agree to it rather than be paid it by the insurance companies, which has been what's been happening so far.

Q. So when you say initial fee, it's like when you sell the product, instead of the upfront commission coming from the product manufacturer, you charge it from the client?

A. That's right.

Q. Would you continue to get a fee from the product manufacturer or that is also being abolished?

A. We would expect to be able to do that because that's where you get value for your business and that's where you need to grow the business from trail commissions. I'm hoping and expecting that we can still be able to charge trail fees going forward.

Q. So you charge upfront from the client when the product is sold?

A. Yes.

Q. You charge percentage of the assets under management?

A. Yes.

Q. And you get a trail fee from the product manufacturer?

A. It will be from the client's assets. It won't be two trail fees, it will be a trail fee. It will come from their investments, but they will have to pre-agree it. And, then we give that instruction to the provider to pay it across to us.

Q. But for assets under management, you would not be charging a fee from the client.

A. There's a choice. Some advisors will be that way, some advisors will say write me a check every year and some will have the money deducted from the assets that they're looking after. There's a choice between how that's done. Part of the deal is to increase the transparency so that the clients know where the money is coming from and how it's being paid.

Q. So it's your choice or the client's choice to inform the product manufacturer of the fee, when it should be given.

A. It's meant to be the client's choice, but we negotiate with the client and we agree with the client how it works, yes.

Thank you for those questions. That has been appreciated.

So, just in closing, what I wanted to say is that over the years I've confessed that sometimes I haven't got it. I haven't got MDRT for 18 years and I have got the importance of life insurance. But what that's registered for me, then, is that life gives us lessons and we're choosing to learn from those lessons. So, when Clive Woodward did his presentation I chose to get the book. I then learned about critical nonessentials and I chose to implement them. I learned about the welcome book and I chose to do that as well.

I'm now looking out for opportunities to learn. I'm looking out for opportunities to have my business run differently, which hopefully will increase the value to my clients and hopefully increase why we're different from our competitors and why hopefully we'll be able to stay in business.

That's what I've learned. What I hope for the attendees here is that it's either reminded you of good things that you're already doing or maybe given you a couple of ideas which will be helpful for you to take away, because, in the last nine years that I've been at MDRT, everybody has been really kind and I've had loads of ideas from you. So it's my chance to give something back to you. So thank you for that.

Mark R. Hynes is an eight-year MDRT member with eight Top of the Table qualifications. A Diamond Knight of the MDRT Foundation, he has volunteered on MDRT committees. After working at the Bank of England for four years, Hynes entered the financial services industry in 1981, where he has remained ever since. In 1994, he became a financial advisor within Quay Associates, and then set up his own business, Independent Money Matters Ltd. In 2004, he was a finalist in the Financial Services Sales Professional of the Year, in association with the Chartered Institute of Marketing.

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