

# Personal Money Management Script

## I. Rapport Building

(Discuss getting to office, map, weather, etc. Revisit Points made during earlier call- job, family, social events, where they are from. It is important to spend an appropriate amount of time in this area based on personality style.)

I'd like to do a couple of things today. First, I'd like to get to know you and understand what you are trying to accomplish financially. Second, I'd like to share with you the financial planning process that I use and how we can integrate it with your goals to achieve them most efficiently. I'd like to keep this meeting conversational, so I'll be asking you questions throughout the meeting. Please don't hesitate to ask me questions at any time.

Does that sound reasonable? Do you have any questions?

Great! Let's get started!

## II. Goal Development ~~Not Scripted~~

Could you share with me what is most important to you from a financial standpoint?

(Look for emotional context/elements of uncertainty in the following discussion)

Retirement

Accumulation Goals: Education, New Home, Car, etc.

Investments

Taxes

Protection

Estate Planning

Cash Reserves/Income levels

Debt Management

1. What concerns you most about \_\_\_\_\_?
2. Why is \_\_\_\_\_ a concern to you?
3. REFLECT...
4. What steps have you taken to address this area yourself?
5. If I could show you how to achieve \_\_\_\_\_, would that be of benefit to you?
6. Do you have any other goals/interests that you wish to discuss?

## III. Transition into Financial Planning Process

Thanks for sharing your goals/interests with me, \_\_\_\_\_. I take on new clients through the financial planning process. This allows me to do the best quality work to ensure I can help you meet your goals most efficiently—the goals that you just stated were most important to you (state prospect's specific goals).

## IV. Financial Planning Process

What I'd like to do now is review the process I use and answer any questions that you might have.

The first step is to **identify and prioritize your objectives**. Your financial concerns will help me develop the direction of your financial plan.

Our next step is to **gather information** about your current financial situation. This will help me to establish facts as well as feelings, which will allow me to think like you financially. We'll gather some information today, and set up another meeting to gather the rest of the information that I need.

Next, I will **analyze the information** that you provide to me. Financial planning can be described as an Art and a Science. The analysis is the scientific part of comprehensive financial planning and serves as the tool that I use to provide you with solid advice. Your analysis will indicate strengths and weaknesses in your current financial situation. We will build on your strengths and eliminate your weaknesses. For this part of the process, there is a fee. As we gather more information about your situation, I will be able to determine the appropriate level of financial planning and the associated fee.

Then, I will provide you with a personalized **plan of action** that outlines step-by-step, what you need to do to reach your goals. This is where the art of financial planning comes in – by that, I mean that I will provide you with specific advice based on my expertise.

Once I've proposed solutions to meet your goals, you can begin to take action on your goals at that meeting. This is a good time to explain how I'm licensed. In order to provide objective advice, I am licensed by the National Association of Securities Dealers, and I also hold state insurance and securities licenses. What that means to you is I can do what a stockbroker and an insurance agent can do, and we also have a banking division.

Financial planning is an ongoing process. Because changes will occur in your personal situation, as well as in the economy, I'll **review progress** in your financial plan twice a year—more often if necessary—to make sure you are still on track to reach your financial goals. What I'll do as we continue to work together is explain what I offer in terms of client service options. This allows you to choose the relationship that works best for you.

Every client that I meet with has different goals and concerns, but the process that I use remains constant. This is how I take on new clients. How do you think this process will help you accomplish your goals? What do you feel is the biggest benefit of going through this process? Do you have any questions?

Great, I'm looking forward to getting started.

## V. Six Key Areas – Interactive in Each Area

Let me show you the areas that I will cover when analyzing your information. I believe that most peoples' planning concerns fall into **six key areas**. Because financial planning is a process and not an isolated event, all of these areas need to be addressed.

The first area is your **present financial situation**. Many people are uncertain of their present financial picture. As a starting point, clients need to know where they stand in terms of assets, liabilities, income, and expenses. This is the basis for all financial decisions. What is your total household income? Can you estimate your current net worth? Does this include your 401(k), home, and other property?

Next, we need to **adequately protect** what we can't afford to lose. I have found that many clients don't like to talk about protection planning issues such as dying prematurely or becoming disabled. As a true comprehensive financial advisor, it is my job to address those issues. What I will do is take an inventory of your life and disability policies. First, I will determine what is the appropriate **amount** of protection for you. Then, I will take it a step further, and determine what is the appropriate **type** of protection for you. The ultimate goal in this area is to be sure that we protect the integrity of your long-term goals. We will develop a portfolio that efficiently works toward your goals. What insurance policies do you have in place now?

Next, I will focus on your cash reserves and your **accumulation goals**, such as educating your children or buying a home. The primary focus of this area is on managing your investment portfolio. Nearly everyone could be doing better with their investment portfolio. By that, I mean that they are taking on too much risk for the targeted rate of return or they are not getting enough return for the level of risk they are taking.

Would that be helpful?

How much do you like to keep in cash reserves? Is that a goal or what you actually have now?

Do you have any other accumulation goals besides \_\_\_\_\_?

The next area is **managing income taxes**. No one wants to pay more than their fair share of taxes. It's my job to understand the complex tax laws and incorporate prudent tax strategies into your overall financial plan. Therefore, I will help you minimize taxes on your current income as well as help you build proactive tax control into your retirement portfolio.

What are you currently doing to minimize your taxes?

Do you work with an accountant? Do you mind if I ask how much s/he charges? How often is that? How often do you meet with him/her?

### **Tax-control triangle**

Tax-free contributions = Full taxable distributions

401(k), 403(b), 457/deferred comp plans, traditional IRA, pensions

Taxable contributions = Partially taxable distributions

Annuities-offer death benefit protection, too

Taxable contributions = Tax-free distributions

Cash-value life insurance-Variable universal life (VUL)

Do you have any questions about that?

**Planning for retirement** is also a goal for most people. Everyone is going to retire someday. The difference is some people plan for it and some people don't. We will determine if you are on track to reaching your retirement goals. Bottom line: you don't want to work hard for a large part of your life, then fall short of achieving the lifestyle you deserve in retirement. What kind of lifestyle do you picture in retirement? Same? Better? What would you like to do with all your extra time?

Finally, the last area of a complete financial plan is **preserving wealth**. Wills and trusts established now can provide for the orderly distribution of your estate to your heirs and minimize any estate and probate costs.

Have you met with a lawyer to discuss estate planning?

Do you mind if I ask how much s/he charges? How often is that?

When was the last time you reviewed your estate plan? Have your finances changed at all since then?

Which of these areas are of most concern or interest to you?

(What concerns you most about \_\_\_\_\_? Reflect. If I could show you ....

Good, because that's exactly what I do for my clients!)

## VI. Selling a Plan

Based on what we've discussed, you want (restate specific goals from goal development). That's exactly what I do for my clients through comprehensive financial planning.

Do you agree that some level of financial planning is appropriate?

It sounds like this is what you are looking for, isn't it?  
Great, I'm looking forward to getting started.

The fee for my services, which includes your analysis, is \$\_\_\_\_\_.

We need three things to get started:

- ❖ First, we need to set a time for our next meeting
- ❖ Second, I need to give you the booklet for collecting the information I need.
- ❖ And third, I'll need your approval on our service agreement and a check for \$\_\_\_\_\_ or your American Express card number.

Let's get together next week, same time. (Gain commitment on a time)

What is your social security number? (Fill out contract and have them sign it.)  
(Bring out the data-gathering booklet and go over it.)

What is your birth date?

The last thing I need is a check for \$\_\_\_\_\_ or your American Express card number.

## VII. Recommendations **Ask Everytime!**

Tone: Clear and Expectant

Physical: Seated upright over table with pen poised over pad

(Prospect's name), as I mentioned earlier, I do work mainly on a referral basis. One of the reasons that I enjoy my profession is that I'm able to have a positive influence on people's lives by helping them make better financial decisions. By recommending someone you respect, you provide that person with the opportunity to explore new ideas and to take action in order to reach their financial goals.

I am able to help people in the following areas: (utilize life stages as a visual)

- The first area includes people who earn a good household income and are accumulating dollars for their goals. They may be interested in ways to put their children through college, reduce taxes, or just do better for themselves financially.
- The second area includes business owners. These are individuals who work incredibly hard for their businesses and probably are not aware of all the opportunities for the business to be working equally hard for them.

- The next group includes clients, who are still working, but their children are older now and they need to turn their attention to assuring a successful retirement for themselves. They may be 15 years away from their retirement, or they may be making the decision this year.
- The fourth group of ideal clients is comprised of people who are already retired and enjoying a comfortable retirement, or are preparing to retire soon. Perhaps they would like to reduce their taxes, or have concerns such as protecting their assets from nursing home costs or estate settlement. Frequently, retired people are not aware of how intrusive the federal and state governments can be into their estates.
- Finally, we provide a financial education service to companies and organizations. The way we typically establish the initial relationship with the human resource directors and senior management of these organizations is through introductions from our clients and prospective clients.

(Prospect's name), I won't call your referrals immediately, to give you a chance to talk to them first. I'll check with you, then I'll call them and introduce myself as a financial advisor with American Express Financial Advisors and tell them that I would like to sit down with them to discuss financial planning. Then they will make a decision as to whether or not they would like to meet. What I've found is that there are a lot of people out there who are looking for this type of service, but they just don't know who to talk to. From there, what I'll do is set up a meeting with them to sit down and talk—just like we've done. I will give you feedback too, so you know how it went.

*When you ask for the referrals', names will be driven by what the prospect said in the PMM as to when they would be comfortable providing an introduction. Many times in an interview, clients will tell you about friends, colleagues, and relatives. Listen and make a note as the starting point in your prompting questions.*

With that in mind....

### **Individual**

1. Who sits next to you at work? Who sits next to them?
2. If you had a dinner party, who would be the first two people you would invite?
3. Who is your boss? Who is your boss's boss?
4. You mentioned you belonged/worked with (bowling league, country club, civic organization, etc.). Who do you talk to there?
5. Do you have any relatives in the area? Neighbors?
6. Do you know other parents in a similar situation who might be interested (car pool, day care, etc.)?
7. Who is your pastor/minister? (church seminar)
8. Who is your CPA? Who is your attorney?

### **FES**

Who is your employee benefits manager at work, or someone in senior management that you know has an active interest in helping employees?

## **Referral Objections**

1. I want to talk to them first.

Absolutely. As I said before, it's very important that you have the opportunity to talk with these individuals first. As a matter of fact, I won't be contacting them immediately in order to allow you sufficient time to touch base with them. When I do talk to them, I'll extend an opportunity for them to sit down like we did and make a decision as to whether or not it would be something that would be useful for them, I'll thank them for their time. Is that fair? Who is the first person that I should talk to?

2. I'm not really sure it would be right for them. I think they already work with someone. I don't know about their situation.

I can appreciate your consideration and concern. A lot of my clients originally felt that way when referring me to others. What we have found is that most of the clients were very open to the discussion. If they were working with a financial advisor, it merely offered an opportunity for a second opinion. (Note: Just use this one if it's the financial advisor's objection.) Since we all don't walk around with our net worth statement pinned to our chests, it's unlikely that our colleagues, associates and friends would know all about our situations. It merely gives people a chance to make a decision for themselves. With that in mind, who would be the first person I should talk to?

1. (Prospect doesn't know if they received any benefit in the meeting, because they didn't work with you.)

I can appreciate your position. Let's look back on our conversation over the last hour. We've had a chance to review what the financial planning process is and how it works. We've given thought and time to the financial roadblocks that stand in people's way to success. We've discussed the philosophy of structuring assets, and we've spent time directly talking about your goals and objectives and what you'd like to achieve from a financial point of view. You've probably given thought to your finances before, but also you may not have given that thought in the structured pattern that we've talked about today. For many people, this allows them an opportunity to identify a method of reaching financial independence in their lifetime. All I'm looking for is the opportunity to be introduced, and provide a similar chance for them to give structured thought to their goals and objectives. Does that seem reasonable?

## **Objections**

### **Debt**

How did you get into debt?

Do you think you're more likely to get out of debt with my help or without it?

So, let's get started today.

### **Fee**

Need, like and afford -- Mr. & Mrs. Client, do you feel you need to do something to \_\_\_\_ and still enjoy your life today? Do you like the idea of getting more control over your finances? [Point to fee] In light of that, is this fee affordable? (So, let's get started

today.) If this were free, would you tell me, “If you can come up with some strategies to save u~ money or make us some money, then we would pay the fee”? So if it were free, you would say, “Dave, you have the job”? Well then, what I’d like to do is get started under some conditions, and if the conditions aren’t fair, tell me and we can try to work it out. The first condition is that you still need to pay the fee up front, but the condition I must live up to is this—if you are unhappy with anything I bring back to you, I’ll make sure you get a full refund. Is that fair? (So, let’s get started today.)

Do you have cable TV? How much do you spend at restaurants in a month?  
(So, let’s get started today.)

Want to go home and **think about it**.

On a scale of 1-10—with 1 being the farthest and 10 being the closest—how close are you to wanting to do this? What will it take to get you to 10?

I didn’t think I had to **make a decision** today?

By thinking about it, you ARE making a decision—a decision to continue putting off/procrastinating [goals]. (So, let’s get started today.)

In my experience, 9 out of 10 people who walk out of here without committing to their goals never come back. Therefore, they never have the peace of mind that they’re working toward their goals, and in most cases, they never achieve those goals. Is that what you want?  
(So, let’s get started today.)

I have a **meeting with somebody else** [brokerage].

Coach them to say, “I want somebody with experience. How many clients do you have?” [They’ll probably say about 1,000.] Then, “You want to take me on as a client, so you’re obviously growing your business/I want somebody who’s going to stay in business. How many clients do you eventually want to have?” [2,500]

“Even at just 1,000 clients, assuming two one-hour meetings per year, s/he must hold one client meeting every hour of every day of the year. Is that the kind of relationship you’re looking for? (So, let’s get started today.)

## Referral Script

- Confirm Value: Tell me, what have you found valuable about our relationship today?
- Segue:  
Agreement in  
Principle: There is something else I would like to talk to you about today. My business is about providing more people the opportunity to be financially secure in their lives. I do this by referrals from my clients like yourself  
Would you be willing to help me build some new relationships?
- OR
- One way I build my practice is through referrals and I was wondering if you would you be willing to help me do that?  
The way you can help the people you know is by giving me their names and phone numbers.
- Give Direction: The way you can help the people you know is by giving me their names and phone numbers.
- Prompters/Brainstorm: Who sits next to you at work? An next to him/her?  
Who is your boss? Your boss's boss?  
You mentioned you belonged/worked with (bowling league, country club, civic organization, etc.). Who do you go there with?  
Who in you family would you like to help through this financial planning relationship?  
Other parents with kids the same age?  
Your pastor/minister? Your CPA? Your attorney?

## Advanced Referral Technique

Get referral list FIRST

Contract for style with clients: "Mr. Client, the best way for us to approach your referrals is if you contact them first. Let's talk about what you might say to them." Have them talk to referrals about the relationship, NOT products, NOT process, NOT financial Planning. Ask clients if they are willing to talk to referrals about financial planning relationship?

- Ask details about referrals: How do you know George?  
Is he married? Kids? Age? When's retirement? What does he do for fin? (rapport and common ground for phone call)
- Set Deadlines for Clients: When can you contact George? Okay I will then contact him next Friday. While you are contacting him, I will send him some information about what I do for my clients.

## Referral Statistics

- About 25% of clients actually contact referrals
- About 50% of referral PMMs convert to clients
- About 100% of call-in recommendations convert to clients
- GDC of Referral is greater than Natural Market and nearly 2x that of CAR leads