

Why Most Producers Fail

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You probably got into the insurance business so you could make a lot of money by helping people with their financial needs. Who told you that would happen, why did they tell you that, and why did you believe them?

Most major insurance companies promulgate the myth that if you learn all they teach you about their insurance and investment products, get some credentials, work long and hard at their marketing plan, and do your best to help people, you will be very successful.

That is a very appealing message for intelligent, ambitious, conscientious people who aspire to a career in finance. However, if that message is accurate, why do more than 84 percent of the people who get licensed and/or registered fail within their first four years in the business?

Oh, you didn't realize that there's such a high failure rate in this industry? The very same companies that require ethics compliance and full disclosure deliberately withhold the facts about the "career opportunity" they offer.

Let's look at what you have been led to believe and compare it to reality. Once you know the truth about the business, you can make some informed decisions about your career. You might want to change your entire attitude and approach to the business and adapt a strategy that gives you the best chance for success.

The myth: Insurance companies can teach you to sell.

The reality: If they could do that, they wouldn't need to recruit more than 100,000 new agents every year.

The myth: Insurance companies teach you a strategy to maximize your success.

The reality: Insurance companies teach you a strategy intended to maximize their market share using your time, efforts and expense.

The myth: Your motivation should be that you sincerely want to help people.

The reality: Your primary motivation should be that you want to become very successful by selling people what they want. However, most people do not want your products, services or help. Therefore, you must find prospects who do want what you have to offer.

The myth: Everyone needs insurance but no one wants to buy it. It has to be sold.

The reality: Everyone may need insurance, but most people cannot afford it, so hardly anyone can convince those people to buy. Of those who can afford it, a relatively small percentage will buy insurance if you can find them and approach them in the right way.

The myth: You should try to sell everyone you meet.

The reality: This is a good way to encourage large numbers of people avoid you. Most top producing agents specialize in just one target market. That market is usually one that suits their background and is defined by a specific set of demographics. Those demographics also specify the type of prospects who can afford to buy. Focus on your target market and you will soon be expert at relating to and communicating with that high probability population.

The myth: Being a financial advisor is a lucrative profession.

The reality: Being a skilled salesperson who sells financial services and products is a high paying career. Most insurance companies will provide you with the technical help to analyze needs and design plans for your prospects — provided you can prospect and sell. The financial advisors who do the technical work are seldom highly paid.

The myth: Having the best products gives you the best chance to succeed.

The reality: Most insurance companies have very similar products and most prospects do not understand subtle differences. Attempting to educate and convince those prospects just confuses them, and confused prospects seldom buy. A focus on finding and selling the best products is a waste of time.

The myth: The best way to get started is to sell your friends and relatives.

The reality: The best way to get started is to learn how to find a multitude of prospects who already want the benefits of the type of products you sell. That means learning to prospect effectively and enjoyably.

The myth: Getting referrals is the key to success.

The reality: Getting plenty of good referrals is a result of successful prospecting and selling.

The myth: Make as many appointments as you possibly can.

The reality: Most agents spend most of their selling time with prospects who will not buy. Their average closing rate is 14 percent and the average number of visits they make, per prospect, is 4.4. Thus, it takes them 30-plus visits for each sale, and 26 of those visits are a waste of time.

Spend about half of your working time on finding and making appointments with high probability prospects. Spend most of your selling time with prospects who are ready, willing and able to buy. Your closing averages will greatly increase and you'll waste less time with people who do not buy.

The myth: Persuading, convincing and building rapport equals effective selling.

The reality: Developing immediate relationships of mutual trust and respect is one of the critical skills most top producers possess. Their other critical skills are determining exactly what the prospect wants to achieve, and then getting mutual agreements and mutual commitments on everything.

The myth: To succeed you must work harder and smarter than the competition.

The reality: To succeed you must sell differently from the 84 percent of the agents that fail while utilizing insurance companies' sales and marketing systems.