

# BREAKOUT



## Breakout—Class 1

1-1. How do you explain the multiple-purpose planning approach to your clients? If you do not have an explanation, think about the financial planning pyramid of the life-cycle financial planning concept. How could you use it to accomplish this task?

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1-2. How do you build prestige and create awareness?

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1-3. How do you prospect for financial planning clients?

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# **Sales Planning Project 1**

## **Create Your Ideal Client Profile**

**(Assigned Class 2—Due Class 4)**

### **Purpose**

You need to identify your ideal client. The importance of this activity cannot be overstated. Operating without a clear idea of whom you can work with best is like a blind squirrel searching for nuts. By deliberately describing the type of client with whom you want to work, you will give your marketing and prospecting focus and begin to work with the right prospects—those who will become long-term clients. The advantages include:

- You will enjoy the clients with whom you work and can avoid those clients with whom a relationship would be difficult.
- You will receive more referrals, which makes your job easier, more profitable, and more enjoyable. In addition, prospects will probably be much like the client who referred them to you.
- You will work with prospects who have the best probability of becoming a client.

### **Assignment**

This project requires you to analyze your current clients in order to identify and define your ideal client profile, as discussed in chapter 1.

### **Procedure**

This is a brainstorming exercise, which means there are no right or wrong answers. Thus, consider all the possibilities, even those that at first may seem unrelated to the task at hand. Here are the suggested steps for working through the report forms that follow:

1. Make a list of your 20 best clients. Think in terms of profitability as well as how much you enjoy working with them. Also, focus on those clients who you feel would be open to a multiple-purpose planning approach.
2. Identify their financial value to you in terms of the income and referrals they provide your practice.
3. List some of their basic demographic information that makes working with them enjoyable. Your ideal client profile should reflect any changes you want to make to your practice to emphasize financial planning more and the type of client with whom you want to work. Consider demographics such as the following:
  - age
  - gender
  - marital status
  - family size
  - religion

4. Identify personal attributes that make working with these clients enjoyable. Here are some questions to answer:
  - What personality traits make working with them enjoyable?
  - How are what you value and think important to life match-up?
  - What are their attitudes toward financial planning and related topics?
  - What type of lifestyle do they have (modest, luxurious, and so on)?
  - What needs of theirs were you able to satisfy? What problems did you solve? What goals did you help them achieve?
5. Consider the ideal client in terms of characteristics and attributes they do *not* have. Analyze your least-rewarding clients or prospects, and note their demographics and personal attributes as well, to determine why you did not enjoy working with them.
6. Complete the following activity, indicating both what you want and what you don't want in a client. Look for trends of demographic and personal attributes that show up repeatedly.
7. Finally, put together your ideal client profile. An example follows:

My ideal client is someone who

- Has a household income of \$65,000 or more
- Has investable assets of \$70,000 or more
- Has young children
- Understands basic principles of investing
- Wants a face-to-face relationship
- Desires advice from a competent professional about retirement and educational planning
- Is family-oriented
- Appreciates the value of good advice and is willing to pay for it
- Is reliable and honest

# Sales Planning Project 1— Create Your Ideal Client Profile

## Worksheet

Client	Value	Demographics					Personal Attributes

# Sales Planning Project 1— Create Your Ideal Client Profile

## Worksheet

		Demographics					Personal Attributes
Client	Value						

# Sales Planning Project 1— Create Your Ideal Client Profile

## Worksheet

Client	Value	Demographics					Personal Attributes

# Sales Planning Project 1— Create Your Ideal Client Profile

## Worksheet

		Demographics					Personal Attributes
Client	Value						

Name \_\_\_\_\_

Date \_\_\_\_\_

## Sales Planning Project 1— Create Your Ideal Client Profile

### Report Form (1 of 2)

1. Analyze the worksheets you completed and identify those characteristics that you would like or not like to see in your ideal client.

<i>What I Want</i>	<i>What I Don't Want</i>

2. Create an ideal client profile based on the above characteristics and your own background, personal attributes, and values.

My ideal client is someone who:

# Sales Planning Project 1

## Create Your Ideal Client Profile

### Report Form (2 of 2)

3. How do you plan on using the ideal client profile in your practice?

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4. What knowledge, skills, and ideas do you have that would appeal to your ideal client?

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5. What intangibles (personality, life experiences, hobbies, and so forth) do you have that would appeal to your ideal client?

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6. What prestige-building activities do you think will work with your ideal client?

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7. What prospecting methods will work best for finding your ideal client?

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## Breakout—Class 2

2-1. How do you improve your skills to communicate effectively with clients?

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2-2. How do you develop rapport and credibility with a client?

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2-3. Do you think understanding social styles will help you relate to and understand others?  
Explain your answer.

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2-4. How can listening skills improve your relationship with clients?

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2-5. What questions do you use in each part of the selling/planning process to identify the client's needs and problems and develop a solution for him or her? Give some examples.

1. Identify the prospect.

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2. Approach the prospect.

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3. Meet the prospect.

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4. Gather information and establish goals.

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5. Analyze the information.

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6. Present the plan.

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7. Implement the plan.

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8. Service the plan.

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## Quiz—Classes 1 and 2

(Due Class 2)

Instructions: This quiz covers the reading material found in both Class 1 and Class 2. Study the reading assignments, then circle the correct answer for each of the following questions. Each question is worth 7 points (105 points total).

1. Which of the following would an advisor do in the “implement the plan” step of the selling/planning process?
  - (A) Review the changes in the client’s circumstances and the financial environment.
  - (B) Identify the strengths and weaknesses in the client’s present financial condition.
  - (C) Gather considerable information from the client using a fact-finder.
  - (D) Motivate and help the client acquire all necessary financial products and services.
  
2. Which of the following statements concerning types of interviews is correct?
  - (A) A directive interview usually takes more time than a nondirective interview.
  - (B) The advisor usually controls the pace and content of a nondirective interview.
  - (C) A nondirective interview tends to be more flexible than a directive interview.
  - (D) The client usually controls the pace and content of a directive interview.
  
3. Which step of the selling/planning process involves such activities as defining an ideal client, identifying target markets, building prestige, and selecting appropriate prospecting methods?
  - (A) identify prospects
  - (B) approach prospects
  - (C) meet the prospect
  - (D) service the plan
  
4. Which of the following best describes the advisor attribute of accurate empathy?
  - (A) The advisor has an awareness of his or her own value system.
  - (B) The advisor is open and willing to listen to the client.
  - (C) The advisor expresses appreciation of the client as a unique and worthwhile person.
  - (D) The advisor gives the client the feeling that he or she is in touch with him or her.

5. Which of the following is a group of people with common characteristics and common needs?
- (A) natural market
  - (B) prospect list
  - (C) strategic alliance
  - (D) market segment
6. Which of the following statements is an example of an open-ended question?
- (A) “Do you want to cover the cost of higher education with insurance?”
  - (B) “What are your hopes and dreams for your children’s education?”
  - (C) “How much do you think college will cost when your kids are ready to go?”
  - (D) “Are your parents alive?”
7. Methods for building prestige include which of the following?
- I. cold calling
  - II. speaking to groups
- (A) I only
  - (B) II only
  - (C) Both I and II
  - (D) Neither I nor II
8. Examples of nonverbal communication include which of the following?
- I. An advisor nods his or her head while the client responds to a question.
  - II. An advisor raises his or her voice to emphasize certain words.
- (A) I only
  - (B) II only
  - (C) Both I and II
  - (D) Neither I nor II

9. Which of the following are actions you should take when a prospect's resistance remains after your best attempts to overcome it?
- I. Acknowledge the prospect's position.
  - II. Keep the door open.
- (A) I only  
(B) II only  
(C) Both I and II  
(D) Neither I nor II
10. Which of the following statements regarding basic communication principles is (are) correct?
- I. Communication is learned through experience, but experience itself does not necessarily make one an effective communicator.
  - II. The most effective communication occurs when a receiver of a message gives understanding responses called paraphrases.
- (A) I only  
(B) II only  
(C) Both I and II  
(D) Neither I nor II
11. All of the following are primary bases used to segment markets EXCEPT
- (A) geography
  - (B) psychography
  - (C) ethnography
  - (D) behavior
12. All of the following are stages of the financial planning pyramid approach for developing a comprehensive financial plan over a period of time EXCEPT
- (A) allocating and diversifying investments
  - (B) managing retirement and the estate
  - (C) accumulating wealth
  - (D) protecting against risks

13. All of the following are characteristics of the early career phase of the life cycle EXCEPT
- (A) is newly married
  - (B) has great opportunities for wealth accumulation
  - (C) has young children
  - (D) is establishing employment patterns
14. All of the following are attributes of an effective counselor EXCEPT
- (A) unconditional positive regard
  - (B) notoriety
  - (C) accurate empathy
  - (D) self-awareness
15. Elements of nonverbal behavior include all of the following EXCEPT
- (A) facial expressions
  - (B) word selection
  - (C) eye contact
  - (D) voice pitch

# ***Sales Planning Project 2***

## **Developing an Inventory of Financial Planning Prospects**

**(Assigned Class 2—Due Class 4)**

### **Purpose**

The objective of this sales planning project is to identify prospects who meet your ideal-client profile and pinpoint potential financial needs and goals with which you can help them.

### **Assignment**

In this project, you will identify prospects whom you will contact in an upcoming action project to obtain an appointment for an initial meeting. In addition, you will identify potential target markets you may want to explore later. Remember, identify prospects whom you think would be interested in taking a multiple-purpose planning approach to their financial needs and goals.

### **Procedure**

Using the report form on the next page, complete the following steps:

1. Look at your ideal client profile from Sales Planning Project 1. Make a list of five prospects who fit the profile. These should be people you think would be interested in a multiple-purpose planning approach to their financial needs and goals.
2. For each prospect, describe relevant characteristics such as age, estimated income, estimated net worth, marital status, family status, hobbies, and so forth. Include any current life events such as a marriage, divorce, new baby, promotion, and so on.
3. Then, identify the prospect's possible financial goals and needs.
4. Finally, analyze your prospects for possible target markets that they may represent. All of your prospects do not need to come from the same target market. Also, a prospect may represent two or more potential target markets.
5. Complete the chart, identifying the target market, its common characteristics, its common needs and goals, and how members communicate with each other. For the communication system, be specific. Do they have a newsletter? Do they meet once per quarter? Do they simply talk with one another via e-mail or telephone?



Name \_\_\_\_\_ Date \_\_\_\_\_

**Sales Planning Project 2**  
**Developing an Inventory of Financial Planning Prospects**

**Report Form (1 of 2)**

Prospect's Initials	Information on this Prospect	Possible Needs or Goals Based on your Information on this Prospect
(1)		
(2)		
(3)		
(4)		
(5)		

# Sales Planning Project 2

## Developing an Inventory of Financial Planning Prospects

### Report Form (2 of 2)

Analyze your prospects. What target markets do they represent? Complete the chart below. Remember, members of a target market must communicate with one another, whether formally or informally.

Target Market	Common Characteristics	Common Needs and Goals	How They Communicate

# BREAKOUT



## Breakout—Class 3

3-1. What do you say to introduce the fact-finding process?

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3-2. What do you say if a client resists or has concerns about the fact-finding process?

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3-3. What do you say to a client to explain the importance of goal-setting and prioritizing goals?

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3-4. What words would you use at the conclusion of the fact-finding meeting to describe the purpose and content of the agreement letter that you will mail to the client subsequently?

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## Quiz—Class 3

(Due Class 3)

Instructions: Study the reading assignment from Class 3, then circle the correct answer for each of the following questions. Each question is worth 10 points (100 points total).

- 3-1. One of the primary advantages of the fact-finder is that it provides a systematic method for gathering client information to
- (A) support the general planning strategies for the client's case
  - (B) diagnose and review the client's total personal, financial, and tax position based on financial statements
  - (C) report on the client's case on an ad hoc basis
  - (D) protect the information from other financial or legal advisors who are serving the client's needs
- 3-2. Which of the following statements regarding information found on the cash flow statement is (are) correct?
- I. Clients must have a positive net cash flow in the long run if they want the flexibility to fund additional financial objectives that may arise.
  - II. Clients who experience a negative net cash flow will either have to borrow or liquidate assets in order to balance income and expenses.
- (A) I only
  - (B) II only
  - (C) Both I and II
  - (D) Neither I nor II
- 3-3. Which of the following statements regarding the Risk/Return Profile section of the fact-finder is (are) correct?
- I. It is designed to provide a comprehensive assessment of the client's psychological tendency for-risk taking, that is, his or her financial risk tolerance.
  - II. If the rankings are inconsistent and do not correlate well with each other, you should question the client about the inconsistencies, and if necessary make changes.
- (A) I only
  - (B) II only
  - (C) Both I and II
  - (D) Neither I nor II

- 3-4. Which of the following statements regarding goal setting in financial planning is (are) correct?
- I. Goal setting is critical to creating a successful financial plan.
  - II. Once established, a person's financial goals usually remain static.
- (A) I only  
(B) II only  
(C) Both I and II  
(D) Neither I nor II
- 3-5. The client should provide preliminary information well in advance of the information-gathering meeting to give you ample time to do all the following EXCEPT
- (A) review the information  
(B) form conclusions about the client's financial condition  
(C) determine those areas in which more detailed information is needed  
(D) save valuable time in the fact-finding meeting
- 3-6. All of the following are examples of objective (factual) information that might be needed from the client EXCEPT
- (A) personal and family information  
(B) a list of securities holdings  
(C) an inventory of assets and liabilities  
(D) an assessment of the client's level of risk tolerance
- 3-7. The information assembled about the client's personal financial transactions can fulfill all the following important needs EXCEPT
- (A) keeping the client out of the thought processes and procedural methods of financial planning  
(B) creating a professional language for financial planning that guides both you and the client  
(C) determining the client's need for services and/or products based on your knowledge of their availability  
(D) establishing the trusted advisor relationship with the client

- 3-8. Each of the following is a topic area for identifying the client's specific personal financial goals and objectives EXCEPT
- (A) life planning
  - (B) insurance planning and risk management
  - (C) government benefits planning
  - (D) investment planning
- 3-9. Insurance planning and risk management protects individuals and their families against the risks that can arise from the possibility of all the following EXCEPT
- (A) premature death losses
  - (B) disability losses
  - (C) employee-benefits losses
  - (D) property and liability losses
- 3-10. Specialized financial planning goals typically include planning for all the following EXCEPT
- (A) terminal illness
  - (B) marriage
  - (C) nontraditional families
  - (D) job or career change



# **Action Project 1**

## **Approaching Your Prospects**

**(Assigned Class 3—Due Class 5)**

### **Purpose**

The purpose of this project is to practice selecting appropriate preapproach materials and using effective telephone techniques to set appointments for financial planning.

### **Assignment**

The key to successfully setting appointments is basing your preapproach and approach on needs that the prospect has a strong emotional desire to address. Your preapproach and approach should reflect the prospect's probable needs and your ability to communicate how you can meet them effectively and uniquely.

In this action project, you will analyze five prospects from the list you made in Sales Planning Project 2 in order to select appropriate preapproach material and create an effective approach script. Then you will approach them by telephone or meeting face-to-face to schedule an initial meeting to see if they may benefit from your financial planning services. You may make these approaches as a follow-up to direct mail letters, a meeting with the person directly, or a phone call without a preapproach. When making telephone approaches, be sure to comply with the Do-Not-Call regulations.

### **Procedure**

In order to complete this project, do the following:

1. From the prospect list that you created in Sales Planning Project 2, select five or more prospects (record their initials on the report form) that have similar needs. By selecting prospects with similar needs, you can use the same preapproach and approach for all of them.
2. Examine each prospect's needs and choose the need or needs which you feel the prospect would have the greatest emotional desire to address. Record this on the report form in the "Needs" column.
3. (Optional) Select and send an appropriate preapproach for each prospect based on this need (or needs). For example, if the prospect is a professional with young children, an e-mail, postcard, letter, or magazine article about education planning would be appropriate. Record a brief description of each preapproach you use on the report form and indicate which preapproach you use for each prospect by placing the corresponding letter in the "Pre" column on the report form.
4. Review the information in the textbook regarding approaches. Outline a telephone script that is based on the prospect's possible need. Refer to the preapproach (if you have used one) either directly or indirectly. A direct reference would be something like, "I'm following up on the postcard I sent you about education planning." An indirect reference would be repeating information in the postcard without mentioning that you sent it. Record the body of your script, where you describe the possible need and communicate

your ability to meet it, on the report form (or attach a copy to the report form). If you use different scripts for different prospects, indicate which script you use by placing the appropriate letter in the “App” column on the report form.

5. Make your approach and record what happened on the report form.

### Sample Scripts

- A. I am following up on the postcard I sent you that talked about the benefits and cost of sending your child to college or a trade school. I help parents walk through the maze of information and options, and implement a plan now that is consistent with their financial situation and works to provide their children the education that will empower them to achieve their dreams and financial independence.*
- B. People approaching retirement are often concerned about whether or not they will have enough money with which to retire, how they will pay for health care, and what they will do if they need long-term care. I help people address these concerns so they can focus more on enjoying life.*
- C. Young parents feel the pressures of conflicting goals. How do they save for a house, accumulate money for their retirement and children’s education, protect their families from the financial risks of premature death and disability, and still make ends meet? I help people make wise financial decisions that reflect their goals and values so they can sleep at night.*
- D. Many people are looking forward to retirement, but have not taken the time to dream about what they want that life stage to look like, let alone determine how much they need to save and what they need to do to accumulate their nest egg. I help people envision their future and put in place a plan that will make their vision a reality.*
- E. Today’s pre-retirees are finding that if they could do it all over again, they would have made financial decisions that were more consistent with achieving their long-term goals and dreams. I help young professionals like yourself avoid these pitfalls by helping them make decisions about saving, investing, and buying insurance in the context of their dreams and goals.*

Name \_\_\_\_\_

Date \_\_\_\_\_

**Action Project 1**  
**Approaching Your Prospects**  
**Report Form (1 of 2)**

**Preapproach**

Give a brief description of the preapproach you are sending. What are the main message points?

- A. \_\_\_\_\_  
\_\_\_\_\_
- B. \_\_\_\_\_  
\_\_\_\_\_
- C. \_\_\_\_\_  
\_\_\_\_\_

**Approach Script**

Write the body of your approach, the part of the script that describes the prospect's possible needs, and your ability to address them.

- A. \_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_
- B. \_\_\_\_\_  
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- C. \_\_\_\_\_  
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**Action Project 1**  
**Approaching Your Prospects**

**Report Form (2 of 2)**

<b>Prospect</b>	<b>Needs</b>	<b>Pre</b>	<b>App</b>	<b>What Happened?</b>

# ***Sales Planning Project 3***

## **Interview an Experienced Advisor**

**(Assigned Class 3—Due Class 5)**

### **Purpose**

As an advisor interested in developing a financial planning approach with your clients, it is important for you to learn from successful experienced financial advisors. The information you will gain from interviewing them will help you move your practice in this direction. By tapping into the experience and knowledge of veteran advisors, you should gather ideas to increase the effectiveness of your marketing and planning process.

### **Assignment**

Interview an experienced financial advisor in your agency, association or area who has a successful financial planning practice or does financial planning within their practice. The advisor should work primarily with a comprehensive or multiple-purpose financial planning approach. If a person such as this is not available, a second choice would be an advisor who follows a personal financial planning model to some extent in his or her practice.

Record and submit your results using the form provided in this assignment.

### **Procedure**

Identify and contact the advisor and tell him or her that you are interested in the financial planning approach. Ask if he or she would be willing to discuss with you some aspects of the practice, such as how he or she got started and how that individual conducts the practice.

Make an appointment to conduct a face-to-face interview, if possible. A telephone interview should be a secondary option because you want to see the office and talk to him or her in a working environment. Use the questions provided on the report form on the next pages as a guide to your discussion. Add relevant questions that you think will be helpful to you.



Name \_\_\_\_\_ Date \_\_\_\_\_

## **Sales Planning Project 3**

### **Interview an Experienced Advisor**

#### **Report Form (1 of 3)**

#### **Advisor Interview**

1. How did you get started using a financial planning approach in your practice?

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2. What target market do you use to prospect for financial planning clients? How do you position yourself strategically in your target markets?

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3. Do you have strategic alliances with other advisors, and if so, how did you develop them?

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4. What topics do you cover in your initial interview with a client?

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5. What type of fact-finder do you use to gather information about a client's current financial situation? Do you uncover a client's goals in the process?

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# **Sales Planning Project 3**

## **Interview an Experienced Advisor**

### **Report Form (2 of 3)**

6. What financial planning software do you use to help you analyze the client's current personal and financial information?

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7. How do you design and present your proposals and recommendations to your prospects?

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8. How do you motivate the client to take action on the recommendations you make?

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9. What types of training, continuing education, forums, publications, and associations do you use to keep current in your financial planning practice?

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10. How are you compensated? Do you have any plans to change how you are compensated?

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# ***Sales Planning Project 3***

## **Interview an Experienced Advisor**

### **Report Form (3 of 3)**

#### **Summary:**

What did you learn from this project that you can apply to your current practice? Name two concepts and describe how you can use them in your practice.

1. \_\_\_\_\_  
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2. \_\_\_\_\_  
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