



The Premier Association of
Financial Professionals®

MDRT Minute

A Guide to a Successful Financial Planning Practice

A successful practice has four distinct components that, together, contribute to your overall success.

A Business Plan – You can't get there if you don't know where you're going.

I decided to map out a strategy to overcome the hit-and-miss plan I had used for several years. I knew how much money I wanted to make and how many hours a week I wanted to work. I also knew my average sales commission, how many appointments it took to make sales and how many contacts I needed to book an appointment.

Since writing my plan several years ago, my practice has grown and become more consistent. Of course, there are other components to consider such as improving closing ratio, increasing sales volume, educational goals, penetrating new markets, industry involvement, etc. These can also be part of your plan.

A Prospecting System – You can't make a sale if you have no one to talk to.

Prospecting takes two forms for my practice: seminars and personal referrals. We hold two generic financial, estate and retirement planning seminars a month. We limit attendance to 35 people and have sold out virtually every seminar for the last 10 years. About half of them schedule an appointment after the seminar, and we usually convert about half of them to clients.

We promote referrals rather than asking directly for them. At the end of a sales presentation, I say "Oh, by the way, I know you probably can't think of anyone right now but if you knew someone who could benefit by talking with me, you would refer them to me, right?" I shake my head up and down as I say this and they shake their head up and down and say yes. I thank them and let them know they can call at anytime to give us the referrals. You can end a client phone call this way and your staff members can ask clients every time they speak with them. Just remember "Oh, by the way".

A Practice Management Team and System – You can't do it all yourself.

Do what you do best, making sales and doing those things that lead to sales. Let someone else manage your calendar, your office and all of the time consuming items that prevent you from maximizing your sales efforts. And finally, let someone else take care of the customer service element of your practice. For us, dividing the efforts into three distinct areas has made all the difference in our productivity and efficiency.

A Belief System – "If you don't believe in it, you can't sell it."

It's a lot easier to sell \$1 million life policies if you own one yourself. I own at least one account in each of the product arenas I sell (life, DI, LTC, annuity, mutual fund, REIT, etc.), and I have compiled a notebook containing the policies or the most recent statement or account summary for each one. The notebook is kept in my conference room where I hold appointments.

Russell A. Smith, CLU, ChFC, is a 16-year MDRT member with three Court of the Table and nine Top of the Table distinctions. He also is a Silver Knight of the MDRT Foundation. His entire 2005 Annual Meeting presentation, "Blueprint for Success: A Guide to a Successful Financial Planning Practice" is available from the MDRT Power Center (www.mdrtpowercenter.org).