

# An Introduction to Prospecting

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## What is Prospecting?

Prospecting in the financial services business is only asking people if you can help them with their financial security planning. Technically, it's finding qualified people to speak with about your business and to be able to meet with them under favourable circumstances. To do it effectively you have to know what you do and for whom you do it.

The key to prospecting is knowing “Who” you want to work with. This is the most important decision you will ever make in your business career – your “who” to work with.

The reason is that when you know “Who” you will also know:

- “What” you can sell them best
- “Where” you can find them
- “When” is the best time to speak with them
- “Why” the need you and your product and...
- “How” they should best be approached and ultimately sold

Prospecting requires connecting with people – a lot of people – some you know; some you know of; and some you do not know at all, to see if they will meet with you under favourable circumstances.

To be sure, if you don't know anyone or don't care to know anyone, you will never be successful as an advisor. There is no

financial success in the business without successful prospecting.

## **Are You a Believer?**

One of the biggest complaints new advisors have when they start is that they are asked to contact the people they know about helping them. Many say, *“If I have to contact my friends and family, I don’t want to be in the business.”* I think this is a misunderstanding of the nature of the business.

Unless you are convinced of the value of the products and services offered in the life insurance and financial business, you will never be successful either. Prospecting won’t work either. You have to believe in the product enough that you are prepared to both buy a lot of it and then offer the people you know the opportunity to buy it too.

After all, if you believe in the product and you believe that it is of value, why wouldn’t you want the people you know to benefit from it too? You should be especially enthusiastic to help the people you know take advantage of it.

My guess is that the people who balk at connecting with their friends and family are not convinced in what they do or why people buy the product. This is a fatal flaw in the plan of advisor success.

## **Are You a Believer Enough to be an Owner?**

Your belief in the product is reflected by your ownership of it. If you don't own any at the outset of your career, you won't sell any either. If you own a little, you will sell a little or maybe not any. This career is a place where you must be an owner to convince others of the value to them and ultimately sell the product successfully.

If you are a big owner of the product – and all top advisors are, you can be a big seller of it. It has been said that you will sell as much premium in a month as you pay in a year. This gives you an idea of the importance of belief and ownership to your success, first as a prospector and then as an advisor.

Prospecting is not unique to this business. Every business must find and convince people to take advantage of their product and/or service. The truth is that prospecting is a numbers game. You must sift through a lot of potential buyers to find buyers prepared to take action on your offer today. And frankly, on any given day, there are many more non-buyers than there are buyers. This is true of any business.

## **Prospecting is like Retail**

Think about a retail outlet. They get much more traffic through their store than they have buyers. Only a small number of all the people who come in actually buy something. Many aren't interested and many are just looking.

Sales is a numbers game in this respect. Success in prospecting and sales is the natural consequence of large numbers of asks to meet, prospects who will talk and offers to purchase that you make.

Never get the sense that if you are very good, everyone you talk to will buy. This is never true – for anyone. Even the best advisors in the world seldom ever exceed a 50% sales closing ratio.

Prospecting is the same. Consider it “pre-selling” – so not everyone you ask to meet with you will talk to you either. That is normal and to be expected. It’s not that you aren’t good enough, it’s that the product or service you are offering is not right for them right now.

### **Prospecting is Eliminating Non-Buyers**

It’s productive to think of prospecting as about eliminating non-buyers more than it is finding buyers. This is like prospecting for gold. You have to move a great deal of “paydirt” (potential gold holding material) to find the actual gold nuggets you want. To find gold, you eliminate the non-gold to find the real gold. Prospecting is the same – you eliminate the non-buyer (where the time is not right) to reveal the buyers, where the time is right.

### **Prospecting is About Timing**

Success in prospecting and selling is all about timing. People buy according to their own timing. When the timing is right for them; they buy. When it is not, they won’t. Few people broadcast their readiness to buy so the only way you can find out if they are ready is to keep asking whether the timing is right. There is just no other way to find out... unless they call you and often that’s when they already have a current need and it might be too late.

## **Prospecting Success Takes Pleasant, Professional Persistence**

Ask any top advisor and you will discover that some of their best clients took the most patience. They may have been asking them for a meeting for months and even years before they even got a first meeting. Then more persistence to stick with them to help them make a decision in their own favour. The advisor had to stick with the prospect for as long as it took to find the right timing – that time when the prospect was ready to listen.

You should know that some of these long-time prospecting cases are some of the biggest cases too. People are busy. People have other priorities. People have other advisors. They can have personal problems that make them less likely to consider what you do.

Remember that when you have a tough to contact and then meet with prospect and then you finally do sell them the right product, many clients will thank you for sticking with them through all the ups and downs of getting through to them and helping them buy what they want.

Pleasant persistence is the key. Contacting people; talking to them politely; listening to their story and then moving on is the way. This is why you need many prospects to call all the time – so you can move on to the next prospect and not keep asking the people all the time. You want to have enough people to call that you can call them every 90 days or so.

Top advisors have anywhere from 150 to 300 prospects on their contact list at any one time. They expect to contact them

over the next 1 to 3 years. Average advisors may only have 5 or 10 or less and they plan to contact them over the next 1 to 3 weeks. That's a big difference in numbers and time and it means a fortune in success.

## **The Two Types of Business Building Prospecting Styles:**

There are just 2 types of business building styles. Focus on one or the other and you will be more successful...

Either you Look for prospects and then match your products and services to suit their needs OR you have a product or service and then look to find prospects that suit them.

Here's an example of the 2<sup>nd</sup> type: 50 year MDRT member and MDRT Top of the Table Charter Member Frank Creaghan asked successful Business owners one key question for decades, *"When would you like Financial Independence from your business? – so you can walk away without worry for the business income?"*

Then, he looked for the type of business prospects who had the potential to handle the answer.

TOT producer Van Mueller does the same. He starts with a good idea and then asks questions to find people who can use it.

The 1<sup>st</sup> type of prospector/business builder instead looks for quality people/prospects and then puts them through a process to see if they are prospects for the products and services you offer.

Both approaches work – the Creaghan/Mueller one requires a specific concept first and the other requires a specific process first. There’s the hook – concept or process. Both require prospecting. You can’t escape that.

The key is your belief in your product and what you do to help people benefit from it. Start there and you will make your job as easy as possible and you will be as successful as you can be.

## **The Key Step to Prospecting Success**

Decide what one part of the business is the most meaningful and beneficial to you. You want a “theme” to your business - your inspiration for being in the business. This is the most critical step to prospecting. Without a theme or an inspiration to prospect, you will never be a confident, successful prospector. You won’t make calls of any kind – let alone to people you know. You will be scratching for business for as long as you are in the business.

This is no way to be in the business.

Your inspiration can be a problem, a product, or a process. You may want to solve a particular problem – protect surviving families from mortgage foreclosure if a parent dies and an income disappears with them. You may want everyone you know to own a particular product like Cash Value Life Insurance or Critical Illness Insurance or Income Replacement Insurance and then search out people who can use that product. Finally, you may believe that everyone needs a particular approach to financial planning and then try to get as many people to benefit from it.

But, make no mistake, you must have an inspiration if you want to be a successful prospector and ultimately as successful sales professional.

## **Different Prospecting Strategies**

There are a number of different strategies to prospect for new clients. Here are a few ways that you can work to find new people to work with:

**Prospecting in Nests** - Nests are groups of people, related in some way, that all have similar needs and that you can access because you have an in or entre with a key member of the group. When you do a good job for one of these people in the nest or group, the good news will travel, and you will be able to connect with another of the people in the group. You move from one person to another in the group, doing good work and using the last person and reference for the new contact.

Prospecting in nests means to first find such a group and then see how many contacts, approaches and then sales you can make to people in that group. This is outstanding business because the approach is the same, the people are the same and the solutions you use are very similar.

Nests can be family nests, occupational nests, hobby or sports nests, company nests, religious group nests, geographic nests, community service nests, association nests and even neighbourhood nests.

**Endless Chain Prospecting** – is a style of prospecting where you attempt to get a prospect from successive prospects and



see how long you can keep the chain going. You might start with one member of a group and then see if you can get a referral from them to another person and then another and another. This creates a chain of prospects that are all related on some way to the person before them in the chain. When you think of and work this approach, it helps you build momentum and drive your business forward.

**Personal Observation Prospecting** – This is the most unused and yet most valuable way to find new clients – to prospect. It’s also the most sustainable because it only requires you and your talent to work and nothing and no one else. You observe your marketplace for those people that suit your business or with whom you want to work, and then you approach them for an appointment to talk about business.

This works in all markets. Family market. Business market. Professional market. Group market... anywhere you can observe potential clients and then find a way to connect with them.

LinkedIn and Facebook Marketing can be seen as Personal Observation in the sense that you can see the people you want to work with and then make contact with them about how you can help.

**Referrals and Introductions** – Referrals come from asking for your clients to help you meet other people like them to whom you can present your business. When you are particularly professional, you can attract referrals without asking. Canadian industry icon, Jim Burton coined the idea many years ago about “being referrable” rather than asking for referrals. His idea was that if you were perceived as valuable enough, your clients

would volunteer you and your business to other people. And this does happen. So, you want to develop your business sufficiently well that you can attract referrals.

The dirty little secret in the business is that if you do not get the referrals you believe you deserve, it's because the people could refer you believe you are worthy of the referrals. You have to earn referrals and introductions. That comes from doing your job well, treating people well and being a professional.

The truth is that you will only be referred when a client believes that you do such a good job for people that their personal prestige will be enhanced by knowing you and having you work for people they know. If they doubt that reality, you will not be referred. It's really that simple.

It is a good idea to have possible referral letters/email prepared to present to your client so they know what they want to say to their friend or associate about you. That note can say something like:

*“This will introduce my friend and advisor, Jim Ruta. I have been working with Jim for the past 2 years and he has helped me clarify my thinking about my family financial security and take action that has increased my peace of mind. I encourage you to meet with him briefly to see if he can help you too. Either way, I know it will be worth your time. Please let me know if you have any questions.  
Sincerely, Bob”*

Introductions are a step above referrals – this is when someone takes the step beyond a referral and actually introduces you in person to the other person. This can happen over a coffee,

lunch or office meeting. Again, you aren't asking for people to sell you or sell their friends, you only want to opportunity to meet and then let you make a connection.

**Centres of Influence** – These people are those people prominent in your social circle that have influence with those people with whom you want to work. They are often clients and are always believers in you who want to support and help you build your business. COIs are developed over time and are not just accountants and lawyers that you ask once to refer you to someone or to their clients. This of this as a long-term process and you will one day have a steady stream of qualified prospects knocking on your door.

**Cold Calls** – By all accounts over hundreds of years, this is the “scariest” prospecting strategy. The idea is to make unannounced, unprepared contact to barely qualified people to see if you might be able to meet with them to tell your story. Cold calls can be done by phone, in person, on LinkedIn, Facebook and even by text. They can work (in a non-COVID marketplace) in residential areas where mortgage cancellation insurance would apply and in other places where you might want to propose a particular product like disability insurance. This is not very popular because it takes a great deal of belief, courage and confidence to do successfully – but it can work. **“Door pulling”** is the business version of in person cold calls – where you literally pull open doors of businesses to talk to the owner or managers. This strategy can be particularly effective with the Small Group and or Business Overhead Expense Insurance and then as a door opener to other small business and professional needs.

**Seminars and Webinars** – These are “group prospecting” events. The idea is to either use a prepared presentation or create one that encourages a specific group of people to take action with respect of a product or service you offer. You usually focus on a “Hot Button” topic for your marketplace – an idea that the people you want to work with are interested in today, will talk about today and will invest them time and money to fix or alleviate today. Topics are often around retirement planning, income tax reduction and wills or estate planning. The topic is always keyed to the potential clientele.

**Lists/Direct Mail** – You can buy or create lists of people who may have the potential to buy what you offer. These can be new homeowners (Mortgage cancellation insurance); young families (term insurance and children’s insurance; business owners and professionals (buy and sell agreement funding, partnership insurance, income replacement insurance); new retirees (pension income and investment planning) and others. The idea is to email or snail mail these people a compelling letter that makes them want to contact you. These communications are customized to suit the product and target market.

**Newsletters/Podcasts/Blogs/Vlogs** – Creating a simple informational piece that speaks to your market and potential clients will help you build a name or a “Brand” among those people that you want as clients. This information is best if not commercially prepared because they are very obvious, despite providers’ efforts to the contrary. You are better off to do short piece about highlights of your advice and business that may catch a prospects’ attention. This is a long-term play but well worth it. You can do this on a website; on Facebook; on LinkedIn; on YouTube and via email, text, and even hard copy mail.

**Prospecting video** – You can create create a 60 to 90 second – 150 to 180 word “Prospecting Video” on YouTube or for BombBomb.com as a physically distanced personal introduction to you and your business.

You can shoot it on your iPhone and then upload it to YouTube. Then, create a link and make it available to anyone, anywhere, anytime. This link can be sent by email, added to your email signature and created as a “click on link” on your web page. It can get passed around. Go viral, even.

Remember, with distance selling, your “territory” can easily now be anywhere you are licensed. When you are a tele-advisor you can work anywhere!

It’s hard to get read when you message connections on LinkedIn but a link to a short video gives you a much better chance to be heard. You can also use the app [www.BombBomb.com](http://www.BombBomb.com) to send your video prospecting message out to your prospects. It creates a very professional template for the video and presents it immediately when opened. Check it out. It seems like a smart investment to me.

The script template for a prospecting video is simple:

- Ask two or three compelling questions.
- Introduce yourself briefly.
- Answer your questions briefly.
- Invite people for a video appointment.

It could go something like this:

*“Was it your intention to make the Canada Revenue Agency the primary beneficiary of your RRSP/RRIF rather than your kids? If you could change that would you like to know how before it was too late?”*

*If you were to become seriously sick, disabled or die would you rather lose your house or your mortgage?*

*If there were a way that you could be the beneficiary of your own life insurance policy while you were still alive, would you like to know how?”*

*Hi, I’m Jim Ruta with ABC Life and I help people answer these questions and increase their financial peace of mind. Here’s the deal...*

*Yes, you can ensure that your kids and not the government get what’s left of your RRSP. You can lose your mortgage instead of your house. And you can be the beneficiary of your own life insurance policy while you are still alive.*

*If I could show you how to do all that before you needed to know, would it be worth a 15-minute video chat or call? There’s no obligation.”*

*Please text me at 416.689.7882 to arrange it. Thank you.*

**Setting and Confirming Appointments** – In person appointments can be confirmed by snail mail, email, text and telephone depending on the amount of lead time you have. Lead time is interesting because the idea is to give people a lot of lead time for their appointment to show how busy you are – 3 weeks is a good delay – even if you have time earlier. It’s also

easier to ask for appointments 3 weeks from today then for tomorrow. Almost everyone has time 3 weeks from now.

**Do Not Call List and Canadian Anti-Spam Legislation:** There is a lot of information here and advisors are advised to be familiar with this federal legislation at:

<https://crtc.gc.ca/eng/phone/telemarketing/infograph03.htm>

<https://crtc.gc.ca/eng/internet/anti.htm>

But here is the short story to avoid these issues generally. If you make your contacts through LinkedIn or Facebook and then get approval to connect by phone or email, you will avoid most of these problems. Blanket calling or spamming thousands of people at a time does no one any good, least of all you.

**Prospecting Questions** – These are the questions you can ask a prospect to attract their interest in having a meeting with you. Asking questions is often better than telling people why they should meet with you because questions help them discover on their own why they want to meet with you. Reasons they discover on their own are more powerful and compelling.

Here are some sample questions you can use to model your own:

- a. *Was it your intention to make the Canada Revenue Agency the primary beneficiary of your RRSP/RRIF rather than your kids? If you could change that, would you like to know how before it was too late? (Insure the tax on your RRIF)*

- b. *Would it be smarter to take a tax-deduction on a little money going in and building up a large amount of money that's fully taxable or, would be better not to get a tax deduction and build up a big pile of money that's never taxable? Which would be the smarter approach? (Buy Cash Value Life Insurance for the fixed-income component of a prudent investment portfolio instead of or along with an RRSP)*
- c. *If you were to become seriously sick or disabled would you rather lose your house or your mortgage?) Mortgage Cancellation Insurance, income replacement insurance or critical illness insurance)*
- d. *If you contracted a life changing illness like cancer, would you rather go through treatments alone or with your spouse? Could they afford to leave their job to do that? Would you like them to? (Consider that on this basis, when one of the spouses has a critical illness then 2 incomes are lost, not just the one. That means most CI sales today are grossly underfunded. We are likely only half-way there many times.)*
- e. *When you retire, would you rather play on the golf course or work on the golf course? Do you think you can you afford to do that? (Cash Value Life Insurance to augment your retirement income)*
- f. *If there were a way that you could be the beneficiary of your own life insurance policy while you were still alive, would that be worth a 25-minute discussion?" (Building up cash in a Cash Value Life Insurance Policy for opportunities and crises)*



## **One of the best and simplest Prospecting Questions Ever:**

“Would you have any objection to reviewing your insurance policies with me?” This is a great question because “no” means “yes”. Most people are pre-programmed to say no to a salesperson’s questions – “May I help you?” “No!” is the quick and common reply. But, in this case, saying “No” means that “Yes” that they would have no objection to working with you.

**Answering “What to you do?”** – Some questions are better answered with a question rather than answered with a statement. This is one of them. When asked, you can ask, may I ask you a question and then use a prospecting question to make this a prospecting opportunity. When they answer your prospecting question, you simply say – “That’s what I do...”

Alternatively, I have a client who simply says *“I’m in the financial security business – financial security for yourself and your family today when you are here and financial security for your survivors when you are not.”*

Another great response is – *“I love helping people move from the majority to the minority – from the majority who haven’t got their financial plans in order and suffer less peace of mind because of it to the minority who have all their financial plans in order and can sleep at night. I love helping people move from the majority to the minority.”*

Another idea is to specify a benefit you provide and the particular audience you provide it for: *“I help protect lifestyles and legacies for people who care.”*

The idea with all of these is simply to get the inquirer to say “How does that work?” and you are off to the races – so to speak.