

CHAPTER ONE

CREATE MORE SALES OPPORTUNITIES

Aging boomers and older adults need your help. And to build a thriving and successful business you can use theirs. Most of them don't know that, which is why you do less business than you should – or could.

While it is obviously true that being in touch with more people more often will help create more sales, it is our belief from years of working with advisors that *the quality of the personal contact is much more important than the quantity.*

There is no better group of satisfied clients than those over age 50. When they are happy, they tell others about it. They are exceptional about passing the good word about you on to others. They are active networkers -- especially women -- and they make sure others know about you. Even in conditions where performance isn't exceptional they will tout you to others because of the personal way in which you deal with them.

The opportunity to create more sales is already in your book of business. We find advisors often miss opportunities because they do not have the right kind of contact, not because clients wouldn't be receptive.

So let's begin the journey to help you create more sales opportunities.

Segment your book by age group.

As one comedian has put it, getting older is just “mind over matter. If you don't mind, it don't matter.” However, it does matter when you are organizing yourself to achieve much greater success with boomerplus clients.

Start with an easy step. Get more insight into your current client base – and how to generate more business – by organizing your book of business by age. There is no magic way to segment your book. For example, if you have only a handful of clients over age 65, make that one group and then divide the clients between ages 45 and 65 more finely. On the other hand, if you have a lot of clients over age 65, create finer distinctions among them.

Once you have segmented your book it is time to ask four questions. The answers, based mostly on your experience, should let you focus harder on adding clients in each segment.

How did the people in each age group become your clients? Are there differences among age groups? For example, did you get most of your 65-plus clients from seminars but most of your age 45-54 clients from referrals?

Do the people in each segment have other things in common (that you know about) besides age? For example, are the 45-54 year olds mainly current or former employees at a few big companies? Are the 65-74 year olds heavily weighted toward widows? Forty-five percent of women over 65 are widows and widows over age 65 outnumber widowers by over 4 to 1.

What does each segment need? Are there common needs in each group, both financial and non-financial? For example, do your 55-64 year-old clients need serious help with retirement planning beyond just income? Do your 65-plus clients need estate-planning help?

Important life events that tend to move large amounts of money are usually tied to age and lifestyle. Funding college education for a family's children is more likely to occur for people under age 50. Caregiving for parents usually occurs when people are in their 50s and 60s.

What can you do for each segment? Get creative. Think about all the different ways you could influence their perception of you and their own investment needs. Hold a client appreciation night? Have a cocktail party? Conduct a seminar on a life event topic that you know interests that segment? Do mailings with information targeted to the needs of a specific segment?

Think in terms of household characteristics.

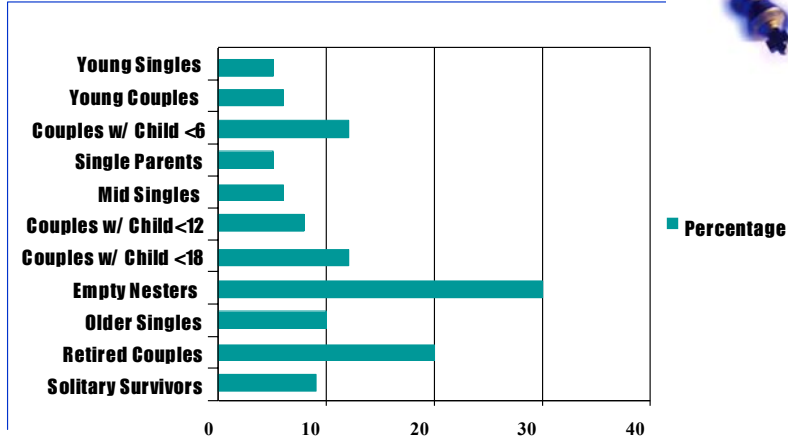
Wealth across age groups is distributed unevenly. So are common concerns that occur. Mark your records and build lists of clients by type of household.

Many segments are economic powerhouses. Empty nesters are people who are not retired and without children at home. They control 30% of US household wealth. Retired couples control 20% of the wealth.

The other three boomerplus categories control a lot less: Couples with children under age 18 (but not under age 12) at home have 12%; older singles have 10% and solitary survivors (widows and widowers) have 9%.

Members of each of these groups are likely to have a lot of financial issues in common. They may also have a lot of life issues in common; for example, couples with children between 12 and 18 may be concerned with all aspects of college education, not just paying for it.

U.S. Wealth by Type of Household



Source: Employment Benefit Research Institute

Source: Employee Benefits Research Institute.

Because of common financial and life issues, you can target each group separately with information and ideas they are likely to find of considerable interest. You can deliver the information and ideas in many different ways, from telephone chats to letters to seminars.

Create a referral network from current clients.

Everyone asks for referrals. This is different: building a network of current clients who want to send referrals to you.

There are two essential ingredients. First, you need to position yourself as someone *who wants to help others, a critical aspect in dealing with those 50 and older*. Being a good advisor is not enough. People won't send friends and relatives to you if they are not convinced you want to help. The corollary is that the more helpful you are seen, the more people want to send you referrals. From their point of view, they are helping their friends and relatives, not just you.

Being viewed as someone who wants to help others requires showing empathy about clients' life issues on a regular basis. It means focusing on clients as people, not just their investments, and becoming a resource for dealing with important life events.

The second ingredient is targeting specific clients to become members of your referral network. There are a few clients, of course, that for one reason or another you hit it off with especially well. They are "advocates" in a sense—and they'll work for you if you just ask. But there are many more who could be targeted. They are clients with large personal networks of their own.

Some people have a lot of relatives and friends; others have few. You want to target those who have a lot. Of course, you need to know who they are but that really isn't all that difficult. Routinely let clients talk about themselves, listen and then take notes.

Right now you probably have limited knowledge about which clients have large families and which don't. You probably don't know for sure which clients have active social lives and which don't. You probably don't know which clients are themselves active networkers and which are not. You need to find out because those are the people who can generate large numbers of referrals.

Once you know who your targets are, put your efforts into befriending them. You don't have to become their closest friend; you do have to become something more than just a person with whom they do financial transactions.

Get more referrals through emotional connections.

Why should older clients make referrals to you?

The only sensible reason is because they feel an emotional bond with you in some way. Occasionally that happens because an advisor will make an extraordinary amount of money for the client. Mostly, however, it happens because they feel good about you as an individual in addition to the financial results you produce.

You can create that emotional bond with older adults by focusing on them as people in addition to clients. Ask about their family and their interests. Listen to the answers. Take time with them. Invite them to events. It all adds up to making them feel good about you. That leads to their bringing your name up when talking with friends and family. And that leads to more referrals for you.

Give the older client help when you ask for referrals.

If all you do is say something like “Do you know other people I might contact who could use my help the way you have?” you put them in a position where they have to rack their brains to come up with a name or two without any real knowledge about whether or not the names they come up with are real prospects for you.

There is an alternative approach. Focus on the problem you have solved for the older client. Increased their income? Reduced taxes? Helped fund their grandchildren’s education? Provided caregiving information? Whatever it is, find a way to play it back to the client in the context of people he or she knows. For example: “Mrs. Smith, I wonder if you have friends who complain about taxes the way you did before we figured out how to reduce them?” When she says “yes” it becomes easy to ask to be introduced.

The key is being specific about the kind of person you want to client to think of. Ask more directive questions --“Are there any members of your bridge club who have been concerned about how high taxes are today?” is a better way to get referrals than “Do you know anyone who could use my help reducing taxes?”

Tap the grandparents market.

By 2010, 10 million new grandparents will join 70 million current grandparents to become one of the largest “niche” markets in history. “Grandparents will not only be buying toys for their grandchildren. They will share their wealth. In time it will not be surprising if this generation of grandparents helped their grandchildren pay for college, buy their first car or home, start a business or make investments”¹

By definition, grandparents tend to be older -- generally, over age 55. In fact, 82% of all adults over age 60 are grandparents. This is exactly the same age segment of the population that owns most financial assets. So connect the two--wealth and grandparenthood.

What are you doing to capture some of the wealth grandparents will devote to their grandchildren? What are you doing to capture other assets of grandparents by selling to their desire to help their grandchildren?

¹ The Maturing Marketplace, Business Publishers, Inc., 1998

Grandparenting is emotionally important and rewarding and grandparents tend to be highly involved in their grandchildren's lives. All of which makes it easy to talk to them about helping their grandchildren.

Here are three easy things to do to get started:

- Ask your current clients and prospects about their grandchildren -- how many and what ages. Most grandparents will be happy to tell you a lot more. And then ask them for a recent picture of their grandchildren. Have them put the dates, names and locations of their grandchildren. You've just sent out a powerful message that you care about something that's important to them (and you have wonderful marketing data that you can use to suggest college funding.)
- Ask if they have made specific plans to help their grandchildren grow up to be successful and happy.
Tell stories about other grandparents like them whom you have helped create a financial independence plan for their grandchildren.
- Ask if you can tell them about some things they can do -- even if they don't have a lot of money. Even in those cases, they do have the power of compounding over a long period of time working for them.

Find opportunities with adult children.

Declining equity values and falling interest rates sometimes combine to hurt the wealth and income of retirees. Many don't know what to do about their deteriorating financial situation. You may have clients like that; almost certainly you have adult children with elderly parents who are in that situation.

“Families don't talk about financial issues a lot in normal times and, of course, the worst circumstances to be starting a discussion are times of crisis,” according to Elinor Ginzler, manager for independent living at the AARP. “But your goal has to be to make sure your mom and dad are taken care of financially.”

Most adult children feel a strong sense of responsibility for elderly parents. Helping them help their parents will build loyal clients and bring additional business from both them and their parents.

Let clients -- especially those in their mid-40s to mid-60s -- know you are willing to help them work through their parents' financial situation. Sometimes, all it takes is a little expertise to make a very big difference in an elderly individual's life.

Boomers caring for aging parents are in a difficult situation that requires time, energy, and financial management. It also often produces emotional stress. Stressed-out boomers can use your help to straighten out the financial issues that plague many caregivers.

Prospecting 101: Look for working seniors.

If you want to find affluent seniors, look for those still employed. That's the storyline from Bureau of Labor Statistics report on sources of income.

The top fifth of all households age 65 and older get 35% of their incomes from employment. The next 20% get only 14%.

Sources of Income for Population Age 65 and Over

Source	Highest Income Fifth of Households	Second Highest Income Fifth of Households
Social Security	19.4%	46.0%
Assets	24.2%	12.8%
Pensions	18.8%	24.2%
Employment	35.2%	14.2%
All other	2.4%	2.7%

Source: Bureau of Labor Statistics, March 2000 Current Population Survey, Survey of the Aged and Survey of Demographic and Economic Characteristics of the Aged.

Assets contribute 24% of incomes for the top group and only 13% for the next fifth.

On the other hand, the second fifth gets most of its income from Social Security (46%) and pensions (24%). The top fifth gets only 19% from Social Security and about the same percentage from pensions.

The big difference between the most affluent fifth and everyone else is clear: ***the most affluent of older adults continue to work for pay***. Other older households depend on passive income from Social Security and Pensions; for the second best-off group, they add up to over 68% of income.

You probably have some clients age 65 and over who are still working. Ask if they have friends in the same situation. Ask for an introduction. Tell them about others you have helped.

Use more powerful cold-calling techniques.

Boomers and older adults with enough money to be good clients are typically not good prospects for cold calling. They are experienced consumers and are not likely to be receptive to someone they don't know selling something they often don't understand. Many have not gotten the results they expected or needed from their advisors.

On the other hand, there are lots of prospects that know they need financial advice and are looking for someone to trust. That means you need to create trust in your cold call. And that means you can't sell product. Instead, try this:

First, identify yourself as being local. "I'm Charlie Smith, a financial advisor with ABC in (local town)." If possible, provide a visual landmark for your office location. "We're across the street from the XYZ Mall." It reinforces the idea that you are local, which improves your credibility.

Establish your right to ask questions to find out what is important to them. "Mrs. Jones, I don't know if we can be of any help to you or not, but we are helping a lot of other people with issues that are important to them, such as saving for their grandchildren's college education or more retirement income for themselves."

Ask a question: "Do have young grandchildren?"

If you get a "yes," follow up with an investing for grandchildren idea. If you get a "no," ask another question. "Would you be interested in increasing your retirement income?"

When you get interest, don't try to sell the product on the phone. Set up a meeting with the prospect, preferably at your office so he or she can establish your *bone fides*.