The Actual Secret to Soft Selling in a Virtual World

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The purpose of my talk today is to share some of my secrets to selling in a virtual world. I shall be covering three main areas:

1. Wealth management—night school classes for clients
2. Liability audit for the business market
3. Use of a company will

Wealth Management

While I have the opportunity to make this presentation to you, I want to try to show you what these ideas have meant to me and how they have helped my business grow over the last few years. Having been an MDRT member for 35 years, I have seen many changes to the great industry we work in, and the ideas that I am presenting to you today have added tremendous value to my business. I hope that I am able to add value to my fellow members who have taken the time and trouble to come and listen to what I have to say.

All through my life I have used ideas and put into practice the good information that I have received from my peers. You have to remember that they don’t give you these ideas to make life difficult for you; they share to make things easier. My first testimonial goes to Cedrick Watkins, from the Watkins Group in Los Angeles, who is an eight times Top of the Table member.

It was at the Toronto meeting that we shared a cab from the convention center to the hotel where we were staying and exchanged business cards. Cedrick explained to me that he used an electronic company introduction, which he sent out to prospective clients via email or by using a DVD sent through the mail. I immediately realized that this was a great sales idea.

Returning home I developed a storyboard of what I wanted to tell my clients and how I wanted to deliver the message. After weeks of hard work and eight hours in a studio filming on a blue background, we finally had a four-and-a-half-minute presentation ready. The DVD sleeves and covers were designed, the electronic version was added to our website, and we were good to go. The first thousand were printed, and we had high hopes that they would work.

I discussed with my staff the concept I had developed as I felt that my present system wasn’t working for me. Here is an example of how muddled I felt my life was. [visual]

Working with your staff members to get their best ideas is a brilliant way of getting them involved in a project. The storyboard we developed for our clients was designed for a target market that we wanted to attract, and because everyone was involved with it, it worked exceptionally well. Whether you like or hate the DVD, we know that the message works for our clients in our area and attracts the type of business that we want.

By sending out a hard copy of the DVD, we do get a much better response than emailing it to clients as a web link; the return on hard copies is probably 50 percent better than on web links.

At the New Orleans meeting, while walking around the MDRT Power Center, I came across a New Zealand company called FNZ, which was developing a wealth management platform for the US market. As is always the case when I go around the supermarket, I asked the exhibiter, “Is this available for the UK market?” and I normally get the answer no, but not put off by a number of rejections that had previously happened in this way, I said to FNZ, “I don’t suppose this is available in the UK?” “No, but it could be” was the response.
One of the most important things to remember is that you have to keep asking until you get a yes. We all know it is very easy for a prospect or a client to say no, and it is important that we position ourselves so that yes becomes the preferred answer, just as I experienced with FNZ.

Over the next few months we continued dialogue with them, and the code was written to develop our own wealth management platform. Unfortunately, my sales staff didn’t share the same kind of excitement that I got from this project, so I spent the next year working on this, refining the skills and the procedures and what we needed to do. The DVD introducing our solution to clients was working effectively, and more and more clients were asking to have their own password and login to allow them access to their own wealth management portal on their own computer systems.

Our Wealth Partnership program is designed to provide clear strategies for our clients to achieve their financial goals and security. We would like today to be the start of that process for you.

Clients can hold various assets on our platform: for example, portfolio of stocks and shares, unit trusts, OIECs, mutual funds, pensions, ISA cash, ISA stocks and shares, onshore and offshore bonds, and even a cash account. I realize these will differ in other countries, but these are what is available for me to work with. I will show you later on our demo slides how these work.

Once we started to get clients involved and embracing the technology that we had put in place, we used our IT department to support us in this matter.

Our IT department asks clients to bring in their laptops when they attend an appointment so that they could be configured to interact with our system. If they have only a home PC, it is very easy to send someone out to their home to do the same setup. Yes, I agree that this did take some time and we had to put some resources into this, but we found this was a valuable use of our resources to help us interact with our customer base.

By this time many clients were communicating with us by webcam, using Skype or MSN. I found that more and more appointments were being scheduled to use Skype. During the course of those appointments, many clients would say, “How can we access this? How can we do that?” They were interacting with the platform well but did require additional help.

It is most important that you listen and learn from your clients and encourage them to interact with you as you never know where the best ideas are going to come from.

While I was talking to one client, she suggested that maybe we should do some kind of training course to help clients fully understand the intricacies of the system we were operating. It was at this point that the idea of developing night school classes for clients was formulated. We decided on the working title “How to Turn a Basic Investor into a Sophisticated Investor,” and I set about designing a basic course for clients to use our system.

The first course was written and developed, and we decided to trial it with ten clients. We hired a hotel room, included refreshments, and set up the laptop attached to a big screen projector so that we could show clients page by page what we were asking them to navigate their way around.

The course was broken down into two parts, lasting 45 minutes each, with the refreshment break in the middle. Chatting with clients at this time, I found everyone to be extremely positive and felt this had really helped them have a better understanding of how the portal worked and the power and opportunity it presented to them.

After clients complete every course, they are awarded a certificate that says that they have successfully completed that particular part of the WRAP training course.

I would like to move on now to take you through some of the information that we share with clients.

Our courses have three levels: basic, intermediary, and advanced. This sequence is designed to take clients from basic investor to sophisticated investor once they have completed all three.

My first demo slide shows the view of the investment summary and how the client’s investment assets are broken down among different products. [visual] As you can see, there are various holdings; the percentage shown in each holding category and the value of the asset owned is the view that the client sees.

On the left-hand side is a menu bar that allows clients to access anything that is in the menu bar, so if they move down to “Summary,” they get a breakdown of their asset allocation, tax wrapper allocation, equity industry exposure, and geographical allocation.

Moving back to “Portfolio,” clients can now view the tax wrapper summary, so within the portfolio we have broken down every single fund held in every single category, the cost of the assets to buy, and the market value of the asset if it is sold today. Clients have access to fact sheets; simply clicking on the enclosure, will open up the relevant funds fact sheet. We then discuss with them how they work through the classes.
Next is a “Buy Order.” We take our clients through how we set up the buys and trade live, but this lesson is more for the sophisticated investor.

We looked to get feedback from those clients, and over the next few weeks every single one found more money she or he wanted to invest. Even though we have quite a sophisticated fact-finding process, clients don’t always give you details of all their holdings. Most clients will have multiple accounts in multiple places with various levels of diversification and asset allocation.

Taking clients through our psychometric risk profiling tool allowed them to understand more fully their own risk level and how important diversification and asset allocation are when managing one’s investments. This slide is an example of our risk profiling tool, which we now use with all our clients. [slide]

We started to find, albeit slowly at first, that these clients started to recommend their friends to our system, and, in fact, some of them had even been demonstrating their own portal to their friends.

We then found, with a bit of help from our IT department, that it was very easy to set the clients up on Skype to have a one-on-one with their advisor while accessing the portal. We then decided to make all our office staff web-enabled with individual webcams on each machine. If a client wanted to speak to me and I was busy, the call would then divert to another member of the team. We nicknamed this our “ping” technology.

As I am sure you all know, when a client wants to speak to you, she or he really wants to speak to you personally, but if someone else can pick up the call and explain you are in a meeting and take details of the query or provide help if possible, this has a great reassuring factor for the client.

As I am sure you all know, there are a number of pet hates that we all have, but one thing I find that is terribly irritating to me is making a call and that call being answered by a “robot” that requires you to press a number of options, listen to more options, and press another number, only to be told the lines are extremely busy and that you cannot in fact talk to a real person. I am sure that part of our success is that when clients make a call to our company they can speak to a real person, whether it be by webcam, Skype, or telephone.

Over the next few years, we did more and more classes with both new and existing clients who continue to refer more people just because they like the solutions we present. How do we book the courses? If we are going to do them online, we simply email clients telling them what day and what time and give the relevant login details. If it is to be a face-to-face course, we simply email with the date, time, and location and ask for confirmation of their attendance.

As technology changed, systems improved, and multi-cam became available, we found that, for a very small increase in costs, we could teach a number of clients at the same time using this technology.

Let me ask you a question: How many of you have worked on an MDRT committee? Time to interact with Colin; let’s have a show of hands. Okay, I can see that a number of you have or currently are serving on MDRT’s committees.

I had been asked to serve on an MDRT committee and received an email giving me login details for a webinar conference call, and, as instructed, I logged in at the appropriate time. There were ten people on the call from all over the world, making it very easy to have a meeting at arm’s length.

Well, I thought, if MDRT can do this, so can I!

We started to send clients emails suggesting that they log into our system at a predetermined time for further training on the portal. We built the cost of training into our overall client proposition. We felt that the cost of the course should be £150; this figure worked for us, and we were more interested in the increased business it generated. Let’s try and analyze this a bit further. The first thing I have to say is that it got me from Court of the Table to Top of the Table in one year. How would you like to double or triple your income? These are the kinds of goals you should be setting. The cost of the course was really irrelevant; we just chose the hourly rate for an advisor.

Our typical client will now have assets of between £150,000 and £750,000. This is the sector of the market I find I am very effective in, and the ongoing management of these accounts is relatively easy. We do two complete reviews a year, which are emailed to the client.

Here is a copy of a typical email that we send out to clients with the review report, which includes an authority letter for us to rebalance the account if necessary and stresses the importance that they sign, date, and return this as a matter of urgency. [visual]

Here are some examples of typical clients. [visual] All of these are standard family snaps, which we all have, and are important to us as they represent people who are important in our lives. These create sales opportunities if you know and understand the questions you need to ask. So, for example, in the first slide, the granddaughter was the very important factor, and a possible sale would be putting assets in trust for the benefit of the grandchildren. [slide]
For every single picture, if you ask the right questions, you can develop sales opportunities, and this is why we believe it is important to interact with clients using webcam, Facebook, and email as well as face-to-face.

Does your model fit your clients? You have to ask yourself if are you working with the type of client that you want to work with and if you have clients actively involved within your model and whether it is adding value to them as your clients. If you are not adding value, then they definitely will not stay with you, and this will lead to poor quality persistency and lapses in business. None of these any of us wants or needs. Of course, we have some clients who have not fully embraced the technological age, don’t necessarily know how to use a computer, or even have access to the Internet. Likewise, they don’t always have an email address, so we just see these clients in the office. We show them how the system works on our own systems and try to get them excited and involved.

We now find that most clients do have web access, own a computer, and have an email address. You have to think about the time you are making a call, especially if there is a time zone difference. One of the things that we always try to do with clients is to find out when their preferred time for a call is, whether it be morning, afternoon, or evening. We all have times of the day when we are more receptive, and obviously, as I am trying to make a sale, I want to make sure I give myself the best opportunity to get the best result that I possibly can, so ascertaining their preferred time is one of the major important factors that I think you need to consider.

As I have said, as technology develops, more and more features and benefits are added to the phones, tablets, and computers that we use.

I had one particular client who had just got his new phone set up with Skype and decided to ping me with a query on some shares he wanted to buy. It was first thing in the morning, and the web came up, and John, my client, said to me, “Colin, I wanted to give you a call. I am just trying my new iPhone out. I will be in the office in about a half hour and wondered if you would help me go through the procedure that I need to buy.”

I said, “Sure, John, I can do that for you,” and then I said, “It looks like you are in an interesting place at the moment,” to which John replied, “Yes, I am in the bath.” I said, “I realize that, but I should point out to you that an iPhone has two cameras, and yours is currently set on backward facing, so it’s pointing at your wife who is sharing the bath with you.” These situations have to be handled carefully!

Because of the developments we had made using IT and technology, my company was nominated for the British Business Awards for the best use of IT and technology, and last year the BBC came to film us working for the final. Unfortunately, we didn’t win but did come in second. The winner was a government organization with more than 4,000 employees and a much bigger budget, so we were very proud that we did come second. The video clip is what they took. [video clip]

**Liability Audit**

Running a successful business means constantly meeting and overcoming challenges. It is highly rewarding for you and your co-directors/partners when things go well, but when something goes wrong, perhaps for reasons beyond your control, the financial security of you and all your families could be at risk. The death of a partner/co-director can threaten all the hard work.

Let’s look at the potential problems and, more importantly, the solutions. The partners and directors of a business are its driving force and the reason for its success. What would happen if one is no longer there? If these shares end up with someone you don’t know and who doesn’t know your business, how would you feel? This is precisely what happens if arrangements are not put in place; a partner’s share of the business passes on even through inheritance or sale. Where do you find the money to buy the deceased partner’s share or to continue paying income to the family until that share is paid off? Or do you learn to accept the widow or widower as your new partner with all that entails? You may consider winding up the business, or your competitors will take advantage of the situation.

I usually say, “I recommend that we complete the liability audit so that we can ascertain exactly the situation and what is required to protect it. Once I have this information, I would like to prepare a company will for your business as it stands today. I would like to present that information to the key directors/partners for due consideration, and then we can analyze and put together a program to protect the future of your business and families.”

To summarize the benefits:

- An agreed succession to the surviving partners/directors
- Capital just when it is needed
- Clean break with the family
- Business continues to trade in its own right
- No need for widow/widower to become embroiled in the business
• Your family benefits from the business you build up
• Financial security in place for your family
• Continued protection for your children

At the time of putting these notes together in preparation for my presentation to you today, I had been working on a case where the client was a sole trader, and he was asked by his accountant to move to a limited company status, ready for a management buyout that is due to take place in four to five years time.

As a way of rewarding his management team, the client wanted to set up protection. The business was valued at £5 million, and there were to be five people involved in the management buyout. The original owner wanted to keep 80 percent of the equity and, therefore, had a liability for £4 million. The cost of providing the life cover was quoted to ages 65 and 70, and the client decided to buy the policy to age 70. The premium generated was substantial, and the commission involved was also a healthy amount. The five new members, who had 1 million of the shares split among them, all completed life cover to protect their own interest, and his company lawyers completed the all necessary legal paperwork. This single case generated enough commission for me to qualify as an ordinary member of MDRT, and it was yet another one that had come from using the company will. Now that I have got your interest, let’s talk about . . .

The Company Will
I first saw this idea presented a number of years ago at a Focus Session by Helen Jenkins from Cardiff, England. As soon as I saw it, I knew it could be useful in my own practice. I came back from the meeting excited about the opportunity that I had managed to obtain and decided to put the idea into practice.

My first two cases, which were written off the back of this company will, generated sufficient commission for a Court of the Table qualification. While it took a number of months to make the idea work really well, once I had it rolling, the prospects just kept on flowing. Isn’t it strange that businesses talk to other businesses and brag about the fact that they now have a disaster plan and a company will in place should anything go wrong and are generally excited to have the right benefits in place should the need arise?

Over the time that I have been using this, it has generated a significant number of other referrals, whom we now interact with using our virtual office in the same way as I have previously outlined to you.

Having completed the liability audit for the business that I have illustrated, I would now like to present the company will as first written for the company illustrated.

Here is an example of a completed company will, which includes the Board Minutes, the Cross Option Deed, the Interpretation, the Shareholders Agreement, the Asset Protection Trust, and the Deed of Appointment of Trustees. [visual] We generally use a firm of lawyers guided by our directions to put this information together for us, and since it is a significant fee earner for them, they don’t have to see too many cases before they too realize that they have many clients who could benefit from the service that we offer and are more than happy to recommend a joint presentation to their clients as well.

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1. David Jones bequeath my business as follows:
2. To the Tax Office, whatever percentage they want to take first.
3. To my partner in business, THE BANK, I immediately bequeath the sum of £500,000 plus interest.
4. To any receivers called in to administer what remains of my business I leave £200,000 in fees, which may escalate considerably as more and more time is spent in seeking a buyer or selling assets.
5. To my creditors who supported my cash flow I leave 10p in the £1 on all amounts owed to them.
6. To my competitors, I give them first choice over my best employees and my company contracts.
7. The balance of my employees, to whom I am deeply grateful for years of faithful service, I leave them unemployment.
8. Should I be unable to meet my debts, I bequeath my family home to the bank.
9. To carry out my wishes, I nominate an extremely expensive firm of receivers and/or liquidators.
10. ONLY THE BEST WILL DO FOR MY COMPANY.
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