

## "Sell to the Client's Problem and Close the Case"

*(Part 2 of the UMS Yellow Pad Sales Strategy; now that you have the top 8 client profile points from Part 1, you can now focus in on identifying the core challenges faced by your clients below.)*

The most successful life insurance agents today are able to "solve" problems not "sell" solutions. And, as products become more and more innovative in addressing client challenges -- such as indexed universal life -- the adage of selling to the problem is truer than ever. But first we need to identify our client's problem. Here are some thoughts to help you stay focused on solving, not selling.

### **UNDERSTANDING BUYING BEHAVIOR**

Often when people are given two financial choices they will narrow down the two options and make a single choice that offers the best economic value.

In Behavioral Economics, for example, when people are presented with different financial choices, many times they will make a bad economic decision. In other words, when presented with the choice that ultimately provides the best value, they pick the other option that doesn't.

Humans rarely choose things in absolute terms. We don't have an internal value meter that tells us how much things are worth. Rather we focus on the relative advantage of one thing over another, and estimate value accordingly.

Unless they see it in context, many people don't know what they want. Most people don't have an internal meter that tells them that a properly funded and structured IUL policy is better than other financial vehicles because they have no basis on which to make that decision.

But if you **clearly** lay out all the various options they face in terms of their money, the decision to purchase a life insurance policy becomes very evident. When you depict the **economic value** of each choice it becomes evident to the client which is a far superior choice.

The goal is to demonstrate the true economic benefit of using life insurance as a way to protect against premature death; and, when properly funded and structured how it can provide outstanding income benefits during the client's life. Think back, if you just asked someone if they wanted to purchase life insurance with no context, what would your answer be? Most people would say, "not interested."

### **FOCUS IN ON A SPECIFIC MARKET NICHE**

The top producers in the country are committed to a specific market niche or area of focus. They specialize, not generalize.

To reach the highest level of success in the insurance sales game, you need to clearly define who you want to work with and what specific problem you're going to solve for those clients. Traditionally this falls into one of three basic categories:

- **Personal**
- **Business**
- **Estate Planning**

In the personal insurance market, most successful producers position IUL as a life insurance coverage as well as a supplement to their retirement nest egg. They validate for their prospects that a properly funded and structured life insurance policy can provide more benefits with less risk than the alternatives. When you have a sales presentation that actually closes business, it doesn't hurt either. The personal market is often the place producers start their practice, and many stay there during their entire career.

In the business insurance market, most producers present IUL as a way to either recruit, retain or reward the key executives of the business. They use non-qualified executive benefits and use life insurance as the funding vehicle for those plans. Obviously there are a myriad of ERISA rules and regulations that must be followed to ensure the plan is just covering a select group of highly compensated employees.

Estate Planning is the last main area of focus for the successful insurance producer. In this market you need to be the go-to person who can educate clients on ways to efficiently reduce estate taxes or establish trusts that hold life insurance. With Estate Tax laws continually changing, to succeed in this market it generally benefits you if you are also a CPA or Estate Planning Attorney. Realize that the most successful producers in the Estate Planning market align with CPAs or attorneys if they don't have that specific background.

### **KNOW WHEN TO FOLD THEM, KNOW WHEN TO CLOSE THEM**

When selling to people's problems, the biggest challenge you must face is being willing to walk away from a prospect when the opportunity isn't right. Many people may disagree with this approach, but the reality is if you have a full pipeline of prospects to work with, why would you choose to work with someone that either you can't help, or doesn't want to be helped?

Think of the psychology of that interaction. The customer doesn't want to admit that they have a problem, and you trying to convince them that they have a problem and that you have a solution. To close more IUL sales, or any type of life sales at all, you must stay focused on solving the problem, not selling the solution.