

Significantly Increasing Your Value and Income

A FPA Michigan Business Development Workshop

Friday, January 20, 2017 1-5PM

**What's going on that
you decided to come today?**

Learning Overview for Today

1. How to differentiate yourself with prospects by the way you listen and speak
2. How to position anything you have to say to a prospect or client as relevant and compelling – according to them
3. How to create Prospect Targeting so you only pursue warm, ideal clients
4. How to establish your New Business Math for 2017 so you'll know in any moment whether you're on track for your revenue goal
5. How to create and use your Network of Help to only make warm calls and proactively achieve your growth goal for 2017; referrals become gravy.
6. Bonus: Introduction to Promise Management – a top 1% performance skill that outperforms traditional goal setting and pursuit and keeps you on track to fulfill your 2017 new business promise

**Your competitors do not have
the skills you'll learn today.**

When you learn and use these skills,
your clients will notice and your value to them will increase.

What Makes this Learning Work

Your Real Time Application of What You're Learning Via Conversation and Coaching

Terminology

- ◆ Client-centric: Prospects/clients say your only agenda is their agenda
- ◆ Results-centric: Clients say you're focused on their desired result first and how to get there second (process, products, services, etc.)
- ◆ Selling by being of service: Clients say, "I feel served by you."
- ◆ Traditional selling: Clients say, "I feel sold to when you're here."
- ◆ Promise Management: Skill of entering into and fulfilling promises to yourself and others. Fundamental trust-building skill. (Harvard)
- ◆ Confide: Clients: "You made it safe for me to tell you what's really going on."
- ◆ Common: Clients say your skill is very good but the same as others.
- ◆ Rare: Clients say they can't find your skill and value elsewhere
- ◆ Top 1% skill = rare competence used by nation's top value producers

What Are You Playing For?

Your client's assessment that
their future is **better** with you and your firm in it.

(Only four possible answers: Yes, Yes for Now, No, and Maybe)

Best Outcome Is A Client Saying

**“(your name) is an essential partner
for creating the future we want.”**

She/he consistently understands what we care
about most and brings us the combination
of expertise and solutions we need to manage our
financial resources to support the life we want.”

Levels Client Satisfaction

- ◆ **Ruined:** “We’re totally satisfied. We no longer look for other advisors and we’re not even open to considering another advisor’s offer of help. There’s no point in doing so.”
- ◆ **Captured:** “We’re pretty satisfied and we’re not looking now but if someone we thought could be a better advisor approached us, we might listen to them.”
- ◆ **Satisfied:** “We’re good for now but we’re **always** looking to upgrade.”
- ◆ **Dissatisfied:** “We are not satisfied with our current advisor. We are actively looking to replace them.”

Listening Skill Overview

- ◆ State of listening in the marketplace today
- ◆ Why listening matters more now than ever
- ◆ Insights into why you listen the way you listen
- ◆ How trusted advisors listen – top 1% performance listening skills
- ◆ 10 advanced listening skills you can use right away

Worldwide State of Listening

People rarely feel fully listened to, by anyone.

Worldwide State of Listening

"If we advisors have one major area of weakness, it would have to be in our capacity to listen to our clients."

-- Chris White, Author of The Emotional Investor

Worldwide State of Listening

The Culprit

People who are “fake listening” as they wait to talk.

Why Listening Matters More Than Ever

Because the speed of becoming out of sync or irrelevant with a client is faster than at any time in history.

Why Listening Matters More Than Ever

“Left unattended, knowledge and skills, like all assets, depreciate in value - surprisingly quickly.”

-- David Maister, Author, The Trusted Advisor

Insights About Your Listening

Who taught you how to listen?

Insights About Your Listening

What was the lesson they taught you?

Insights About Your Listening

Has the lesson given you a listening advantage?

Insights About Your Listening

**What compliments did you receive
for your listening in 2016?**

How Highly Trusted Advisors Listen

Definition: Listening is not just one of our senses.
It's a developed act of service and a major way to
differentiate yourself.

How Highly Trusted Advisors Listen

Mindset: "One the most sincere forms of respect is to actually listen to what another person has to say."

-- Bryant H. McGill, Human Potential Thought Leader

How Highly Trusted Advisors Listen

**"We need to earn the right to talk.
That's best done with listening."**

-- Chicago Wealth Advisory CEO

How Highly Trusted Advisors Listen

Client-Centric Listening:

**It's all about the client
and what the client cares about most.**

Advanced Skill:

Conveying that you're 100% client-centric.

How Highly Trusted Advisors Listen

**From a client point of view,
there are only four places your attention can be:**

1. All on them 2. All on you 3. Split 4. Elsewhere

**Trusted advisors have above average self-awareness and can
keep their attention 100% focused on their clients.**

(when they're with them)

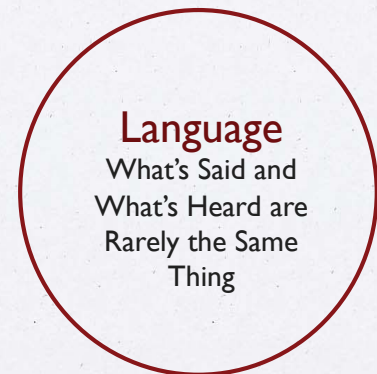
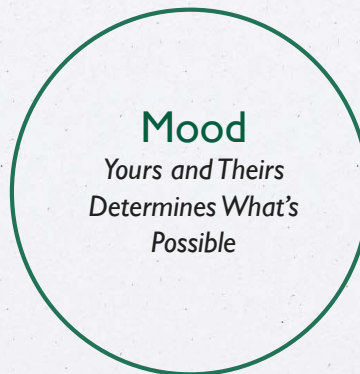
How Highly Trusted Advisors Listen

No Agenda Listening

Advanced Skill:

Preparing well and then being willing to put your preparation aside.

How Highly Trusted Advisors Listen



Advanced Skill: Gaining an increased appreciation and understanding of a client by listening to them in all three domains of communication.

Listening/Reading Client Body Language

Your Client Turns Away from You

Your Client Turns Against You

Your Client Turns Toward You

Locating Your Client on the Mood Elevator

Upper Floor

- ◆ Ambition
- ◆ Acceptance
- ◆ Creative, innovative
- ◆ Open-minded
- ◆ Resourceful
- ◆ Hopeful, optimistic
- ◆ Appreciative, grateful
- ◆ Patient, understanding
- ◆ Sense of humor
- ◆ Flexible, adaptive, cooperative
- ◆ **Curious, interested, engaged***

Lower Floors

- ◆ Impatient, frustrated
- ◆ Disengaged, resentful, victim
- ◆ Worried, anxious, panic
- ◆ Defensive, insecure, entitled
- ◆ Judgmental, blaming
- ◆ Skeptical, distrust
- ◆ Certain, controlling, self-interested
- ◆ Stressed, burned out
- ◆ Angry, hostile, cynical
- ◆ Resigned, closed

Mood is the #1 Predictor of Your and Your Client's Behavior to Come

Listening to the Client's Language

Advanced Skill: Underneath the words, clients only say 6 things

1. They assess – can be done with or without authority and can be with grounding or the lack of grounding
2. They assert – using facts held as facts in their family
3. They request your help or they don't
4. They offer their help or they don't
5. They promise themselves, their families or you – or they don't
6. They declare their commitment to a future outcome (set future in motion) – or they don't

Listening for What Clients Don't Say

1. The Client's Backstory

Your client has a **"backstory"** and it's almost always changing. Their backstory greatly impacts your communication with them and you'll benefit by drawing it out and staying current on it at all times.

Advanced Skill: Ask them about it; they'll tell you.

Additional Backstory Skills

Con-text (in Spanish, means "with text")

The newer the relationship, the more important it is to ask about the "con" in context (backstory).

When clients say "text" without the "con" is a "blurt".

Clients blurt all the time.

Most common example: "We need a better return."

Additional Backstory Skills

Why this? Why now?

Two questions spoken in a mood of curiosity not confrontation, that you can use to reveal the client's backstory.

2. Client's COS #1

Each client has **Conditions of Satisfaction** for HOW they want their results achieved. These may be in your working agreement but they may not.

Advanced Skill:

**Ask what their COS are and they'll tell you.
When we don't ask or we guess, we find out later
what their COS really are. It may be too late by then.**

3. The Client's COS #2

Each client has **Conditions of Satisfaction** for HOW they want you to serve them personally. These may be in your contract but they are most likely not included.

Advanced Skill: Ask what their **COS** are and they'll tell you. This gives you a **huge** advantage on how to satisfy them.

4. Unspoken Client Complaints

Most clients have some kind of **complaint** about how they are being served or how results are being achieved. Yet, they have average to below average skill for how to make a professional complaint to you. So they don't.

Advanced Skill:
Invite their unspoken complaint and they'll tell you.

5. Client's Unrequested Apologies

Many clients are expecting an **apology** from you that has never come. Clients can hold on to this for a very long time and build resentment toward you and CVS Health.

Advanced Skill: Ask if they're expecting an apology and they'll tell you.

6. Client's Appetite for Explanations

When clients say "**explain that to me**", they won't say how much of an explanation they want.

Advanced Skill:
Before you start explaining, ask them if they want a short, medium, or comprehensive explanation and they'll tell you.

7. Remaining Relevant with Clients

Clients tend not to tell you what's most relevant to them or if what's relevant has changed since your last meeting.

Advanced Skill: It's dangerous to guess. Much better to ask. What you say next will be more relevant once you know.

8. Is Your Client Open to a New Offer?

Clients may not be open to anything new or different but they seldom tell you whether they are or aren't, in the moment.

Advanced Skill:

Avoid presuming or appearing to have a separate agenda. Do a "permission move" to find out. "Would you like to hear another way we can help right now?" They'll say yes, no or later.

9. Match, Pace, Lead Advising: 3 Levels of Trust



Match: You're meeting the prospect's agenda right where they are. Your only agenda is the client's agenda. You have no separate agenda.

◆ **Pace:** You're taking the prospect beyond what they've asked for but still within their comfort zone. They accept your pace move.

◆ **Lead:** You're leading the prospect to opportunities beyond what they've asked for or considered previously and they are following your lead. They express gratitude to showing them more than they asked for.

Client: "If you pace or lead me before you have my trust to do so, I'll decline and my trust of you may drop."

Match, Pace, Lead Inside the Prospect's World

Accumulate

Retirement Savings

Taxable Savings

College Savings

Inheritance

Grow

Asset Allocation

Portfolio Management

Tax Management

Protect

Estate Plan

Debt Management

Insurance

Distribute

Retirement Income Planning

Social Security

Legacy

The Smith Family

10. Is Your Client Satisfied Right Now?

Clients aren't used to declaring their satisfaction.

Advanced Skill:

Interpreting their satisfaction is dangerous. It's always better to ask and they'll tell you. Knowing is better than not knowing. "Are you satisfied with how this is going?"

Speaking that Differentiates You

When prospects ask what differentiates you:

1. Typical answer is to talk about yourself and your firm:

- ✓ Your history, philosophy, investment approach, team, offices, and AUM
- ✓ When advisors talk like this, they make it hard for the prospect to differentiate among the different firms they are considering
- ✓ Quickly becomes a personality and chemistry screener for prospects

2. Instead, talk about your clients instead of yourself:

- ✓ Who they are, what they are creating in their lives, how they think about money and wealth, what kind of advisor they value, how they like to be served, the results they've experienced work with you and what they value about you most. Clients will listen that you're describing them and be very attracted to you: "you get me".

In Summary

What Are You Playing For?

Your client's assessment that
their future is **better** with you and your firm in it.

(Only four possible answers: Yes, Yes for Now, No, and Maybe)

The Key to Earning Their Assessment

They assess that you listen to them better than any other advisor.
They say that your only agenda is their agenda.

They see your interest and curiosity in them when you ask about their life goals how they want to use their financial resources to achieve them.

They assess that you only ask about, say, show or send things to them that are 100% relevant to them.

They say you are the **only one** who told them that the future they envision to be possible IS actually possible (validation move) and showed them how it could be accomplished. (grounding)

Advanced Listening Makes It Much Easier to Create Highly Satisfy Clients.

This is a direct route to the financial rewards of great service and value - top 1% annual income of \$434,682 or more sustained.

Prospect Targeting

Prospect Targeting Criteria

What criteria define your best clients?

(it's probably the same for targeted prospects)

1. Mood (for example: trusting vs. distrusting/cynical) ____
2. Not on track for their financial goals or on track but concerned _____
3. Orientation to help: pro, con or indifferent ____
4. Nice, kind, thoughtful ____
5. Orientation to comprehensive wealth management vs. parts ____
6. They believe in active financial management _____
7. Willing to pay for your guidance _____
8. Low cost to us (\$, time, energy, attention/distraction factor) ____

Point system: 0-3 points per criteria. Score a prospect after you meet with them. Establish a threshold of XX points to warrant continued pursuit.

Your Targeted Prospect Criteria: Create and Use

What seven criteria define your best clients?

(it's probably the same for targeted prospects)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Point system: 0-3 points per criteria. Score a prospect after you meet with them. Establish a threshold of XX points to warrant continued pursuit.

Network of Help

Network of Help

- ◆ Within your Outlook file are people in your **Network of Help**
- ◆ People who:
 - ✓ You reciprocate with – you help them, they help you – mutual obligation
 - ✓ Share your values for doing business
 - ✓ Current and past clients, colleagues, friends, associates
 - ✓ Willing to introduce you to “matches” in their network
- ◆ We will build and deploy each team’s network of help to get warm leads
- ◆ Senior advisors 50+ tend to have 35-50 people in their NOH
- ◆ I’ll teach/coach how to make the NOH request using the prospecting criteria and a combination of email, phone and in-person contact

Create a Network of Help to Gain More Clients

List ten people in your life who are in your NOH

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Rate your Network of Help: Scarce 1----- 5 Abundant

The Network of Help Request

My favorite NOH request is to current and past clients. I ask them:

“Do you know anyone who you think would value working together the way you and I do? If so, (request) I would very much like to meet them.”

Exercise: Make a (role play) phone call to your partner, make a permission move to ask for their help, set the context (you're growing your business and looking for more clients like you to serve), ask them the NOH question above and see what happens? 1 minute phone call then discuss how that went and how it could go better. Then switch. 6 minutes total.

New Business Math

2017 New Business Math (AUM)

Example Promise: \$10M in new AUM with an average win of \$1M in AUM requires 10 wins. Each win comes from this math:

Stage	Monthly	Annually	Convert	Ratio	Actual
NOH Outreach	16	192			
Warm Prospect	8	96	50%	1 of 2	
Qualified	4	48	50%	1 of 2	
Finalist	2	24	50%	1 of 2	
Win	1	12	50%	1 of 2	

Advisors need to ground their math at the beginning of the year and stay on it each month to achieve their annual growth goal.

Developing Your 2017 New Business AUM Math

Take 10 minutes to write in your math and complete the statements below:

Stage	2016 Planned	2016 Actual	Convert %	Ratio X:Y	2017 Planned
Outreach					
Prospect					
Qualified					
Finalist					
Win	1				

In 2016, I grew my AUM \$ _____ with an average new client AUM win amount of \$ _____.

From this learning, my 2017 plan is based on growing AUM from \$ _____ to \$ _____ with an average new client AUM win of \$ _____ and the loss of \$ _____ from current clients which will equal net AUM of \$ _____.

Some Old, New Business Math

- ◆ 48% of people who meet with a prospect never follow up with them
- ◆ 25% make a second contact and stop
- ◆ 12% make three contacts and stop
- ◆ 75% quit between 1-3 attempts
- ◆ Only 10% make more than three contacts
- ◆ 2% of sales are made on the first contact
- ◆ 3% are made on the second contact
- ◆ 5% are made on the third contact
- ◆ 10% are made on the fourth contact
- ◆ **80% of wins are made on the fifth to the twelfth contact**

Co-Designing vs. Proposing

Co-Designing vs. Proposing

- ◆ Proposing puts prospect in the mood of judging you and your proposal.
- ◆ Co-designing puts prospects in the mood of creating with you.
- ◆ Draw out your prospect's Conditions of Satisfaction (COS) for their choice advisor and approach to financial management. Possibilities include:
 1. Really understands my commitments, issues and concerns
 2. Can advise me on tricky client issues coming up
 3. Values match
 4. Anticipates my needs; provides responsive service (24 hr response), local
 5. Breadth of ways to help me in an integrated manner
 6. Really understands complexity
 7. Competitive fees
 8. 20+ years of experience and quality references

Use their top 3 COS to inform what offer you'll make. If you don't find out their COS, your offer will be a guess.

Promise Management Skill Distinctions for Producing Top 1% Performance

FPA Michigan

2017

Promise Management

- ◆ A top 1% performance skill based on how you:
 - ✓ Enter into promises,
 - ✓ Fulfill them and;
 - ✓ Recover the promise and trust during breakdowns to fulfillment.

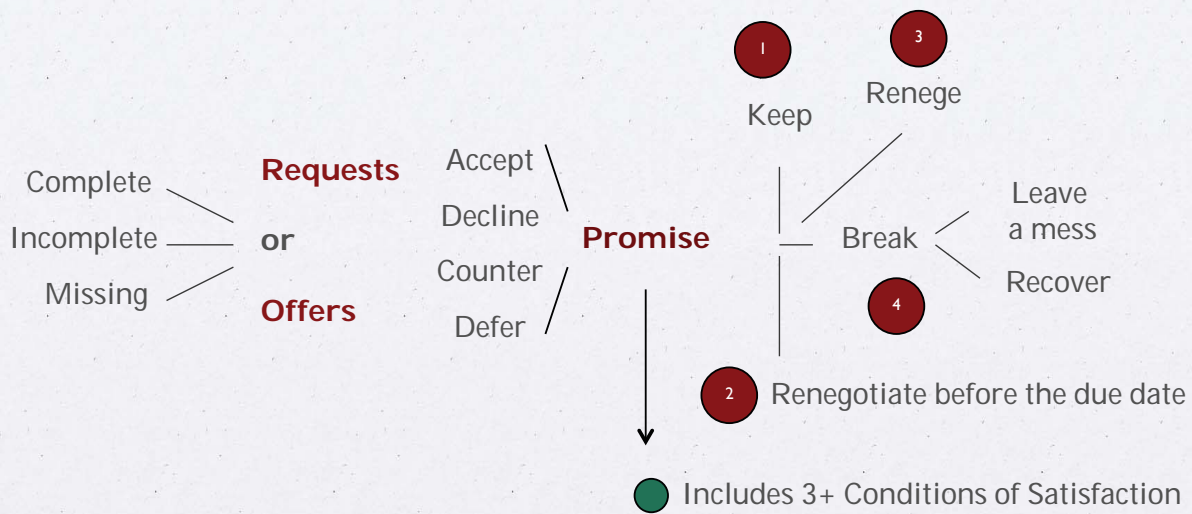
- ◆ 80% of people are average at this skill, at best.

- ◆ Clients/prospects notice and value providers who are great at it.

- ◆ Top Six Reasons Promises are Broken
 1. There was no promise to begin with (might have sounded like one, but there wasn't).
 2. The promise was unfulfillable from the start but the performer said "yes".
 3. The promise was transferred and there was a poor handoff from one holder to the other.
 4. The fulfiller(s) – person or team – do not have the skill and capacity to fulfill.
 5. The Conditions of Satisfaction weren't expressed, were incomplete or never agreed to
 6. There was a breakdown that compromised the promise and a window to renegotiate it to one that could be fulfilled - but the window closed without doing so.

Creating and Sustaining Trust and Getting Work Done with Less Time and Effort

The Mechanics of Promise Management



Use this to manage promises Monday – Friday and keep trust high.

How to Know Whether to Trust Someone's Promise

1. **Sincerity** in making their promise to you
2. **Competence/skill** to fulfill their promise
3. **Capacity** to fulfill their promise
4. **History** of reliably keeping their promises to you

How Other People Know Whether to Trust You

1. **They listen to your sincerity** in making promises to them.
2. **They assess your competence/skill** to make a complete promise and fulfill it.
3. **They assess your time capacity** to fulfill a promise to them.
4. **They review your history** of reliably keeping promises to them.

Trust Building Skill: Making Effective Requests

1. Client (request maker)
 2. Advisor (request fulfiller)
 3. Shared context (con-text)
 4. Something is missing for the Client according to them that had led to their requested action
 5. Client's and Advisor's Conditions of Satisfaction (COS): done in particular way, with certain tools, how much time spent, at what cost, etc. (Starbuck's example)
 6. Time (a COS so important, it has it's own spot on this slide)
 7. Listening receipt that client's request has been:
a) accepted, b) declined, c) countered or d) deferred by the performer.
 8. A declaration by both performer and client, once the request has been fulfilled, that there is mutual satisfaction.
- Satisfaction = Enough action.

Trust Building Skill: Making Effective Offers

1. Client (offer seeker)
 2. Advisor (offer maker and fulfiller)
 3. Shared context (con-text)
 4. Something is missing for the Client that had led to their openness to an offer from you
 5. Client's and Advisor's Conditions of Satisfaction (COS): done in particular way, with certain tools, how much time spent, at what cost, etc. (Starbuck's example)
 6. Time (a COS so important, it has it's own spot on this slide)
 7. Listening receipt that your offer has been:
a) accepted, b) declined, c) countered or d) deferred by the performer.
 8. A declaration by both performer and client, once the offer has been fulfilled, that there is mutual satisfaction.
- Satisfaction = Enough action.

Reaching a Mutual Promise (Closing)

1. In traditional sales, the sales person is “closing you”
2. Top 1% skill: Arriving at closure or agreement together
3. Provider says: “I believe I’ve understood your COS well and I’m confident that I/we can meet them. I also hear you saying that you can meet our COS as well. That’s my understanding. Does that match yours?”
4. If the client says “yes” then the only thing left to say is, “When would you like to **begin working together** to create the results we’ve been discussing?” This is very different than, “would you like to hire me and my firm?” or even, “my firm and I would love to have you as our client.”
5. Done well, this is a soft landing. There is no convincing, persuading, arm twisting, cajoling or manipulating – the things that are associated with traditional sales approaches.

Proactive Communication of Promise that Won't Be Kept – 6 Step Conversation

1. State the promise as you understand it
2. Alert that you will not be able to keep the promise
3. With a permission move, offer a short, concise explanation
4. Co-design to reach a new agreement
5. Apologize for not keeping the promise
6. Thank them for listening

Recovery from Your Broken Promise – 4 Step Conversation

1. I **acknowledge** that I did not do what I said I was going to do.
2. I'm **responsible** for the breakdown I caused you. "I **own** it."
3. Here's what I can offer you to help **recover** for my original promise.
4. Here's the I'll take to **prevent** this from happening again.

Addressing A Promise that's Been Broken with You

1. **State:** The agreement or promise we had was not fulfilled
2. **Ask:** Do you see that, too?
3. **Request:** What can you do to recover the promise?
4. **Offer:** Is there anything I can do to to be of help to you?

Insight: It's not their or your promise, it's "our" promise (mutual).

Top 1% Skill: Speaking the Status of a Promise

Un-Grounded Responses

- ◆ "Things are looking up."
- ◆ "I'm rolling - I've had 3 good meetings in a row this week."
- ◆ "Everybody felt good about the meeting."
- ◆ "We'll make our numbers – we always land a couple big ones in the fall."
- ◆ "They liked us a lot—we nailed it."
- ◆ "Our net 5% goal is no problem."

Grounded Responses

- ◆ "I'll make one or more outreaches daily to my targeted prospect list".
- ◆ "We've converted three prospects into qualified prospects this week."
- ◆ "We're meeting with the prospect on Friday to co-design how we want to work together."
- ◆ "We've hit our new business math three months in a row and we're on track for our 2016 net 5% goal."

Top 1% Status Meetings – Saves Time, Adds Rigor

How's your XYZ promise going?

1. I'm on track, thank you
2. I'm off track but I can recover
3. I'm off track and I need help to recover
4. I'm off track; we can't recover; no amount of help will help; we need to renegotiate our promise now

Use Promise Management Handout for Test Drive

Learning Recap

1. How to differentiate yourself with prospects by the way you listen and speak
2. How to position anything you have to say to a prospect or client as relevant and compelling – according to them
3. How to create Prospect Targeting so you only pursue warm, ideal clients
4. How to establish your New Business Math for 2017 so you'll know in any moment whether you're on track for your revenue goal
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