



## Think Like a First-Year Producer

*Growth can be gradual. Growth can be exponential. And growth can be explosive.*

We often think of first-year advisors as inexperienced and maybe even a bit naïve. They haven't learned the ropes, and they haven't yet taken on the big challenges that will take their businesses to new heights. Sometimes though, thinking like a first-year advisor is a good thing.

First-year advisors are hungry. They are passionate. They look at their sales pipeline every day. A first-year advisor can tell you how many leads they have and how they are developing. They can tell you what they are doing to get in front of new prospects. They might even have it mapped out in detail on a whiteboard.

As your business grows and evolves, that passion for developing new business can fade into complacency. Your existing client base is intermittently feeding you referrals, and the few new business efforts that you have—your seminars, your lead magnets—bring enough new business that you can maintain a respectable standard of revenue. The focus then shifts from new business development to servicing clients. Existing clients are more receptive and more enjoyable to engage than a skeptical, on-guard prospect.

This mentality is common in our industry, but it closes the door on a wealth of new business potential.

### **The Danger of Competing on Service**

Service is important, and referrals are a valuable source of new business, but letting service alone drive your business is a mistake if your goal is sustainable, exponential growth. Focusing on service handicaps your growth in the following ways:

- Referrals are an inconsistent source of growth.
- Referrals are not a reliable way to capture or expand into new markets.
- Acquisition based on service ignores the earlier stages of the sales process.
- Your sales skills begin to rust from lack of use.
- Service is no longer a competitive differentiator.

This is where thinking like a first-year advisor is good for your business. A first-year advisor can't count on referrals to grow his or her business, so generating leads and chasing networking opportunities is critical. As a practice matures, referrals might be more frequent, but they are rarely consistent. An experienced advisor can predict with some accuracy how long it will take to close a sale, but predicting when a client will refer new business is difficult if not impossible.

Think back to the days when you were just starting out. A first-year advisor intuitively knows that if he ever wants a chance to provide good service, the sales process has to be on point. The prospect has to see the value that the advisor provides and also has to buy-in to what separates this advisor from the dozens of others that knock at the door offering their services.

The advisor that wins the new business is not the one that provides the best service. Instead, it's the advisor that provides the best experience from end-to-end, starting with the sales process.

## **The Experienced Advisor with First-Year Passion**

Assuming all other things are equal, the best advisors—the ones with consistent growth and loyal client bases—have a distinct energy. If you talk to them, all they talk about is their businesses. They can tell you about every moving part in their sales process. They can tell you who is in their sales pipeline. They can tell you how many sales they will close by the end of the month. They can tell you about how they warm leads over time with drip marketing.

They are excited about their business, and their passion is in the hunt for new opportunities and new growth rather than in client service. These advisors know, like first-year producers, that their sales pipeline is key.

An experienced advisor with a well-rounded engine for growth has a sales pipeline comprised of the following:

- Appointments with potential prospects
- Referrals from existing clients
- Relationships with key centers of influence
- Repeatable methodology integrated into a backend system that allows you to implement and maintain:
  - A well-organized and consistent drip marketing system
  - Personal one-on-one follow-up with prospects that goes beyond sending emails and flyers
  - Quarterly seminars designed to engage prospects as well as current clients
  - Consistent outbound activity, in good times and bad
- Greater consistency of activity and pipeline building efforts designed to lead to new business opportunities and sales.

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Systematic meetings with new prospects are crucial for consistent growth. This part of the pipeline often drops off as a practice grows because finding new business is difficult. Chasing down leads and setting appointments is time consuming. And if we are being honest, it can feel unnatural and be far from enjoyable. Given the choice between spending time with existing clients and spending an afternoon working the phone, most advisors will

understandably choose the former. Before long, however, referrals become the only source of new business.

When referrals are your only source of new business, you are unlikely to capture new markets or engage the next generation of investors. As your sales skills atrophy in parallel with your diminishing hunger, your ability to connect and leverage the cutting edge developments in your space will fade as well.

### **Aggressive Growth through Appointment Setting**

Imagine that you approached a first-year advisor and offered to do the following:

- Takeover all new business development legwork
- Vet and qualify prospects within a target audience
- Engage those prospects with messaging tailored to the advisor's unique practice
- Set appointments with prospects who express an interest in the advisor's services

How would the advisor react?

His or her eyes would light up. They could immediately see how replacing all of their new business development time with appointments could transform their business. They could see the benefits of appointment setting:

- Grow your business without the front-end investment of time.
- Reap the benefits of new relationships without having to initiate them.
- Capture new opportunities in new markets.
- Fill your pipeline with a steady stream of activity.
- Tap into a new wave of referrals.

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The obvious question: how does a program like this work? In reality, appointment setting is a premium service best-suited for experienced advisors working to engage business-owner prospects. This upper-echelon of advisors has the experience and reputation necessary to close a sale of this type, especially when they learn how to adapt their sales process to a set appointment—recognizing that this business opportunity is not warm like a referral or completely cold like an untouched lead.

That all sounds well and good, but here is how these benefits translate into actual results: Typically, our producers see closing ratios of 20 percent for their met appointments (especially if they take advantage of our appointment setting-specific sales training), and the average case size is \$25,000. Producers that have grown accustomed to the high success rate of referrals—usually upward of 80 or 90 percent—may view a 20 percent success ratio as low, but within the context of completely new relationships it is actually quite high.

In even more specific terms, one of our executive compensation clients ran a program in 2013 where we set 68 appointments. He met 40 of them, and ranked 33 of them as qualified or highly qualified. Out of those met appointments, he closed 13, producing \$250,000 in net commissions from those sales.

That commission figure is his base return. It does not account for the potential return that he could see from sales that take longer to mature—nurtured by his slow drip marketing and follow-up efforts—and it does not account for the return that he will see in the future when those clients refer him to new business or when he garners additional wallet share. In this way, appointment setting builds a pipeline for sales *and* referrals.

## Your Future

You have earned your standard of business. There is no denying that. The idea here is that you need to reignite the passion and hunger that drove you to grow your business to this point. Return to the basics of building a well-rounded pipeline so that you can spark consistent, exponential growth that goes beyond relying on referrals. With your experience and your resources as an established producer, you can create a pipeline that the first-year version of you would have only dreamed of, and it starts with appointment setting.

## About the Author



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## About The PT Services Group



The PT Services Group is committed to helping you open the doors to new prospects and new business. While the methodology and expertise behind our appointment setting, business intelligence, and data collection programs are powerful tools, the secret to their effectiveness is the people using them. We are owned, operated, and staffed by professionals with expert knowledge of the financial services and insurance industries. Visit our website at [www.ThePTServicesGroup.com](http://www.ThePTServicesGroup.com) to learn more.