

selling point

A One, and a Two, and a Three

Improve sales results with multiple contacts and multiple products.

Coming up with a constant stream of new prospects isn't easy. You may want to consider the benefits of addressing previous prospects and existing clients with a two-pronged strategy:

1. Multiple approaches

Don't cross a prospect off your list just because you've received one "no." According to industry statistics, you may have to contact a person anywhere from five to 20 times before you get a "yes."¹ Individuals may not have the time, interest, or money to invest when first approached, but circumstances change, and they might welcome your services and recommendations at a later time.

It's also important to vary your approach. Some people respond better to phone calls, whereas others prefer written communications or seminars. Plan a "drip" campaign, with a series of compliance-approved contacts ("drips") planned over the calendar year.

2. Multiple products

Don't stop at the first product sale. There is a strong association between the number of product purchases and client retention. Over a 12-month period, financial representatives are generally considered to have a:²

- 90% chance of losing a one-product client;
- 50% chance of losing a two-product client;
- 30% chance of losing a three-product client; and
- 10% chance of losing a four-product client.

Research your list of existing clients to see which additional products might fit their investment profile. Check out the chart below for possible cross-selling opportunities.

Cross-Selling Triggers	
If your client has ...	Consider diversifying with ...
Fixed annuities	Variable annuities
Large-cap stocks, subaccounts or mutual funds	Small- and/or mid-cap stocks, subaccounts or mutual funds
Growth stocks, subaccounts or mutual funds	Value stocks, subaccounts or mutual funds
Domestic stocks, subaccounts or mutual funds	International stocks, subaccounts or mutual funds
Municipal bonds, subaccounts, or mutual funds	Tax-deferred annuities
Government bonds, subaccounts, or mutual funds	Corporate bonds, subaccounts, or mutual funds
401(k), 403(b), or 457 plan	Traditional or Roth IRA

Each product type listed has unique risk and reward characteristics. It is essential for you to determine the client's suitability for each product recommended. With annuities, withdrawals of earnings are taxed as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax penalty.

¹Range compiled by searching a number of sales training and marketing websites, March 2002.

²Statistics represent a consensus developed from a number of financial and insurance articles published in the late 1990s.