

The Innovator's Edge: Insurance Sales in the 21st Century



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Introduction:

The Innovator's Edge

At the recent NAIFA Sales Summit, I spoke to a woman whose business is down. She sells health insurance, which due to Obamacare, is taking a big hit. She knows she needs to sell other products, like life insurance, in order to stay profitable and competitive. I asked her why she hasn't branched out already, if she knows that's the key to continued success. "I'm too busy," she said.

But I think there's a different answer. "You're not too busy," I told her. "You're afraid of success."

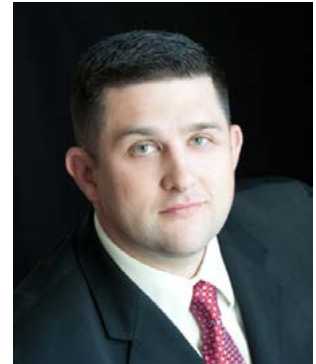
To help her see my point, I asked how many of her existing clients would buy life insurance, disability insurance, critical illness, or other products that pair well with health insurance. I gave her a few ballpark figures to choose from: 1 in 20? 1 in 10? 1 in 5? She answered, "1 in 5."

Next, I asked her how many clients we're talking about. She told me she has about 1,000 clients. If we do the math, we're now talking about approximately 200 people she **knows** who would buy more insurance if she offered it to them. Yet she's never tried to make that sale.

Why?

What's going on here?

I started thinking of real-world examples I could give her where this kind of strategy works well. Best Buy instantly came to mind. If you've ever bought a new camera or computer at Best Buy, you know they offer (and make a great deal of money on) third-party warranties. But it's not their "salespeople" who offer this—it's the cashier who asks if you want extra protection for your new phone, camera, or computer.



*Ryan Pinney
Vice President,
Sales & Marketing*

Best Buy has the art of offering warranties down to a science. The cashier gives you three options, none of which are, “I don’t want to buy a warranty.” This is the model more producers need to use. So why don’t they?

They’re afraid of success.

Why? Because as soon as you get that first client to say “Yes, tell me more,” you have to know what happens next. You have to sell a new product, which requires specific knowledge you probably don’t have yet. The truth is that many agents aren’t willing to invest the time needed to acquire that knowledge. They’re actually afraid to ask their clients about new and different products in case they say yes.

So I pose the question to our industry at large: Is your fear of success holding you back?

The reason we don’t go after the things we want is because it’s hard. When it comes to growing your business, you have to be able to sell a new product, and there are lots of barriers to that. But don’t be afraid of something just because it’s hard. There are ways you can leverage people and companies who have the specific product knowledge you need.

Your first step is asking that client whether he wants life insurance, disability insurance, or critical illness insurance. Get that “yes” and you’ll find ways to make the rest of the process happen.

Your second step is finding a partner to support you as you expand. For example, you could partner with a BGA that knows the ins and outs of the product(s) you need to sell. Your client never has to know you aren’t the expert. If they ask a question you can’t answer yourself, all you have to say is, “I don’t know, but I’ll find the answer.” Ask your partner for help, get the training they offer, and turn your fear into success.

That’s what Best Buy did—they partnered with AIG to provide their Geek Squad Protection Plans. They didn’t re-invent the wheel by trying to build and manage their own in-house customer service contracts. They went out and found a turnkey solution provided by an industry leader, so they could get back to doing what they do best—sell electronics.

You don't have to be afraid of success. If I can do it, so can you. In this eBook series, I'm going to share all of the tips and strategies I've used to bring my business into the 21st century.

In this book, you'll get a very broad overview of my philosophy for insurance sales as we move forward. Then, in the rest of the series, I'll give more in-depth explanations and specific suggestions for implementing the strategies I talk about here. You'll also find links scattered throughout the book to other helpful guides I've created and used in my business to help with things like social media strategy and standardizing workflow.

Chapter One

State of the Industry

“Technology is a double edged sword. Just as sales people are moving into the future, the buyers are already ahead of us.”

- Koka Sexton

There’s no question that our industry is in a state of flux. From the rise of internet direct marketers to the growing number of uninsured middle market consumers, the threats and challenges we face are huge. The biggest problem of all is convincing our customers that we provide value. To do that, we have to take a hard look at our industry and ourselves—and define our value here first.

More Competition, Less Differentiation

In 1970, my father began his career as an insurance agent with Prudential. He learned about the products, how to present them to prospects, and what to say if a client objected. The system he learned was proven and worked for decades. All he needed was to find prospects willing to talk about protecting their families or businesses. As he says, “The only people who buy life insurance are people of character who love someone more than they love money.”

While I agree with his statement, a lot has changed.

Today, competition for producers and agencies is fierce. Recruiting and retaining top producers, key employees, and your best clients is an ever-increasing

***“The bad news is time flies.
The good news is
you’re the pilot.” - Koka Sexton***

challenge. Over the past 40 years, our industry has moved away from value and toward the commoditization of our products and services. Unfortunately, these problematic trends are not going away.

To make matters worse, the sales and service models for our products have changed, too. Technology allows us to do more with less. We have more data, more options, and better prices, but we’ve lost the personal touch and “value adds” that made our industry great.

In fact, our industry—specifically, how a consumer buys products—is changing faster than we’re adapting. While consumers still “love someone more than money,” the way they shop, make decisions, and buy has fundamentally shifted.

A Changing Industry

So what's next? The rise of internet direct marketers changed the value proposition for most consumers. Society doesn't buy products and services face-to-face; instead, we turn to search engines, mega distributors like Amazon, or recommendations from friends, family, and even strangers.

Over the horizon, new technologies are looming that will redefine the industry: complete sales automation, data-mined target marketing—sometimes called “Big Data Marketing”—and alternate distribution models that we can't envision yet.

Imagine Facebook becoming the largest insurance distributor in the world, with one billion potential clients who already tell Facebook when they get married, divorced, have a baby, buy a home, get a new job, or retire, all without prompting. Now that's a truly awesome prospecting list!

So how are some advisors innovating and accomplishing more with less? How can they spend more time with their best clients, yet provide service and support for their most needy and problematic?

3 Key Themes for Insurance Sales in the 21st Century:

- Pricing, underwriting, products, and service don't matter
- What I "do" doesn't matter until it's about the client
- Sales funnel based on conversion, up-sell, cross-sell, referrals



They avoid the common traps many of us fall into and understand the secret of leveraging new technologies and process improvements. More importantly, they understand that pricing, underwriting, products, and service don't matter.

Let me say that again: they understand that pricing, underwriting, products, and service don't matter...at least not in the traditional sense.

Don't believe me? Let me prove it.

Answer this question: Can you honestly say you have a broad portfolio of products, and that because of your experience, expertise, industry relationships, and underwriting knowledge, you can find the best products, at the best pricing, while providing excellent service to help your clients meet their needs?

A Changing Industry

Fierce competition

- + Producers & agencies are seen as commodities
- + Lost the "personal touch" that made our industry great
- + Consumers shop and buy differently now

= Pricing, underwriting, products, and service don't matter



Nearly everyone at an MDRT or NAIFA meeting can say the same. So how are you different from each other? To our clients and prospects, we aren't any different.

We lack differentiation and we are seen as a commodity.

We failed to add value in the minds of our future clients and we're losing sales opportunities because of it. We need to change this paradigm—something easier said than done.

Fortunately, I have a few tips that I've used successfully in my own business, and now I'm going to share them with you.

Chapter Two

Customer 2.0, Meet Sales 2.0

“It’s no longer about interrupting, pitching and closing. It’s about listening, diagnosing and prescribing.”

- Mark Roberge

Our buyers have changed, but our sales strategies haven’t. It’s time for a dramatic restructuring of the way we do business, from generating leads to nurturing prospects to mining our existing spheres of influence. First, we have to be able to tell the difference between what our customers **say** they want and what they **actually** want.

The Prospect-Driven Purchasing Process

The first step in becoming a 21st Century Producer is to understand the client of today—Customer 2.0. These individuals are game-changers. Because information is so readily available online, Customer 2.0 has unlimited access to business profiles, connections, products, services, reviews, and more.

When they consider doing business with someone, they look them up on the Internet and ask their friends for advice. Consumers' conversations with each other have more influence on their decision to buy than any marketing effort from a vendor.

Customer 2.0

- Unlimited access to knowledge
- Seeks advice online from mega distributors (Amazon)
- Uses social media to get recommendations
- Doesn't see the typical salesperson as providing value



How do you turn Customer 2.0 into a client?

Customer 2.0 has literally re-invented the marketing, sales, and purchasing process. So how do you adjust your sales methods to accommodate today's prospect-driven purchasing process?

Adding Relevance

In order to sell to Customer 2.0, you have to invent Sales 2.0. The first step in Sales 2.0 is becoming relevant to your customer.

First, you have to educate yourself. Adapting to technology and social media is a must. You'll need these tools to learn more about who your prospect is as an individual. For example, you can use LinkedIn to learn about his or her career or business. Once you know the specific needs and challenges your prospect faces, you have an "in." Actively listening and learning allows you to produce individualized service—solutions tailored to their needs. This will drive them into deeper engagement with you and add value to your service.

Sales 2.0 is all about being relevant, knowledgeable, and valuable. Sales will always be relationship-driven, but you have to get in front of your prospect first and be seen as a knowledgeable resource for them to turn to. It all starts with using technology and social media to gain that knowledge.

Adding Value

Customer 2.0 has specific needs that aren't met by the sales practices used today. The problem is that what consumers *say* they want and what consumers *really* want are separate things. They say they want “low prices” and “great service”—goals that are often mutually exclusive. What consumers really want is value.

For agency managers, this is key. If you encourage your producers to focus on value, they'll be significantly more successful. Let me give you two specific examples that illustrate what I mean by value.

1. **Grocery Store Checkout.** When was the last time you were in a grocery store checkout line and you grabbed a soda, magazine, or pack of gum from the displays while you waited? Did you think about the price? No. In reality, you probably paid more for it than a comparable item elsewhere in the same store or online. So why did you buy it? Maybe it was convenient. Maybe you were thirsty and it filled a need. The key point is that the price wasn't important. It didn't really matter at all. What matters is that you felt the purchase had *value*. Consumers of today are exactly the same.
2. **Moissanite.** Moissanite is almost identical to a diamond. In fact, the sparkle and clarity of Moissanite often exceed a diamond's. These gems cost far less than a diamond, yet diamonds are advertised and sold far more frequently than Moissanite. Why? The strength, clarity, and quality are all similar, but it doesn't matter. People feel the purchase of a diamond has value. Consumers want value in everything. In its absence, things become commodities, and only then do consumers decide based on price and service.

“Selling to people who actually want to hear from you is more effective than interrupting strangers that don't.” - Seth Godin

Once you understand the difference between “what consumers say they want” and “what they really want,” it’s important to give them “what they need.”

Consumers need to hear how you can be of value to them. That’s not a sales pitch about you, your agency, or the carrier you represent. That isn’t important to them because it’s all about you. Consumers want...no, *need*...it to be about them.

It can be as easy as saying, “If you hire me, I will help you define your personal financial goals and create an uncomplicated plan to achieve them. I will help you along the way and recommend any course corrections needed as your life changes.”

Notice I didn’t say anything about the “how” or “what” of accomplishing this, or about myself. I didn’t mention a product or service or give them a brochure. None of that matters until what I “do” matters, and what I “do” doesn’t matter until I make it about them.

Sales 2.0

1. Interact with clients on social media to gain real-life insight about their needs
2. Prove your service has value: “I will help you with your personal financial goals,” NOT “I have a great insurance product for you.”
3. What I “do” doesn’t matter until it’s about the client



TIP: Agency managers, encourage your producers to focus on value.

Chapter Three

The New Sales Funnel

“You don’t close a sale, you open a relationship if you want to build a long-term, successful enterprise.”

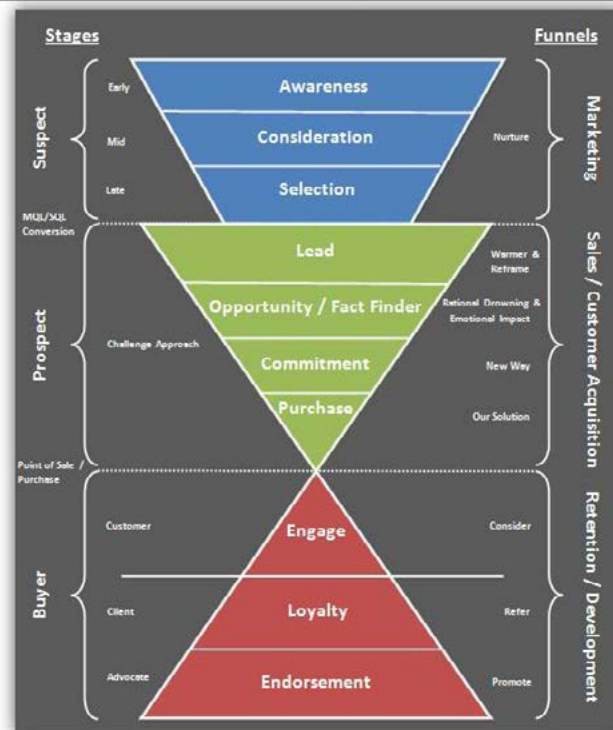
- Patricia Fripp

Most agents ask me how they can get more leads, especially online leads. While internet marketing and SEO were a great way to get leads a few years ago, it’s no longer a good idea to depend on search engine traffic to bring you an easy source of revenue. The new sales funnel will require to look elsewhere to make more sales—and it’s somewhere you probably don’t expect.

Understanding the Four Key Conversion Points

To become a 21st Century Producer, you need an understanding of the new sales funnel. Because of the changes previously mentioned, the sales funnel is now split in several distinct segments. Visualize this as three vertical, interconnected funnels:

The 21st Century Sales Funnel



In the past, you could be relatively successful by simply being a good salesperson. Today, you need to be a top-notch salesperson, world-class marketer, and provide elite customer service. I don't know about you, but I'm a decent salesperson, an average marketer, and my customer service isn't anything to brag about ... yet I managed to sell thousands of individual insurance policies last year.

"Value the relationship more than making quota."
- Jeffrey Gitomer

How? I standardized, systematized, and automated as much as possible. But I couldn't automate until I understood the new sales funnel created by the reality of Customer 2.0.

In this reality, we need to focus on four things:

1. Conversion
2. Up-sell
3. Cross-sell
4. Referrals

Let's talk about conversion points. These are the four key points where:

- A prospect or lead transitions into an applicant
- An applicant transitions into a customer
- A customer transitions into a client
- A client transitions into an advocate

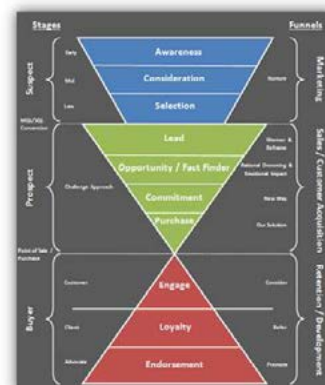
Each point is important. As you look at your practices, you'll likely find that you're doing little or nothing in the top (marketing) or bottom (retention) funnels, and spending all your time on the middle (sales) funnel. This is counterproductive for your current sales efforts and extremely detrimental to your future cross-sell and referral efforts.

Evaluating Lead Sources

I'm often asked how to generate more leads, including internet leads, and while this can grow your practice, I no longer think it's a good way to maintain a practice or generate the most valuable leads. Remember, I'm saying that having generated hundreds of thousands of leads.

Generate Leads with Your Sales Funnel

- **Do:** Focus on existing clientele and centers of influence to find your best leads.
- **Don't:** Spend all your time trying to generate new leads or internet leads.
- Spend time in the top and bottom of the funnel, not just the middle.



Instead, your best leads and sales opportunities come from existing clientele and centers of influence. That's probably not a big surprise, yet how many of you have a standardized, systematized, and automated way of reaching out to these clients and centers of influence? Better yet, how many know how your clients and centers of influence prefer to be communicated with, educated, and solicited for new business opportunities? My experience tells me not many.

That's because today's agents are armed with yesterday's tools, conducting business with the same techniques my father used in 1970. The problem is that most prospects, consumers, and clients are too busy to be bothered by those same old tactics.

Categorizing Consumers

To be effective today, you must maximize each opportunity and customer. This takes a concerted effort and a focus on the metrics of each step in the process. When looking at those metrics, you must know what your conversion numbers are at each stage of the opportunity cycle. For example, what percentage of leads become qualified prospects or what percentage of customers become clients?

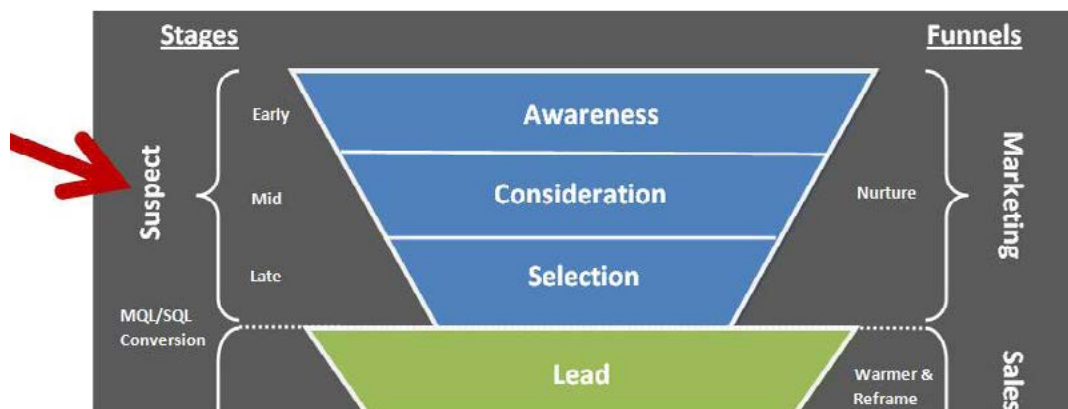
“Listening is the new prospecting.”
- John Jantsch

In looking at your metrics, it's important to identify what stage of the opportunity cycle each consumer is in when you interact with them. For us, we place consumers into three major categories:

- **Suspects** – those that we are proactively marketing to but haven't yet expressed a specific interest in a service or product. These people are underappreciated and often overlooked in the traditional insurance sales model. In fact, a Forrester Research study concluded 84% of these people, specifically the ones that say they aren't interested in purchasing today, will go on to buy from you—or a competitor—within the next 24 months. This last fact showcases the importance of effective communications tools and informational content to help a Suspect move to the next phase of the process.

The Opportunity Cycle

- **Suspects:** Communicate effectively with them; 84% will buy from you or a competitor within 24 months.



- **Prospects** – those that have expressed an interest but haven't actually purchased yet. Most insurance agents refer to these as “leads,” and whether you purchase them or cultivate them, it's where most sales people focus the bulk of their time. Why? Because they are often considered “sales qualified” or “ready to buy.” The truth is that only 50% of consumers in this category are actually ready to buy today. That is why a lead nurturing process that takes them from “interested” to “qualified” to “ready to buy” is so important.

The Opportunity Cycle

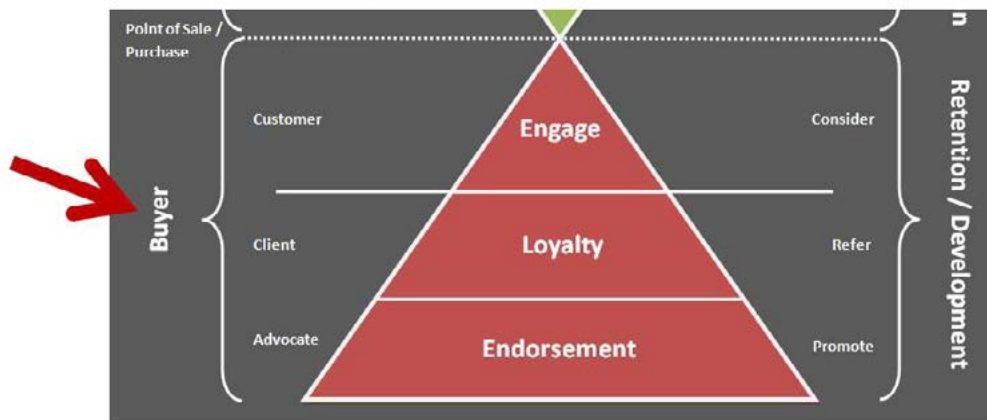
- **Prospects:** Create a lead nurturing process to take them from interested to ready to buy.



- **Buyers** – those that have already purchased at least one product or service from us. This is the most important and neglected category in the bunch. As an industry we talk a lot about providing service, doing annual reviews, and getting referrals, but the truth is that most of us don't actually do so. In our agency, we break this category down into:
 - o **Customers**, or one-time purchasers,
 - o **Clients**, or those that have made two or more purchases, and
 - o **Advocates**, or those that have or make referrals to us.

The Opportunity Cycle

- **Buyers:** Turn customers into clients and advocates; they represent 80% of profits and less than 20% of expenses.



This allows us to focus on and maximize the time spent with each buyer type. In case you're wondering, this last category—buyers, and more specifically, clients and advocates—is the most important and the one you should focus on most. If you look at the metrics—the numbers associated with these two groups—you will find, like we did, that they account for nearly 80% of our profits and less than 20% of our total expenses.

I want to repeat those numbers. They accounted for nearly 80% of our profit and less than 20% of our expenses.

Why? One simple reason: they're the most open to the last three items on our focus list, namely up-sells, cross-sells, and referrals. I'll start with the first two:

1. **Up-sells** serve several purposes, including making each client more profitable to interact with. Up-selling involves adding riders and additional policy options that help the client better meet their goals. This is where we as an industry can add the value back to the products and services we offer, by making them more personalized and client-focused. This is something Customer 2.0 demands – remember, they want it to be about *them*.

2. **Cross-selling** is about focusing on account rounding, the process of adding additional products and services to each lead, customer, and client you work with. The goal here is to provide every option you can to every consumer you interact with. Already sold a customer a life insurance policy? Now is the time to offer income protection or retirement planning. The best time to set the stage for the next sale is right after the first. This is when you should start the conversation about the next piece of the financial planning puzzle, filling coverage gaps, and protecting other parts of the client's life.

Unfortunately, your customers often only remember what you sold them last—even if you've talked to them about all of your services. This is because consumers only focus on what's timely and important to them. This is where having a well-thought out, automated marketing and customer nurturing campaign to keep them informed and engaged is critical.

Remember, with Customer 2.0, you're constantly competing with other sources of information, including your competition, for their attention. To be successful, your content must be relevant and stand out. It's been proven that sending the right message about your products or services at the right time directly improves conversion results.

To get the most out of your marketing efforts, I have a few suggestions for you below.

Up Sell, Cross Sell, Referrals

Upsell: add value for your client with riders and policy options

Cross-sell: add additional products and services with these marketing tips:

- Customize
- Use memorable visuals
- Create an emotional connection
- Solve their problem
- Explain subjects clearly with visuals

Referrals: Use social media to ask for the referrals you want



Marketing & Social Media

Before I go any further, I need to make the following disclaimer. While I did my best to include only practices and tools you can actually use, not all of them are going to be acceptable to the companies and agencies you work with. I strongly encourage you to check with your appropriate regulatory or compliance department before implementing any of these strategies.

With any form of marketing, it's critical that it meets the following guidelines:

- **It's customized.** Marketing materials that don't apply to your recipient's demographic or personal situation are irrelevant. Don't waste your time...or theirs.
- **It's visual.** Consumers are marketed to all day long, from mobile ads to radio commercials to Facebook posts. Use images to stand out from the crowd. Studies have shown they are more memorable than text.
- **It makes a connection.** Visual content is the fastest way to make an emotional connection with a consumer, plus it offers a great branding opportunity. It will take you a lot longer to build rapport with words.
- **It matters.** Your marketing has to close a gap between a financial planning question or problem and the solution. The more targeted your solution, the more likely it can be used to nurture a lead.
- **It's easy to understand.** To explain a complicated subject, try step-by-step visual guides, like the kind you get with TVs, computers, and cameras.

"When you have a multi-tiered sales effort, the first thing you want to do is understand the market."

- Brian Frank

This is a natural point where many of you start thinking about using social media, blogs, and email to deliver your messages. Let me offer a few quick tips about social media specifically:

- First, it's a great communications tool, but it's an even BETTER research tool. That's good, because many carriers and agencies won't let you use social media as a marketing or sales tool, but often have no major restrictions on using personal accounts for research purposes. For example, you follow a client on Facebook. They announce they're expecting their firstborn child. Now you have a reason to call and congratulate them while dropping a subtle reminder that it's time to update their life insurance and financial planning.
- Second, it can be a fantastic tool for creating rapport with clients and prospects. In just a few minutes, you can identify things that are important to them, like where they went to school, recent vacation spots, even a favorite sports team. I'm not suggesting you pretend to be interested, but if you have things in common, make sure to bring it up in your conversations with them.
- Third, it's hands-down the best referral tool you have at your disposal. It's easy to get a list of referrals from your clients, but are they the names you want? All too often, we fail to ask for the right referrals. To be effective, you need a system in place to ask for and receive referrals. Your clients need to know what type of referrals you actually want. And you need a standardized way of accepting them, as well as a systematized and automated way of following up with both the referral and the referring client.

When done correctly, you can get an ideal prospect sent to you with trust already built in because of the referral source. But most of our clients and centers of influence have no idea what type of referrals we really want.

I make it easy for my clients by providing them with a targeted list of prospects I want to be referred to. I do this by looking at their social media connections, creating my list, then sharing it with them. This makes the referral conversation more natural and productive, while allowing my clients to provide referrals I actually want.

TIP: Agency managers, I would point out that you can and should do the same thing when hiring new agents or employees. You should also use this method to help your producers identify key prospects and new business opportunities in their social networks.

TIP: Still not sure how to get started on social media? Download [The 60-Day Plan for Social Media Success](#). In this guide, I broke down the steps to social media success into daily assignments, making a big task a lot less overwhelming. These strategies are the same ones I used when I started diving into social media. If you're not sure how or where to start, this guide is a great place to begin.

Chapter Four

Tools

*“This is not an information age.
It’s an age of networked intelligence.”*

- Don Tapscott

Today’s technology lets us get even closer to our clients and prospects. Social media is a tool for research as well as communication. Analytics allow us to find out what’s working and what isn’t, while your CRM software system helps you tie it all together and use the data you collect to better communicate with your clients and prospects.

Three Must-Have Toolkits

Let's talk about the tools of a 21st Century Producer—tools that will drive the future of insurance sales. These tools give you a way of focusing on the metrics of conversion, up-sell, cross-sell, and referrals. When used correctly, they allow you to do more with less, spend more time in front of your best clients and prospects, and ultimately make you more successful than your peers.

I'll talk in detail about each one of these tools in future books. For now, however, just be aware how each one of these tools functions in terms of helping you move leads, prospects, and clients through the new sales funnel.

Tools of a 21st Century Producer

1. **CRM:** track prospects, leads, and clients; set up automated marketing
2. **Web communication:** email, texting, blogging, social media, website
3. **Analysis & data tracking:** learn how and when your marketing is effective



1. The first thing you need is a database tool or Client Relationship Management system (often called a CRM). A CRM will allow you to effectively track prospects, leads, and clients. It also allows you to set up automated marketing and follow-ups to your database.

Doing so will keep you at the top of your clients' mind, as well as help you track the messages each responds to best. Ultimately, this will help you customize the messages you're sending and target each message to the optimal recipients.

2. Second, use as many modes of communication as possible. Whether it's email, text messaging, social media, blogging, or a traditional website, how they get your information isn't nearly as important as the fact that they received it. Most CRM systems will help you utilize all these forms of communication. If you haven't already, download [The 60-Day Plan for Social Media Success](#) to start building a presence on the social media networks your clients are most likely to use.
3. Third, you'll need to use analytics and data tracking. This information gives you the ultimate edge when dealing with customers and prospects. It tells you things like which emails they opened, how many times they opened it, and how long they spent reading it. You can see which links they clicked on your website, and which articles they read.

Knowing this information will help you identify the specific planning and product interests of each consumer throughout the opportunity cycle. You won't need to guess whether they're interested in retirement planning, life insurance, or income protection—their online activities and interaction with your content will tell you what they are interested in. By the way, a good CRM will help you do this task, too.

Chapter Five

Standardize, Systematize, Automate

“Too often, companies implement social software without clear business objectives or a strategy for making an impact on organizational performance. These efforts typically fail.”

- Deloitte

Once you have the tools mentioned in the last chapter integrated into your practice, the next step is to make your workflow as smooth as possible. Imagine a day when you call in sick or take a vacation—could your staff, assistant, or even a stranger fill in for you? They could if your business is properly standardized, systematized, and automated.

Bringing It All Together

This part of the process is what brings your knowledge of Customer 2.0, Sales 2.0, and the tools of a 21st Century Producer together.

I can't emphasize enough how important it is to standardize, systematize, and automate. You need to take everything you do and standardize it so that you (or your staff) deal with common situations the same way every time. The example I like to use is McDonalds: no matter where you are in the world, when you order a cheeseburger, you know what to expect. They have standardized the menu, the design of stores and uniforms, and what employees say. You need to do the same thing. Good things to standardize include phone scripts and email templates.

Next, determine which tasks can be systematized, meaning which tasks can be scheduled or done on a regular basis by anyone, based on the standardized instructions you created. For example, in my office, we have systematized emails, phone answering protocols, voicemail scripts, client fact finding, how to conduct annual reviews, and client correspondence during the application and underwriting processes.

Once a task is systematized, you can move to automation. This is where you use technology, things like a CRM system, to automatically complete the tasks that were previously standardized and systematized. Automation is particularly relevant to your marketing, client communications, sales meetings, fact finding, and annual review processes.

A Work in Progress

A good example and great place to start with the “standardize, systematize, and automate” concept is your email. First, start by standardizing common responses, signature blocks, color schemes, and logos for your entire team or office.

Next, systematize when you and your team read emails, how they are sorted and filed, and who handles which types of message. This part of the process should result in an itemized checklist that will ultimately be used to automate your processes.

Thirdly, use your email system rules and alerts—a common feature of every major email distribution system—to make the processes previously established automatic. I have been able to save hours every week applying these rules.

There’s one final step you have to perform—I call this requirement the “Rinse & Repeat” process. The directions on a shampoo bottle read, “For best results, wash, rinse, and repeat.” It’s no different with marketing and the drive toward automation. For me, this is a reminder that I need to constantly review my processes and look for ways to more effectively market, communicate with our clients and centers of influence, and process paperwork. It also helps us remember that the process of improving is continuous—we need to stay diligent and avoid complacency for the best results.

Developing the Innovator's Edge

Today's competition may be greater than ever, but you can have the Innovators Edge—tools and resources that will help you succeed! Take advantage of it. Accomplish more with less work and time by leveraging your knowledge of the three themes shared today:

- Pricing, underwriting, products, and service don't matter.
- What I “do” doesn't matter until I make it about the consumer.
- The future of insurance sales will focus entirely on the metrics of conversion, up-sell, cross-sell, and referrals.

Doing so will provide your agency with the Innovator's Edge, and allow you to thrive in the 21st century!

About Ryan

Ryan Pinney is a six-year MDRT member with six Top of the Table qualifications. A regular contributor to financial publications such as Bankrate.com, Yahoo! Finance, and Fox Business News, as well as PinneyInsurance.com, he is a sought-after expert in using technology to drive insurance business and streamline the application and underwriting processes.

He leverages his experience with search engine optimization, social media, and online marketing to assist agents and agencies alike create their online presence and profit from it.

Utilizing the same principles and technology his firm provides to agents, his agency sold more than 16,000 policies direct-to-consumer over the internet last year.



*Ryan Pinney
Vice President,
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Get the industry's latest news, tips, and trends from Pinney Insurance on social media:



The Innovator's Edge: Insurance Sales in the 21st Century



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The Innovator's Edge:

The Insurance Matrix



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Introduction:

The Insurance Matrix

Thank you for downloading this book to learn more about the way we do business! I enjoy sharing what I've learned over the years because it's one of the best ways to give back. I've learned so much from people I met at conferences and annual meetings. It's one of the greatest benefits of being active in our industry. You never know when you'll get your next great idea—it might be sparked by any of the topics or presenters, or even a casual conversation.



*Jan Pinney
President / CEO*

I also want to help as many of you as possible qualify for industry benchmarks such as MDRT. 95% of producers never qualify for MDRT, and 95% of those who do qualify never make Top of the Table. It's my hope that the advice I share here can help many of you change that.

In this eBook, I'm going to share three key pieces of advice that I've used over the years with great success:

1. Use the insurance matrix.
2. Partner where appropriate.
3. Limit time spent on administrative tasks.

If you incorporate all three of these into your business, I'm confident your sales will grow exponentially.

The Insurance Matrix

The insurance matrix is possibly the single most helpful tool for life insurance agents looking to take their sales to the next level. I used it quite successfully in the late 1970s, and it still works today. It's much more common in the Property & Casualty world, but frankly, I'm not sure why the matrix hasn't caught on in life insurance sales. It still stands out in my mind as the #1 idea that can catapult you to a quantum leap in production as soon as you apply it.

Getting Started

I first learned about the matrix in 1979. I was flying home from an MDRT meeting in Chicago. On the plane, I sat next to a man named Herb Howard, who was a top agent for Transamerica. I was returning from my 4th MDRT meeting and we were sharing ideas, so I asked him, "What's the best idea you ever got?"

He answered, "The matrix." I can't be sure those were his exact words—but the idea he referred to is probably familiar to you. You may have heard it referred to as "account rounding." Once I adopted this idea and made it part of my workflow, I made an extra \$250,000 in the last 6 months of 1979. You can do the exact same thing. "The matrix" is simply a chart with an X and a Y axis.

Here's what it looks like in action:

	Life	Spouse	Mutual Funds	Auto	Home	Umb.	LTC	DI	IRA	WC	Bus. Insurance	401K	Buy Sell	Key Man	Def. Comp.	Fin. Plan
ABC Plumbing	x			x		x	x		x		x					
Dr. Sam Jones	x	x	x					x	x			x	x		x	
Bill Smith		x		x						x			x			x
Stan Palmer, CPA	x	x					x									
AAA Manuf.					x	x	x			x			x			
Parker & Jacobs, LLC										x	x	x	x	x		
Frank Taylor, DDS	x	x	x	x	x				x	x	x					
M&M Roofing	x				x	x	x		x		x					
LA Medical Group	x			x		x			x					x		
Bill Gates	x								x	x	x		x			x

It works like this:

1. Identify your top 25 “A” clients. Fill these in along the left-hand side of your matrix.
2. Identify every product or sales concept you offer. Fill these in along the top of your matrix. At the time, I included columns for life, “spouse” (i.e., does my client’s spouse have a life insurance policy?), mutual funds, auto, home, and more.
3. Check off the boxes for products and sales concepts you already have in place for that client.
4. Endeavor to fill in the empty squares through additional sales. Your “A” clients already trust you and are comfortable doing business with you. They are primed to consider whatever additional products you want to offer them.

The matrix works whether you’re in the personal market, the business market, the property & casualty market, work as a financial consultant, sell registered products, or do fee planning. Whatever your practice, this idea can help you have your best six months ever.

How to Apply It

The matrix is so appealing because it offers a road map for your business. It reminds me of a quote from *Alice in Wonderland*, when Alice asks the Cheshire Cat for directions even though she has no particular destination in mind. The Cheshire Cat replies, “Then it doesn’t matter which way you go.” The matrix makes it easy for you to know which way you’re going—and how to get there.

I’m not the only one who has made the matrix work. I remember when someone broke New York Life agent Ben Feldman’s sales record. At the time, Feldman was considered the best life insurance salesman ever and held every New York Life sales record.

When someone finally broke that record, it was a big deal. When asked how he did it, the new record-holder said, “I worked my debit.” Well, his office was in the Empire State building. He just worked his own building—and broke a sales record. That’s all I did, too, except I did it using the matrix.

TIP: When you take your “A” clients through the matrix, you will get referrals. If this is a priority for you, add it as a column in your matrix, as a reminder to pursue the referral if it doesn’t happen naturally.

TIP: Use what you learn at industry conferences and events to find additional products and services to apply to your matrix. MDRT Annual meetings are often the best place to find new sales strategies or see what’s been working for other people.

For example, at my first MDRT meeting in Boston in 1976, I listened to an informal conversation between two brothers, Howard and J. Fred Johnson from Chattanooga, Tennessee. They were talking about the way they sold “group ordinary.” This involves “upselling” group term life insurance to individual whole life insurance, which I thought was a great idea. So I tried it out. Within 30 days, I sold a local lumber company a group medical policy, which included group term life insurance too. They had 75 non-union employees and I met with them for an hour, 25 at a time. During the three hours total it took me to answer questions about their new medical plan and walk them through filling out their enrollment forms, I sold 55 of those 75 employees whole life policies. I made \$10,000 extra in three hours...all because I took the time to listen for five to ten minutes and then apply what I learned.

Partnering

In addition to using the matrix, partnering is one of the easiest ways to grow your business. Many agents I speak to don't understand the multiplying effect of partnering with experts. They like doing things the same way they always have—and then they can't understand why they (a) have trouble competing, and (b) don't have the resources to expand.

Partnering works—it's as simple as that. It works because when you have a partner, you can sell a concept rather than a product. You don't have to be an expert in disability insurance, for example. All you need to do is sell the concept behind it—the idea of lasting security if your client can't work due to illness or injury. If you're a good salesperson, you can do this.

Herb Howard, the man who introduced me to the idea of the matrix, did this with P&C insurance. He didn't sell P&C, but he was affiliated with a firm that did. As a result, he not only sold a lot of life insurance to the firm's clients, but made \$9 million from the sale of his interest in the P&C firm some years later.

Tips for Effective Partnerships

If your clients ask about a type of coverage you don't want to sell but you know would be profitable, partner with someone who already sells it. Let them back you up with the knowledge you need. Don't miss out on the chance to tell your client, "I'll help you with that." If a client asks questions about the policy you can't answer, just say, "I don't know, but I can find out." And then do your best to get the information they need in a timely fashion, further proving to them that they can trust you with all their financial needs.

My suggestion for partnering is to work with a brokerage general agency that can process apps, contact your client if there are any questions about information on the app, and guide the app through underwriting until a final offer can be made and the policy put in force. Ideally, the agency will have a process in place so that your client thinks all the correspondence and paper-work is coming from you.

I've built a large part of my business on a model just like this—and it works. Sometimes, I'm the partner others turn to. Sometimes, I turn to others so I can expand our product line. Either way, the concept of partnership is mutually beneficial.



Limiting Administrative Tasks

One of my goals when speaking at industry events is to remind agents they don't need to spend valuable time on administrative tasks. There are time-saving tools you can use that enhance your professionalism, as well as cut two to four weeks off underwriting time (which gets you paid more quickly and your client insured faster, too).

These range from full-service platforms, like EZLifeSales or DataRaptor, to industry-wide technological solutions such as iPipeline. Full-service platforms can offer:

- Multi-carrier health analyzer and quoting tools
- Multi-carrier online universal applications
- Term, universal, whole, and variable life
- Common apps for all carriers that the client can complete themselves
- E-signature, e-policy issue, and e-delivery

More robust platforms can offer integrated web and email marketing, giving you even greater cost and time savings.

Learn to Delegate

The most important part of limiting administrative tasks is learning to delegate. Many agents think delegation is a 4-letter word, but it's actually one of the best ways to ensure you devote enough time to selling. It's a hard truth many agents haven't yet faced. Since 2009, I've been sharing a quote from Anthony R. Trupiano, CEA, CFBS, in MDRT's *Round the Table* magazine: "Allow outside help: It's important to stay in front of prospects and clients, concentrating on sales and relationships. You should not be completing or processing applications, ordering medical exams, or following up with claims and new cases..."

Delegation is the key to exponential growth. If you can earn \$1,000 an hour, don't spend your time doing \$10 an hour work.



To succeed as an agent, you have to realize that:

1. You can't do it all by yourself. Partners can help broaden your inventory of products, as well as provide the back-end support you need to get those apps processed and underwritten.
2. You need to focus 100% on your core competencies. Do what you do best, and delegate the rest. Whether your unique ability is finding clients, presenting to clients, or making the sale, you need to identify your strengths and spend most of your time on that task.
3. You have to let go of the need to control everything, and trust others to get the details taken care of. Tasks like completing application paperwork, ordering medical exams, managing cases, or working on advanced case design are all pieces of the puzzle, but they're not pieces you need to be directly involved with.

If you're good at selling, your goal is to find more ways to do only that. In many cases, this involves both partnering and delegating administrative work. For over 30 years I've sold the concept, gotten my client's signature, and let someone else fill out the app and handle everything else. And today, you don't even need to get the client's signature; let someone else do that for you via e-signature.

Treat Applications as a Process

In terms of specific tasks to delegate, applications are a good place to start. I've been doing this since about 1980, ever since I heard an MDRT address by Mun Charn Wong. He shared how he made the sale, got a signature on a blank app, and let his assistant Susie do the rest. I immediately went home and convinced my assistant Virginia how much fun and how rewarding that would be for her to add to her duties! And I've been doing that in one form or another since then.

I've never looked back since I started using this method. Today, I have an entire team that works to fill out apps for our clients, as well as the clients of all the agents and brokers we work with. The process we've developed saves time, saves money, insures clients faster, and gets agents paid faster. You can use all three of the strategies I shared here to reap the same benefits.



Partner with Pinney

Let us help you grow your business! Click here to read the [Pinney Insurance Service Guarantee](#) and find out what we do every day to help agents just like you. From ordering exams and gathering missing or additional information from your clients to providing online status reports that are available 24/7, we'll handle the details to get your cases processed quickly.

To learn more or get started:

- Call 1-800-823-4852 and ask to speak with one of our Brokerage Directors
- Email us at life@pinneyinsurance.com
- Sign up for a free [DataRaptor trial](#) or [EZLifeSales account](#).

About Jan

R. Jan Pinney, CLU, ChFC, CPCU, is the founder and CEO of Pinney Insurance Center, Inc., a life brokerage agency, and ISU Francis-Pinney Insurance Services, Inc., a sister property and casualty agency.

Jan has served as Vice President and Board Member of LifeMark Partners, Inc., a national life brokerage group, and is a registered principal with Transamerica Financial Advisors.

He was the 2004-2005 President of the National Association of Insurance and Financial Advisors for California and is a frequent speaker at industry events. He continues to serve on NAIFA's Government Relations Committee in California and has testified before Senate and Assembly Committees and Department of Insurance hearings.

He is an active member of AALU, LIDMA, NAILBA and a 39-year Life and Qualifying Member of MDRT, having also qualified for MDRT's Top of the Table the past 11 years.

Get the industry's latest news, tips, and trends from Pinney Insurance on social media:



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