Financial advisors are always looking for an edge – that little "something" to catapult their success. The truth of the matter is that most advisors seek "big" changes when, in fact, little changes to what they do on a day-to-day basis will have a much larger impact. The two little phrases shared inside are a perfect example of just that.

Two little phrases that instantly triple your closing ratios

By: Mark Mersman

USA FINANCIAL®

Executive Whitepaper:
Two little phrases that instantly triple your closing ratios

In a moment, I'll share with you **four little words** that make up two of the most powerful phrases you absolutely need to incorporate into your daily interactions… with clients, employees, vendors, and in some cases… spouses. I have no doubt that these two phrases, used correctly, will **forever have a positive impact on your life.**

Bold statement, eh?

Our firm has the great pleasure of working with and consulting with successful advisors throughout the country. The truth is, we all want the same thing… **we want a greater level of success**. Everyone's definition of success may be slightly different… some advisors with whom we work want a higher level of personal income, some are focused on building a more efficient business, and some just want more free time to enjoy the successes they've worked hard to achieve.

There are only three ways to increase your level of success. When I share these three variables with advisors with whom we consult, there's usually an instant moment of clarity. The irony is that these three success variables aren't earth shattering, but having a clear understanding of the impact they can have to your bottom line is essential.

Success variable # 1 – WALLET SHARE. If you we get more wallet share from the clients you currently have AND from prospective clients, you'll obviously drive more revenue to the firm. This is accomplished by adding products and services into our overall mix. (It's no surprise that our top advisors have MULTIPLE licenses and represent multiple different product lines).

Success variable # 2 – INCREASE OPPORTUNITIES. In baseball terms, this is simple…the more at-bats you get, the more hits you will get. In business terms, this is marketing. *Get in front of more people.* Frankly, this is one of the biggest things we work with advisors on – helping them create effective marketing campaigns to increase their opportunities. As much as we hate the cliché that "it's a numbers game," guess what… **it's a numbers game.**

Success variable # 3 – INCREASE CLOSING PERCENTAGE. If we want to stick with the baseball analogy, this is about getting in the batting cages and working on your approach at the plate in order to increase your batting average. In business terms, this means **becoming a more effective rainmaker** - closing more opportunities.

It's as simple as that. Those are the three variables to increased success. Unfortunately, most advisors attempt to make drastic improvements in just one of the areas, when small, incremental improvements in each drive remarkable growth.

In a moment, I'll share with you the two phrases (just four words) that will drastically improve the third success variable, but I'd like to share with you the power of small improvements within each success variable. It's easiest to do this through a hypothetical case study.

<u>"Joe Advisor"</u>
Annual Revenue = $250,000 ($150k recurring & $100k "first year" sales)
Existing clients = 100
Average per client revenue = $10,000 per client in first year sales & $1,500/yr in recurring revenue per client)
Product Mix = Assets under management & Annuity Sales
Marketing = 10 Seminars/year… Nets him on average 100 new "at bats."
Closing percentage = 10% of all new prospects

The above hypothetical advisor isn't out of the norm—in many cases, the assumptions are conservative.

Most advisors attempt to solve their "success growth" problem by focusing on marketing. "If we double the marketing, we'll double our at-bats and we'll be in good shape." YES, this can have a very positive effect, but it shouldn't be the only thing you focus on. Incremental improvements with each of the three success variables can drive significant growth.

Success variable # 1- WALLET SHARE. If this advisor simply added another product line to his offerings and introduced it to all of his clients, it could have an incredible impact on the bottom line. Let's assume that this individual adds life insurance to his mix. If the average compensation is $1,000 per life case (again, conservative) AND he was successful on acquiring sales in gaining this product line from 10% of his clientele (10 clients in this case), he adds $10,000 to his bottom line. Don't forget, this also make his average per-NEW-client revenue increase, since this will be a permanent part of his new client acquisition process… so each new client will now represent $11,000 in first-year-revenue instead of the $10,000. This number comes into play later.

NET BOTTOM LINE INCREASE: $10,000 for just a SMALL, <u>10% incremental growth</u> in the first success variable.

Success variable # 2 – INCREASE OPPORTUNITIES. Let's assume this individual increases his seminars by 10% (one seminar more than he is currently doing) AND let's assume he adds referral events to his marketing mix. The one seminar will provide him with ten more opportunities each year, and let's say the referral events bring in another five additional opportunities. If his closing percentage is only 10%, he would close 1.5 MORE new clients each year, which would bring an additional $16,500 in first-year revenue (1.5 x $11,000 per client) and $2,250 per year in recurring (1.5 x $2,250)

NET BOTTOM LINE INCREASE: $16,500 first year revenue per year plus $2,250 in recurring revenue for a small increase in marketing costs.

Success variable # 3 – INCREASE CLOSING PERCENTAGE. This advisor's closing percentage is 10%. While this may seem extremely low, I'm trying to be extremely conservative with the example. Let's assume that we can improve closing percentage from 10% to 15% - a relatively small increase. With this advisor's increased marketing, he's now getting in front of 115 new potential clients every year. If he closes 15% of those individuals, that's 17.25 new clients (yes, I know it's hard to have a fractional client). **At a new average first-year revenue of $11,000, this advisor's first-year revenue jumps from $100,000/year to $189,750 – an increase of $89,750.**

NET BOTTOM LINE INCREASE: $89,750 by increasing closing percentage by JUST 5%.

Three small, incremental improvements in the three key success variables nets this individual an increase of more than **$100,000 of first-year revenue**, and a substantial boost to recurring revenue… and the added expense to get to this figure is relatively small. This demonstrates a critical blunder many advisors make… they focus on increasing the "marketing" variable only, thinking that throwing money at the problem will solve it. Yes, marketing is critically important as it is the lifeblood to any successful advisor's practice; HOWEVER, if you ignore the two other variables to success, throwing more money at marketing won't have the kind of "net effect" you want on your bottom line.

What's the solution?

First, if you haven't taken an honest look at how you can gain more wallet share (translation: add a more robust product offering to your services), you need to do so. Your clients will thank you for being more comprehensive AND your bottom line will be positively impacted as well.

Second, improve your marketing. If you don't have **at least four robust marketing initiatives** going at one time, you're probably not doing enough. We can help you with that.

Lastly, **improve your closing ratio**. This can be done by things you actually say, and what things say about you… I'm talking about credibility. Why should someone who doesn't know you from Adam do business with you? How do they know they can trust you? Begin incorporating trust building elements to your practice. These can range from a **professional website** to a **powerful corporate video**. It may include having a **professional office** or getting **positive PR from recognized sources** *(if you haven't read our report titled "12 Steps to Instant PR Success," I encourage you to do so).*

What you DO say also has a profound impact on your closing percentage. These two critical phrases I keep referencing need to become burned into your mind when it comes to your appointments. Before I share them, let me set the stage…

Have you ever had a question that you knew you needed to ask, but just didn't feel comfortable asking? Maybe it's personal, or just too forward? It's not limited to prospect and client appointments… it could be interactions with your staff, spouse, or vendors. **There are two words that soften EVERY question you'll ever want to ask. They're so powerful that if you add them to the front of your "tough" questions, you'll instantly see how much easier asking the questions become.**

"**<u>I'm Curious, …"</u>**

Think of any tough question you've had to ask clients, your spouse , whomever… add the words "I'm curious" to the front of the question and see how much softer it becomes. Asking the right questions in the right way is an art… and the words "I'm curious" or "out of curiosity," are like Picasso's paintbrush…. It's magical! Don't believe me? Try it out on your spouse and you'll quickly find out that you can get away with asking a whole lot more than you normally might feel comfortable asking.

Those are two words to add in front of any of your tough prospect/client questions. You'll find that using this early on in your fact finding will impact your effectiveness ten-fold. How about the real tough question… ASKING for the business. *(You are asking for the business, aren't you?)*

Successful advisors ask for the business in a more direct manner. It's an affirmative statement followed by a simple question that **NO ONE can say "no" to.**

<u>"… Fair enough?"</u>

<u>Those are two of the most magical words for prospect/client appointments.</u> Imagine you are about to set a follow up appointment with a prospect. The meeting went well, and your only goal is to get the next meeting set. Many advisors will say "would you like to come back next Tuesday for a follow up appointment?" Asking a question like that invites the response "let me think about it."

Try this instead… *"What I'd like to do is set a time for us to go through a few more items next Tuesday at 2 PM,* ***fair enough?"***

You can't say, "no" to "fair enough?" Think about it. What, it's not fair? Of course it's fair.

"Mr. and Mrs. Jones, what I'd like to do is begin the implementation phase of the planning we've discussed, ***fair enough?"*** OR *"After all the time we've spent together and the planning we've accomplished, I think we can move forward with repositioning this account,* ***fair enough?"***

If you aren't comfortable trying it with clients and prospects just yet, try it out on your spouse, a friend, or your kids. More importantly, if you or an assistant schedules appointments over the phone with prospects, begin utilizing it immediately…

"Sally, I think Bob could really clarify some of the questions you raised. I'll put you down for a meeting this Tuesday at 10 AM, fair enough?"

Four little words can have an immediate impact on your closing percentage. "I'm curious…" "… fair enough?"

Remember, increasing your closing percentage is only one of the three critical variable to increased success.

Here's the million dollar question….

I'm curious… would it hurt *you* to find out more about what we do here at USA Financial to help grow the practices of the advisors with whom we work? What I'd like to do, assuming you are a qualified advisor, is have you join us for an upcoming Discovery Day where we'll share with you more about what we do… Fair enough?

See ya soon,

Mark R. Mersman

Chief Marketing Officer
USA Financial

P.S. To have a qualifying discussion and arrange/reserve for your visit to a Discovery Day, simply call to speak with one of our Business Development VPs at 888.444.0125 ext. 1.

Discovery Day Notes:
As with everything at USA Financial, you will be treated with the professionalism you've earned. Your flights will be booked & paid compliments of USA Financial. You will stay at a Five-Star Preferred & Diamond Award Winning Hotel compliments of USA Financial. You will eat at a Top-Knife & Diners' Choice Award Winning Steakhouse compliments of USA Financial. You will be our guest in Grand Rapids, named Lonely Planet's Best in Travel 2014, #1 Destination. And most importantly, you will experience USA Financial from "Behind the Scenes" and get all "The Real Stuff."