

LIMRA Talent Solutions International

Producer Development Series 301: Financial Advisors Skills Training

CURRICULUM OVERVIEW

This 5-day course teaches the fundamentals of advising clients in the world of total financial services. The course dissects the entire financial planning process and provides skills to advisors in such key areas as finding and approaching prospects in the high net worth market and conducting an in-depth fact find interview. Producers learn how to accurately match products with the needs of clients and motivate them to take action now. The course emphasizes good follow up service, creating long-term trust in relationships, and doing business ethically and in compliance with any country's government regulations.

Course Opening

The facilitator will introduce LIMRA and set student expectations for the program. Students will introduce themselves, explore the objectives for the course, review their role in the learning experience, and share their major concerns. A precourse test is administered to get an idea of what the students know at this early stage.

The Need for Financial Planning

Students discuss the benefits of financial planning to the general public and the advantages of a career in financial services. Statistics on death, disability, as well as financial independence and their implications, are examined. Finally, students analyze what their competition really is – competition for the disposable dollar of the client - and why purchasing other things can be more appealing to the prospect or client.

The Evolution of the Profession

After reviewing the three stages of growth of an industry, students look at industry trends that are in evidence around the world. In teams, they analyze how these trends would affect their business and how they can prepare themselves to survive and thrive in times of change. Students learn how the industry is evolving into more of a total needs financial services business, and they discuss the difference between a traditional agent and a financial advisor. The concept of product push and pull is discussed and students learn the advantages of pulling clients to them by solving their needs. The knowledge and skill components of a financial advisor is reviewed including linking skills where an advisor links solutions to good fact finding and a concentration on client needs and objectives. Finally, students look at the traditional financial planning process and how it evolved from the practical planning process, DOME.

Ethics and the Financial Advisor

An important subject for the times, students will understand the necessity of a code of behavior in dealing with the client of today. They explore the merits of having high integrity, maintaining objectivity, increasing competence, being fair, maintaining confidentiality, practicing diligence, and always being the ultimate professional. Scenarios will be presented to the students where, depending on decisions made by a hypothetical advisor, ethics could be compromised. The situations are realistic and force the students to analyze the situation and decide what they would do if they were the case advisor. Students come to realize that, almost every day, their integrity may be challenged and it is important to make right decisions about their actions.

Psychology of the Financial Planning Process

Being effective with a prospect or client involves good communication and understanding the prospect or client. Students look at the importance of the first impression they make on a prospect and discover that how they look, how they sound, and what they say are crucial. Looking successful, body space, eye contact, and body language of both the advisor and the client are explored. The session also includes a discussion of the concept of transactional analysis, a social psychology that helps us effectively communicate with prospects and clients in interviews.

Steps in the Financial Planning Process

This session “sets the scene” for the rest of the course. The nine steps of the financial planning process, from finding a market to giving good client service, are explored in detail in this session. The concept of consultative selling is reviewed including the five skills of consultative selling – connecting, encouraging, questioning, confirming, and providing. The concept of time value of money is discussed along with the practical Rule of 72, giving students appropriate tables to work with and practical problems on which to try the concepts.

Know Your Client and the Value of Discovery and the Financial Planning Process

A fundamental change in the profession is the time and effort spent on getting to know you client in a much more profound way than ever before. Your solution design must be perfectly aligned with the client’s needs, priorities, aspirations, concerns, and even their own level of risk tolerance. The better you know your client and their own particular situation, the better you will be to provide valuable advice, and recommend the appropriate financial solutions. In addition to this, the client’s engagement in articulating their information across the Discovery exercise will give them ownership of the process, and establish their commitment to moving forward with future recommendations. This is a much more client centric approach to financial planning than the old transactional approach.

Prospecting for Quality Clientele

Expanding on the first step of the financial planning process, students will explore markets and how to find quality prospects who, hopefully, will later become long-lasting clients. The session concentrates on the high net worth market, that group of people most closely identified with full financial planning and who will benefit greatly from advisor’s services. Using extensive recent LIMRA research on the affluent market, students learn the characteristics of this lucrative group and how to further dissect the market based on aspirations. Finally, students will be introduced to the Upscale 100 tool, which will help them identify their own targeted group of people among high net worth individuals.

The Approach to the Prospect

Discussing two crucial steps in the financial planning process, students will be introduced to the fine art of turning a quality name into a prospect. They discover the importance of the preapproach, the initial contact with the prospect, and the approach, arranging a meeting with the prospect. Students learn how to compose preapproach letters and how to make successful telephone calls to prospects to secure appointments. Given a telephone approach script, students role play realistic situations, making calls to secure appointments and answering objections. Students will be introduced to the

importance of story telling and shown how the right story, especially one about their own personal experiences, can motivate a prospect to agree to complete a fact find.

The Initial Interview – Fact Finding

The initial interview is the first meeting between the prospect and the financial advisor and is important in many respects. The student is taught how to answer four key questions that the prospect usually has about the advisor before entering into the interview – Who are you?; Do you know what you are doing?; What are you going to do to me?; and, What is in this for me? Students will create and master a credibility statement and an opening statement all with the intent to convince the prospect to begin the fact finding process.

Completing the Fact Find

This session will help students master the fact find, perhaps the single element of the financial planning process that distinguishes the professional financial advisor from the typical “push” salesperson. Students will be introduced to two fact finds, a detailed fact find that will provide an in-depth view of the client and an abbreviated fact find that can be used when time is a factor. The detailed fact find is methodically explained, sample calculations will be presented, and then students get hands-on practice through actually using the form themselves. Role play is an important part of the skill development of this session. By the end of this session, students will have learned how to develop crucial information about clients, including their goals and objectives, their current situation, their attitude toward risks, and an idea of what is needed to accomplish their goals and objectives. Having this information paves the way for the next step, the preparation of solutions.

Identifying Disposable Income

This session helps the client itemize all their spending and the choices they have made over time. This is also an opportunity for them to reflect on their current priorities and make some changes. Once these expenditures are itemized, the advisor can then measure them against income and revenue from various sources, to establish the family budget and disposable income, if any. Disposable income will become the client's to spend and/or invest in their future financial planning projects and dreams.

Identifying the Financial Opportunities and Challenges throughout the Various Life Stages

Throughout life, our financial needs and challenges tend to change in alignment with the various stages. A child's needs are very different from a newly married couple, and again very different from an elderly person in their retirement stage. The financial advisor is able to assist the client based on their own current needs and opportunities. This session will take us across all those life stages and allow us to explore the various financial opportunities and challenges

Quantifying the Need for Life Insurance Coverage

Following the financial planning process, this is the actual mathematical concepts and calculations that will generate the amount of coverage needed, with great accuracy. It is derived from the information gathered throughout the discovery process, thus the reason for the client to be totally engaged in this exercise. The accuracy of the information gathered will determine the validity of the outcome and the final recommendation. This is the foundation of the credibility behind the advisor's professional conduct. All recommendations are based on a scientific and objective process of quantifying the need.

Quantifying the Need for Disability Income Protection

Following the financial planning process, this is the actual mathematical concepts and calculations that will generate the amount of needed income replacement and protection, with great accuracy. It is derived from the information gathered throughout the discovery process, thus the reason for the client to be totally engaged in this exercise. The accuracy of the information gathered will determine the validity of the outcome and the final recommendation. All recommendations are based on a scientific and objective process of quantifying the need, with total credibility.

Quantifying the Need for Savings, Short or Long-Term Goals

Following the financial planning process, this is the actual mathematical concepts and calculations that will generate the amount of investments or contributions needed to reach those goals, with great accuracy. It is derived from the information gathered throughout the discovery process, thus the reason for the client to be totally engaged in this exercise. The accuracy of the information gathered will determine the validity of the outcome and the final recommendation. All recommendations are based on a scientific and objective process of quantifying the need.

Quantifying the Need for Retirement Planning

Following the financial planning process, this is the actual mathematical concepts and calculations to project the client's financial situation forward, and plan accordingly, with great accuracy. It is derived from the information gathered throughout the discovery process, thus the reason for the client to be totally engaged in this exercise. The accuracy of the information gathered will determine the validity of the outcome and the final recommendation. All recommendations are based on a scientific and objective process of quantifying the need, with total credibility.

Summarizing the Client's Needs

In this session, a significant emphasis is placed on the validation of the information gathered. Your recommendation would be worthless if the accuracy of the information gathered was incomplete or inaccurate. This is the advisor's opportunity to summarize the needs and gain client agreement and consent, before leaving that client meeting. Every piece of data gathered throughout the fact finding form should be reviewed, and confirmed back by the client.

Analyzing the Data and Preparation of Advice – The Solution Design Stage

After the fact find, the important task of reviewing all the information and designing a plan for the client is the next step of the financial planning process. A step by step process will be learned and students will explore matching products with what the goals and objectives are of the client. Students will learn how to

prepare illustrations, brochures, and forms and how to write an effective report for the client. A complete sample financial report will be provided for students. Students will also learn how to review clients' budgets to discover possible funding sources for purchasing products to meet their needs.

Solution Presentation (Closing)

This session provides the knowledge and skills to conduct an effective recommendation meeting where client needs and objectives are reviewed, solutions are presented, and the client is motivated to take action. Students will be provided with sample scripts to know what to say and when. They will explore the various buying signs that clients can give during the meeting, but often go undetected by the advisor. In a teamwork exercise, students will actually role play reacting to buying signs and attempting trial closes to build skills in this important step.

Negotiating Client Resistance

At the conclusion of the recommendation meeting, when the advisor will encourage the client to take action, resistance to moving ahead may be encountered. Students will be taught to recognize various objections and how to handle them. The five-step process of handling objections — qualify, understand, accept, solve, and close — will be learned and followed by role play in teams for practice and skill building.

Asking for and Getting Referrals

Students will be taught the advantages of getting referrals, the keys to getting good referrals, and the steps in asking for referred leads. After a demonstration of how to effectively implement the steps, students will be given the opportunity to role play in teams for practice and skill building. The Advisor's behavior and professional conduct will earn them the right to ask for referrals. They now need to learn how to ask, and incorporate the asking for referrals in their financial planning and advisory process.

Segmenting and Servicing Your Clients

Giving good service to clients completes the financial planning process and students will understand the importance of making a commitment to service. They will explore the five “R”s of service and will complete a worksheet in class which illustrates how profitable good service can be. The idea of segmenting the client base will be discussed where students will determine how, although all clients are valued, certain client groups require and deserve higher levels of service than others. For each segment of the client base, the student will establish a service “pledge” acknowledging the service levels. Finally, students will discuss the client review service, usually conducted on an annual basis, and its importance to the client (for example, countering the effects of inflation on the client’s plan). Service will be discussed as it relates to compliance issues in today’s highly regulated industry.

Managing Time and Business Goals

In this session, students will take a look at two important factors they must manage in order to be successful businesspeople — managing time and business goals. They will learn the difference between capital investment activities and current cost activities and how to shift their activities and time expenditure from one to the other. Students will analyze how they currently spend their time and learn ways to improve. A team work exercise will enable students to list their most common time problems and determine what must be done to counter them. Various principles of time management will also be discussed.

Creating Your Own Future

This session will focus on preparing the students to go back to their practice with renewed clarity, determination, and energy. A postcourse project will be assigned to help students implement what they have learned in the course to what they do in the field. A final test will be given to the students to assess the learning results from the course.