

Specialize and Grow Rich

By Jacques Werth High Probability Selling

Everyone needs life insurance. There is an almost infinite number of potential clients. Just make a list of everyone you know and get referrals from your friends and relatives. Pitch to them and everyone you meet. Help hundreds of people get their financial life in order and life will be good. If they don't understand, educate them and they will be grateful. You can't go wrong — if you work hard enough. The more you work, the more you will earn.

What's wrong with this picture?

- Some people don't need life insurance.
- Many people do need it but don't want to buy right now.
- Most people actually cannot afford to buy now.
- Most people don't want to listen to your pitch.
- Most people don't want your help.

Most people don't want to be educated about life insurance. If some take the time to listen, and you give your time to educate them, most of those who eventually buy will buy from another agent — not you.

Over 90 percent of new agents fail and most of the rest don't earn much money.

There are hundreds of millions of dollars worth of life insurance sold in the USA every year. Twenty percent of the licensed agents sell over 75 percent of that life insurance. The other eighty percent of the approximately 1,200,000 licensed agents sell less than 25 percent of all that insurance. Why? One important reason is that they fail to specialize. They believe the dreams of the first paragraph. They are lured by the grandeur and false opportunity of the big picture and, as a result, spread themselves too thin.

Last week, I received phone calls from several agents that were hurting because they bought into the dream.

One led off with, "I have been licensed for three years. I've never worked as hard and I'm broke." I asked him what market he specialized in and he responded, "Life and health." I explained to him that those were product lines, not markets. When he focused on markets he said that he tried to sell to small business owners, professionals such as doctors and dentists, and newly married couples. That is a description of a generalist, not a specialist.

Another said that she liked to sell life insurance to single moms because she is a single mom. She belongs to three large book discussion clubs where she gets to meet a lot of women. And, she has joined two networking groups because it gives her the opportunity to meet about 100 local business people a week. I asked her how many of them were insurance agents? She said, "Too many." A market that consists of single moms, women in general, and business people is not a specialization.

Specialize in one niche market and get rich

One of the main reasons that twenty percent of the licensed agents sell over 75 percent of all life insurance is that they each sell to just one small market niche.

Jerry has been an agent for 16 years. He first took a selling course in 1994 and began to specialize in the seniors market. More specifically, he specializes in retired people older than age 60 with a minimum of \$500 thousand in net assets (after real estate is deducted). That is a description of a small niche market. He works 35 hours a week and earns a medium six-figure income.

Jeff has been in the business for 21 years. Since 1989, when he first enrolled in a high probability selling course, he has specialized in corporate officers of medium sized companies with \$20 million to \$100 million in revenue. His earnings are comparable to Jerry's.

Tony has been an agent for four years. Last year he finally went over the \$100,000 commission mark after

taking a selling course. One major difference is that he stopped trying to sell life insurance and individual health to everyone he met. He now specializes in group benefits for repair and service companies with 10 to 49 employees.

Jack is a P&C agent who specializes in the large construction contractor market. He does not accept clients from any other industry. About 35 percent of the largest construction contractors in his metropolitan area are Jack's clients. In that area, over 300 other P&C agents are all vying for business. However, he is the only one that specializes in that one small niche market. He has become a rich man due to market specialization.

Those are just three of hundreds of examples of highly successful agents who practice market specialization. Many other top agents specialize by occupation, ethnicity, social affiliation, sports and hobbies.

Specialization quickly leads to expertise

When you focus on one small market niche, you quickly learn the psychographics of the decision makers in that market. You become an expert in those insurance products your niche market most frequently buys. You learn their business. You learn the attitudes, perceptions, and jargon of the industry. You become a recognized insurance expert in that market niche. Other agents who do not specialize will have a lot of trouble competing with you.

Insurance expertise is plentiful and inexpensive. Sales expertise is rare and highly compensated. If you shift to specializing in a small niche market, you should be able to increase your sales effectiveness. If you do that, and greatly improve your sales expertise, how high can your earnings go — how quickly?