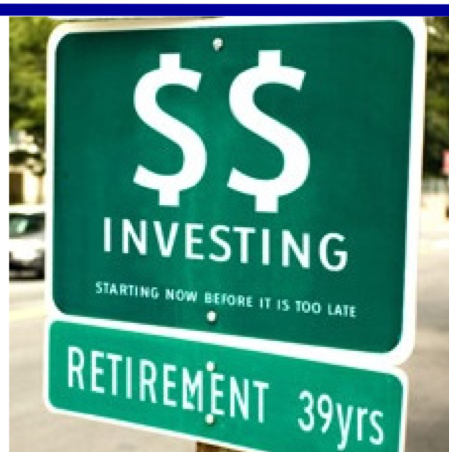
BPAS

A coaching session for retirement sales professionals



Roadways
TO RETIREMENT

BPAS | Points to Ponder…

We have two ears and one mouth so that we can listen twice as much as we speak.
Epictetus

Change your thoughts, and you change your world.
Norman Vincent Peale

Never compromise yourself, it's all you've got.
Janis Joplin

Success is a journey, not a destination.
Unknown

If I had eight hours to chop down a tree, I'd spend six sharpening my axe.
Abraham Lincoln

Don't go through life, GROW through life.
Eric Butterworth

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Retirement Plan **Sales Progression**

Beginner

- Understands qualified plan rules, ERISA, and how plans operate

Apprentice

- Knows the *product*: bells and whistles, features and benefits

Experienced

- Learns to ask probing questions, overcome client objections, engage the prospect

Professional

- Recognizes the importance and mastering of Strategic Selling

How You Win Business

- It may sound overly simplistic… but if you value **success**, it's the most intelligent area on which to focus.
- Embrace the notion that **Perceptions Matter**.
- **Strive for a dialogue**, not a presentation; if you can't *engage* the prospect, you will not win.
- The **prospect should do 40 to 50% of the talking** if you want to win their business.
- It's entirely possible to sell computers or a mattresses wearing blinders, but in retirement plan sales, you need a **sales style that's flexible and adaptive.**
- Expect that other bidders will have attractive products and top-notch sales people.
  - It's the subtle aspects of the interaction – the quality of the meeting as *they* see it – which will tip the scales in your favor.

BPAS | *Get* MOTIVATED

- Not everyone is "cut out" for sales or enjoys it
- Some aren't "born sales people," but can become very comfortable in the role over time
- Sometimes sales gets a bad rap because people:
  - Don't understand or acknowledge the critical role of sales
  - Have encountered a sales person who was unethical or dishonest *(things we retirement sales people need to avoid at all costs)*
  - Have encountered a sales person who sold things that the operational group couldn't support or that created havoc for the people actually doing the work
  - Are annoyed by the positive outlook and enthusiasm to get things done that sales people often exhibit

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Here’s the **Reality**

- Good sales people are **Rainmakers** – the people who literally “keep the lights on” for everyone else.
- A quality sales team helps create and protect jobs within the organization. Think about that...**No sales=No customers=No jobs**. That’s a pretty high calling.
- You get to choose what type of sales person you will be.

BPAS | The Sales Person **Mission**

The salesperson's role is to maximize the creation of new business, exercise the highest levels of personal and professional integrity, constantly learn and grow, and be a positive and dynamic link between the organization and the outside world.

BPAS | The Changing **Sales Dynamics**

1995

- Internet was just taking hold
- People had time for meetings
- Formal presentations were the norm/expectation
- Presenters talked for an hour, followed by Q&A
- Everyone was busy, but in a manageable way
- People were easily impressed by technology (e.g., daily valuations)
- There was time for a well informed vendor selection process

Today

- People are overwhelmed with heavy workloads
- Too many emails, voicemails
- Information overload from proposals, product features, etc.
- Not possible to consider all issues during the process
- Prospect has a limited time to get the information they need in a one-hour meeting
- Meetings often become disjointed (and sometimes chaotic)

BPAS | Adapting to the Changes

- Your ability to *go with the flow* is more vital than ever
- Most plans buy on "comfort level" over a quantification of issues
- You have a short time to make a favorable impression; **they will form their impression of your company based on YOU**
- Ego needs to go in the trash can (*oops, recycling bin--how 1988 of us!*)
- When it comes to strong-willed decision makers, you have to **choose between being right and being *effective***
- Winning or losing will depend on your ability to neutralize major objections, and let prospects know they are asking informed and intelligent questions
- Your best bet: An informed, lively discussion of the prospect's major issues with Q&A interspersed along the way

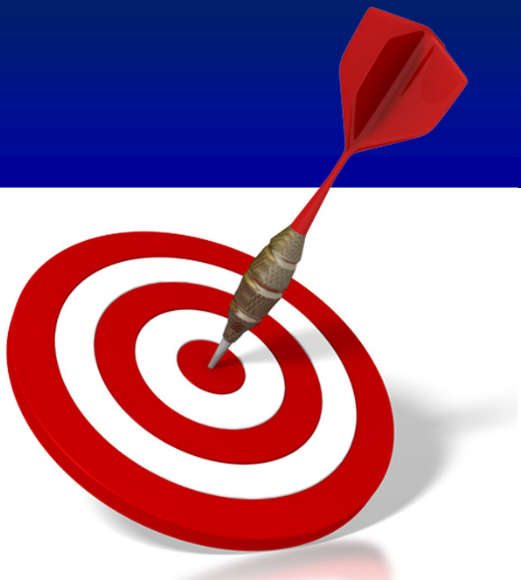
BPAS | Elephant Chameleon **Dilemma**

Once I develop a presentation method I am comfortable with, should I stick to my guns and use it for every opportunity? ***Consistent*** *like an elephant plows across the field in search of food?*

The answer is NO.

To succeed in today's market, you must be a *chameleon.* ***Adapt*** **your format, tone and style to suit the surroundings you detect in each sales meeting.**
If the leaf is green, turn green.
If you're clinging to the trunk of a tree, turn brown.

BPAS | Remember This:

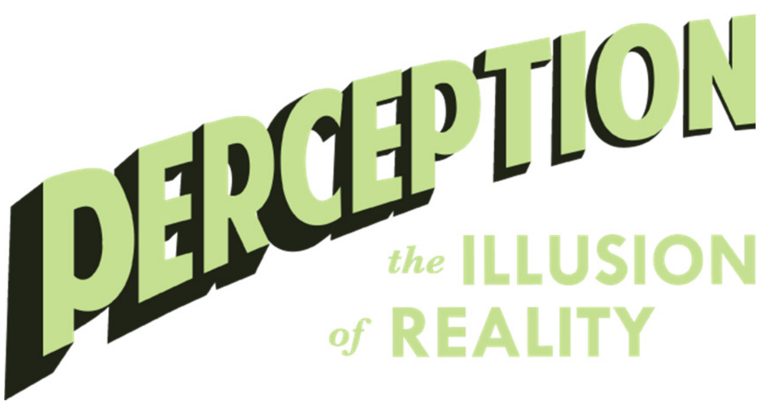


The most successful retirement salespeople are adaptive, have small egos, short-term memory of setbacks, and an unabashed commitment to building a business, one day at a time.

BPAS | Perception vs. **Reality**

What inexperienced sales people think they create in the mind of the prospect:

- "I was blown away by the features and benefits of their product." (the Video Professor method)
- "I can't believe I get *all of this* for the cost." (the Ginsu Knives technique)
- "That was such an eloquent sales pitch, I just have to sign on."
- "Those guys are clearly the best; the competition is pathetic.. Why don't they just send out de-conversion notices to all their plans NOW?"



Roadways TO RETIREMENT

BPAS | Perceptions that **Win**

"The sales rep explained technical topics in everyday terms, so we understood

- The rep put things into a *business context*, so we had a clearer picture of all options as an employer
- The rep was intelligent and had answers to most of our questions, but is going to get back to us on a couple points after further research
- The rep was interested in making sure there is a good match for our company
- The rep was respectful of other bidders, acknowledging that there are many talented people in this business and each product has certain features that are compelling; it wasn't the Luke Skywalker/Darth Vader scenario
- The rep was **honest** there will be an occasional issue or mistake no matter which provider we select for our Plan; I felt good that they would be proactive in addressing the issues to ensure our ongoing comfort level
- The rep didn't just *tell us what we wanted to hear. It was an honest interactive dialogue*
- There were moments where the rep told us about limitations, even those that might cause us to select another vendor. But, there were solid reasons for the limitations which showed us a commitment to *keeping* our business, not merely saying "yes" at any cost"

BPAS | Prepare for Each Sales Call

- Always walk in knowing something about the company and the products/services they offer
- Visit company website or do a Google search

- Capture a few key terms from their website specific to their business
- Pay attention to pronunciations!
- Bring the printout with you to the meeting

BPAS | Successful Meeting **101**

- Maintain eye-to-eye contact
- Get the names straight (write them down, use them during the meeting)
- Give a *concise* summary of your role (something you should practice)
- Ask for an explanation of their roles
- Briefly discuss their business, but avoid the three-hour tour (it isn’t Gilligan’s Island)

Immediately get a read on the prospect's demeanor and personality:

- Businesslike or informal?
- Speed and pace of conversation?
- Phraseology and word selection you should be using
- Level of understanding for 401(k) issues
- Prospect's ego, orientation toward "calling the shots"
- Hot buttons and "pet peeves"
- Suggestion: write down and re-use certain phrases the client uses in making your points (a cheap, but effective trick!)

Decision makers buy from people they relate to. The chameleon adapts to the room rather than forcing the room to adapt to it. If buyers like you, you stand a MUCH better chance of winning their business.

BPAS | Successful Meeting **101**

Like in jazz, the ability to improvise is what sets the performer apart. Sales is all about performing.

- Say you want to make the meeting as valuable as possible *for them*
- Before starting a pitch, get them talking about:
  - Primary concerns about their plan
  - What *is* working, what *isn't*
  - Areas they want to hear about in your presentation
  - Business objectives for the plan and the role it should play--is plan a strategic tool for employee attraction and retention or is it a 'necessary evil'?)
- Be ready to deliver point-of-sale presentation or an impromptu, verbal presentation crafted on the spot, focused on the key areas they want to hear about

Acknowledge primary concerns up front

- Prospective clients like to know that you acknowledge their concerns and that you'll have to ***earn their business.*** Here are some ways to convey it:
  - *"We know that plan sponsors are concerned about 401(k) expenses and need to ensure they're competitive for the services rendered. Therefore…"*
  - *"We understand you've been through a vendor selection process before and the provider failed to live up to the representations made during the sales process*
  - *We know we're going to be closely measured against the promises we make during the sales process; there will be little tolerance for failure to meet our commitments."*
- Tells prospect that your product is constantly being measured against the industry and tells them (subliminally) what other clients are looking for
- For busy decision makers, it's a way to make them **feel good moving forward** even if they don't have time to "dot every i and cross every t" in the due diligence process

BPAS | Know When to **Say No**

Some clients will push every button in the elevator before deciding what floor they want. Be prepared.

- Identify the critical areas in which you'll likely to be pushed. For example:
  - Why are there "fees" for this program? (a laughable question, but one you'll hear)
  - Why can't I use my own broker?
  - Why should I pay to have a trustee when other providers say I don't need one?
- Have pre-rehearsed, tactful responses. Tell them WHY the product is structured the way it is, the business rationale driving each issue, and the <u>cost</u> and <u>service benefits</u> to them thanks to the way you've built your product
- By educating the client, you turn objections into neutrals or positives
- Tiered pricing. You'd be amazed how many "must haves" evaporate when they realize they can be provided, but at an incremental fee

BPAS | Dealing with Dead-End **Situations**

Sometimes, the prospect is having you in as a courtesy, but intends to select another firm (personal relationship, etc.)

- They try to keep you "at arm's length" the entire time
- The lack of follow-up questions or dialogue tells you a LOT
- Your best option is to try to disarm the vendor perception or melt the iceberg through:
  - Humor
  - Interesting or humorous anecdotes from your work with other retirement plans (bizarre plan assets, strange plan designs, employee comments in enrollment meetings, actual pitfalls other companies have encountered)
  - Being extremely fair and objective; pros and cons of other programs and what the strategy and fundamental "bet" behind your program is
  - Showing your personality, trying to get to know them
  - Asking them to be fully honest with you so you don't waste your time

BPAS | Best Practices

- Avoid **exaggerations** and **superlative language.** Prospect will give your comments more weight if you use accurate, precise language.
- Maintain a healthy dose of **professional skepticism**. You wouldn’t be selling this product if you hadn’t already “kicked the tires” and were convinced it’s a strong solution to their needs.
- **Be fair** in your assessment of other providers. Cite the pros and the cons each has to offer. Objectivity is refreshing and helps establish a sense of trust between you and the prospect.
- Seek out effective **analogies** to explain complicated concepts in ways they can understand.
- Use **short**, **meaning-packed**. Prospects have a short fuse for salespeople who turn what should be a two-sentence answer into a five minute dissertation.

Practice. Practice. Practice.

- Be prepared to give a 20- to 30-minute **formal pitch** for your program using the point-of-sale presentation (see BPAS Toolbox, item A2).
- Also be ready to give an **impromptu presentation** about your program.
  - Technology and features
  - How HR would interact with the recordkeeper
  - The participant education program
  - Fund offerings and trustee services
  - Fees
- Videotape your presentation (both the formal and informal approach). Watch it carefully, critiquing yourself and taking notes. Although it can be a painful exercise, you'll find areas to improve upon and become a **more effective speaker**. Repeat this exercise from time to time, monitoring your progress.
- Leave yourself voicemails (e.g., while driving and otherwise bored) to practice your impromptu presentation skills.

BPAS | Stay Current

- One of the hazards of selling full time is that your technical knowledge can become outdated
- Take an **active stake** in your ongoing professional education
- Find an approach you can *sustain*. Suggestions:
  - Every year: Purchase the latest copy of the 401(k) Answer Book
  - Visit www.FreeERISA.com and other various industry and legal websites
  - Attend conferences and seminars
- Seek opportunities to hear from experts (radio or TV programs, magazines, trade publications, etc.)
- Find and archive articles on important technical topics
- Select a *time* you can fully focus to catch up on reading

Keep it **Real**

Most companies receive bids from 4 or 5 vendors (sometimes 7 or 8), then start to narrow things down.

Sometimes you get an RFP as part of an attempt to "build a due diligence file" when they're already committed to another provider

Some companies just get the current provider to cut fees or commit to improving service.

Sometimes you don't win, but are positioned to win 12 or 18 months down the line

Shoot to win 35% to 40% of the plans you bid on as a reasonable, long-term goal.

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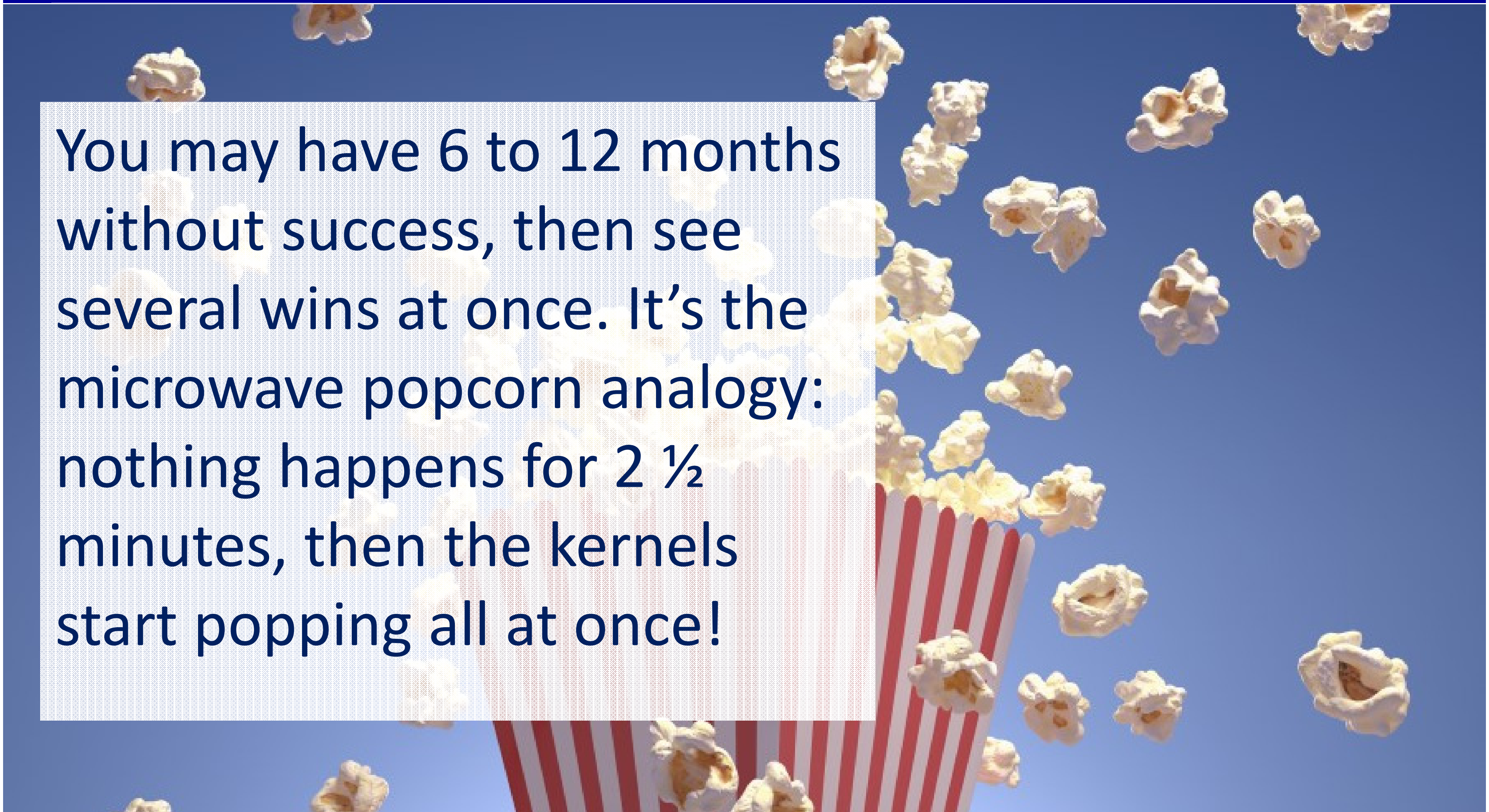

You may have 6 to 12 months without success, then see several wins at once. It’s the microwave popcorn analogy: nothing happens for 2 ½ minutes, then the kernels start popping all at once!

Roadways TO RETIREMENT

BPAS | Graciously Accept Defeat

- Don’t take it personally.
- Have discussion with client to understand the reasons behind their decision.
  - Sometimes reasons are very valid and worth considering in future efforts
  - Sometimes reasons had nothing to do with your product or sales pitch, but was driven by other factors or prior relationships
- Very rarely will a fiduciary admit, *“We went with the other firm because I was getting pressure from the CFO who is good friends with the broker we selected.”* Usually they try to point out some aspect of the product as a reason for their decision.
- Send a follow-up letter thanking them for the opportunity like:
  “While I respectfully believe we offer a better solution for your plan, I do appreciate the opportunity to have worked with you during the process. If things do not work out with _____, I am always just a phone call away and would welcome the opportunity to re-engage in a discussion.”

BPAS | Stay **Positive**

- Sometimes you'll encounter situations where you *weren't* given a fair shot, or were deliberately misled.
- One of the toughest lessons a salesperson can learn, but an extremely important one: *Never go negative in these situations.*
- You are an advocate for your company and the driver of your own career; it's your job to be a positive and dynamic link with the outside world.
- There is nothing ever to be gained from having a negative experience or exchange with a prospect whatever may have happened in the sales process.
  - Contacts will change jobs, work for other companies, and attend conferences; you never know when another opportunity will present itself involving that person.
- Always remember to keep the buyer happy – he or she is your liaison to future opportunities!

Roadways TO RETIREMENT

BPAS | Marathon **Training**

- There will peaks and valleys along the way; learn to accept them as part of the job.
- Find out what makes you tick: what <u>motivates you</u> and what <u>conditions</u> allow you to perform at your best.
- Pay attention to other aspects of your life that impact your happiness and self-actualization as they impact your job performance.
- Keep “mental videos” of your best days on the job, your best performances, your best wins. Revisit them when you need inspiration.
- *Now get out there and win some plans!!*