

GAMA International Presents



Great Leadership Ideas



A collection of
favorite leadership
ideas from
GAMA International
field leaders...

*And the personal
stories behind them!*

Volume IV of GAMA's *Great Ideas* Series

Great Leadership Ideas

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Foreword

Effective leadership is vital to all of the functions of our field organizations—from recruiting and selection to producer development and retention—and ultimately determines whether or not our organizations will survive. This book, *Great Leadership Ideas*, contains leadership strategies from some of the finest people and most successful field leaders in the insurance and financial services industry.

As we interviewed these leaders for this book, the fourth in GAMA International's *Great Ideas* series, one theme resounded throughout almost every interview: the desire of field leaders to give back to the people and the industry that has made their dreams come true.

The strategies in this book reveal how some of our most revered field leaders made it to the top. Whether it's a new idea or one of the tried-and-true basics, every page contains valuable insight that can benefit anyone in this business.

**James H. Krueger, CLU ChFC CLF MSM MSFS RHU LUTCF FIC
2004–05 GAMA International President**

**Managing Partner
Thrivent Financial for Lutherans
Appleton, WI**

**“We make a living by what we get.
We make a life by what we give.”**

– Sir Winston Churchill

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Belief-Based Prospecting

Here's this young kid at his second or third LAMP meeting in the audience with this iconic figure of the industry, Charlie A. Smith—CAS, CLU ChFC, E-I-E-I-O, giving a presentation. I didn't know who Charlie Smith was. It was almost like I was seeing Moses. The clouds parted, and I heard him declare, "A successful person never vents his vocational disturbance until presented with another opportunity." As I found out later, Charlie was quoting his mentor, Clair Strommond. I heard this, and I said, "You know what? That's the truth."

This is such a great example of generational leadership—Clair to Charlie to me.

As a young manager, I had no idea what I was doing in terms of recruiting or retaining reps or getting them to give me referrals. I was going to them and saying, "Hey, who do you know who ought to be looking at this career?" They were giving me the crappiest leads—and then complaining about the quality of people we were hiring! The problem was that, number one, I wasn't clearly exemplifying the type of person I was looking for, and number two, I was willing to tolerate the poor quality I was getting.

A leader will get what he exemplifies and tolerates.

What Charlie's wise statement allowed me to do was stand tall in my agency and say, "I want you to tell me about the very best salesman you know. I'm looking for somebody who's doing so well, he won't even take my call." I did that, and the response from the reps was unbelievable. "Oh, you want a *good* lead!" they said.

And then it turned into this challenge. They'd say, "OK, Mr. Wise Guy, I'll give you a lead." And it was a

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tolerates.

great one. I would always call the guy and say his name had come to my attention in a favorable light, and would he like to kick around some career ideas. Almost always, they'd come to my office and see me. Without exception, we would walk by the referring rep's office, and I'd say, "Look who stopped by." From that moment on, my relationship with that rep changed forever. I had done two things: I had led by example, and I was not willing to accept a referral who represented less than my standard of quality.

I think that a lot of times, when we start prospecting, we put ourselves in a position of, "Oh, won't you please help me? I need some leads." So they will scrape some crumbs together for you. It works better if you change the focus to, "Hey, this is one heck of an opportunity. Who would you like to help discover?" There is satisfaction in helping someone discover a career that's been great for you. We call it "belief-based prospecting." Our reps don't care how they get paid, but they do care about the people they associate with. Now, thanks to Charlie Smith, I know what I'm looking for in reps and how to find them.

I was not willing to accept a referral who represented less than my standard of quality.

R. Michael Condrey, CLU ChFC CFP
Managing Partner
Northwestern Mutual
Raleigh, NC
GAMA International Board of Directors

Starting From Scratch

Great agencies are not always built from solid, inherited agencies.

I lived in a small community in Iowa nearly all of my life. I started in the insurance business in 1982. In 1983, at the age of 25, I qualified for MDRT, was married, and had three children under the age of four.

In 1984, I was asked to go into management with this company. I struggled as a young new manager and, in 1989, chose to step out of management and work as a life specialist for an independent agency. I felt like a failure at the time, but when I look back, it was definitely a learning experience that made me grow stronger.

I continued to be involved in the local GAMA International organization, though. Fortunately, others felt I had the potential to be a strong leader. In 1991, I learned that Farm Bureau was looking for female managers. After several months of interviewing, I was hired as an assistant agency manager. The idea was that I would spend four years in this program training to become an agency manager and then take over my own agency. I knew when I accepted the position that I would eventually have to move my family to a new area—something I wasn't sure they would be willing to do.

During the next year and one half, my mentor—Ken Myers—and I began to analyze all of my strengths and tried to find ways to overcome my weaknesses. Ken helped me to realize my potential and guided me in the true principles of what it takes to build a successful agency. Here are just a few of those principles:

- Make recruiting a part of your daily activity.
- Do not get caught up in recruiting mass numbers, thereby recruiting the wrong people. Recruit right and recruit quality.
- Develop a great relationship with your agents and make them feel that they're an important part of your agency.
- Manage your agents to their fullest potential.

In January 1994, only one and a half years into my four-year training program, I was asked to move to

Make recruiting a part of your daily activity.



Minnesota to take over a struggling agency that was nearly rock bottom in the company.

This was the challenge I was looking for, but now I had to convince my husband to give up his steady job and move our four children to an area we were unfamiliar with. We made the decision that he would be a stay-at-home dad, since we had four children in school and needed to have at least one parent around to support them in their new environment.

I started with six agents and guided three of them into a new career my first year there. Then I began to hire quality candidates. I was always active in my local GAMA chapter and began to incorporate some of the techniques I had learned in the AMTC program, along with strategies I learned from my mentor Ken and from resources such as the GAMA Foundation's *Agency Recruiting and Selection Practices* research study.

My goal was to hire two quality agents per year and to consistently maintain net growth of at least one agent per year. Eleven years later, I have 23 agents in an area populated with 250,000 people, and we have a three-year retention rate of 83 percent.

Choosing to develop an agency nearly from scratch instead of inheriting a successful agency made me a stronger individual and has given me the opportunity to develop the individuals I bring into this great business to their full potential. I love to see new people succeed in our business!

Debora A. White
District Sales Manager
Farm Bureau Financial Services
Fairmont, MN
GAMA Foundation Board of Trustees

We have a three-year retention rate of 83 percent.



Pocket Presentation

To me, the definition—the epitome—of leadership is having a very big and clear vision, teaching that vision to others, and getting them to join in that vision or cause.

I learned this from Phil Richards. What he did was write down on a small card his 25 “secret shortcuts” to agency management—the key themes, principles, and values that allowed him to be a successful leader and that made the firm flourish. He took the time to identify these things, write them down, and then laminate them on a small business card that he carries with him like you would any other business card in your wallet.

It’s interesting because all too often, we won’t leave our house without our credit card (don’t leave home without it), but how many times have we left the house without a card in our wallet or pocket that has the guiding principles and values to conduct ourselves and our firms in the proper fashion?

When I saw Phil’s card, the idea immediately resonated with me, and I thought what a neat thing this is to have in your pocket saying this is what I’m about, this is what our firm is about. You can refer to it any time. You can sit down with someone over a cup of coffee, on a plane, or in the middle of the woods.

So I have done the same thing. Phil’s list is more about agency-building shortcuts. I call mine the Recruiter’s Top 40 because as the chief recruiting officer at North Star, I’m responsible for running a successful recruiting operation. My card has 40 guiding principles or values on it, and I never leave home without it.

What a neat thing
this is to have in
your pocket saying
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about, this is what
our firm is about.



A great leader will see the potential in someone and help them live up to it and reach heights they never thought possible.

I think any leader should take the time to identify what their vision is and what their values are and write those down, engrain them, and refer to them constantly as they're being bombarded with choices and having to make decisions.

I've just added three or four more principles to the list. As I learn something new, I add it. Probably 80 percent of the ideas on that card came from the relationship I have with GAMA. Either I learned it at LAMP, or I was exposed to it through a relationship at GAMA or through the *GAMA International Journal*. The other 20 percent comes from outside sources.

My card is between a business card and an index card in size. Ultimately, it will be as big as an index card. I call this my presentation in a pocket. I pull that card out, and I have six hours of material. For example, I'm looking at it right now. It says, "Number 15. The ADC Creed." It's a quote by Johann Goethe that we use on North Star's Advisor Development Committee, which is dedicated to growing financial advisors, sales managers, and trainers. It says, "If I accept you for who you are, I will make you worse. However, if I treat you as what you are capable of becoming, I help you become that."

I think as leaders, it is our objective to look at each person and determine what he or she is truly capable of. A great leader will see the potential in someone and help them live up to it and reach heights they never thought possible. Most people tend to treat people in their current situation versus viewing and treating them as the person they can become.

We treat all of our advisors, even our new ones, like MDRT producers because that's what we want them to be. Someone could say, "Well, I'm new, and that was

just a rookie mistake.” You won’t last too long in this world if you’re making a lot of those. If you let them slide because they’re new, that’s a tremendous disservice to them. I tell them, “You need to act like an MDRT producer from Day One. My job is to treat you like an MDRT producer from Day One. I will keep you focused and have expectations of you.”

Edward G. Deutschlander, CLU CLF
Executive Vice President and Managing Partner
**North Star Resource Group/
Securian Financial Group**
Minneapolis, MN
2004–05 GAMA International Secretary

Everyone Needs a Mentor

I think anybody, whether they’re kids coming out of college or someone already established, needs a mentor. Don’t ever think you are too old to have a mentor.

I have been blessed to come across a lot of people who have given me some very good ideas—four mentors in particular. I could always go to them with questions, and they would give me advice based on what was in my best interest. One was a banker, one was a CPA, one was a tax assessor, and one was the general agent who hired me into the insurance industry. I worked for him only two and a half years, but for the next 20, I went to him often.

Washington’s birthday in 1972 was my first day in this business. I went to the office, and no one was there. I didn’t realize it was a holiday! From the beginning, I knew that I needed help. I needed advice and guidance, and I didn’t mind asking for it. Some mentors just give advice, but these gentlemen were truly caring individuals, very helpful and kind.

Don’t ever think
you are too old to
have a mentor.

Some of the younger people today don't understand this concept. Whether we recognize it or not, we all need mentors, whether it's in our business life or our personal life.

Over the years, I've mentored about 25 people. They're not always in this industry. Sometimes they end up here, but that's not the goal. A few years ago, my alma mater, the University of Baltimore, called and asked me to mentor a graduate student. So I took him to lunch every month for a year. He was in the accelerated MBA program. He was a genius. I wish I were as smart as this kid. But what he didn't have was life experience, so I just coached him and helped him. We got to the eleventh month, and he asked if I knew of any job leads. I said, "Give me a list of companies, and I'll figure out who I know in what company." He gave me a list of five companies, including Ernst & Young. Within 48 hours, I got him an interview, and he got a job with Ernst & Young.

What he didn't have was life experience, so I just coached him and helped him.

We have to help each other. I was thinking about this.... it's one of the things I have believed in for a long time. As a 5'10" basketball player in college 40 years ago, I obviously was not the star of the team. We each had to be involved, and it is a five-person game, so you have to work cohesively.

Someone once asked me, "How do you get all these people to work together and like each other?" You don't. If you hire a community-oriented, giving-type person, life is much simpler, and I think simpler is much better.

James E. Elliott, CLF
Managing Partner
The Penn Mutual Insurance Company
Towson, MD

A Culture of High Expectations

To me, leadership is about the culture you create. My culture is one of high expectations from an activity standpoint. I've always believed in high activity and high standards. As a new financial rep, early on, I was a high-lives, high-activity person. That's what I believe in. I got that from Al Granum.

In 2001, I took over an organization that was not high-activity-oriented and didn't focus on high-lives production. I spent the first year on the soapbox talking about activity with every new recruit and prospect I had. The people here were in their own groove and resisted it. The first year was awful.

I found out the hard way that you should never relax your standards.

As a new managing partner, when your name is suddenly on the door, even if you're successful, fear and self-doubt can set in and make you do things you wouldn't normally do.

I had spent nine years recruiting and developing people in the Hoopis Agency, a phenomenal organization. I was extremely selective about the people I hired and had tremendous success. Tremendous!

But the minute I walked out of there, knowing that now it was all on me, self-doubt set in.

My logic got out of whack because, guess what? Panic is too strong a word, maybe, but I wasn't nearly as selective as I should have been. I needed to get recruits in here, the momentum of some new blood. I needed to show the organization that I could get new people on board. When that's the mindset, you're willing to

I found out the hard way that you should never relax your standards.



accept less of candidates. So the 20 I recruited in my first year weren't even close to the mark.

Within six months, 18 of my 20 hires were gone. It was a huge financial commitment and wasted effort. A 10 percent retention rate isn't going to cut it. If my retention is 20 percent, I won't make a profit for seven years. If it's at the industry average, which is 11 percent, I will *never* make a profit. I had cash flow in that first year, but I wasn't profitable.

During my second year, my emotional controls relaxed a little and my logical controls took over, so I began to be more selective again. But it meant that I had to increase the number of people I interviewed.

I learned my lesson. I'm back to setting expectations and enforcing them, and that is part of our culture. Our mandate in my firm today is that we do 50 first interviews every month. We will have 600 first interviews this year. From those 600, we will select 18. The GAMA Foundation study (*Agency Recruiting & Selection Practices*) says that 20 interviews to 1 hire is what the most productive agencies do, and the less productive agencies do 10 to 1. I'm using 30 to 1, so it does take me longer.

My recruits have to adhere to a strict standard of productivity, too. They have to sell 20 lives or \$20,000 of premium in their first six months, or we shake hands. I had a young man who came to me and had 17 lives and \$18,976 of premium. He said, "I've got \$22,000 of premium that I'm waiting to put in." I terminated him. We had an agreement. We had talked about this all along. I know that the retention rate for someone who makes less than 20 sales in their first six months is not acceptable, so I held to that standard. My retention rate has dramatically improved.

We will have 600 first interviews this year. From those 600, we will select 18.



I would advise any new managing partner to be patient. When you're building your organization, either hire additional recruiting units or wait for the right people—but do not compromise your standard.

Brian H. Early, CLU ChFC
Managing Partner
Northwestern Mutual Financial Network
Wayne, PA
GAMA International Board of Directors

Always Room for Managers

From 1976 until 1982, I was a high school and college teacher, using my degrees in math and education. I was fulfilled and very happy, doing what I had always wanted to do. I was named Teacher of the Year for the school district and became chair of the math department.

A colleague and mentor of mine had a doctorate in statistics, and I decided that's what I wanted to do, too. Our school district had hired him as a consultant to conduct reliability and validity studies on test-item banks. One day he suggested that I let him prepare my personal financial plan. I agreed, and during that process, he confessed that he was making a career transition to work in financial services for Waddell & Reed.

That experience changed my life. It changed the way I looked at getting up in the morning, and I got upset that no one had taught us this in college. I had never thought about the importance of saving a little bit of all that we make for the future and that if someone doesn't have a financial plan, they could easily run out of money before they die. I love math, so I liked this.

When you're building your organization, either hire additional recruiting units or wait for the right people—but do not compromise your standard.



I asked my mentor, “Can I do this, too?” I went out to get licensed so that I could help my family and friends with their financial plans. I didn’t want to quit teaching, but I couldn’t do both jobs. I like to say that I’m still teaching; I just swapped the kids for the adults.

I began my career in financial services with Waddell & Reed in 1982 and have been here ever since. I became a division manager in 1987. Through the years, I’ve had a lot of different ways of doing things. But now I’m going back to my roots, my teacher background. Just like in the classroom, where it’s ideal to have the smallest student-to-teacher ratio possible, I’m reducing the advisor-to-manager ratio in my organization. For every four advisors, I have one manager. My goal is to keep it that way or make the ratio even smaller. I’m making it so that we have more leaders. I’m empowering our senior advisors. It’s more than a mentor role; it’s a leader role. I’m giving everyone varying degrees of supervisory responsibility.

In my division, I now have 47 advisors with more than 600 years of experience among them. That’s something to capitalize on. So I am doing it. I am empowering people to go out there and be leaders with me, for me. My leadership strategy is to grant permission to the agency/division manager to make a decision, to be the leader, to create the big picture, and to determine how we’ll implement it but also to get the buy-in from all the other managers. Then I give them ownership of the formula to success and help them help their advisors make it their own. With a 4:1 advisor–manager ratio, you can do that.

My management style is not to tell anyone what to do but to have more of a collective mentality, that we are

I’m reducing the
advisor-to-
manager ratio in
my organization.



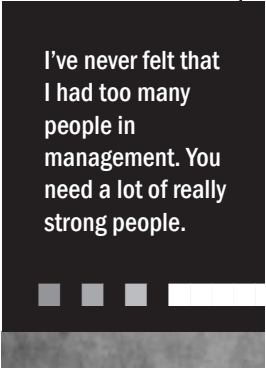
doing things together, not as a group of separate individuals. That's part of why we've been so successful. We are more than the sum of the parts.

I've never felt that I had too many people in management. You need a lot of really strong people. The organization is theirs. It's a reflection of who they are. I've always done it this way. I don't like to be told what to do, and I assume that others don't, either. The people in our industry tend to be self-confident and ambitious individuals, so this management approach appeals to them, too.

Sometimes it's trial and error. A few people I made managers, and then we mutually agreed that it wasn't working. But I give anyone a chance who expresses an interest. If you indicate an interest, we'll set benchmark attainment levels to get you on the management path. If you reach them, then we'll make you a supervisor and put one or two people under you, then make you a district manager and have you supervise a few more. If it's not working, it won't be a mystery to either of us.

When we hire people, I make sure they have three levels of supervisors to go to for immediate help—a district supervisor, then a district manager, and me. Our whole division culture is one of sharing, so anyone will help.

When you do this, it's very important to be good at delegating. I accept that I can't do it all, and I'm very happy letting other people take the ball and run with it. Recently, I let all of my districts break up into smaller groups so that they can do more things as smaller groups instead of with the big division. Smaller is better. It makes them all more accountable. If you're only one of five or one of 12, you're very accountable



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The collective success of our entire division is totally reliant on the small successes that we achieve in smaller groups.

for being there. You can't hide in the group. And the collective success of our entire division is totally reliant on the small successes that we achieve in smaller groups.

My teaching background has manifested itself in another way, too. Our primary marketing technique is to teach workshops and seminars. We are always teaching financial planning to companies, individuals, or organizations.

Daralee S. Barbera, CMFC CFP
Division Manager
WADDELL & REED Financial Services
Costa Mesa, CA

Love of the Product

I began in this industry in 1987 as a producer. I wasn't a great agent—I was mediocre. But when I was an agent, a lot of people came to me and asked me questions, and I found that I was enjoying helping others, especially the new people. I became a sales manager in 1997, starting from scratch with no agents. I took that role of helping others very seriously.

In 1997, I got the chance to visit the Prudential Korea office—that Prudential had established—for a week. They were using our training manuals and shared all of our procedures and strategies. In those days in Korea, the country was in trouble economically, about to file bankruptcy with the IMF. That was a bad situation. But when I got there, I found that the agents there were doing well, despite the troubled economy. One day, I saw a list of people on the wall. It was the people who sold three lives a week and never missed for the last 50 weeks! We're talking about half of the people in the agency, about 20 to 25 people.

I could not understand it. I wanted to ask them how the heck they were doing such a good job in such a difficult economic situation! I was going to wait until my last day there to ask this question, but I could not wait. “Can you tell me how you did it?” I asked one of the managers. He looked up and said, “What?” I told him what I was wondering. He answered, “We just did whatever you guys taught us! We followed exactly what you taught us to do.”

Then he showed me one of the manuals we had sent to him—the same manuals we used back in America. He turned to page one and pointed to where it says, “The Love of the Product.” He told me that his agents consider that section very seriously, about how the love of the insurance products we sell will help individuals and families in any kind of economic situation.

That caught me big-time. We think we’re so smart that we skip the things that are so important and so basic.

It is called “pilgrim love”—we go out and spread the love of the product and tell clients that this life insurance that we sell will help the family. These days, in a lot of companies, including ours, we talk about the features of the product for two minutes to a client but don’t stress how important the product is. We go into the technique, what kind of illustration and numbers we have to present.

After we have been in the business for a while, we skip the first pages and say, “We know this already. Let’s go into the high-tech stuff about computers.” But you can never forget the basic foundation, the reason we are here—it is because of the product and how it helps people.

I found that the agents there were doing well, despite the troubled economy.

You can never forget the basic foundation, the reason we are here—it is because of the product and how it helps people.

When I came back from Korea, I went back to the basics. We focus on the love of the product now. And when people apply for a job here, I do a pre-orientation meeting. We introduce our company, and at that time I spend 20 minutes telling them what our products and this job are about. I also share my personal experience about clients who have benefited from life insurance. It has nothing to do with money or fancy stuff. It is basic—the love and concern that people in this business have for their clients so that they can protect their families with our products. I tell them, “If you don’t have that feeling and don’t agree with me about that being important, you came to the wrong place.”

Instead of my teaching Prudential Korea, they taught me!

Michael Shin, CMFC CLTC
Managing Director
Prudential Financial
Orange, CA

The Systems Are Not on Trial

I think the most important strategy for leaders is to do what we’re asking our agents to do. I believe in systems. If you follow systems, you’ll get the desired results. I’m a big believer in planning three to five years ahead, whether you’re an agent, manager, or agency leader. Just as I encourage agents to have business plans to reach out ahead and look methodically at each segment along the way, I have my strategic plan for the entire office.

When I took over this office in mid-1995, I was doing \$1.2 million in first-year commissions. I had a plan to do \$4 million by 2000, and now we're at \$7.4 million. Now our plan is to get to \$10 million by 2007. Our systems will help us get there.

With 165 agents, it's important that we have a strategic plan for our second-line managers. It's communicated in every way possible. It's not enough just to set goals; you have to tie them into the overall plan.

Every January, I go away with all 14 managers for a three-day planning session. A few months later, we spend two days working on our mid-annual plan. The management team has a kickoff every year for all 165 agents. We have an afternoon business meeting on a Friday, followed by a formal dinner and dance on Saturday evening. It's important that we have annual planning meetings to show that we're encouraging both the agents and the managers.

I became a second-line manager in 1981 and then had my first office in Albany for 14 years. When I got there, there were about six people disguising themselves as agents—they were almost ready to retire. We had about 40 agents when I left. Through the years, it has been a process, going through the career, improving the systems. I've taken advantage of all kinds of management-development resources through GAMA International, as well as company programs and study groups.

Sometimes when I hire second-line managers, they resist certain parts of the systems. They also resist the management skill-building sessions that we have every Friday with all of the managers. I remember four managers in particular who really resisted the way we

It's not enough
just to set goals;
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them into the
overall plan.

Now they're using the exact same systems that they resisted here, including the Friday skill-building sessions.

did things here. But eventually they realized the importance of having systems in place. They also realized that the Friday sessions sharpened their skills. Interestingly enough, all four of them were promoted out of here to run their own offices. They took our procedures with them, and now they're using the exact same systems that they resisted here, including the Friday skill-building sessions.

One of the systems that we follow is called the 25-point system. Each agent has to get 25 activity points a day. A referred lead is 3 points, a fact-finding interview is 2 points, a phone contact is 1, and an appointment set-up is 1. This daily plan should be tied into the weekly focus plan, which is more custom-tailored. The weekly plan ties into the quarterly plan, and that into the annual plan, and that into the three-year plan, and so on.

Of our 165 agents, 70 are established agents who have been with us for four or more years. They don't have to follow these systems, but many of them do, and their production is higher than those who don't.

We always say, "The systems are not on trial." They work. Don't reinvent the wheel.

John T. Baier, CLU ChFC MSF CLF CFP
Managing Partner
New York Life Insurance Company
Saddle Brook, NJ
GAMA International Board of Directors

The Psychology of Insurance Sales

I came to this country at age 23 from Hungary. I had spent four years in law school in Hungary and two years studying psychology in Germany but started my education from scratch when I got here.

When I completed my doctorate degree in psychology and began my private practice in 1969, a lot of insurance agents came to me. Most of them had problems dealing with rejection.

Soon I realized that every one of these people was very bright, very motivated, but only 5 percent of all agents make MDRT-level production. I began to wonder what is wrong with the way they sell. If you have such incredibly powerful talent—and this industry has, by and large, the most talented people of any industry—then it's not what is wrong with the agent but rather what is wrong with some of the assumptions and the language, the whole approach.

Having a sales force made up of unfulfilled, miserable agents is a considerable challenge for leaders in this industry. In 1984, I stopped being a clinical psychologist and began working with agents full-time.

Very early on, in the 1970s, I did a survey. I interviewed more than 100 agents who failed in the industry—general agents, managers, and others. I asked them, “Why did you fail?” The result was that when they go out using the traditional approach, they would get a lot of rejection. Ultimately, it was difficult for them to sustain a positive self-image. Day-to-day, at some point, they would ask themselves, “Do I want to spend my life with people treating me this way?” As

A lot of insurance agents came to me. Most of them had problems dealing with rejection.



People are not motivated buyers for insurance. Yet every traditional sales approach assumes that you have a motivated buyer!

a result, they stopped prospecting and developed call reluctance. So the first thing I learned is that people in this industry are not treated well. They need a powerful personality just to survive. But you cannot run an industry on powerful personalities.

People are not motivated buyers for insurance. Yet every traditional sales approach assumes that you have a motivated buyer! The industry attempts to solve this dilemma by trying to make people like them. It is an awkward way of selling. What clicked in my mind was that you are not really going to change yourself profoundly—and you don't need to—if you understand consumers better instead of putting them on the defensive.

Our system is based on the idea that people are defensive and not motivated to buy. You have to talk with them about their beliefs and help them connect the value of insurance with what they believe about protecting their loved ones.

With this approach, you are telling the client, “I believe that making this decision is an exceptional responsibility. You don't have to buy from me.” You are showing the client that what you are concerned about is understanding their beliefs, not making a sale.

Csaba Sziklai, Ph.D.
Chairman and CEO
Advocacy System
Park City, UT

Emotional Deposits and Withdrawals

The primary principle I lead by is relationship-based management. Every company teaches relationship-based sales, and new managers today need to use these principles when they manage. It has to do with caring about your reps, understanding family and personal issues, doing family events, and believing in family first.

I've been in management for 15 years and a managing director for eight. This is the third agency I've been in—Cleveland, Grand Rapids, and now Detroit. One of the first things I did was identify the three or four reps who aren't producing like they should be and focus on helping them develop their game plan. Three or four years down the road, after they've had consistent improvement, they will serve as informal mentors to the others.

If I've done enough to help these three or four or 10 people down the road—making emotional “deposits”—then they will be there for me in the future—when I need to make emotional “withdrawals.” They need to see that you're coming to them when you need help. They will respond positively because they want to help you, just as you helped them.

Over time, these people you've developed relationships with will become leaders, and they put on classes and do mentoring and joint sales work with new reps. These relationships are something we're never going to lose. It's helping to build the infrastructure.

They want to help you, just as you helped them.



If you spend the first couple of months listening to a rep, you'll know all you need to know.

When I first became a manager, we were struggling with the MDRT culture. We didn't have much success in MDRT. I identified a rep in Cleveland, Vassie Scott, who I knew had a lot of potential. He had been in the industry for years and had been a successful producer in the past but not recently. He was producing well below MDRT levels, but I knew he could do \$100,000 to \$200,000. I asked him what was going on with his practice and listened carefully. He said that he felt overwhelmed and had decided he could make more in real estate than in financial services. So I worked with him. I began building him into a leader and got him onto the company's President's Council. I saw that what he needed was to be part of the agency again, so I put him in charge of an MDRT study group.

Basically, I just treated him like the person he needed to be. He had the kind of personality that made everyone warm up to him, even though he hadn't achieved MDRT yet. He took that opportunity on with a lot of enthusiasm, and it wasn't long until he was an MDRT-level producer. Today, he is one of the biggest contributors to MDRT. He's still in Cleveland and is a great leader among the other reps.

If you spend the first couple of months listening to a rep, you'll know all you need to know. If you try to put on a show and show them how great you are, it'll never work. Just listen to them and try to understand what their needs are. We talk about needs-based selling in this business. The same thing applies to our reps. Too often, we want to be their saving grace, to solve their problems. But how can we solve their problems if we don't know what they are?

When I first got promoted, I thought it was easy. I figured I would just put the agency's staff on my

shoulders and carry them—work through the issues. I thought I could solve anything. But it wears you down. You need more than *you* working to be successful. Since I began practicing relationship-based management, I've had five to 10 times the number of people working for me. The entire agency has a lot more energy. I have a lot more energy. And a lot more gets accomplished. With 103 reps, six managers, and 13 support staff, there's no way I could do it all by myself. We all work together, and we do it by really listening to each other.

Peter G. Bahner, CLU ChFC
Managing Director
Prudential Financial
Troy, MI

The entire agency has a lot more energy. I have a lot more energy. And a lot more gets accomplished.

A Manager of Managers

A defining moment for me came in 1989, after I'd been a manager for 16 years. We were a firm that had 14 producers, and I was the general agent/managing partner. That year we did just slightly over \$1 million of new commissions—in my definition, a less-than-average firm.

I needed to do something different. Unfortunately, there was no road map back then that told managers, “Here's what you need to do to.” GAMA International has done a beautiful job with that; now there's a lot more sharing of ideas.

I had a personal coach who was a business consultant. I went away to a retreat with him and with the senior people in my firm. He had a lot of good business savvy, and I wanted someone who wasn't in the insurance business because people who are in this business tend to buy into the poor retention and the other problems we have as an industry.

We decided to put together a platform that would focus 80 percent of my time on horizontal and vertical growth.

During the retreat, through his questioning and probing and a lot of discussion, we made a decision that if we were going to grow, we had to think differently from the traditional model. We decided to put together a platform that would focus 80 percent of my time on horizontal and vertical growth. We made a commitment that anything we did as a firm had to be justified by the fact that there would be horizontal growth—new agents—or vertical growth of our agents. Then we built a facilitation plan for what we needed to do, and then it was a matter of implementation. I continued the relationship with this consultant and still have it today.

That became my vision, and I communicated it with my team often. Up to that point, I didn't have a vision for the firm.

The horizontal growth part of the platform was to develop sales managers. Within a year, I brought on three sales managers and instead of myself focusing on the recruiting, selection, training, and supervision of producers, I made a commitment that my focus would be on developing the sales managers and their skills. So I became a manager of managers, and I worked with them on recruiting, selection, training, and supervision.

For vertical growth, we looked at what programs we could put into place so that new producers coming in wouldn't plateau but could continue to enjoy the vertical growth that this career offers. First, we put in mentorship programs and joint field work. When we brought a new producer in, we would team him up with an established producer. It was extremely helpful to both of them. The established producers have all of these clients and a lot of experience that they can leverage for marketing purposes, but they don't have

the time for marketing. The new producer has all the time in the world but no market and no experience. So in our mentorship program, the new producer would own the marketing opportunities based on the veteran producer's markets and client base. He or she would be responsible for setting up new activity, allowing the veteran producer to move upward in his market.

Eventually, we went from mentorship—one-on-one relationships—to team selling. What that did for us was to increase our average productivity of agents who have been in the business for more than three years.

When we first got started, it was like trying to go up a mountain of ice with ice skates. I knew that there would be times when we would move two steps forward and one step backward. I anticipated all that and knew I had to keep my eye on the vision and focus on what adjustments we had to make to the plan.

In the first year, I was getting the managers together and continuing to work with the management team. They started to produce results, and it really started to take off in the third year. We started to bring in new people and manage those relationships. Finally, it was moving, like a snowball down the mountain.

This business gets extremely complex, and it's easy to get distracted. Managers today have a full plate from a business aspect, with compliance, financials, employees, staff, and products. Then they have the personal aspect, too—marriage, divorce, separation, children, parents. You have to manage through those complexities so that you can focus 80 percent of your time in the areas you need for growth.

Today, 15 years later, I still spend 80 percent of my time on vertical and horizontal growth. Now we have

The new producer would own the marketing opportunities based on the veteran producer's markets and client base.



The bigger you grow, the more staff you can hire to delegate those areas of the business that require attention.

four managing partners and 14 sales managers. We grew horizontally from 14 agents to just over 200 agents today. And 15 of the top 20 agents in the New England franchise are from this organization.

The bigger you grow, the more staff you can hire to delegate those areas of the business that require attention but aren't attributed to horizontal and vertical growth.

Joseph V. Naselli Sr., CLU ChFC AEP
CEO and Founding Partner
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Restore Our Future Through Youth

In 2000, I was handed a general manager's position in my hometown. My regional VP came down, made the announcement, and we had a big kick-off meeting that day. My new office had 24 agents and three associate managers. As usual, it was at the bottom of the company standings.

I stood before the group that day and said we were going to grow to 50 agencies that year. I heard some groans and laughter. I explained to them how important this was to open up a world they had never seen. I singled out one of the agents and asked him directly, "Will you help me?" He shrugged his shoulders. It was clear that the management team was not on board with the office or me.

But then a young man we had just hired into the business, Craig, stood up in front of all his peers and said, "I will help you." This guy was only 20 years old, less than half the age of many of the others, but his

attitude and enthusiasm exceeded theirs many times over. I was immediately impressed with him. I told him in that meeting, in front of his peers, that we could grow our office, grow our management core, and double—even triple—our incomes that year, if he would help me.

The next morning, I was at the office early fixing breakfast. Craig showed up. He handed me two names of people I could call to help us grow. They were both managers at a local restaurant in town. He asked me, “What are you doing?” I shared with him that I was cooking breakfast for our agency force so that they would know that I was there to serve them and help create a world for them and their families that they would want to live in. “But why breakfast?” Craig asked. I explained to him that *attitude* is the key to success, and just as America is about sharing dinner with our families, our office would be about sharing life with each other.

On the second day as a general manager, I put a calendar on the wall with a list of community events we were going to participate in. Again, Craig asked me why. I replied that when you love the community first, it will allow you to grow as big as you want to be. “How would your children look at you if they saw you helping and giving back to the community?” I said. “It would be on their minds for the rest of their lives.”

Then Craig noticed that I had scheduled Family Fun Night for an upcoming Friday. He laughed and said, “They won’t come.” I replied, “I am writing a letter to their spouses and their children.” You know what Craig asked—“Why?” “Because when they know how much I love their families, they will know how much I care about their future.” Then I asked the young man if his Dad’s place of employment ever wrote him a letter

I told him that we could grow our office, grow our management core, and double—even triple—our incomes that year, if he would help me.

We went out and bought gift packets for the kids and picked up door prizes for the spouses.

about an upcoming event at the office. All he could say is, “Wow.”

I asked him over the next week and a half if he could help me rally the troops. We could succeed only if we had 100 percent participation.

The next morning, Craig was there early again and asked, “What are you doing today?” I said, “I’m going shopping. Do you want to go?” We went out and bought gift packets for the kids and picked up door prizes for the spouses. Then we went to the pool and spa place and purchased a large hot tub. He was absolutely amazed. “What are you going to do with this?” he asked. I told him that we were going to put it in the middle of the office, fill it with water, and in that letter we would send to the kids, we were going to tell them to bring their bathing suits.

He and his wife helped me move the hot tub into the office on a Thursday night. He called his Dad and had him run a grounded socket in our office to plug in the tub. His Dad let me know his son was excited about being a part of this company. Family Night went over big!

The young man continued to be an inspiration inside our office and brought in recruits. It started catching on with a lot of the other agents. But the older, more established managers became more disgruntled.

Three months passed, and Craig was my No. 1 agent and No. 1 recruiter. My associate manager threatened to quit, as he had done before. This time, I accepted his resignation, to his surprise.

I called Craig in and told him I needed him in that spot. His eyes danced with excitement, and he said, “I will help you.” I asked the home office to put him in

the associate manager position. They wrote back, concerned about his youth. I said, “Yes, he is young in the job, and I can coach him in the small things, but his loyalty to me and this company is unbelievable.” Craig became the youngest promoted associate manager in the company’s history.

Then our office started to change. Craig endorsed community events and the Family Fun Nights, and he and his team were telling everybody in our community what a wonderful place his local office was.

We closed out our first year just under our goal of 48 producing agents. It was becoming an infinitely more vibrant, fun place to work.

That spring, Craig signed us up for the Strawberry Festival, an event that raises money for mentally challenged people. He raffled gifts and sold peanuts that he had boiled.

Then Craig came to me and said we needed something that would separate us from all other offices. I asked what he had in mind, and he said, “What about a NASCAR?” Boy, does he think big! But then I remembered his youth. Plus, I told myself that I am not too old to see myself in that car. We started looking.

We bought the car we wanted and decided to paint it up like the company. Knowing the legal environment we are in, we knew it was not a good idea to put our company’s name on the car. Craig came in a week later with a scaled-down model that was covered in decals of our company colors. It said, “GUESS WHO” across the hood and down the sides. All of our products were listed. It looked fantastic.

Craig became the youngest promoted associate manager in the company’s history.

We were working on building our first stand-alone office. It is the first one to be built in our company in recent history.

Next, Craig got involved in a local ballpark. On opening day, he took the car up there, he boiled peanuts, and he raffled off bicycles and donated the proceeds back to the park. He asked me to come out and throw the first pitch at the ballpark. More than 250 children were playing at this park with their parents and families. Craig took pictures of every team next to the car and personally delivered them back to each player's home. I was absolutely in awe!

By this time, the young man was my leading associate manager. We were approaching 75 agents, and we had eight assistant managers with full staffs. He personally promoted six associate managers and one general manager off of his team. Through the excitement and enthusiasm, we were working on building our first stand-alone office, whereas at one time we had only two agents. We achieved it. Now there is a general manager, 30 agents, and five associate managers in that office. It is the first one to be built in our company in recent history.

In 2004, we were at 100+ agents. It was time to promote this outstanding young man who had helped me grow this powerhouse. I called him in, and we visited about our five years together. I told him he had helped me create the footprint of our company. We revisited our accomplishments, and I promoted him to general manager. He became one of my peers. He has six associate managers under him and 42 agents, but his business plan is to have 100 agents in two years.

I was 22 when I came into this business. Maybe I saw a little bit of myself in Craig.

Soon Craig and his wife and two sons will be moving to Pensacola, Florida, to take over an office there. He'll be walking into an established group, just like I did

five years ago. To help him get started, I'm sending my two A-list managers with him to support him as he establishes himself in that agency.

I hope he finds an enthusiastic young leader in the crowd just as I found him that day.

Charles A. (Tony) Laurence, CLU
General Manager
AIG American General (AGLA)
Mobile, AL

Dare to Delegate

My “A-ha!” came to me in the mid-90s, as I moderated an AMTC course in the Seattle area. Up until that point, I was a great manager but an ineffective leader. As a division manager with Waddell & Reed since 1985, all of the activities a manager needed to accomplish on a consistent basis were starting to become overwhelming. Since we managers are control freaks by nature (that is why we succeed in the short term), I had become a victim of my own success and had a hard time delegating activities so that I could grow.

I ended up spending too much time managing “things and stuff” that could be delegated. I discovered that without the “rainmaker” and the “big thinker” mentality of a leader, I was hung up on the daily stuff that needs to get done. Since this revelation, I continually look at what I'm doing daily to see if it's something I can delegate to someone who is better equipped or is better fitted to the activity.

What I discovered was that the other managers in the AMTC class were in the same ship I was—a ship without a rudder or captain, but well maintained. After that 26-week course, the challenge for all of us was

Without the “rainmaker” and the “big thinker” mentality of a leader, I was hung up on the daily stuff that needs to get done.

focusing on leadership, with management as a tool to help us get where we needed to go. By acquiring new skills week to week, the homework the participants had to do made us develop the leadership philosophy.

The very first thing I did was to develop a vision for the office. Instead of focusing on what needed to be done next week, I looked at what needed to be accomplished five and 10 years out. Having a vision automatically transforms you into a long-term, goal-oriented planner.

There are two keys to being able to plan for a long-term vision: trust and communication. The vision was set and communicated (features and benefits) to the managers, advisors, and assistants on where we needed the office to be in 10 years. Once it was stated and an action plan was put in place, we achieved the vision in five years, not 10. The focus on the vision forced me to quit reacting to daily concerns and build a proactive to-do list that I shared with the office and reviewed semi-annually. What the course taught me was to write down ideas I hear, match them to the vision, and implement them. I worked down that list on a continuous basis.

This past July, I attended GAMA's Essentials of Management Development course. It had the same impact on me as the AMTC, but it was easier to work into my schedule than AMTC because it's a one-week residency course. Essentials is stronger in that it's more dynamic.

I came out of the Essentials course with two pages of to-dos, and 60 percent of them are already completed. I had done many of the items in the past but had discontinued them. (If it works too well, change it!)

Having a vision automatically transforms you into a long-term, goal-oriented planner.



However, the good habits that I had established came back, and I was able to hand off tasks, both short- and long-term, to district managers and administrative assistants. You still need to do some of the right-now stuff to have a sense of accomplishment. (Just make sure it is goal-achieving, not tension-relieving.) The long-term vision resurfaced as an integral part of my new business plans, which are developed every December and monitored quarterly.

Communication with the people around you is *the* key component. In the Essentials program, Conk [Buckley] says you can't have too much communication, and I agree. This is especially important for me because I am responsible for the business planning for 32 people in three different locations. If you have offices that are remote from a central location, communication is even more important. In my case, the offices are 250 miles apart.

For the first 10 years in management, I did not have my advisors or offices involved in any of the industry organizations. Whether it was arrogance or ignorance, we just did not associate with NAIFA, SFSP, or GAMA. After the positive experience that I had with the participants in the AMTC class, I decided, why not go out and learn from your peer group? I discovered quickly that there are many quality people in the business, and I have always believed that steel sharpens steel. I joined NAIFA and also took advantage of Field Management Seminars. I had been a member of SFSP because of my CLU and ChFC, but all I did was write a check. I didn't participate. So I started participating in the organizations. The message it started to send to my offices was that they needed to be involved. You can't do it by yourself—utilize your peers. As a side benefit, I was able to develop better contacts with the right people in the industry.

I discovered quickly that there are many quality people in the business.

They had implemented good systems so they could focus on leadership and not on management activities.

I attended the industry organizational functions feeling a little apprehensive—who are you guys, and where do we fit in? What I discovered was that the cream rises to the top. As I started to develop contacts and friendships in the industry, I discovered that many of them had the same issues or problems that I did. By talking to my peers, I found that many of them had addressed many of the management issues I had, and they had implemented good systems so they could focus on leadership and not on management activities.

Here are a few examples of what I was able to implement. One of my peers suggested that I join him for lunch once a quarter to share recruiting ideas. Sure, we are each other's competition, but we're also helping each other and seldom are at the same place at the same time. He also convinced me to get a specialist for underwriting, which turned out to be a big help.

Since I've begun delegating and leading more, I've been asked to be involved in projects (internally and externally) that enhance my own vision and support the industry. When you start delegating, it opens up time frames, you can focus on the right things, and your numbers start getting better.

Michael D. Bentz, CLU ChFC
Division Manager
WADDELL & REED Financial Services
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Persevere to Prosper

Every New Year, people resolve to save money, reduce their debt, or lose weight. And in our business, we can wipe the previous year's business off the books and start the new year clean and fresh and develop new habits and new ideas. Agents can change their phoning habits and resolve to get more referrals.

Most people in our business, whether you're a field leader or a rep, don't give those ideas enough time to succeed—usually not even 30 days. They don't stay with it long enough. Therefore, their goal is washed out before they ever see results. So the question that you have to ask is, why do most people or businesses take several weeks to plan and determine their respective goals, strategies, and plans for the upcoming year but continually fail in accomplishing those things?

Based on my experience, it's because most people lack the self-discipline to implement. They don't persevere long enough to see the outcome of these action plans.

For people to succeed, their goals have to be accompanied by desire, focus, belief, passion, knowledge, and confidence. If they don't attack with a strategy that has all of those components, they won't stay with it long enough to be successful. They just give up—not purposely, maybe, but they go by the wayside, and things continue as they always have.

If you believe in something and know it's the right path for someone, you need to stay focused and help them stay focused. As leaders, we need to instill confidence in people and help them follow through with the commitments they have made for themselves.

Maybe I got this early in my life in athletics. When I get something in my mind, whether I'm competing in

Most people lack the self-discipline to implement.



Our job as leaders is to put them in an environment that fosters success.

state championships in golf or succeeding in this business, I won't stop until I accomplish it. I just don't quit. I continue to visualize those results, that dream or goal, and I believe I will accomplish it. I continue to work and work and work to accomplish it. As a manager, I encourage my reps to do the same.

I became a producing rep at age 22 and did that for three years, then went into management. I enjoy helping other people be successful more than I enjoy seeing myself be successful. I think that's a necessary quality of a good leader.

I try to allow people the chance to fail. What I mean by that is that people in this business need to be able to do it on their own, long-term. Our job as leaders is to put them in an environment that fosters success. But we cannot do the business for them day in and day out. We have to give them a platform and help them grow their business by introducing them to more complex situations.

What I try to do with people is show them how to do the business and help them prepare for their business. On a daily basis, I give them a proper time-management focus to help them manage their priorities. I show them how, but I don't do it for them. I've seen it a lot of times—someone will fail in this business because their manager carries them and performs the job for them. I will do some of the things for them initially, but ultimately they must do it on their own.

And, if they do have problems along the way, my management team and I are there to help guide them and make sure they ultimately accomplish their goal.

In 2001, we hired an individual into our newer-rep program. He had been a business owner before he

came to us but knew nothing about the insurance and financial services industry. He was very well connected, very intelligent. He was doing well.

After about eight months, he wanted to go open an office of his own. Our office is about an hour and 20 minutes from his home, so he was commuting for three hours every day. I encouraged him to stay in our office for another year simply because he still had a lot of growing to do. I wanted him to be around successful people in the organization who are doing the job correctly and making a very nice living in the business. I knew that he could learn more from being around our more established reps than he could ever learn on his own. I also knew this exposure to different reps' styles would make him a better leader in the long run.

I didn't have to do a lot of convincing. He realized it was the best thing, although he did give a little pushback because of his long commute.

After that year was up, he commented to me that he was very glad I had convinced him to stay in the office for that extra year because he ended up learning a lot by seeing his peers' closing skills, etc. Since then, he has gone on to develop one of the better practices in the company. Has been with us about three and a half years and is one of the leaders in the organization.

Michael G. Nelson, CLF CLTC CMFC LUTCF
Managing Director
Prudential Financial
St. Louis Park, MN

I knew this exposure to different reps' styles would make him a better leader in the long run.

Productive and Selective

I think that to be an effective leader, you have to be extremely consistent, and you must always put the agent before yourself or the agency. Any time they ask you a question, you have to answer it in a benevolent way and then always keep your word. If you meet people halfway, they'll think you only went 30 percent, so it's always important to give the edge to all the people you want to keep in your shop. If you expect them to be loyal to you, you need to always help and coach them.

Our financial reps—we call them marketers, you may call them agents—but anybody who deals with the client, those are our marketers. We market a broad array of financial services products to our clients, mostly small-business people or medium-sized businesses or individuals who are successful.

What I take real pride in is the fact that all of our management people are usually with the organization at least a dozen years before they come into management. All of them have to be current members of MDRT. In our system, everyone on our management team continues to keep their practice. So all of our management people are big producers and are also terrific at management. But they're not full-time at management.

I've always kept my own book of business. Most of us put in 55 hours a week, and no more than six of those hours in my case, at this point, are in personal production. But if you spend 10 percent of your time in production and you put in 55 hours a week, you still have 45+ hours to be a manager. Some of our key people put only a third of their time into management.

In our system, everyone on our management team continues to keep their practice.



My brother and I were together our whole business life. He died 12 years ago. He was one of the most prominent speakers in our industry. He was a huge factor in the business and spoke at MDRT more than anyone else.

He was seven years older than me, and he talked me into majoring in finance and insurance in college. He had been in sales with an agency, and the week that I got out of college, we opened our own firm together. The first nine months in business, we didn't have a secretary. It was just the two of us, and there was nothing to manage. We were just selling. Then we got a part-time secretary, and then we grew in some orderly fashion.

I was always the No. 2 person, and we called me the "assistant GA" in those days. I was in the business for 15 years before I became president of the company. Then I was the president for 28 years and became chairman of the board a year and a half ago.

I think it's extremely important to spend an enormous amount of time selecting. We actually hire very few agents. We look at 23 to 25 people for every one we hire. So when we do say we want to hire somebody, it's because we've thought about their talent and how they would fit into our organization. When in doubt, we don't invite them in. We want to make absolutely sure this person has the work habits, intellect, and judgment to make a good member of Savage & Associates.

You tend to attract people like yourself. When my brother and I started this firm, we were young, so we went after people like us. Most of the people we've brought in over the years have come to us right out of

When in doubt,
we don't invite
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Our recruiting is done on college campuses that are in our area, and we've always done that.

college. We're their first full-time professional job, and we like that because they will buy into our culture and expand our culture. Our recruiting is done on college campuses that are in our area, and we've always done that. All of the people on our management team came in right after college.

We like students who have shown leadership in college. We like somebody who has been president of a sorority or on the student senate, student board of governors—something that shows that people follow their judgment and people like them.

Today, we have 150 staff, and about 69 of those are in marketing. We grow a little bit every year, and we think the years ahead of us will be our best.

Robert C. Savage, CLU ChFC
Chairman of the Board
**Savage & Associates/
GenAmerica Financial Corp.**
Toledo, OH
GAMA International Hall of Fame Inductee, 1999
GAMA Foundation Chairman, 2003–05

Life Planning

I think being a leader is not just about being a manager to other people; it's also about being a role model to our clients and to those we mentor. In this business, we're setting an example of how life should be lived, both professionally and personally.

I just returned from Securian's first conference for women producers, and it was phenomenal. About 65 women attended. I'm a member of the company's Women's Advisory Council. There's a minority of women in the company—right now only 11 percent of the sales force. A lot of these women are the only women in their agencies. They desperately need role

models they can learn from, especially on how to balance family life with work while competing with men who, in many cases, have wives at home taking care of everything.

Those of us who have been in the career for a while—this is my 26th year—were asked to reach out to younger women, some of them just out of college, and mentor them, show them that they can have a fulfilling career without compromising their responsibilities at home. We're giving them advice as to how to market themselves, how to balance all the responsibilities, how to grow their practices—it's a fabulous opportunity.

We all have a responsibility as we mature in our careers to give back to the industry that has been so generous to us. Mentoring is such an important dimension to our careers, and I think it's important especially to mentor other women.

I can't think of a situation where leadership is more important than helping women rebuild their financial stability after divorce. My market is affluent women and professionals. A lot of these clients come to us after a divorce. They were highly reliant on their spouses, so they are looking for direction as they embark on a new phase of their life.

There are 2.2 million marriages in America every year and 1.1 million divorces. A lot of women coming out of divorce need new life insurance and long-term care insurance. It's almost like starting from scratch, and it's a great opportunity for us as financial advisors to help them.

It doesn't matter how much or how little money they have after a divorce. They're still terrified. They have no idea what to do next, what will happen to them and their kids, their homes. Some of them don't even

A lot of women coming out of divorce need new life insurance and long-term care insurance.

**Financial planning
is life planning.**

know they need to be worried. We have to tell them sometimes, “You cannot sustain this lifestyle or you’ll run out of money.”

I went through a divorce five years ago, and I know there’s a lot of fear. My clients become very reliant on my advice. They’ll call and say, “Should I buy or lease a car?” You have to have empathy and strong values, the same commitment to integrity and moral values that a leader in any company needs. These individuals are trusting you to do what’s in their best interest, whether it’s financial advice or career advice. It’s very humbling that they trust us that much.

Financial planning is life planning. You can’t just do financial planning and not talk about their lives. It’s so integrated. Life planning has to do with getting to know their children, their value systems, what they treasure, their dreams, what they do and do not care about. Many times I talk with my clients about non-financial things, but they’re relevant in the big picture.

For 15 years, I was a CFO for a bank, and then I met Charlie Smith. I was a Prudential client, and a friend of mine and I had lunch with a financial planner from Pru who wanted to hire new planners. I told him that I really wanted to join a company that had a formal training program. This guy didn’t have those kinds of resources. He said, “You need to meet Charlie Smith.” I had never heard of Charlie Smith, so I called my Pru rep and asked if he knew him. He did—Charlie was his manager.

A few days later, I went in for a 30-minute appointment with Charlie and was there for three hours. I was sold in the first 10 minutes of talking with Charlie about his agency and the training and opportunities there. It was just what I was looking for.

My kids were all in school, and I wanted to stay in financial services, but I wanted my career to matter. I was making good money at the bank, but I needed to have more of an impact on my clients' lives.

Charlie's agency was a model agency. He had an amazing training program, a very structured 12-week program of classroom time, plus another six months of evening and Saturday classes. He trained us in every aspect of the business, including the psychological aspects of the work we do and how to interview people. It was pretty intense, and he made us go through the whole school twice.

Charlie is an exemplary leader to me, and he instilled in me the passion for what I do for my clients.

Regina Bedoya, CLU ChFC CLTC CDFA
Financial Planner
Securian Financial Group
Juno Beach, FL

(Editor's Note: Regina's CDFA designation stands for Certified Divorce Financial Analyst. The designation has been offered by the Institute for Certified Divorce Financial Analysts since 2000 and indicates expertise in helping clients with financial planning issues associated with divorce. For more information, visit www.institutedfa.com.)

To Encourage Is Best

I think the single most important quality that a leader can have is the desire to see people succeed. The way you get them to succeed is to have a strong belief in what you're doing and then develop a strong relationship with them. When you look at ethics and market conduct and the will to succeed—the work that

The way you get them to succeed is to have a strong belief in what you're doing and then develop a strong relationship with them.



If that person is meeting your idea of a perfect candidate, the relationship you form with them will last a lifetime.

goes into those first few years, especially—it all goes into wanting to see that person succeed. If you don't feel strongly about the person you're bringing in, they and you are doomed to fail.

On the positive side, if that person is meeting your idea of a perfect candidate, if they have that coachability, the relationship you form with them will last a lifetime, and it will be beneficial to them and their family.

I have found this to be true as a parent, teacher, coach, referee, and now as an individual in management in financial services.

I have brought several educators and coaches into the business. They've gone from a fixed check every week to learning the ups and downs of working on commissions. There was one gentleman, a former basketball coach named Tom Stuvek, who was struggling a bit. One night we had a pretty bad night, and he was kind of down. I grabbed him by the back of the neck and told him, "I won't let you fail." Today, he is a very successful agent with us.

Another gentleman, Bob Leidy, I met through basketball officiating. He was an assistant coach and teacher in the State College school district. We had talked at length about him coming into this business, and he was ready to make the move. One week before he was to start, he called me and said he just didn't think he could do it. I drove two hours to see him and said, "Tell me the real reasons you're not coming." He was scared to death. He had a young family. We talked it over, and I told him how much potential I thought he had and that I would do everything I could to help him. He left to go talk to his Dad. Half an hour later, he knocked on my hotel door and said, "Is that job still open?" Now he is one of our top producers and a

member of MDRT. It has been 20 years now, and our relationship has only gotten stronger through the years.

If you have that end belief that he'll do well—it goes back to if you want to see him succeed and if he meets the profile you've put together—you'll do anything to convince that person that you think it's the right move for them. That's where the intangibles of being a leader and your belief system come into play.

This principle of strong relationships applies not just to new hires but also to people who've worked with you a while. About seven years ago, we had half a dozen reps in our agency who were not doing that well. They had settled into a kind of comfort zone. They were making good money and were somewhat successful but had leveled off, and it started going the other way. I met with them and said that with their experience, we could not afford to have them be mediocre. I told them, "You guys are a lot better than this. We're not punishing you here. Get back in the groove, and your compensation will improve, and you can get back on the trips."

Whenever you do something like this, you're putting the relationship on the line. They could have reacted in a negative way, but they grouped together and refocused. They even made a joke out of it—they got matching t-shirts that said, "Don't let the bastards get you!" Three of them went on to become trip qualifiers as they had in the past, and every one of them improved. They could've told me to go pack sand, but my relationship with them was strong. I'm not one who manages with threats. A maxim I strongly believe in is, "To encourage is best."

My role was to support them and keep encouraging them to get back in the groove. To their credit, they

My role was to support them and keep encouraging them to get back in the groove.

took the bull by the horns and turned it into a real positive by saying, “Hey, we’re going to get back in the groove, and we’ll have some fun doing it.”

John F. (Jack) Eydenberg, LUTCF CLF
PennWest Agency Manager
The Horace Mann Companies
State College, PA
GAMA International Board of Directors

Nitty-Gritty Sales Training

I’m always looking for a good idea.

I’ve been in leadership with State Farm for about nine years, and the thing that has been a tremendous help to me is the Life Underwriters Training Council (LUTC). When I was an agent, my manager suggested that I attend one of their classes. I did, and I stayed with it to get the LUTCF (LUTC Fellow) designation.

Basically, it’s an educational sales training and insurance course. It has the basics of what you need to know to get into a conversation with a client. It’s a practical, nitty-gritty course, a great reminder of all the things we need to do to be successful in this business.

As an agent, I took all of the LUTC courses with a manager through our local Life Underwriters Association (LUA). My sales results improved so much that when I went into leadership, I wanted to get more ideas on training and selling life products and disability. The company had product training and sales training. LUTC courses offer insurance sales training that is complementary to the company training. What I found was that the way the LUTC courses are set up, I—first as an agent and later as a moderator—could see the growth and sales ability in myself and in others.

I tracked students who completed two classes. After the first class, there was some improvement in sales.

LUTC is a great reminder of all the things we need to do to be successful in this business.



After the second class, though, the students had an 80 percent increase in applications and premium in life insurance. This proved to me that there was something valuable in these classes.

Here's another indication that the LUTC courses do a great job of getting the product concepts as well as the sales strategies across to the students. Our company has a travel club for top producers, Ambassadors Travel. All six of the current qualifiers are either current LUTC students or are LUTCs.

Agents have reported an increase in confidence during these classes. They really like the interplay with other agents who are trying the concepts being learned.

When LUTC was established in 1947, there were 133 students in five classes. Currently, there are about 20,000 students in some 2,000 classes nationwide. In 2001, LUTC merged with The American College, but before that, it was a separate entity.

As a leader, a lot of my job is getting in front of a group, getting a point across, helping people self-discover what they already know. Moderating this course was a wonderful experience. It's structured so that you follow a lesson plan. It helps you develop as a better communicator and instructor. Just having the Leader's Guide is great because it's a huge source of information. I'm continuing to learn all the time.

Last year, I moderated a Business Continuity course for LUTC. One of the students was on his way to a joint appointment with a fellow agent who was not in the LUTC class. It was a "key person" case. They had to drive pretty far, across the state. On the way, as the two of them discussed their sales strategy, the LUTC student remembered one of the presentation ideas he had seen in his LUTC book. It was perfect for their

After the second class, the students had an 80 percent increase in applications and premium in life insurance.

client appointment. He tore the pages out of the LUTC book on the way to the appointment so that they could study them more easily.

It was the biggest sale the agents made that year. Every time I see the student, we laugh about that—a great sale made with the help of LUTC.

Dan Filla, CLU CFP LUTCF
Agency Field Executive
State Farm Insurance Companies
Springfield, IL
GAMA Foundation Board of Trustees

Aware of What We Are

I think a true leader sets the example for others to follow. An eye-opening experience for leaders is to take, and have their managers take, a test that I've used for many years—The Leadership Self-Appraisal. It's in a book called *Secrets of Effective Leadership: A Practical Guide to Success* by F.A. Manske, Jr. Someone gave me the name of this book on a reading list about 20 years ago, and it has been the cornerstone for me on leadership ever since.

Another great feature of this book is the author's Ten Commandments of Leadership. There is also a Web site that's associated with the book, www.leadershipdevelopment.com. We subscribe to their leader-letter, which we receive by e-mail twice a month. It has a lot of really good leadership development ideas.

These tools help you assess your own leadership performance. They help you learn more about yourself—your strengths and weaknesses. To become *different* from what we are, we first must have an *awareness* of what we are. By taking this test, you're

These tools help you assess your own leadership performance.



also setting an example for your managers to follow.

In our weekly leadership team meetings, my eight managers and I take a particular leadership topic from this book or from the Web site and zero in on it. Each of us has to voice our opinion about the topic in a half-hour discussion.

The self-quiz has about 82 questions—for example: “Do you put the needs of your people above your own?” For each question, you choose from four answers: always, usually, sometimes, or rarely. If you select “always” or “usually,” it means that that particular area is a strength for you. If you select “sometimes” or “rarely,” it would be a weakness.

When one of us identifies a weakness, we have to come up with an action plan within a specific time frame to address it. Then we check back with each other and say, “Two months ago, you said you’d do this. What did you do?” I also have individual meetings with each of my managers quarterly, and we talk about their strengths and what they’re doing to address their weaknesses.

A lot of times, when we’re troubleshooting a situation in the agency, one of us will say, “I learned this from *Secrets of Effective Leadership*,” or “I’m doing this because of what I read in their newsletter on leadership.” These tools build in an awareness that we must have so that we’re constantly sharpening our skills.

Many years ago, I did this leadership analysis with a very young sales manager. The results clearly indicated that he was not setting the best example for others to follow. But he refused to believe that about himself.

So I said, “OK, let’s do this. Let me ask your sales reps individually how they look at you as a leader and to

When one of us identifies a weakness, we have to come up with an action plan within a specific time frame to address it.

This exercise made the manager realize that his people saw him differently than he saw himself.

give me good and bad examples of your leadership, as part of your professional development. I'll go to your sales reps and ask for their perspective, and I'll come back to you and tell you what was said." He said OK.

I interviewed the eight sales reps who reported to him, and I showed him the results. (This informal interview was anonymous in the sense that I didn't tell him which person said what.) The results were consistent with what the leadership analysis had revealed. This exercise made the manager realize that his people saw him differently than he saw himself.

So we worked on a plan where he would watch his actions and interactions with his reps daily. Six months later, I had a second interview, as a follow-up, with all of his reps. There was a dramatic improvement in how they saw him and how he saw himself. He's now a very effective manager, and he uses this same process with his managers.

Robert H. Baccigalupi, CLU ChFC CLTC
President
Synergistic Financial Services
Staten Island, NY
2004–05 GAMA International President-Elect

Get Involved and Give Back

Leaders always give back to their profession, but there are so many benefits that they get in return. You will always get back more than you give.

I think that any leader, in order to be current in what's happening in our industry, needs to create an awareness and a reputation by being involved. I've always enjoyed and benefited from getting involved, whether it was my role with NAIFA, where I served as

state and local president and as a committee chair, the LUTC Board, The American College, or, of course, GAMA International.

When you get involved, you always know what's going on in the financial services environment, and you're "cross-pollinating" with others in the industry all the time. It gives you the opportunity to meet with the greats in your profession and even to make those role models your close friends. How else would I get to become a friend of Phil Richards or Bob Savage?

I had been in this business for about two years when I got involved with NAIFA. Fortunately, my father, who is now 84, has been a great role model and mentor for me. He was in the business for many years and retired in 1987. He was active in industry organizations, so I saw how involved he was as I grew up. He was involved in NAIFA as president of his local and state associations and ultimately served as a NALU (now NAIFA) trustee, was president of our state GAMA chapter, and he was involved in other industry organizations. He spent his career with the Aid Association for Lutherans.

Before my father was in this business, we led a good life, but it improved dramatically after he got into the business. So watching this whole process when I was a teenager, it seemed very attractive to me. As I got to know his friends through organizations like NAIFA, I observed that they all got so much out of being involved in the industry and with each other.

In high school, I thought about going into law. But when I saw the fantastic improvement in our standard of living when my father got into this business, plus the developmental opportunities, it just clicked for me. I saw that you could do well for yourself by doing good for others.

When you get involved, you always know what's going on in the financial services environment.



When I was at the University of Wisconsin, I was recruited as a campus agent by Provident Mutual. My Dad encouraged me to do that, so I joined Provident. Later I joined the same company that my Dad worked for, the Aid Association for Lutherans. In fact, I'm celebrating my 40th anniversary with that organization—now Thrivent, of course—this year.

This has been a wonderful ride, working with GAMA and the organizations before that, as well.

**James H. Krueger, CLU ChFC CLF MSM
MSFS RHU LUTCF FIC
Managing Partner
Thrivent Financial for Lutherans
Appleton, WI
2004–05 GAMA International President**

A Coach for Every Sales Manager

After coming through the ranks as a sales manager, I believe the position is the most difficult job in our profession as far as motivating, recruiting, and joint work. You're wearing every hat. I was so busy, working 12 hours a day with new people in the business, getting them up and running. I decided that if I were ever in a position to make a sales manager's life more effective, I would try and do so.

When I became a general agent, I paired each of my sales managers with an assistant sales manager/coach. We call it a coaching position, and I pay a percentage of the coach's salary, in conjunction with the sales manager.

You will burn your sales managers out if you expect them to do everything on their own. They work better in teams. So now, I won't assign a sales manager

You will burn your sales managers out if you expect them to do everything on their own.



without a coach. I believe sales managers are more effective if they're working in tandem with the coaches to direct their units because a sales manager's time when running a unit of 10 to 20 people is spread thin.

I expect a lot from my sales managers. Having the coaches lightens their load so that they can focus on recruiting and joint work. That's what I want their job to be.

This strategy also gives me sales managers in training. When I promote from within, the sales managers generally come in as coaches first, and the sales managers mentor them for a couple of years. It's not for everyone, but it's a way for aspiring managers to try on the sales manager's suit before wearing it.

My expectation of coaches is to continue MDRT production while gaining education and knowledge of management. The coaches/assistant sales managers can make their living selling without having to worry about being on just a manager's salary.

This strategy also makes it so that our career agents always know that they have plenty of management assistance for joint work and case preparation. Their first line is to the coach, then to the sales manager, then to my general agent's assistant, then to me. I don't ever want them to say, "Hey, my sales manager wasn't around." It's a teaching environment.

For example, Blake Hanson produced at an MDRT level his second full year in our business. Blake had a desire to look at management as a career path. Though Blake had good numbers his first year, I knew that his experience level at that time would not allow him to be as successful in a management role. The coaching position would give him the management experience

When I promote from within, the sales managers generally come in as coaches first, and the sales managers mentor them for a couple of years.

In 2003, our first-year commissions increased 100 percent.

he needed to be successful as a sales manager. He performed in a coaching role for two years and excelled at it. Blake recently accepted a sales manager position and is opening our new office in St. George, Utah.

Another individual who came into the coaching role did not make it. His personal production did not satisfy my requirement to stay in that position. I stayed with him for about nine months. He did a phenomenal job with his work ethic and helping others, but I felt I was sending the wrong message if I let him stay in that position. He is no longer in the business. The person who came in after him has done MDRT production and doubled his income while also gaining management-level experience.

As a result of implementing this strategy four years ago, our retention rate is 70 percent. Of course it all starts with selection, but once they're in here, I truly attribute part of their success to this strategy. Our production has increased dramatically, too. In 2003, our first-year commissions increased 100 percent, and in 2004, they were up 30 percent—more than \$1 million in FYCs from our one- to four-year agents.

Todd A. Reid, CLF, J.D.
General Agent
MassMutual Financial Group
Salt Lake City, UT

The Personal “Why”

As an agent entering the financial services industry, I was told that I would be held accountable first on a daily basis, then on a weekly basis, and eventually I would “graduate” from my accountability meetings.

That belief became a part of my own management style when I began to develop a unit at my new firm in 1999.

It wasn't until we began working with our strategic coach (Brian Moran of Strategic Breakthroughs) that my thoughts on accountability changed. I began to understand that I don't really have the power to hold someone *else* accountable. Accountability, as I define it, is the *choice* of taking ownership. It is *not* about consequences.

Here's an example of this from when I was an agent. MDRT was not my goal. It was my manager's goal. I really didn't even know what it was or meant at the time, so it wasn't important to me. It wasn't until my business partner, Arthur Colello, challenged me (that's what a good leader will do) to make it happen that my mindset changed.

And, although the challenge helped, it wasn't necessarily the driving force that led me to do the things necessary to accomplish the goal of qualifying for MDRT. I knew that at our firm's stage of development, it was important to the firm for me to be at the MDRT production level. But I also knew that getting there would allow some of my personal goals to become a reality much faster. That was important to me, so I made the choice to accomplish the MDRT goal. That was my "why."

Good leaders understand the "why" component of their advisors' goals, and that contributes to accountability. You can help them reach their goals by challenging them based on what *they* tell *you* is important, not based on what *you* tell *them* is important. Become an expert at probing for these reasons why.

Good leaders understand the "why" component of their advisors' goals, and that contributes to accountability.



I am accomplishing more than I could have ever imagined in a 12-week period by treating that period of time as my “year end.”

“The quality of my choices determines the quality of my life.” I have learned that my accountability sessions will never end. In other words, I don’t get to “graduate” from accountability. I need to wake up every day, look in the mirror, and decide what choices I will make today that will bring positive results for me, my firm, and all of the people around me.

To accomplish this, I need to work from a plan. I have a process by which I turn a year into 12 weeks. I still maintain my overall vision with one-, three-, and five-year outlooks. But now I am accomplishing more than I could have ever imagined in a 12-week period by treating that period of time as my “year end.” I do this four times within a traditional year. I look at my plan daily and keep a weekly scorecard—something measurable—to gauge my performance each week. I follow this up with a monthly update and a period review.

If someone had ever told me that this is what would be necessary for success, I would have run away from this business before I started! However, in making the choice to attain the highest levels of success along with my partner and our management team, we have consistently grown our business by more than 20 percent per year for the last five years.

Thanks to all who have helped me in my career!

Donald C. Horne, CFP
Vice President, Pioneer Financial Group
Co-Managing Partner, Securian Financial Group
Warwick, RI

Three Days in Vegas

Once a year, we have a three-day planning meeting in Las Vegas, and the entire management team goes. I've done this for more than 10 years. We'll meet in Vegas for dinner on a Sunday evening and then meet for a few hours that night. Then we convene all day on Monday and Tuesday. On Tuesday night, we'll all go out to a show, have a good time together, and wrap things up on Wednesday. At last year's meeting, there were 13 of us. We normally invite someone from the home office, too—not to facilitate, but to be there to be of help to us as a consultant.

I first became a general manager in 1978, but I didn't start having these off-site meetings until 1987.

There's a lot of pre-work. At our monthly management meetings, we review all the plans so that by the time we get ready for this annual meeting, we're pretty much all on the same page.

Prior to this off-site meeting, all of my managers will have given me their annual plans, and we will have made changes to anything we have not agreed on. Then I put all of their plans together, make copies of them, and put them in a big binder for each person who goes to the meeting.

The first thing we do when we get there is review the previous year. We spend a lot of time saying where we are, and we go through our strengths, weaknesses, and opportunities as they relate to the company and our own operation. I will go through my major plan and communicate what we're trying to accomplish. It's not abbreviated. There will be 20 or 25 things that the team really wants to accomplish in a given year. In that meeting, we'll buy into the different directions and

I will go through my major plan and communicate what we're trying to accomplish.



I don't allow people to be vague.

goals that are brought to the table. And if we disagree, we talk it out.

Then from there, we'll spend time on the how-to's. Now that we've developed our vision and who we are and where we want to be, then we'll say, "How will we do it?" We break that up into things I've done behind the scenes, which is the different goals each person has set and how they affect the firm as a whole. We go through different support areas and decide, "What will be needed to support the "now"? What's needed in the marketing area? Motivational areas? Contests, schedules, and training? What outside strategic help do we need?

At the end of this meeting, we have a team of 13 who have bought into the mission, and they know how to execute it.

I don't allow people to be vague. "I'm going to have a great year" is not a good answer. So the management team and the advisors learn to be very specific in communicating their plans. We get as specific as deciding on a profile of our ideal recruit, what should be covered in first and second interviews, etc. We break all of it into basics. This is very good for the new managers who want to get on the same page as everyone who's been here a while.

If anything has fallen through the cracks or someone isn't clear about something, this off-site meeting with no distractions gives us the time and opportunity to discuss it. It is highly educational for all of my managers and for me. It is vision building. It gives everyone, especially the new people, a good understanding of the firm's vision; it lets them know there's a systematic plan behind the chaos; and it builds teamwork and camaraderie. Finally, it helps the younger managers who might want to become general

agents to see how to develop their own programs when they move on.

I've promoted nine people to first-line management now, and this off-site planning meeting has played a big part in showing them how to do it themselves.

There is nothing that we do all year that is as important as those three days in Vegas. No one misses this meeting. Some nights, we will work until 2 or 3 a.m. It's not a playday, even though we're in Vegas.

Before you achieve something, you have to visualize it. And before you can visualize the outcome, you have to plan it.

After the meeting, we laminate copies of the final plan that we agree on and give one to each manager as a "work plan" to use throughout the year. They use it with their sales managers. It's an easily reviewable game plan for entire agency.

As I was building a business, I recognized how important the planning process was. I knew that my outcome would be what I created, so I had to think the plan through to make sure I ended up with something I wanted. This is how big businesses operate—work the plan first and then achieve it.

Our discussions can become pretty heated. People are challenging each other on their goals and plans. But what better time for everyone to get their differences on the table, right there in front of me and each other? We work through them together.

The bonding that occurs on these trips is incredible. Last year, a couple of managers were bragging about how much they can eat. We decided we'd have a rib-eating contest at Tony Roma's. The restaurant gave us

There is nothing that we do all year that is as important as those three days in Vegas.



an all-in-one price, and we made a big deal of it. We even had judges, and it got very competitive. At the end of the night, the manager asked us for permission to double the price they gave us because they had no idea how much these guys could eat!

People are still talking about that to this day. And of course, when we get back from Vegas, the first thing our staff members say is, “You were in Vegas for three days, and you worked until 2 o’clock in the morning? *Sure* you did!”

We do have fun, but during the meetings, we’re serious. We take the New Year planning very seriously.

William D. Pollakov, CLU ChFC
President, The Pollakov Financial Group
General Agent, MassMutual Financial Group
La Jolla, CA
2001–02 GAMA International President

Surrounded by Experts

I always seek to attract, retain, and surround myself with people who are far and away better than I am in a certain area of expertise. My technical person can run circles around me. My director of financial planning is noted nationally for being the best. My marketing director is far better than I am in marketing, and she is noted for being the best marketing director in the entire country. The person who runs our professional development program is technically stronger and is a much better trainer than I am. He, too, is noted nationally. So my approach is to attract and retain people who are very, very strong in their craft, and their craft is their unique ability—it empowers them. I work with them on the human side or business-model side about how they go about bringing their services to our advisors.

My approach is to attract and retain people who are very, very strong in their craft, and their craft is their unique ability.

We have a systematized selection process that begins with in-depth interviews.

My vision is that we become the firm of choice for financial advisors to the affluent. To that end, I have a process that begins with learning from a prospective advisor or team member what their vision of their ideal future is. Then I look for supporting documentation—”You say you want to do that... what have you done in the past?” We also use testing.

I have a great team—five to eight of us—who will interview prospective advisors or team members. They’re finding out about the candidate, but they also explain what they do in their given areas. So the candidates are seeing what we can do for them, too. Our team members encourage the candidate to ask them questions about their expertise or the firm at large. The candidate might say, “I want to make sure we cover this,” or “What is your financial planning process?” or “How do you make investment recommendations?”

We learn a lot about the candidates based on the questions they ask. How sophisticated are they in the planning process? Are they green? Are they about payout only?

If we are going to partner the person with a senior planner, we’ll have the planner interview the candidate, too.

My team gets to know this person, and we get different views about whether this individual is right for this firm. We usually agree, but sometimes we heartily disagree. If that happens, we talk about why, then get to root of what’s valid and not. We end up selling each other or deferring. Someone might defer out of respect. That’s OK. We’ll make mistakes, but we make

We learn a lot about the candidates based on the questions they ask.



fewer now than we have in the past. We have a retention rate that's much higher than the industry average.

I've made every mistake possible. In my very early years in management, I thought the leader was the person who knew everything and did things better than everyone else, that you led by example. And you do lead by example, but not necessarily in technical knowledge. I wasn't bright enough to know everything about everything, and I concluded that not many people are. People can be really great in their given areas, and they'll grow beyond what I could have ever accomplished in every area we cover. They know they're better than me in those areas, and that's OK. At first, that intimidated me, but then I realized that it makes us a stronger firm, and it causes them be more invested in the firm.

A decade ago, the industry thought of marketing as direct mail to a zip code, and then you respond to the leads. That's not marketing. Marketing is everything you do prior to the point of sale—positioning your firm with the public at large, etc. We wanted to bring in someone who had no industry experience who could drive marketing for us. We had no idea what we were doing.

So I ran an ad—if I were to do it today, I would network instead—and we were able to find Kristin. We had a number of candidates. But Kristin had been in advertising, a very different business from ours. Her perspective was very different, completely unfettered by the norms of the financial services industry. She brought fresh views, and we listened to her.

That was nine years ago. Initially, our advisors didn't know what to do with her. Their belief system was that

Her perspective was very different, completely unfettered by the norms of the financial services industry.

we should do seminars or direct mail. So the first thing she had to do was educate them on what true marketing was. And through that process, what she has done is unique to each individual based on their market and their personal strengths and weaknesses.

My goal in bringing in a marketing director wasn't for everyone to be all over marketing. People use different resources. Some people will focus on marketing, others on investment planning, and others on practice management areas—the support they get from coaching. My objective was to add value to those people who would appreciate it.

One of our advisors was the opposite of many others—he was very creative. He had an idea of creating this forum of individuals worth \$10 million and north. Kristin helped him create collateral material and a system and process around that idea. It enabled other people to replicate this concept, too. He always had fabulous ideas but had a hard time putting the meat on the bone—when to have the sessions, who to have as speakers, how to build that group of people worth \$10 million and above. The forum is now in its third year, and this advisor now conducts these forums regularly with people in this segment of the market. They're coming to listen to speakers our marketing director has chosen, and that gives the advisor an incredible opportunity to reach potential clients.

Nancy A. Briguglio, ChFC CLU MSM
Managing Director
Mid-Atlantic Regional Planning Group
Sagemark Consulting
Vienna, VA

What she has done is unique to each individual based on their market and their personal strengths and weaknesses.

Amen Corners

One day during my second year as a sales manager, I was attending a basketball game. One of our EVPs sat next to me and asked me a very simple question: “Athán, how are you doing?”

“I’m doing fine, but I am having difficulty trying to motivate people,” I responded.

He looked at me and said firmly, “You can’t motivate people. They have to motivate themselves.”

Two years later, another EVP asked me, “Is there anybody on your staff you personally know—family or friends?”

I looked at him with curiosity and said no.

“Why haven’t you hired someone you know personally?” he asked.

“Well, I really don’t know.”

“Athán, that means you don’t believe in yourself,” he stated.

I immediately realized that I had been making critical mistakes in building a staff. So I made a commitment that I’d hire people I knew—relatives, friends, acquaintances. That decision was crucial to helping me achieve the goals I had set forth for myself as a sales manager and ultimately as a managing director.

Today, some of these recruits are top managing directors, sales managers, and agents who have helped build our organization. They play a vital role in helping us achieve our goals and are important resources in our firm.

As we continue to build our organization, I continually challenge my management team to hire people they

**“You can’t
motivate people.
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themselves.”**




know personally—the personal observation method. These people have an interest in you, and you have an interest in them. You won't let them fail, and they don't want to let you down. You want each other to succeed. It's based on faith. You're going to ensure that you do everything you can to help them make it in this business since you brought them into it.

Recruiting people who are close to you also creates awareness of referrals among the associates in an agency. When management is willing to bring in friends, acquaintances, or relatives, it strengthens the referral system that has been established in the firm.


In one of my earliest attempts to hire someone I knew, I recruited someone who had been my best friend for 20 years. We knew each other as kids, and our families were very close. He was in the restaurant business and made an excellent living, but he was working 24/7 and almost 365 days a year. I had mentioned the possibility of coming into this business several times. One day he said to me, "Athan, I've peaked out. I'm not going to make the type of income I need to make by staying where I am. I'm willing to take two steps back to take three forward."

It was not an easy decision to make, but he took a leap of faith. He was supporting a wife, three children, two dogs, and even his grandmother at the time! His wife was not convinced that it was the right decision, but she also had faith. He ultimately resigned his position where he was making \$100,000 a year to come work for me in our new-agent program for \$400 a week. He sat in my office in Manhattan and said, "Athan, I'm placing my trust in you."

It took him two to three years to ramp up, and he experienced the same emotional roller coaster that many of our new associates do. It was not an easy



You won't let them fail, and they don't want to let you down.



transition. There were many times when he questioned his decision.

Within a few years, the magic of our business paid off, and success became a reality for him. Our trust and faith in each other paid off! Today, he is a successful managing director for a very large agency. He is able to spend more time with his five children and be with them on holidays. He would not have been able to do that if he had stayed in his previous career. He is also enjoying the economic rewards that our business creates.

He is one of many people I have committed to hiring since that fateful day when I was asked that important question. Today, I can point to family and friends whose lives have changed because I believed that I could help them make their lives better. Some are successful managers, some are veteran agents, and some are new associates. Isn't that why I made a decision to be a manager?

Faith is a powerful tool. Every member of management has a responsibility to recruit people into our business, and mutual faith has to be a part of that.

One of my earliest mentors referred to this type of agency building as "Amen corners." Simply put, an organization is a tent and as the leaders, we set the center pole firmly into the ground. You must then find your poles at the corners to keep the tent in place—those are the managerial associates and specialists in your organization or the agents on your staff. Each one has to be just as solid as the other, and they all contribute to the overall stability of the organization. The tent that binds them all together is faith and trust. The fact that you are recruiting people whom you know makes the tent even stronger.

Every member of management has a responsibility to recruit people into our business, and mutual faith has to be a part of that.



I believe this is one of the most critical aspects of our role as leaders.

As I stated, trust is critical to success, but it needs to be built with open and honest communication, whether I have a relationship with someone or not. We choose to hire in a warm-source manner because that goes hand-in-hand with what the numbers tell us. Typically, recruits who are somehow tied to an agency through relationships will be more successful. It is this relationship that allows us to tell them what they *need* to hear, even if it's different than what they *want* to hear, and they will listen.

Many years ago, I read a quote. I think it hits the trust and faith issue on the button. It's the definition of integrity by Stephen Covey from his book *The Seven Habits of Highly Successful People*. It's something I truly believe is an important part of leadership:

Integrity in an interdependent reality is simply this: You treat everyone by the same set of principles. As you do, people will come to trust you. They may not at first appreciate the honest confrontational experiences such integrity might generate. Confrontation takes considerable courage, and many people would prefer to take the course of least resistance, belittling and criticizing, betraying confidences, or participating in gossip about others behind their backs. But in the long run, people will trust and respect you if you're honest, open, and kind with them. You care enough to confront. And to be trusted, it is said, is greater than to be loved. In the long run, I am convinced that to be trusted will also be to be loved.

Athan P. Vorilas, CLU CLC CMFC
Managing Director
Prudential Financial
New York, NY
GAMA Foundation Board of Trustees

Recruits who are somehow tied to an agency through relationships will be more successful.

Relationships First, Then Systems

To any leader who is taking over a new organization, I would say that it's paramount that you do not try to change the world in one night.

When I took over this organization in 1994, it was ranked 88th of 90. Within three years, we were ranked No. 1, in both 1997 and 1998. My two partners and I now lead one of the largest financial firms in the company, with more than 350 financial advisors.

Previously, I was working in Boston when I got promoted to the west coast of Florida. It was very broken when I got there. The experienced associates had detached themselves from the branch, finding no value in being affiliated. There were just a handful of newer associates and two inexperienced sales managers—about 30 people in all. What I did in the first six months was to have one-on-one meetings with every financial advisor and manager. I needed to know what was going well, what their current needs were, and how I might be able to add value to help them build their practice to new and higher levels.

About six months in, I began to get buy-in from those who had detached themselves. By learning about them and their goals, dreams, and motivations, it became evident that I cared enough about them to make them want to care about the organization. They viewed me as more of a strategic coach than a boss they reported to.

That took time. I wasn't able to change things immediately. Finally, I got the organization to come together as a team, to want to grow and prosper, and tripled the sales force.

What I did in the first six months was to have one-on-one meetings with every financial advisor and manager.



I was given that advice by a manager who promoted me. He said, “ I have one piece of advice to give you: don’t try to change the world overnight.” He knows that I, by nature, am a pretty impatient person and very proactive. But I had worked with him for five years, and he was very successful in the business. He was very passionate about that one thing. So I did take his advice, and it paid off. It was one thing he had learned in all the different organizations he had been in. I’ve given the same advice to other managers who have been transferred or promoted.

A simple example of allowing enough time is that, when I got to that office, I was very tempted to immediately throw out the entire training program and start from scratch. If I had done that, I probably would have implemented something that I perceived they needed but that may not have been a fit for the group. Eventually, I did change the training program for new associates. I also implemented a once-a-month study group for the experienced associates. I would have speakers come in, but it was a study-group atmosphere versus a training class.

I think that it is extremely important to be able to have transferable sales systems that have proven successful. But in delivering those systems, your success in building harmonious relationships first will determine the success or failure of those systems.

Susan M. Cooper, CLU ChFC CFP
Divisional Executive Vice President
AXA Advisors, LLC
New York, NY

I think that it is extremely important to be able to have transferable sales systems that have proven successful.



Shortcuts to Success

There aren't any secrets to success. But there are some shortcuts.

Twenty-six years ago, I was extremely fortunate to meet Don George, who was responsible for leadership and development of advisors for our company. He later became my personal mentor for life.

Don started teaching me about shortcuts. Our backgrounds were somewhat similar, as teachers who worked extra jobs to benefit our communities and families.

Don's words about the four F's in life—faith, family, fitness, and finance—have been a cornerstone to literally thousands of families. He also taught that people, books, and tapes could give any advisor a shortcut to success. Twenty-six years later, his teachings still hold true.

Conk Buckley is an example of one of those people Don talked about who can help you have a shortcut to success. Conk challenged me to get involved in the industry. He introduced me to people who were and are extremely successful, and those relationships have allowed me to ask questions and find answers.

Today I have my CLF from The American College, again thanks to Conk's encouragement. I also assist with the *GAMA International Journal*, I'm a trustee of the GAMA Foundation, and I attend GAMA's Executive Cabinet meetings. These environments both challenge and excite me to give back to the industry and have literally allowed my dream to come true.

Don taught that people, books, and tapes could give any advisor a shortcut to success.



As for the books and tapes that have accelerated my professional and personal career in the financial services industry, here are just a few:

- *Built to Last*, Jim Collins and Jerry I. Porras, HarperBusiness, 2002
- “The Effective Manager Seminar Series” (videotapes), Brian Tracy
- *Good to Great*, Jim Collins and Donald O. Clifton, Free Press, 2001
- *Now, Discover Your Strengths*, Marcus Buckingham and Donald O. Clifton, Free Press, 2001
- “Searching for Eagles” (audiocassette), John C. Maxwell, Injoy Life Club, Vol. 10, No. 6
- *The Servant Leader*, Ken Blanchard and Phil Hodges, J. Countryman, 2003

This year, 2005, will start my 27th year in the practice. Looking back, the secrets to success were never secret, and the shortcuts to success were always available.

John E. Brooks, CLF
Regional Vice President
AIG American General (Agency Building Group)
St. Albans, MO
GAMA Foundation Board of Trustees

The LAMP of Learning

Being in this business for 36 years has taught me that one of the most important qualities of a leader is to communicate with those around you and look to your colleagues for ideas that have worked for them, especially at GAMA International’s annual LAMP meetings.

One of the most important qualities of a leader is to look to your colleagues for ideas that have worked for them.

I attended every breakout session I could, and I've gone to LAMP ever since.

As an agent with Baltimore Life, I worked by myself mainly. It was important for me to maintain daily contact with my supervisor. I wanted him to know when I was doing well and when I needed help. I was pretty persistent about it.

I spent 10 years working in the home office, and that gave me a better understanding of the whole process. It also reinforced to me the importance of the hands-on closeness with your people. I felt a little far away from reality in the home office.

In 1989, I went to my first LAMP meeting as a regional VP. I was looking for new ideas, and I felt that that was the place to go because it would allow me to interact with others in the industry. It was very impressive. In fact, that was one of the biggest changes in my career. When I saw these speakers at LAMP from the really large agencies—the Burr Andersons and the Al Granums—I heard a lot of really good ideas about how they ran their agencies and shops. I attended every breakout session I could, and I've gone to LAMP ever since.

Hearing those incredible ideas from the most successful field leaders in the industry made me want to get back into management. A couple of years later, I made the decision to come back and take an agency and work more with the agents. I felt that it gave me more of an opportunity to be a leader.

One of the ideas I picked up from LAMP is from Burr Anderson, and I've been using it for many years. He recruits through his existing agents. He would have a quarterly luncheon with his people to field any of their problems or situations. Part of the agenda was recruiting. They knew that, going into the meeting, Burr would ask them to introduce someone he could talk with. We have done that, and as a result, we are as

close as a family, and the agents are close with each other. Also, that one idea has helped increase our retention rate substantially.

I wish I had gone to LAMP from my first year in the business. Anyone who doesn't go to LAMP is missing a powerful experience and a lot of incredible ideas that could make a big difference in their success.

John W. (Jack) Frank Jr., LUTCF
Agency Team Manager
The Baltimore Life Companies
Philipsburg, PA

Be Faithful to What Is Helpful

“Be faithful to what is helpful.” I learned that simple but powerful edict eight years ago at a spiritual retreat. The priest who was conducting the retreat was making the point that, in your life, reflect and figure out the things that have served you well. Don't abandon them. Build on them.

Before we change our strategies, we need to realize that we're doing a lot of things right. People get caught up in the flavor of the month, the trends. A decade ago, when Coca-Cola started promoting their New Coke instead of their tried-and-true original, what were they thinking? They almost blew themselves up. Be faithful to what is helpful. Don't abandon what got you to the dance.

There are going to be new products in the financial services industry constantly. There's long-term care insurance. We have mutual funds galore, all these wonderful things. But let's face it, life insurance is the most important part—the *most* helpful. No financial plan is complete without it. As we create all these

Don't abandon
what got you to
the dance.



wonderful products that will take us to the Promised Land, let's not abandon the primary product. Stay focused on life insurance.

I've been to this retreat five times now. It's a silent retreat at a Jesuit retreat house. This order of priests is known for their discipline and commitment to education. For the three days you're there, you don't speak. The basic purpose of it is to reflect, to identify the areas in your life that need improvement, and to connect with God at a deeper level. The priest gives four lectures a day and leads you through spiritual exercises as a form of meditation. All ordained Jesuit priests go through these exercises to become ordained, but they remain silent for either 40 or 80 days.

Silence allows you to become focused. It's so hard to connect and reflect if there's a lot of noise or distraction. This retreat is out in the country, away from TV sets, radios, and computers. Very powerful.

I don't know of a better idea for a leader than this whole process of self-evaluation—reflecting, identifying your values, your vision—what you stand for and what is helpful to you and your organization. As a leader, your job is to teach your vision. Each advisor has his or her own vision, but they joined your firm because they believe in the greater vision. Define that vision and stay faithful to it.

Edward G. Deutschlander, CLU CLF
Executive Vice President and Managing Partner
**North Star Resource Group/
Securian Financial Group**
Minneapolis, MN
2004–05 GAMA International Secretary

I don't know of a better idea for a leader than this whole process of self-evaluation.

Recruit Your Way Out of Any Problem

I've been a general manager for 22 years. The mistake that I made as a new manager is that I thought I had to solve everything myself—address the negativism and the problems and pay attention to the troublemakers continuously. That can consume 99 percent of your time.

Early on in my career, a senior VP of the company made a statement, and I'm quoting: "There is not a problem that you cannot recruit yourself out of." It took a while for me to grasp what that meant.

Like any manager, I did focus on recruiting, but I did it just because it was part of the job. I didn't realize how it could be the solution to all of these problems.

I dug into what he said and dissected it. I'd say, "I have this problem, Could recruiting help me solve this? Absolutely yes!" Then I'd look at the next problem, and the next, and I found that recruiting was the answer every time, whether it was an issue with profitability, productivity, retention, customer service, or anything else.

Basically, I barreled ahead in the recruiting area and changed the face of the agency. As I kept bringing more and more and more successful people on board, the negative people and complainers became the minority. As a result, their influence was minimal. It's not something that can happen overnight. It took me five years.

Soon I began to realize just how true this guy's statement really was.

I found that recruiting was the answer every time, whether it was an issue with profitability, productivity, retention, customer service, or anything else.



I want them to become entrepreneurs and to become self-sufficient within five years.

For example, morale. If you recruit highly motivated, successful people and you constantly improve your level of recruits, you'll be improving the organization year after year, and that automatically solves the morale problem.

Another example is productivity. When you have successful recruits who do better and better each and every year, it solves a lot of productivity problems. They become the rabbits of the organization.

As a veteran manager, I pass this revelation on to rookie managers, that recruiting can be the solution to all kinds of problems they face. The problems will probably never go away, but the success you can achieve with really high-caliber recruits will overcome the problem.

I want them to become entrepreneurs and to become self-sufficient within five years, to survive the business and improve year after year and not be vulnerable to the pitfalls of the business.

That senior VP was someone I didn't know very well, but as a field manager, I had heard him speak at various meetings. I don't think he realized the impact he had on me or other people.

I've hired the majority of the people in my agency and developed them over the years. I'm extremely proud when I see people I've brought into the business who have gone on to become highly successful producers in this business, just to see their natural progression from rookie agents to successful MDRT qualifiers and higher, year after year. And many of them become managers who know that they can recruit *their* way out of any problem.

That is the greatest satisfaction that a general manager can have—much more than money, bells and whistles, and medals.

John G. Savadjian, CLU ChFC CLTC LUTCF
Managing Director
Prudential Financial
Paramus, NJ

What We Will Do About It

A long time ago, I saw a tape of a guest speaker for MDRT. This young man had been in a motorcycle accident; 80 percent of his body was burned. But he didn't stop living his life. He was very adventurous.

After his recovery, he became a pilot and then got into plane crash! After that, he couldn't walk and began to use a wheelchair. But he still didn't stop. Now he owns a manufacturing plant that has the largest number of employees in Maine.

This man talks about how he survived. He says, "It doesn't matter what happened to me. It matters what I'm going to do about it." He does not just sit there and worry. I heard that he is now fighting cancer. But it has not stopped him. He is just incredible.

That's the difference between successful people and others. The successful ones do what they have to do when something happens to them. But other people put the blame on someone or pity themselves, and that really gets them.

Every morning before I open the door to my office, I tell myself, "Good things will happen today." So every time I walk in, I say, "Michael, a good thing will happen today." I literally pull my chest up and walk in that way. It helps me start the day with a positive attitude.

The successful ones do what they have to do when something happens to them.



We have to make
sure our shop is
open all day!

People who own some kind of a shop, if the owner is down, it's okay. They can hide themselves, and the client can still come in and buy things. If we are down, it means our shop is closed. The client cannot come up to us. We have to make sure our shop is open all day!

When people come to me and say, "I didn't do well last year, but I will do well this year," I do not accept that. I ask them, "When was the last time you didn't have any problem for a year, or two weeks, or even a week? If you're 30 years old, when? Never. You didn't do well last year because you had a problem that you could not overcome. This year, you will have problems, too. Whether you are going to win over the problem or not, what you will do about it, is more important than telling yourself that you'll do well."

Michael Shin, CMFC CLTC
Managing Director
Prudential Financial
Orange, CA

The Psychology of Coaching

Training new agents and coaching veterans are among the most challenging responsibilities of a leader. It is not surprising that in response to agents' failure to perform as expected, managers often criticize them rather than helping them.

When your negative feedback to an agent comes across to them as disapproving and critical, their usual response is to become defensive. Instead of owning up to the responsibility for the problem, they are likely to rationalize their behavior and blame others for their failure. Worse yet, your disapproval may induce guilt

in your agent. Guilt ties up an enormous amount of emotional energy and further deteriorates performance, rather than improving it.

Most leaders' personality attributes enable them to succeed where many agents fail. It is hard not to criticize when someone fails to perform a job that seems easy to you. You are likely to attribute the agent's failure to lack of motivation or laziness, rather than to a lack of ability.

When coaching, start out with the assumption that your agent's problem is real to him or her. Affirm the agent, find out what you could do to help, assure him or her of your support, and agree on a strategy for attacking the problem. You may say something like this to start with: "I understand that this is not easy. Don't let yourself feel guilty about falling behind. Instead, refocus your energy, and I will help you to reach your goals."

Obviously, this does not mean that you absolve the agent from expectations. Set a realistic deadline by which the agent needs to improve production. Tell them that if they fail to perform to expectations by the deadline you set for them, the two of you will need to reassess how realistic the agent's hopes are for success in this industry.

Set high expectations, but instead of criticizing them, increase the number of contacts you have with your agents to hold them accountable and to provide them with emotional support.

Csaba Sziklai, Ph.D.
Chairman and CEO
Advocacy System
Park City, UT

Guilt ties up an enormous amount of emotional energy and further deteriorates performance.

Keeping Promises

I started out as an assistant general agent in 1990 and did that for seven years before becoming a manager. Before that, I was a high school teacher and coach, and I thought I could use those skills in this career. I made the career move because I was getting married and wasn't making enough money to give my family what I wanted to give them. But I still wanted to be in an industry that had an impact on people's lives. Some friends I had played college football with invited me into the industry.

By 1997, I was a regional training director for MassMutual, but the company knew that my ultimate goal was to have my own office. One day a regional VP offered me the chance. It was a very interesting time for this office because they'd had a tough few years and a bit of a decline.

Because I had been a regional person visiting this office now and then, I had gotten to know some of the people. But I knew there was a lot of apprehension among the group, as there would be with any management change, especially because I'm the opposite in personality of the gentleman who was here before me. And, in a sales organization, we do try to sell each other, so it was important that they knew I was for real.

The day I was introduced as the general agent for this office, I gave a presentation that I had put together. The foundation of it was threefold. I stood in front of the associates and said, "First of all, I'm going to make a lot of mistakes. Secondly, we will hit each and every goal we set out to accomplish. And third, probably more important than anything else, I will treat you as you treat your 'A' clients."

"I will treat you as you treat your 'A' clients."

I wanted them to know that I viewed them as more than just salespeople. But I knew my actions would have to match my words.

Shortly after that, I gave the group a list of 30-, 60-, and 90-day promises that I was going to make to them. At every moment thereafter, I kept them completely aware of whether or not we were on pace for those promises to become reality. If I wasn't going to get something out on time, I'd tell them why. I lay the foundation of open communication and made it OK not to be perfect. More importantly, I stressed that we had to communicate our concerns with each other.

I also showed the producers that I was receptive to new ideas and that I wasn't just going to hold *them* accountable—they would also hold *me* accountable. It took a little while for the associates to feel comfortable in this new culture of open communication and two-way accountability, but with time, as I continued to keep my promises, we developed lasting and positive relationships.

That lay the foundation for the past seven years for some pretty substantial growth. I have a very open relationship with each associate, and I think they would say the same thing. I think that is why we have won multiple awards from the company, including four consecutive Chairman Trophies from 1999 through 2003.

As a high school coach, it was always critical to have open communication and close, trusting relationships between coaches and players. So it was somewhat natural for me to lead that way, but it was also reinforced by my reading. I read a lot. At that time, [Stephen Covey's] *Seven Habits of Highly Effective People* was out, as well as books on leadership by Warren Bennis and John Maxwell. I've also relied on a

I kept them completely aware of whether or not we were on pace for those promises to become reality.



Things constantly change, and as leaders we need to continue educating ourselves on leadership.

lot of GAMA International programs, books, etc., to continue growing and developing as a leader. I also have a company study group that six of us started. We keep developing who we are and then deliver that to our associates.

Things constantly change, and as leaders we need to continue educating ourselves on leadership, whether it has to do with leadership style or new information that comes out. We have to develop ourselves. That's how it stays exciting for us.

About a month and a half after being appointed, I went to my first company function as the general agent. It was our Leaders Club, so there were a lot of home office people there, as well as reps and associates from all over the country. What ended up happening is that one of our associates who made Leaders Club had gone around to people she knew from other offices and the home office and was asking them, "Who's this Bob Walker? Is he for real?" Unbeknownst to her, many of them knew me, so several of them came over to me and said, "Bob, you have this rep walking around asking if you're for real."

"So, what did you tell her?" I asked.

They replied, "We're saying you are." That night there was a big company party. I went up and asked her, "Adriane, are you getting enough information from everyone?" She turned red. I laughed, and she apologized. We laughed about it many times after that.

Robert E. Walker, CLU ChFC
President and CEO
**Walker Financial Partners/
MassMutual Financial Group**
Westlake Village, CA

No Employees Here

In the early 1990s, I had the good fortune to spend time with Sam Walton. He said to a group of us, “The definition of an employee is a task-oriented individual who has no ownership in their future.”

“Employee” is a derogatory term. In our organization, we call them “associates.” No one really wants to be an employee. We have built our organization on that style of leadership. We work together. On our organization chart, I’m at the bottom. Everyone else is at the top. I live by that creed every single day.

If people think they’re task-oriented employees, they think they will never have a future in the organization. But if you communicate to them that their role in the organization is vital, they will do a far better job. I encourage everyone here to make improvements. I’ll give them money to spend. The receptionist can get \$500 to make something better, and that improvement carries through the entire organization, so it benefits everyone.

I became a debit agent on my 22nd birthday, and I’ve been in management for 20 years. I have 254 advisors, and 182 of those are full-time.

The leadership style that sticks out most in my mind is that of Tom Quirk, my mentor. He’s now in Philadelphia and still works for New England Financial, but he retired from the general agent capacity and is helping with agency operations.

Tom is very successful, and he demonstrated leadership to me by being the best human being and showing me the greatest style of leadership, which is what I emulate today. He always had a people-first strategy. When he asked someone how their weekend was or how a child

On our organization chart, I’m at the bottom. Everyone else is at the top. I live by that creed every single day.



We used to sit and talk—not about insurance, but about life, people, the right way to do things.

or sick parent was doing, it was always sincere, and he asked out of consideration for the person. He truly cared, and he engrained that in me.

I met Tom through a mutual friend in 1986. We had an informal mentoring relationship. I would get into the office at 6 a.m. and he would be on his third cup of coffee. We used to sit and talk—not about insurance, but about life, people, the right way to do things. That is what made the biggest impact on me.

In 2003, Baystate Financial Services was voted the “No. 1 Best Place to Work” in Massachusetts, according to rankings compiled by the *Boston Business Journal*. Harvard University placed 14th.

I believe it is because we genuinely care about our associates, and they know that I will do anything to help them, just as I learned from Tom.

Our current four-year retention rate for advisors is 88 percent, and our overall retention rate is 73 percent.

We had a gentleman in our benefits department who was in his early 60s. One day, his wife was rushed to the hospital with encephalitis. I got a call at 10 minutes after midnight. It was this gentleman. He said, “I don’t know what to do. They don’t know if she’s going to make it, but all three Boston hospitals are full.” A friend of mine directs a hospital just outside of Boston, and they have the No. 1 neurology unit in the Boston area. I called him and told him the situation, and within minutes, an ambulance was taking the woman to that hospital. I drove there to make sure she arrived okay and to check on my associate.

I learned from my parents to assume that everyone is an exceptional human being and to treat everyone in

your life as you would want your children treated. So I knew that already, but Tom helped me put it into practice.

David C. Porter
Managing Partner
**Baystate Financial Services, LLC/
New England Financial, A MetLife Company**
Boston, MA

(Editor's Note: The June 6–12, 2003, issue of the Boston Business Journal announced that Baystate was named the “No. 1 Best Place to Work” in an article titled “Flexibility, Benefits and Loyalty Make Baystate the Best.”)

Let Your Advisors Advise

A great leader creates an environment where great, good, and average producers can achieve excellence.

Fresh in the business, I completed my Project 100. I focused on the fundamentals, working the phone in those days and setting at least 15 appointments a week, and it worked. I made Leaders Conference in nine months. Then January arrived, and I was out of leads, out of energy, and staring at a blank appointment book. I knew then that I didn't want a Groundhog Day career in which every year was the same as the last. I knew that, even while focusing on the fundamentals, I needed to do something different.

That “something different,” it turned out, is the same thing that all successful organizations must do: conceive, design, and implement a program that drives qualified prospects to one's practice while creating a recognizable brand that sets one apart from the commoditized crowd. For ideas, I relied on the experts,

I didn't want a Groundhog Day career in which every year was the same as the last. I knew that, even while focusing on the fundamentals, I needed to do something different.

successful gray hairs at my firm, and the insights of *Manager's Magazine*, which is today's *GAMA International Journal*. By doing such things as direct mailers, client-appreciation events, in-office seminars, and mortgage lead mailers, I was able to generate 15 or 20 leads a week. Leads in hand—the rest was easy. I booked the appointments, completed the needs analyses, and protected people and their families.

When I took over the Barnum Financial Group in 1993 at the advanced age of 26, it had only nine producers. Today, Barnum has 140 financial service representatives.

To achieve this growth, I applied the lessons I learned while in individual production. I studied the operation from a cultural and leadership standpoint. I quickly concluded that to grow the firm, attract top talent, and move from the minors into the big league, I would have to break the old model of selling just life insurance.

My vision was, and remains, to make the Barnum Financial Group the largest client-centered financial planning firm in the country. To reach this goal, I knew I had to make a fundamental conceptual shift—a paradigm shift. Most firms are financial services firms that do occasional and ad hoc marketing. Barnum, I decided, would be a marketing firm that does financial planning. That's a powerful shift. It fundamentally changed the dynamics of the firm. It allowed us to grow from \$180,000 in production in 1993 to \$1 million in 1999 to \$6 million in 2004.

Success in our industry requires a triumvirate of skills: marketing, prospecting, and selling. Most producers are good at sales, mediocre at prospecting, and downright awful at marketing. This is the rub, since marketing and prospecting are far more important

I quickly concluded that to grow the firm I would have to break the old model of selling just life insurance.

than the actual sales. I knew that if I could establish a firm that provided extensive and customized marketing and sustained prospecting, the production would follow. I put many strategies in place—some worked and some didn't. Two have been off-the-charts successful.

The first marketing strategy is the call center that I established in 2001. Dialing the phone is \$15-an-hour work at best. Closing insurance, investment, and estate planning work starts at \$100 an hour and moves up. The last thing I want is for my closers to be spending valuable time working the phones for cold prospects. Today, Barnum employs 22 telemarketers and a telemarketing supervisor and has a state-of-the-art dialer. They do nothing but call our existing book of business and new lists, such as people with new mortgages and new births and small-business owners. Advisors purchase these appointments for \$10 each. This offsets some of the fixed costs. Last year, the call center set 12,000 appointments.

The second marketing program is our Corporate Education Program. People purchase financial services from people they trust. Trust develops over time. And given that people are harder and harder to reach on the phone, why not meet them during the day at their workplace? That's exactly what our Corporate Education Program accomplished. We offer, free of charge, a comprehensive four-part financial planning seminar, as well as individual, in-depth seminars. We have relationships with 35 major companies. The companies love it because they can offer a free benefit to their employees. The employees love it because they gain a deeper understanding of personal finance and their benefits package. We benefit because we have four hours of non-transactional dialogue to use in developing relationships with fully employed

Most producers are good at sales, mediocre at prospecting, and downright awful at marketing.

prospects. It's not a short sales cycle. But it's one that works.

Building this marketing infrastructure allows me to hire smart, articulate people with solid sales skills. They don't have to be good at making appointments because our call center and Corporate Education Program do it for them. Free from the demands of marketing, they can focus on client relationships and advanced-case design. This, in turn, leads to larger sales. Larger sales drive more revenues to the firm, which, in turn, can be reinvested in marketing. The corporate program, for example, has three full-time people running it. It's a virtual cycle.

One of my current superstars illustrates the system's virtues. He was a young kid, 25 at the time I hired him. He was a very smart guy and an excellent salesman with experience on the investment side of a mutual fund company, as well as a retail advisor at another financial services firm. His problem, a common one, was that he couldn't get in front of the right people. He was so frustrated that he told me he was going to leave the business to become a clerical assistant for another rep for \$40,000 a year. We had a tough conversation. I knew he was exactly the type of person this industry needs on the front lines.

I used all my skills to close him on remaining at Barnum. I asked him to go home and think about it. He came back the next day and said he was ready to go to the other job. I said, "I know you will do extremely well in our Corporate Education Program. Give me 10 to 15 weeks to ramp up." He agreed to give it a try. We made him the leader on one of our largest accounts. He started making sales immediately. Since then, we've made him the leader on other big accounts. He made Leaders Conference for two years

They don't have to be good at making appointments because our call center and Corporate Education Program do it for them.

and then jumped to the President's Club. Last year, three years after that conversation, he brought in \$12 million in new investment business and qualified for Top of the Table. He just bought a house two weeks ago and will tell anyone who asks that he's a lifer at Barnum.

He knew how to sell. All we did was get him in front of good clients.

That's the difference between a \$40,000-a-year staff job and a six-figure career. That's the difference that a marketing firm that does financial planning can make.

Paul Blanco, LUTCF
Managing Director
Barnum Financial Group/MetLife
Shelton, CT

Servant Leadership

The easiest way to build an organization is through *servant leadership*, and it is a principle that we abide by at North Star.

The servant leader is at one end of the leadership spectrum, while the dictator is at the other end. The office we work in must be a sanctuary, and it starts with the leader. A servant leader is more able to affect that environment because he or she is constantly striving to create a pleasant work environment.

I require all of my new people to read the book *Servant Leadership* by Robert K. Greenleaf. Also, if I detect an autocratic undertone in any of my managers, I will insist that they read the book.

Recently in one of my offices, we lost a regional vice president who had been here for eight years. This man was a phenomenal leader and had many great qualities,

The servant leader is at one end of the leadership spectrum, while the dictator is at the other end.



The easiest way to build an organization is through servant leadership.

but he was not a servant leader. From the book *Built to Last* by Jim Collins came the reason we had to spit him out.

Too many times I would visit the office and find him not there. He was not accountable because he was not a servant leader. Our advisors and team members would have problems and would have nowhere to go. Walking into this office, one could feel the energy being sapped out of people. In other offices, we call our receptionist the “Director of First Impressions.” But in this office, the receptionist was mistreated and dictated to, along with just about everyone else.

In this manager’s case, I don’t think that reading Greenleaf’s book would have helped. He was too far on the opposite end of the spectrum by the time we discovered the problem. In other cultures, he may have prospered, but not in a servant leader one.

Now that he is gone and a servant leader is in that position, the office is a fun place to be again, and their productivity has increased as a result.

A compliment is verbal sunshine. Servant leadership is about catching people in the act of doing something good. A servant leader reinforces that good behavior and praises the person publicly. The more you reinforce good behavior, the higher will be the goals and the performance levels of the people who are the recipients of those compliments. Most people respond to sincere compliments, regardless of what position they hold in an organization.

I think it’s important to come up with compliments or “touches” for your advisors, even if you don’t see them in person. One of the things I do 12 months out of a year, on a religious basis, is hand-write a personal note on the production reports that I return to each advisor.

With 200 advisors in 10 different states, it's impossible for me to see all of my advisors every quarter, let alone every month.

My note will say something like, "Hi, Joe, I see you are on time for MDRT. Congratulations. And you're just about on time for producing 100 cases this year. That would be a real feather in your cap. Good luck, Joe."

It is not about me. It is about these advisors who live in a world of rejection. I want to do what I can to give them a sense of self-worth and help raise their self-image.

Because we're hiring so many people from college campuses, we want all of them to try their hand at management. You never know who might be your next outstanding servant leader. So in our organization, everyone is encouraged to experience management. We don't want anyone to look back and say, "I was discriminated against," or "I could've been a good manager but was never given a chance." Everyone is encouraged to do it. Secondly, it helps us discover latent talent in people we otherwise might miss.

It's amazing to me the people you think would be magnificent trainers and don't like it. Others don't seem like they would enjoy it but move right up through the ranks.

I look at it as a laboratory—to try new things all the time and infuse new concepts and ideas into the organization.

Phillip C. Richards, CLU CFP RHU

CEO

North Star Resource Group/

Securian Financial Group

Minneapolis, MN

2002–03 GAMA International President

GAMA International Hall of Fame Inductee, 2005

Having everyone try their hand at management also helps us discover latent talent in people we otherwise might miss.



Transitioning to the Next Generation of Leaders

Leadership's first responsibility is to replace itself. We have a published, structured program in our agency that leads to appointment as a Guardian general agent.

When a young person comes into management, his or her first position is vice president of manpower development. The next step is senior vice president, then executive vice president/associate general agent. The final step is to become a general agent.

We announce each management promotion at our annual sales awards banquet, which is a black-tie gala in January. Everyone knows where that individual is relative to his or her timeline for becoming a general agent, either as my successor or in another agency.

We have promoted one young man out of the agency already. He went through each step of the management process and is now a general agent for Guardian in Memphis.

I will be retiring in December 2005. Last month, we had our awards banquet and announced a lot of promotions. One of the announcements was that four of my associate general agents in the firm will become general agents for Guardian on January 1, 2006.

Having those four as well as George Moore in Memphis gives us five general agents appointed out of our agency. Two of them will co-manage an agency in Washington, D.C., and the other three will manage their own individual agencies.

This highly structured environment promotes the transition of the firm and provides leadership in other agencies in Guardian. It also lets people know how

Everyone knows where that individual is relative to his or her timeline for becoming a general agent, either as my successor or in another agency.



they're progressing through the various levels of management.

I've been doing this for eight years. I felt we needed more structure because I found that a lot of people didn't want to come into management. They thought they wouldn't get a chance to run their own agency. I wanted them to know they would have the opportunity, and I wanted to let them know exactly where they were in the process.

Years ago, before I appointed my first associate general agent, very few stepped up to take his place in management. After I appointed my first associate general agent, four additional associates immediately asked to be considered for management.

It takes, on average, 9 or 10 years for someone to move from sales manager to general agent. But when they get there, they're ready. They've proven themselves, and the company knows what they can do.

With my retirement approaching, it gives me tremendous peace of mind to know that qualified people are moving through the ranks. The agency will keep growing, and there will be no culture shock for any of the 155 agents or 80 staff members here.

It's great to end 37 years in this business on that kind of a positive note.

Quincy M. Crawford, CLU
President, First Financial Group
General Agent, Mid-Atlantic Agency, Guardian
Baltimore, MD
GAMA International Board of Directors

After I appointed my first associate general agent, four additional associates immediately asked to be considered for management.

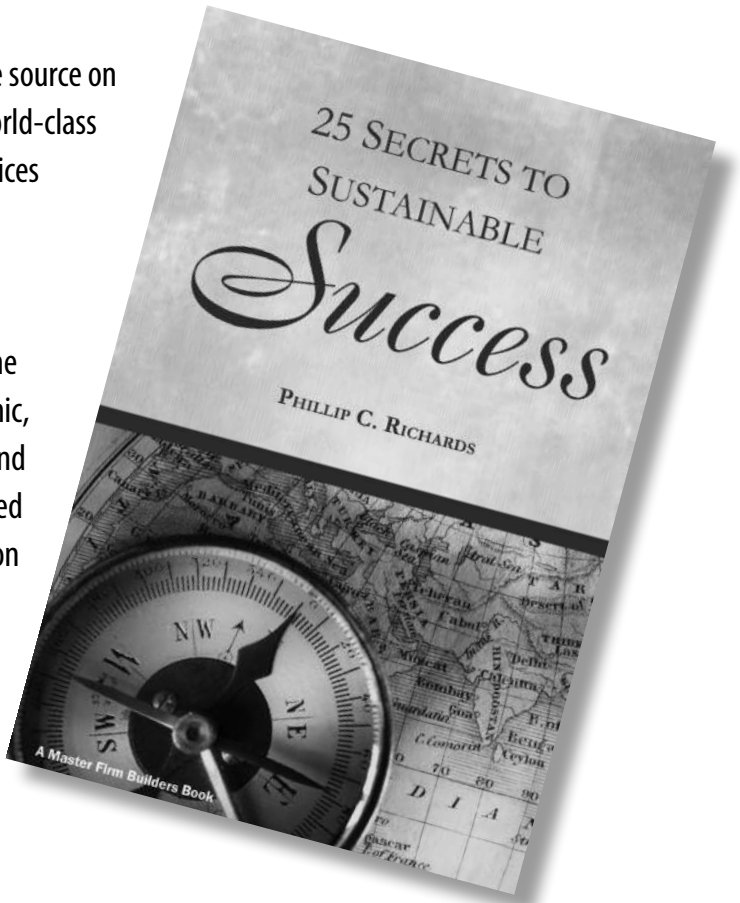
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