
Step-by-Step Guide on the **5Q Process**

*And how to develop a killer, unique marketing message
in less than 30 minutes that will bury your competition*

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The only guaranteed way to find new clients is absolutely free.

Spending money on marketing is a fool's errand. Yet every single day advisors receive promises in their e-mail boxes, glossy brochures promising miracle cures in their snail mail box, and phone calls from marketers promising riches. But here is the financial industry's dirty little secret...

Marketing Companies *PURPOSELY* Deliver *Mediocre* Results to You.

You would think that they would want to deliver fabulous results, wouldn't you? Well take a second and think about it. If they delivered fabulous results and put you in front of 100 new clients a month, when would you need to use their services again? You'd probably be busy working thought those 100 new clients for months, wouldn't you?

Marketing companies don't want you to have fantastic results. If you did, you would need to buy their services less often. They need you to keep coming back. Now don't get me wrong. They don't want you have horrible results either, because that would prevent advisors from coming back to them for more marketing as well.

So 100% marketing companies, want you to have mediocre results. They're kind of like Vegas. They want you to win just enough to keep coming back for more. That's how they produce wonderful profit results for themselves... unfortunately, that leaves you making just enough money, to keep coming back again and again and paying them for more marketing.

Obviously under these conditions, spending more money on marketing is ridiculous. But you need to do some sort of marketing or you won't get in front of enough people, will you? So let's talk about the best kind of marketing... Marketing that is absolutely free.

The Solution to Finding New Clients Is Not Yelling Louder

Right now you are surrounded by hundreds of people that can use your skills. Heck, you could drive through any neighborhood in this country and at least half of the households in the neighborhood are people that could significantly benefit from your expertise and know-how... if they would only let you speak to them.

If they would only listen to you, you could improve their financial lives immensely.

- Find ways to reduce their taxes.
- Show them techniques to increase their income safely.
- Introduce them to new products that give them a higher rate of return with less risk. But--and this is a big BUT--they just aren't listening.

If you drive down their streets with loudspeakers attached to your car and broadcast all of your wonderful ideas and ways you can help them, are they going to come tearing out of their houses with rapt attention to your miraculous ideas?

Not likely.

I know! The way to get them to respond is to turn the loudspeakers up louder! If that doesn't work, let's drive through their neighborhood more often with our message. Will that fill our calendars?

Of course not. In order to fill our offices, we need to begin to think like the clients. How do they think?



What we think the prospect is thinking



What the prospect is actually thinking

99% of consumers do not perceive an immediate need to consult with an advisor. They are happy where they're at. They think, " Sure, I could probably be doing a little bit better... But I sure could be doing a lot worse."

At least the people we want as clients are thinking this. Do you want clients that are broke? That are deeply in debt? That have no money? No. You want clients that have money and a comfortable income, because these are the people that will make your practice profitable.

Unfortunately, these people are not interested in what you have to offer. They're interested in living life. They're interested in doing things that they enjoy like golfing, gardening, visiting friends and family... anything but talking about their finances.

You see, these people at most, believe they may have the equivalent of a "financial cold." What they don't believe is that their finances are "critically ill."

Want to Buy a Washer and Dryer?

Think of it this way. Let's say you have a perfectly good washer and dryer at home. When you see the washer and dryer ads on TV, what do you do? If you have a TiVo, you fast-forward through them. If you don't, during the commercial you get up to find a snack in the kitchen. What you don't do, is watch the commercial about washers and dryers. Nor do you pay any attention to the ads in your Sunday paper about washers and dryers, do you?

But here's the thing, these washer and dryer manufacturers are baffled by your disinterest. They think, geez, if you only knew how much cleaner our new washers and dryers could get your clothes, how much less water you'd use, how much less detergent you would use, how much money you'd save, how much easier these new washers and dryers would be on your clothes, if you would only pay attention, you'd realize you really need our new washers and dryers!

But the fact is you already have a perfectly good washer and dryer... Sure, you could probably do a little better... But you could certainly be doing a lot worse to spend a couple thousand dollars on a new washer and dryer that really are not going to benefit your lifestyle in the least. That money would've been better spent on a great vacation!

We have the same problem with our clients. They're not nearly as interested in our offer, as we are ourselves.

If you want to get new prospects attention and get them into your office, you have two choices:

1. You can rely on luck to put you at the right place, at the right time—when that rare prospect becomes unhappy with their current situation and is looking for a new advisor.
2. Or, you can communicate with people who are otherwise satisfied with their current situation, but are interested in YOU because you are different from all the other advisors out there.

In other words, trust your business to luck... or take control of your practice by crafting your unique message to make you clearly stand out from the crowd.

Your Competitors Can Say Anything They Want

Even if you ARE the smartest, most expert and caring advisor in the world, you will not get any more prospects than the guy who CLAIMS that he is the smartest, most expert and caring advisor in the world.

Every advisor in the industry has been claiming the same old... "I'm the best _____ in the industry", for years. What has it accomplished? All the advisors claiming the same thing has created a monster... a total distrust of the financial industry by the public.

No wonder the public looks at us with distrust... as a bunch of peddlers hawking our wares. Don't get me wrong... Most people love their current advisor. They think, " *It's all the rest of the advisors out there we don't trust.*"

So how are we going to get their attention?

Spending More Money on Marketing Is Not the Solution

There are tons of horror stories about million-dollar advertising campaigns going nowhere. There are also stories of products taking off without a dime being spent on marketing. How much advertising have you seen for products like Facebook and iPods?

None...at least not marketing, in the traditional sense.

Obviously, this is the kind of marketing we envy. Marketing that produces huge results with virtually no cost.

How do we do this for ourselves?

We've got to go back to the oldest advertising in the books. Advertising that's over 50,000 years old. What's old is new again, the granddaddy of advertising.

What Is the Most Effective Advertising Medium Today?

When I ask advisors that question, I get all sorts of answers. Some will sing me the praises of radio. Some tell me the power of social network marketing and how it's going to change the world. Some will extol the effectiveness of Google ad words and Internet marketing.

It's none of those. Without the granddaddy of advertising, all of these mediums, or any other medium would be worthless. You could invest thousands or even hundreds of thousands of dollars in these mediums and get zero results. You need to leverage the granddaddy of advertising.

What Is the Granddaddy of Marketing?

You know it as word-of-mouth advertising. Think about it, isn't that how Facebook grew to one of the largest companies in the world? Isn't that how we went from the Sony Walkman to an iPod in every pocket in just a few years?

Word-of-mouth advertising is effective... because word-of-mouth advertising is trust.

Every single day, the American consumer becomes more skeptical, more cynical, and harder to reach by any type of marketing. However, there is one thing they still trust the...the opinions of their friends, neighbors, and families.

If you can tap into those opinions, you've accomplished what spending a hundred thousand dollars on advertising could never do.

In fact, the most respected men and women in advertising and marketing today have realized that this is the case. Have you ever heard of viral marketing? Viral marketing is nothing more than a type of word-of-mouth advertising. It's funny, but in a world creating new forms of electronic media every day... Smart phones to Groupon to social networking communities--the best minds in marketing still agree that word-of-mouth advertising is the granddaddy of them all.

Justin Bieber became famous overnight using it... the 2011 YouTube video of the year was a song, so crappy, that word-of-mouth made the girl that sang it instantly famous... apparently even crappy word-of-mouth can make you tons of money.

You see, people trust the opinions of their friends, neighbors, and relatives. If they say something is funny, then I'll check it out. If they think a restaurant is good, then I'll check it out. If they rave about a dentist and the TV above the examination chair and the fantastic whitening they get every time they go there...I'll check it out.

I trust their opinions. I don't trust some restaurant or dentist's advertising, no matter how pretty it is.

How Can You Create Your Own Word-Of-Mouth Advertising?

The good news is that you can be well on your way to a successful word-of-mouth campaign with just a few easy techniques. I've incorporated them into a process I call the 5Q process.

Using this process will accomplish two things for you:

1. It will get people talking about you in a way that excites them and rewards them.
2. You will help them leverage their excitement into results by helping them use all the tools we have available in modern society today... the internet... social networking... e-mail... and plain old face-to-face communication.

The 5Q Process

You may or may not be familiar with Six Sigma, but it has become the standard for quality control for virtually every Fortune 500 company. It can be summarized by:

Define → Measure → Analyze → Improve → Control

It is from that theory that your solution to uniqueness comes.

In the 1930s, Saki chi Toyota developed a systematic way of looking at problem solving. It has since been adapted worldwide by almost any company you could name...GE...Microsoft...Hewlett Packard...Toyota...Federal Express...American Express...and on and on.

I simply adapted it years ago to assist the advisors I mentored in crafting their message of uniqueness. I call it the 5Qs.

Benefits of the 5Q process

The 5Q process offers some real benefits to the professional and their practice:

Simplicity—It is easy to use and can be accomplished in as little as 15 minutes.

Effective—It truly helps to quickly separate your message from those of your competitors and attracts the exact type of client you want for your business.

Comprehensive—It is a tool that you can use with any number of marketing methods from direct mail to seminars to social network marketing.

Flexible—It works with any type of practice. Whether estate planning, college-funding, 401(k) rollover—whatever the business or type of client you are seeking, 5Q will work to get that client in your door.

Inexpensive - You can either do it yourself for free or hire one of many organizations that now have consultants trained and certified in the 5Q process.

This process while simple is not always easy. Working through the process comes naturally to some advisors and takes real work with others. The more effort you put into it, the easier it will be to get new clients in your office at no cost.

If you are Unique Enough, They Will come... At Little or No Cost.

100 years ago, in 1907 there were 68 different car companies...today, only a handful. In the last 50 years it has been virtually impossible for a new car company to crack the American market. Yet when you look on the roads today, what do you see? Hyundai's.

How in the heck did they crack the uncrackable auto market? By being unique.

- They offered a 100,000 mile/ 60 – month warranty. Remember, this was at a time when all other car manufacturers were offering 30,000 mile/ 36 – month warranties.
- They offered roadside service for all their vehicles at no cost. Remember, this was when only the high-end, luxury vehicles offered this premium service.

They became unique. The one thing everyone worried about was the new car manufacturer's quality. Hyundai completely eliminated that worry by not just equaling the established car companies

warranties--not even just bettering them by a little--they blew them out of the water! They were unique!

This one thing, uniqueness, will make or break all of your marketing.

What is unique about you?

You really need to nail this question. And for some reason, many advisers have a real problem answering this question... and that's the reason their marketing is suffering. Fuzzy uniqueness equals ...fuzzy marketing equals ...very few prospects.

We have to understand that as advisors, we are commodities. We offer basically the same thing all of our competitors offer. We can't put our mutual funds on sale for 50% off... Or offer unbelievable guarantees on the investments we offer... at least not if we want to stay out of trouble with compliance.

So, because we can only offer the same thing our competitors offer, we look almost identical to our prospective clients.

We have to figure out a real and tangible way to differentiate ourselves from all of our competitors... Or we will languish in mediocrity... never achieving the success that we deserve.

First, Let's Talk about What Is NOT Unique about You

Before we talk about what makes you unique, let's talk about what does not make you unique. The reason I bring this up is that many advisers that I've worked with have used the following phrases to describe why they are unique to me... The fact that so many advisers have given me the same phrases is clearly a sign that these phrases do not describe uniqueness. These phrases do NOT make you sound unique:

- We have terrific service
- We care about our clients
- We are the retirement experts
- We are the IRA experts
- We are the IRA rollover experts
- We are the 401(k) rollover experts
- We put our client's concerns first

These are platitudes, not statements of uniqueness. These are the same kind of statements all of your competitors are making. It does not matter whether you believe that you are better than your competitor in any of these particular areas...

Clients see advisors as identical when they make the same claims. Prospects don't take the time to do a side-by-side comparison. They'll just dismiss both advisors making the same claims.

In other words, they'll ignore you.

To get you started—Here are questions to ask yourself to begin forming your own unique message:

1. What is your target market? Where do they live, work, and play?
2. What are the three things that keep your target market up at night?
 - a. What frustrates them?
 - b. What frightens them?
 - c. What makes them greedy?
3. What is your specialty? Where does your expertise lie?
4. Does this specialty have a common name?
5. Why does your target market need your company?
6. What you do for your target market that nobody else does?
7. Why would your target market think that is important?
8. Whether it is true or not, do they perceive your competitors as also doing that for them?
9. Are you known as the person for doing that thing in your territory?
10. Who are your competitors?
11. If you could communicate one thing... that your target market didn't already know about you, what's the one thing you'd want them to know that you could do for them that you competitors couldn't?
12. Finish the following lines:
 - a. Nobody does _____, like we do.
 - b. We are the best choice among our competitors because _____.
 - c. Our clients love us more than they could ever love our competitors because _____.
 - d. None of our competitors know how to benefit our target market by doing or using _____, like we do.
 - e. The one technique that we know and use, that none of our competitors know is _____.
 - f. If one of my competitors was eavesdropping on a conversation I was having with the prospect (and I didn't want to give away a competitive secret) I would finish the following sentence as:
 - i. Mr. Prospect, if there was a way to (achieve "this", without "this" risk), you'd want to know about it, wouldn't you?
13. If you surveyed all of your current clients and asked them what you or your company stood for, what would the top three answers be? (I would recommend that you actually do this... It will provide you with an immense amount of valuable information that you could leverage in all of your marketing)

Take What You've Learned and Create the Killer 5Q Word-of-Mouth Client Letter

Now that you've taken a good hard look at how you compare to your competitors in your prospective client's eyes, you can begin to create the message that will build your business-like wild fire.

Sit down and ask yourself this question:

If someone asked me why their parents should work with me instead of any of my competitors... what would I tell them?

Write down exactly what you would tell them.

And then ask yourself if it meets the following 5 Criteria:

1. Is it something that only you can claim... or are claiming? Is it something that none of your competitors are saying?
2. Does it address something that keeps your client up at night:
 - a. Greed
 - b. Fear
 - c. Frustration
3. Is it extremely specific? Specificity creates trust. Is it something that your prospects feel they could check out for accuracy if they wanted to (I've never heard of a prospect going to the length of checking out a claim... they believe that you wouldn't claim something they could check out, unless it was true.)
4. Is it brief and repeatable? If it is not repeatable, it is worthless... the whole point here is to get this message circulating virally.
5. And here's the test: Is it something that gets them to say, "Tell me more... how do you do that?" Test this out. Actually, start using it. If people are asking you for more information without any further prompting... You've hit the jackpot.

Here's an example of a Very Effective 5Q Word-of-Mouth Statement

Several years ago I was working with an agent whose target market was teachers in the state of Minnesota. Here's the 5Q we came up with:

"I increase a teacher's retirement pension income by an average of \$430 a month by utilizing the new changes in the Minnesota Teachers Statute 256B.057."

When a teacher asked him what he did and he said this... guess what the next thing out of the teacher's mouth was? "How do you do that?"

The teacher had now invited the advisor to sell to them.

If he had instead said, “I’m an expert on teacher’s 403(b)’s and retirement plans”... as he had been saying before we created the 5Q for him... guess what the teachers did? They ran away from him, fearing a sales pitch if they showed any interest at all!

Let’s See If This 5Q Meets the 5 Criteria

“I increase a teacher’s retirement pension income by an average of \$430 a month by utilizing the new changes in the Minnesota Teachers Statute 256B.057.”

1. Were any of his competitors claiming that they could increase teachers’ retirement by \$430 a month using Statute 256B.057? No. So it meets the Unique Criteria.
2. Did it address Fear, Frustration or Greed? Yes, Fear—not having enough to live on. Frustration—teachers don’t get enough respect (at least in their own eyes) Greed—“Free” money by just knowing about this new Statute! Does it pass this criteria? Yes.
3. Is it specific? Can’t get much more specific, in one sentence, can you?
 - a. Increased income by \$430 per month
 - b. New changes
 - c. Statute 256B.057
4. Is it brief and repeatable? One sentence brief—so it meets that. Repeatable, except for the exact statute number. Using the exact statute number is forgivable because of the believability it created. By actually naming the Statute people instantly wanted more info so they could use it as well... this advantage outweighs the difficulty of remembering the exact Statute number. The people that gave my advisor client Word-of-Mouth just said, “... I don’t remember exactly what Statute, but he knows it and it will get you an extra \$430 a month!”
5. Did it get people saying, “How exactly do you do that?” Yep.

It meets all five Criteria to make a Killer 5Q Word-of-Mouth Statement.

My Advisor client brought on a ton of new client teachers and assets using this 5Q.

How Do You Use Your New 5Q?

You use it everywhere!

- Stationery and business cards
- Brochures
- Seminars
- Direct mail
- Networking
- Social situations
- And the proverbial elevator pitch

You should also make sure that your clients are well versed in your new 5Q. Your referrals are about to go through the roof!

You see, up to this point, your clients were afraid to give referrals to you. They love you but they don't want to experience rejection. Here's what I mean.

What do you think their friends, family and neighbors would say when your client approached them and said, "Say, you should talk to my advisor, he's an IRA expert!"

The person they approached would say, "Oh, thanks, but so is my guy. Maybe you should talk to him!"

When do you think the next time your client's going to try to give you a referral? NEVER.

Your Client Will Appear, Smart and In-the-Know

However, with the right 5Q your client won't get rebuffed. Instead, they will get to appear, smart and in-the-know. When they say, "You should talk to my advisor... he increased my teachers' retirement pension income by an average of \$430 a month by utilizing the new changes in Statute for Minnesota Teachers 256B.057."

If the person his client said that to was in his target market... Minnesota Teachers... they said, "Really, how does he do that?"

Your client is rewarded by looking smart and made them feel good! So, they continue to refer you to your target market again and again.

The advisor that utilized this 5Q received more referrals in 6 months than he had in his entire 15-year career... and it makes sense that he would, doesn't it?

When you have crafted the perfect 5Q message for you and your practice, you will then possess the Midas touch. All of your marketing will turn to gold.

Sample 5Q USP Statements

The blue/italic indicates if that is the focus you use for your practice.... the un-bolded is the USP statement.

Withdrawing from IRA's or 401(k)s (IRS tax code):

⇒ I show people born before 1960 how to withdraw money from their IRA and pay 47% less tax using IRS Section 408.

Create a pension (using ideas from University of San Francisco business school)

⇒ I show people how to increase the income generated by their current investments by 25% (with no additional risk) by simply using a formula developed at the University Of San Francisco School Of Business.

Lower fees and taxes on your investments (IRS tax code)

⇒ I reduce the tax people who don't work full-time pay on their investment income to 1.5% using IRC Section 72.

Reduce the cost of your mortgage

⇒ I show people how to use government money to pay 15% of their mortgage, insurance premiums, or car payments by using IRC Section 72.

Reduce taxes

⇒ I show people over the age of 62 how to reduce their taxes by up to 50% based on IRS Section 86.

LTC

⇒ I show people how to get long-term care coverage without paying premiums using the Pension Protection Act of 2006.

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5Q USP Explanation

Withdrawing from IRA's or 401(k)s:

IRC Section 408 deals with IRA's. It clarifies the rules for contributing to, withdrawing from, and converting traditional IRA's to Roth IRA's.

The strategy for withdrawing money and paying 47% less tax involves systematic, strategic IRA withdrawals and the subsequent Roth conversion of those withdrawals.

The withdrawals are strategic in the sense that they occur after age 60 (to avoid any penalties) but before age 70 (when withdrawals become mandatory). The amount of the withdrawal is calculated by looking at a client's tax return and seeing how much room they have before going over the 15% "effective" rate.

A withdrawal in that amount is taken and converted to a Roth IRA. You have to pay tax on the

conversion, but the Roth IRA continues to grow tax free. If you assume a 6% growth rate for 10 years you have a balance in the Roth IRA bigger than what you started with.

You withdrew money from a traditional IRA and paid tax on the withdrawal to create the Roth IRA. If you look at what the Roth grows to (and remember it's tax free at this point) and assume that you would

withdraw that amount from a traditional IRA, the difference in the tax that you *would* pay and the tax that you *did* pay is 47%.

Create a Pension:

The University of San Francisco School of Business pioneered the study of Asset Dedication...a way of laddering fixed and market-sensitive investments for growth, safety, and income.

Conventional wisdom says that you can withdraw 4% of your portfolio each year without being in much danger of outliving your money. By properly laddering your investments using a technique such as the SAIL calculator you can improve that rate to 5% (a 25% increase from 4%).

Lower Fees and Taxes on Your Investments:

IRC Section 72 includes the provisions that allow for an “exclusion ratio” when systematically withdrawing money from an annuity.

The key to utilizing this strategy is to convert assets that result in taxable interest and dividends to investments whose growth is tax-deferred.

Let’s say someone had \$10,000 worth of taxable interest or dividends from their investments. If they were in the 25% tax bracket, they would owe \$2,500 in tax as a result ($\$10,000 \times 25\%$).

Let’s say they converted those investments to tax-deferred vehicles that still resulted in \$10,000 worth of gains. Because the gains are tax deferred, the tax owed would be \$0. But what if they needed the \$10,000 in gains each year to help pay for their retirement? In that case an annual withdrawal from their annuity would be required.

When setting up annual payments from an annuity, IRC Section 72 allows that some of the payment will be principal and some of the payment will be interest. This results in an “exclusion ratio”. Estimating an exclusion of 95% after a single year of growth (a conservative estimate), a \$10,000 withdrawal would result in \$500 being taxable ($\$10,000 \times 5\%$ not excluded from tax). \$500 in the 25% tax bracket would result in \$125 being owed in taxes. That’s 1.25% of the \$10,000.

Reduce the Cost of Your Mortgage:

IRC Section 72 includes the provisions that allow for an “exclusion ratio” when systematically withdrawing money from an annuity.

You can save 15% or more on any regular payment (a mortgage payment, a car payment, an insurance premium) through tax savings as a result of an “exclusion ratio”.

Imagine your mortgage is \$2,000 per month...or \$24,000 per year. If you invested 5 years of mortgage payments (\$120,000) in an annuity and set up systematic withdrawals of \$24,000 per year, only 5% of the withdrawal would be taxable (assuming a 95% exclusion ratio after the first year of growth); that’s \$1,200 ($\$24,000 \times 5\%$ not excluded from tax).

If you were in the 25% tax bracket you would owe \$300 in tax as a result of the \$24,000 withdrawal for your mortgage payments (\$1,200 taxable x 25% tax bracket).

Most people pay their mortgage (or any other payment) from income they earn that year. All of that income is generally taxable. \$24,000 in the 25% tax bracket results in a tax bill of \$6,000.

You saved \$5,700 (the difference between the \$6,000 you would have owed and the \$300 you did owe). That \$5,700 savings can be applied to your mortgage, effectively reducing your payments by more than 15% (it works out to be 23% in this particular case...the actual percentage savings depends on the actual "exclusion ratio" and your actual tax bracket).

Reduce Taxes:

IRS Section 86 includes the provisions that define how social security benefits are taxed.

The amount of Social Security that is taxable depends on how much other income you have from other sources. If you lower someone's taxable interest and dividends through the use of tax-deferred investments, you often lower the amount of Social Security that is taxable. The combined effect of less taxable interest and dividends and less tax on Social Security benefits saves people money in taxes.

You can often cut a tax bill in half (or even eliminate taxes altogether after deductions and exemptions) by lowering the interest and dividends and consequently lowering the amount of Social Security that is taxed.

The actual percentage of tax savings will vary depending on:

- The amount of taxable interest and dividends a client has
- How much of their Social Security is taxable...
- The beginning tax bill

LTC:

The Pension Protection Act of 2006 includes provisions that make payments from an annuity for long term care benefits tax advantaged. As a result, many "living care" annuities were developed by fixed insurance companies to take advantage of the new rules and fill a need for long-term care protection without premiums.

Many fixed annuities have riders that meet the criteria outlined in the Pension Protection Act of 2006 that allow for tax-advantaged long-term care benefits to be paid out in the event someone requires that kind of care.

These products are just like annuities in the sense that the principal is safe from loss (in fact they grow at a fixed rate of interest) and you can withdraw your money any time (subject to any surrender charges that may still be in force); in that sense they are similar to a CD at the bank.

But the riders pay additional long-term care benefits (often 3 times the initial deposit) in the event someone requires long-term care. There are no premium payments. As a result, clients can still get some long-term care protection without fear that:

- Annual premiums will go up in the future
- They may end up paying for something they won't use (for example, they never end up needing long-term care)

This benefit is also offered in the form of an “income doubler” for nursing home confinement as part of some “income riders” offered on fixed and indexed annuities.