A MASTER FIRM BUILDERS BOOK

Coach Conk's Pearls of Wisdom

For Leadership and Management Success

By Conk Buckley Jr., CLU ChFC FMLI

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"Conk Buckley is one of the most insightful experts on how to truly organize your firm or agency. He has been a mentor to hundreds of successful general agents and managers for years. He has earned the respect of those of us who take incredible pride in having spent our lives helping to develop young college graduates into first-rate financial planners. This book is truly a must-read for any field manager who wants to enlarge their financial organization with quality human beings."

—Robert C. Savage, CLU ChFC
Savage & Associates
GAMA International Management Hall of Fame, 1999

"The wait is over. Conk's pearls are among the best, if not the best. 'The Coach's' wisdom will help you get better and better!"

— Burritt B. Anderson, CLU ChFC
New York Life Insurance Company
GAMA International Management Hall of Fame, 2008

"Priceless! Coach Conk's Pearls of Wisdom *is an invaluable resource to any leader who is serious about building a master firm. The knowledge and, more importantly, the wisdom that 'The Coach' has been able to collect from the legends of our business are unparalleled. His close personal relationships with many great leaders uniquely qualify him to deliver real-world, practical, time-tested best practices through the* Essentials of Leadership and Management *program and now on these pages. Thank you, Conk!"*

— George R. Worley, CLU ChFC CLF FIC
Modern Woodmen of America

"For decades, Conk Buckley has worked closely with some of the greatest leaders in the financial services industry. The wisdom and knowledge obtained from them, the fact that Conk also built a successful firm before entering his teaching career, and his unique ability to communicate the applicable lessons learned over those years make this book a critical resource for anyone desiring to build a world-class firm or master agency."

— Michael R. White, CLU ChFC CLTC
Securian Financial Group
GAMA International Management Hall of Fame, 2010

"Conk Buckley is one of the most influential leaders our leader-rich industry has ever had. When one thinks of passion and dedication and no excuses in getting results, 'Coach Conk' is the name that tops the list. The advice, wisdom, and guidance that Conk has provided are timeless and will continue to serve this industry for generations to come. I personally cannot imagine this industry, or my life, for that matter, without Conk Buckley. I am not only a better leader but a better person because of Conk. Thank you, Conk, and congratulations on your book."

— Edward G. Deutschlander, CLU CLF
Securian Financial Group

" 'Coach Conk's' resources, processes, and proven leadership advice are some of the greatest that the industry has to offer and can bring out the best in your organization. Above all, Coach Conk always puts helping others first and does so with such high energy, loyalty, and commitment. He is one of the finest volunteers and contributors to GAMA and is extremely successful in helping field leaders grow and learn.

— Richard McCloskey, CLU ChFC CFP
Securian Financial Group
GAMA International Management Hall of Fame, 2002

" 'Coach Conk' is the epitome of 'pearls of wisdom.' In working with our young managers, he has revolutionized their culture and professionalism, and broadened their thinking as it relates to leading an agency! Coach Conk is tough and fair, a man of great integrity with a heart of gold — a true servant leader. His book will have inspired and changed many lives when all is said and done."

— E. J. "Bubby" Trosclair, CLU ChFC
Southern Farm Bureau Life Insurance

Dedication

I was very fortunate to have had wonderful parents and lucky enough to inherit the best attributes of both.

To my beloved wife, Bonnie, who supported and encouraged me to do what I have always wanted to do (teach, coach, and mentor), and to my five children, Conk III, Shannon, Jeff, Robin, and Roger, and their spouses, who are my motivation to be the best role model I can be for them and their children.

Family ties: Bonnie and me with our five children (standing, from left), Jeff, Robin, Shannon, Conk III, and Roger.

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Foreword

"Keep it simple, say it often, and burn it in." When I hear those words, only one person comes to mind: the master teacher/coach Conk Buckley. In the pages that follow, Conk offers the reader a graduate course in leadership and management. This book is truly a "coach's manual," featuring knowledge, wisdom, and experience garnered from a career of lifelong learning.

As a student-athlete at the University of Iowa, an agent for Franklin Life Insurance Company, a home office executive, a master general agent in Kansas City, Mo., Conk Buckley was a pathfinder. As a dynamic president of GAMA International, the 2009 Management Hall of Fame inductee, and the incomparable instructor delivering *The Essentials of Leadership and Management*, Conk Buckley became a bridge builder. His accomplishments were never about himself. Rather, his experiences are a treasure meant to be shared with others. His greatest joy is offering a hand-up to an aspiring field leader.

During my days as CEO of GAMA International, I was often asked to introduce Conk Buckley as he initiated the first generation of *Essentials* classes. My notes of introduction from those meetings are punctuated with references to Steven Covey, Vince Lombardi, Al Granum, Norm Levine, Harry Hoopis, Rick Warren, and, yes, Mother Teresa. In other words, Conk's classes placed a heavy emphasis on habits, passion, structure, integrity, imagination, purpose, and compassion. Spending a week with Conk in *Essential*s is a life-changing experience for veteran field leaders and rookies alike.

Coach Conk's Pearls of Wisdom should enjoy an honored place on every field leader's desk. The book is a profound reference manual that extracts the greatest nuggets of truth from more than five decades of field leaders. The individuals you will meet on the following pages possess the skills, talent, and acumen to have led many of America's best-known public companies. We are truly blessed that they chose a career in the insurance-based financial services industry. We owe each of them a debt of gratitude for their principled leadership.

For most of its first 60-plus years, GAMA International's mission was stated simply as, "Growth Through Sharing." In the world of business this mission is a rare quality. In no other industry will you find successful leaders openly sharing their most intimate trade secrets with the express intent of helping others to shorten the path to success or to avoid mistakes. They have embraced the belief that if our industry succeeds, we all succeed. *Coach Conk's Pearls of Wisdom* is an anthology of this uncommon leadership.

On the day Conk delivered his final presidential address at LAMP '02 in San Diego, he shared yet another facet of his amazing personality. For most of his presidential year Conk had battled cancer. During months of chemotherapy and treatment he never missed a board or committee meeting. To lift his spirits we affectionately called him "Kojak." Following that LAMP address, Coach Conk walked across the stage, took his seat at a baby grand piano, and wowed the audience with a stirring rendition of the song "Memories" from the Broadway musical *Cats*.

Drink deeply of *Coach Conk's Pearls of Wisdom*!

— Charles A. Smith, CLU ChFC
GAMA International 1997–98 President
GAMA International Management Hall of Fame, 2007

Preface

They say life is a marathon, not a sprint. The marathon part of life is like a never-ending relay race. At various times in our lives, we take the baton from different sources (parents, teachers, coaches, managers, our companies, and so forth). Sometimes we receive the baton, and we are way behind (picture a kid from the inner city with no good role models), or maybe we have a big lead when we receive the baton (good parents, good role models, good education). Life is a series of receiving and passing on the baton. None of us got to choose where we received the baton, but nonetheless, we did receive it. GAMA International has been fortunate to have many leaders willing to receive and pass the baton to make a difference in our lives and careers.

Through the years, while teaching GAMA's *The Essentials of Leadership and Management* program (formerly known as *The Essentials of Management Development*), I have come across so many great "pearls of wisdom" that have been shared by the legends and pioneers of our industry and others — great CEOs, business leaders, coaches, and military leaders — that it has been hard to capture and compartmentalize them, let alone write them all down.

In this book, I have organized these timeless pearls of wisdom in a way that allows you to use them in your firm or agency and, as I emphasize in class, to "keep it simple, say it often, and burn it in." Let these pearls of wisdom be a road map to developing your leadership skills and style, and your agency or firm's culture.

Like the old cat Grizabella in the Broadway play *Cats* who wanted to impart her wisdom to the young cats about her days in the sun, I too want to share all I have learned from my experiences and my mentors in my 50 years in the sun.

Acknowledgments

Thanks, first of all, to Debra Grommons, GAMA International's chief learning officer, for proposing, authorizing, and overseeing this endeavor.

I also want to thank to my editor, Libbye Morris, who arranged my thoughts and notes into a readable and cohesive format. This was quite an undertaking that would have been difficult to accomplish without her.

And I greatly appreciate the efforts of the GAMA Communications team — department director Mary Barnes and senior editor Peter Craig — in helping to get this book project across the goal line right on schedule.

Introduction

Over 12 years, from 2001 to 2013, more than 2,000 managers from 25 companies in the insurance, investment, and financial services industry completed GAMA International's *The Essentials of Leadership and Management* program. The 35 faculty members featured in the program are inductees into GAMA's Hall of Fame, past GAMA presidents, and/or Master Agency Award (MAA), Master Firm Award (MFA), and Master Multiline Award (MMA) honorees, meaning they are among the managers of the 125 top-ranked producing agencies and firms throughout the world.

The *Essentials* program is based on the best practices of icons in our industry, along with my own 50 years of experience. It is a program designed to help agency and firm leaders identify their long-term vision and build a plan for achieving it. It challenges them to reach beyond their comfort zones and dream big. (For more details on the program itself, call 571-499-4300 or visit gamaweb.com/programs/essentials-of-leadership-and-management.)

One of the best rewards I get from teaching the *Essentials* is to show and tell the many accomplishments of our distinguished faculty. People ask me all the time, "What's their secret to success?" I've found our faculty members share the following six traits:

- Most built their organizations from *scratch*.
- All started at a *young age* — most right out of college.
- All are visionary and *found a way* to accomplish their dreams.
- They were usually *the first in their company or the industry* to achieve something. They are leaders, not followers.
- All employed *tough selection processes*.
- All of them *made the most* of their 12-hour workdays — without doing any "stuff." ("Stuff" is anything you should be del-

egating and not doing at your level, such as setting appointments, making certain phone calls, or doing routine computer work that could be assigned to an assistant or intern.)

This book takes an in-depth look at the commonalities among all of these great leaders.

You see, it's not the name of the company on their business cards that made them successful. They would have achieved success with any company they joined. A lot of managers say, "Well, he had all of those accomplishments because he's with Northwestern Mutual" or "They did that at New York Life, but we couldn't do it at our company." Yet when they go through the *Essentials* program, they understand that the success of these industry greats has nothing to do with company names. Instead, their success can be attributed to their leadership qualities.

In the *Essentials* program, I try to eliminate all of the excuses related to "we can't do that in my company." Yes, you can!

And in this book, I reveal the "pearls of wisdom" that I use to communicate key points about leadership in the *Essentials* program. Some of them are mine, but the majority came from other people, most of whom I

"Coach Conk" in 2004, holding a football signed by newly motivated *Essentials* grads.

know, and I'd like to give them credit. The 2,000-plus managers who have gone through the program know that I don't take credit for anything I didn't do.

I hope you enjoy discovering the pearls of wisdom that I have collected from the industry icons who have set the standards for agency and firm success. The pearls of wisdom are highlighted in bold text. Whether you're an *Essentials* graduate who needs a refresher or a manager who has never taken the *Essentials*, this book will provide you with practical, proven strategies that have helped our industry icons build the most successful firms and agencies this industry has ever known.

CHAPTER 1

Creating the Vision That Will Define Your Culture

Many definitions of vision exist. Here is the best definition I have heard: **Vision is the ability to see something that hasn't been articulated before**.

Wayne Gretzky was possibly the greatest ice hockey player of our generation. He is a former Canadian professional hockey player and former head coach. From 1979 to 1999, he played 20 seasons in the NHL for four different teams. A reporter once asked him, "What is the difference between you and all of the other hockey players? In other words, what's the difference between the great players and the average players?" His response was, **"A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be."** Similarly, great leaders focus on where their organizations are going, not where they are right now.

A Vision of Your Future

Successful managers don't focus on what they are going to do next week; they look a lot farther down the road. You've got to be thinking where you want your firm or agency to be three, five, and 10 years from now. That's what leaders do. Your agents are looking to you for leadership and vision. That's part of your job description. If you don't have a well-articulated vision, you can't be a great leader, because that's the first characteristic of leadership. You must be a visionary.

Samuel H. Weese, a past president of the American College, said, **"Greatness does not come about through short-term thinking; it evolves over time, from long-term vision."**

Pearls of Wisdom From Industry Icons

Let's look at the way some of our industry's biggest visionaries have looked into the future. These individuals were all first in their companies, in their agencies, or in the industry to implement groundbreaking ideas and strategies — no one else had ever tried them before.

HARRY HOOPIS

In 1980, 33-year-old Harry Hoopis was speaking at the Northwestern Mutual Life Insurance Company annual meeting. The home office had asked him to talk about what he was going to do in the future. At that time, Northwestern Mutual developed only five-year business plans. But because it was the beginning of the decade, Harry decided to come up with a 10-year business plan. In 1980, he titled his plan "Building to a Billion." He realized that if he could recruit and train 125 agents who wrote 100 lives a year and multiplied that by the average face value per policy, it would equal $1 billion.

This had never been done in their company or the industry, so at a very young age, Harry Hoopis envisioned something that had never been accomplished before. At the end of 1990, the plan was completed. His was the first agency at Northwestern Mutual to write a billion dollars of life insurance in one year.

And Harry was just getting started! In 1990, he revealed his second 10-year vision, for 1990 to 2000; it was called "Milestones for the Millennium." His new goal: to have 200 agents writing 100 lives a year, which, multiplied by the average face amount, equals $2 billion worth of life insurance in one year. His first 10-year vision was to write $1 billion a year; his second 10-year vision was to write $2 billion a year. That agency now writes in excess of $4 billion a year in life insurance.

That's why we have participants in the *Essentials* program create 10-year plans. Of course, you will have to adjust your plan each year to adapt to changes, but you should always be looking far enough ahead to think big.

One of Harry's mantras is, **"Don't confuse the company's vision with the agency's vision. Your agency's vision should be larger**

than what the company's vision is for you." Harry ran the largest agency in the company, so why should he have the same vision the company had for everybody else? Many people allow themselves to be limited by the goals the company sets, but why not strive to exceed those expectations?

NORM LEVINE

Norm Levine is another visionary whose wisdom I often refer to. Norm is an industry icon, an internationally recognized speaker and a fellow inductee into the GAMA International Management Hall of Fame. One of his best statements is, **"Dream the biggest dream you can think of, and then *find a way* to make it happen."** Norm brought this vision to fruition by employing what he called a Millionaire's Row. All of his agents who qualified for MDRT (the Million Dollar Round Table) got wooden desks, carpeting, and a window view. He built an MDRT culture, a high-performance culture. If an agent was not MDRT qualified by the end of the second year, he or she was terminated. The Million Dollar Round Table represents the top 5 percent of life insurance sales professionals worldwide.

In the 1960s, Norm built the original "pinwheel," a business model that is composed of strategic alliances representing the different products and services that help agents serve their clients (life insurance, stocks, bonds, mutual funds, health insurance, business insurance, and so forth.). Many other industry leaders have since used Norm's pinwheel, or variations of it, in their agencies.

Norm has also said, **"Leaders must have two things: vision ('dreaming big') and passion ('fire in the belly')."** He has always preached that concept — and it's one that just about says it all.

DAVE PORTER

Dave Porter, a highly successful managing partner with New England Life A MetLife Company, often says, **"We all have challenges and obstacles. Go around them, under them, over them, or blow them up."** It's the same concept that Norm called "find a way."

PHIL RICHARDS

Industry icon Phil Richards has always said, **"Dream big. Big dreams are infectious."**

Phil's goal is to have the largest agency of its kind in the world, and today his North Star Resource Group, part of Securian Financial Group, is No. 3 in the world. Another statement Phil is known for is, **"Vision without action is a dream."** To illustrate this point, Phil likes to tell people this story: "Three frogs are sitting on a lily pad. One frog tells the others he is going to jump. How many frogs are left? The answer is three. *Saying* you're going to jump doesn't mean anything. It takes action."

JACK BOBO

Jack Bobo is a past president of NAIFA (National Association of Insurance and Financial Advisors). I never had the pleasure of meeting him, but I have read a lot about his accomplishments. He is a very wise man. I have always remembered one of his sayings: **"Sight allows us to see what is, but vision enables us to see what could be."** To illustrate that pearl of wisdom, he also said, "Sight enabled Columbus to chart a course to the New World, but it was vision that started him on the journey" and "Everyone could see birds in flight, but it was the vision of the Wright brothers that propelled man into the age of flight."

Did these visionary leaders have challenges? Yes. Did they lose money trying new strategies? Yes, they did, but eventually they each found a way to achieve their visions. They saw what could be and found a way.

Visionaries From Outside Our Industry

Of course, leadership is leadership, no matter the field. Whether in business, government, sports, or even entertainment, a great leader must have a strong vision and must be able to communicate and sell that vision. Many renowned leaders outside of our industry have done just that. Here are some of my favorite examples.

LOU HOLTZ

Lou Holtz was one of the best football coaches this country has ever known. He is the only coach to lead six programs to bowl games.[1] His other claim to fame is that he took over four losing Division 1 football teams (the University of Arkansas, the University of Minnesota, the University of Notre Dame, and the University of South Carolina) and turned them into winners. He even won a national championship

[1] Frank Litsky, "Holtz Leads Hall of Fame Inductees," *The New York Times*, last updated May 2, 2008, http://query.nytimes.com/gst/fullpage.html?res=9903EFD91F39F931A35756C0A96E9C8B63&ref=louholtz.

at Notre Dame. Since 2005, he has been a college football analyst for ESPN.

Holtz was my freshman coach at the University of Iowa. At that time, he was a graduate assistant; he is only two years older than I am. I can remember, as a freshman, this small, skinny guy with thick eyeglasses who was a yeller and screamer!

Someone once asked Lou Holtz, “How can you recruit quality players to a losing program?” It’s easy for a winning school to recruit because everybody wants to play for a winner. But when you’re losing and you’re not going to bowl games, who wants to attend your school? When you don’t have tradition or a winning program to recruit to, how do you attract talent? This was his response: **“When you can’t recruit to a winner, you have to recruit to your vision.”**

That’s powerful, because so many of our managers take over floundering agencies. Most of the time, you’re not taking over a hugely successful agency when the agency or firm leader retires.

If you are managing an agency that you’re trying to turn around, you have to *paint your vision* when recruiting agents. You have to tell recruits, “This is where we are now, but this is not where we’re going to be three or four years from now. If you join this program, you will be on the ground floor of something really big.”

DOLLY PARTON

In 2009, country singer–songwriter, businesswoman, and philanthropist Dolly Parton delivered the commencement address to graduating seniors at the University of Tennessee’s College of Arts and Sciences in Knoxville.[2] In 2012, Parton wrote a book based on that speech called *Dream More: Celebrate the Dreamer in You*. In it, she revealed the strategies that led to her success.

In her commencement speech, she delivered this pearl of wisdom: **“Dream the biggest dream you can think of, but don’t blame someone else if it doesn’t come true. … That one’s on you.”**

In other words, America promises equal opportunity, not equal outcomes. Today, unfortunately, that’s what people seem to expect — everybody gets a trophy, regardless of how well they perform. Dream big, and then make it happen. Your success or your failure — it’s on you.

[2] Watch Dolly Parton’s 2009 commencement address at http://www.knoxville.com/videos/detail/dolly-partons-commencement-speech/.

AARON RODGERS

Having a vision helped Aaron Rodgers become the MVP of the 2011 Super Bowl. In that game, he completed 24 of 39 passes for 304 yards and three touchdowns in the Green Bay Packers' 31-25 win over the Pittsburgh Steelers.[3]

After the Packers' playoff game against the Atlanta Falcons not long before, *USA Today* had run an article that explained how Rodgers turned visualized plays into reality. "In the sixth grade, a coach taught us about the importance of visualization … ," says Rodgers. "A lot of those plays I made in the game, I had thought about. I had already completed those passes as I laid on the couch, I visualized making them. … The plays I made in the pocket where I was able to avoid sacks, I visualized the majority before I made them. … I've dreamt about winning a Super Bowl since I was a kid."[4]

Rodgers decided what his goal was, and he played it over and over in his mind. He visualized it. That's what winning managers do.

GORDON HAYWARD

One of the most astonishing examples of how vision can lead to success is the story of Gordon Hayward, a professional basketball player who now plays on the NBA's Utah Jazz team. In 2010, Hayward was on the Final Four team of Butler University in Indianapolis, which was the Cinderella team of the Final Four. He was Butler's star player.

In a 2010 *USA Today* article, "Gordon Hayward tries to remember how old he was when he and his father mapped out his goals in basketball. 'I was too young to write. … My dad had to write them.' Hayward figures he was about five. That's when he told his father, also named Gordon, he wanted to play in the NBA. His dad made a checklist titled 'Dream — Play NBA' that for years was on a bulletin board in their home in Brownsburg, Indiana, nineteen miles from Butler. The paper is tattered and the ink fading, but the check marks are visible. The first step: Become a starter for the sixth-grade team. The next: Earn starting roles for the seventh- and eighth-grade A teams." The article goes on to

[3] Sean Leahy, "Packers' Aaron Rodgers named MVP of Super Bowl XLV," *USA Today*, last updated Feb. 6, 2011, http://content.usatoday.com/communities/thehuddle/post/2011/02/packers-aaron-rodgers-named-mvp-of-super-bowl-xlv/1#.Uc2uRZyuetY.

[4] Jim Corbett, "Aaron Rodgers is a superstar QB out to join the Super Bowl club," *USA Today*, last updated Jan. 20, 2011, http://usatoday30.usatoday.com/sports/football/nfl/packers/2011-01-19-aaron-rodgers-cover_N.htm.

say that "the NBA dream checklist was meant to be a life lesson about pursuing goals, not an expectation." [5]

The takeaway? **You've got to figure out what the steps are to reach your goals.**

Here was a five-year-old kid who told his dad exactly what he wanted. How many kids at that age do that? And how many parents take them seriously? Parents normally say, "Well, Johnny, don't get your hopes up; only one out of a million ever make it." But this dad thought, "If the kid believes he can, who am I to say he can't?"

As a leader, it's important to tell your agents, "OK, if that's your goal, we're going to dream big, and we're going to write out a checklist." And guess what? This kid who was a sophomore at Butler ended up a first-round draft choice in the NBA and now plays professional basketball. He checked off every one of the goals he had established as a five-year-old.

So strive for success that is beyond what you think you can accomplish. Bob Savage, a fellow member of GAMA's Management Hall of Fame, has two pearls of wisdom on this topic: **"You cannot become what you are meant to be by remaining what you are"** and **"We are painters, so paint the rest of your life with bright colors and bold strokes."**

And as I've often said in the *Essentials* program, **"You can never exceed the vision you have of yourself."** I tell our students, "By the end of this week, when you leave, whatever your 10-year vision is, it will never get any bigger. You've devoted a whole week to thinking out of the box, to thinking big, and if you can't see it, it will never happen." People must understand that. **It doesn't cost any more to dream big than to dream small.**

Barriers That Stop Us From Thinking Big

What are the barriers that stop us from thinking big? Far too often we see what *is*, not what *could be*. Too many agents and managers fall short of their real potential because of self-imposed barriers. In the *Essentials* program, we try to identify and address self-imposed barriers. One of the first questions I ask managers is, "What is your expectation for the week? What's important to you?"

[5] Marlen Garcia, "Living a dream: Butler's Gordon Hayward mapped his success," *USA Today*, last updated Apr. 2, 2010, http://usatoday30.usatoday.com/sports/college/mensbasketball/2010-04-01-butler-gordon-hayward_N.htm?csp=34.

One of the students might be a 45-year-old manager who has been in the business for 15 years, and he may have recruited eight people to his agency. I will ask, "Why only eight? Why not 15? Why not 20? Why not 50? Why not 100? Why did you limit yourself to eight?" When I ask questions like that, the managers will often look at me and say, "Well, I don't know." Many of them have never really stopped to think about it before.

We spend the entire week figuring out how they got to where they are today and planning where they're going for the next 10 years. That manager who recruited eight agents in 15 years will be able to learn from someone who hired 300 agents in 12 years. I will ask the first manager, "This other manager had the same amount of time as you. What held you back?" In the evenings, I encourage the managers to be retrospective, in an effort to find out how they got to where they are today, as well as look to the future. They have to ask themselves, "How did I get to where I am? Am I happy in my business? Am I happy as a father? Am I happy as a spouse?" **We learn from the past, live in the present, and plan for the future.**

I talk a lot about the balanced life. Success isn't defined just by numbers and agency building. One important fact about our industry greats that a lot of people don't realize is that they are great family men — their families have always come first. Some of the managers are shocked when they find that out. They assume that people like Harry Hoopis and Phil Richards are workaholics who never have time to spend with their families. Actually, they spend more quality time with their families than most people in the business because they have built their organizations in a way that allows them to delegate work to and empower others. The manager who has 10 people working for him but doesn't delegate any work is always going to be a workaholic until he finds out how to build his organization the right way.

One of the main barriers to thinking big is letting people who do not share our vision influence us. This is one of my biggest pearls: **"Quit spending time with people who are not the type of person you wish to become. You are the five people you spend most of your time with."**

This is a quote I used with my kids as they were growing up, hoping they would run with the right peer group in high school. The peer group has more influence on young people than parents do at that point in time.

I always told my agents, "When you go to a convention, conference, or meeting, don't hang out with the people you went with. You're not going to learn anything more from them; you already know what they're doing. Start hanging out with the people you wish to be like." As a young manager, I always followed Al Granum, Norm Levine, and Bob Verhille. They were the big builders in the industry, and as a young buck, I followed them around. I wanted to hear everything they said. They were the people I wanted to become.

I used to be a tournament handball and racquetball player. I was an A player, and whenever the professional players came to town, I always wanted to play them because they were better than I was. I didn't learn by playing B and C players; I learned by playing with people who were where I wanted to be.

We have a choice of whom we associate with. I always told my kids that, and I told my agents that too. So quit spending time with anyone who is not the type of person you wish to become. You are the five people you spend most of your time with.

Individualized Perception

Earlier, I defined vision as the ability to see something that hasn't been articulated before. Another characteristic of a strong leader is the ability to see potential in a person that no one else — not even that person — sees. **Individualized perception is the ability to see a future for people that they don't see for themselves.**

One role of a leader is to take a look at the people on his or her team and assess whether they are in the right positions. Sometimes that means moving a person to a different position on the team.

Following are three examples of individualized perception. As you probably already realize, I am a big University of Iowa sports fan. I am on the board for athletic funding and help with fund-raising. These are three examples of individualized perception as it relates to professional football players who played for Iowa.

DALLAS CLARK

Dallas Clark went to the University of Iowa from a small farm community to play linebacker. For the first two years, he was on the special teams — the kickoff team and the kick-receiving team. It wasn't until Hawkeyes coach Kirk Ferentz saw him playing catch with a quarterback that he decided to move him to tight end.[6]

By his senior year, Clark was first string, All–Big Ten, All-American, and winner of the award for best tight end in college football. He was a first-round NFL draft choice and became quarterback Peyton Manning's favorite receiver with the Indianapolis Colts.

So here is a kid from a small town who came in as a linebacker and wasn't even playing first string. But when the coach saw different skills in this individual and moved him to another position, he became an All-American and an NFL player. Had he remained at the position he was originally recruited in, he probably would never even have started.

CHAD GREENWAY

Chad Greenway came from South Dakota, where he played in seven-man football — that's how small his town was. He was the quarterback and kind of did it all for his small school. He wasn't recruited by many schools. When he arrived at Iowa, Coach Ferentz saw potential in him, but not as a quarterback. The kid was 6 feet 4, 235 pounds, and looked like a great athlete. The coach moved him to linebacker. By his senior year, he was All–Big Ten. He became a high draft choice and is now a first-string linebacker for the Minnesota Vikings.

ROBERT GALLERY

Hailing from a small farm town in Iowa, Robert Gallery was 6 feet 7 and weighed 220 pounds, but at first seemed more of a basketball player than a football player. He was recruited for his potential as a tight end, but Coach Ferentz didn't see Gallery in that position. Instead, the coach decided to try to put another hundred pounds on the kid over the next four years through a weight program. By the time Gallery was a senior, he weighed 315 pounds and was voted the winner of the Outland Trophy, which goes to the best interior lineman in college football. The Oakland Raiders selected him with the second overall pick in the 2004 NFL draft, and he also played for the Seattle Seahawks. Gallery retired after playing eight seasons in the NFL.

[6] Rick Stroud, "Bucs Tight End Dallas Clark Finds New Niche in New World," *Tampa Bay Times*, last updated Nov. 23, 2012, http://www.tampabay.com/sports/football/bucs/bucs-tight-end-dallas-clark-finds-niche-in-new-world/1263046.

So here were three athletes who weren't widely recruited and came from small communities. But their coach saw potential in them for positions different from the ones they started in. As a result, all three played or are playing in the NFL. Now, that's leadership. That's vision. That's coaching. And that's individualized perception.

Communicating Your Vision

Retired Army general and great public servant Colin Powell says that mission and vision statements should be explained very briefly. **Your business goals should be expressed in just a few words.** Company executives spend months composing elaborate mission statements that few employees ever read or understand. In his presentations, General Powell sometimes shares this concept from Napoleon Bonaparte: **If the lowest-level soldier understands it, then the mission is clear.**

Winston Churchill, the prime minister of England during World War II, was known for speaking and writing so that just about anyone could understand his meaning. He tended to write short sentences made up of short words that contained few syllables. In fact, one of his most famous phrases contained only three words: **"Never give in."** It was part of a speech he made at England's Harrow School on Oct. 29, 1941, less than six weeks before the United States entered the war: "Never give in. Never give in. Never, never, never, never — in nothing, great or small, large or petty — never give in, except to convictions of honor and good sense … ."[7]

As I said before, "Keep it simple, say it often, burn it in." Your vision will be more compelling if you state it in six words or less. It has to be something you can put on your letterhead and business card. Harry Hoopis talked about his "Building to a Billion" vision all the time and printed it on everything he could. I think he actually willed it to happen. It had never been done before, and I'm sure his people didn't think they could do it, but he kept talking about it. And he achieved it.

One manager who went through the *Essentials* program called his vision "The Power of 10" — four words. He had 10 agents at that point, and he planned to have 10 sales managers within 10 years. He was going to duplicate himself once every year for 10 years. He planned on each of

[7] "Never Give In," The Churchill Centre and Museum at the Churchill War Rooms in London, http://www.winstonchurchill.org/learn/speeches/speeches-of-winston-churchill/103-never-give-in.

his sales managers managing 10 agents, for a total of 100 agents, and he would be making $1 million in income. If he stays on track, I am confident his plan will work. I have never met an agency manager who had 100 agents who wasn't making a seven-figure income.

Another manager stated his vision as "March to a Million" — four words. He meant three things by that. First, he meant helping his clients acquire at least $1 million in assets or life insurance. So his vision was that every client would be worth at least $1 million. For example, if a client had $500,000 in stocks or a 401(k) account, she would need

How to Calculate the Fog Index of Your Writing

In 1952, an American businessman named Robert Gunning developed the "Gunning Fog Index," which measures the readability of English writing. The index estimates the years of formal education a person needs to understand any passage of text after reading it one time. For example, a fog index of 8 means that the passage of text can be understood by anyone who reads at the eighth-grade level or lower. Many experts agree that the fog index of a passage of text needs to be less than 12 for a wide audience to understand it. Winston Churchill's speeches measure an average of 6 in the fog index, which means that everything he wrote or spoke could be understood by a sixth-grader. No wonder it was so great.

You can calculate the fog index of your own writing easily using the following instructions:

- Select a sample of your writing that contains about a hundred words.
- Find out the average number of words in a sentence from your sample by counting the number of complete sentences and then dividing that into the number of words.
- Count the number of words that have three or more syllables. Do not include words with capital letters, compound words such as "bookkeeper," or words that end in *es* or *ed*.
- Add the average number of words per sentence to the total number of words with three or more syllables, and then multiply the result by 0.4.

$500,000 in life insurance. Second, for district managers, it meant producing $1 million in PC (production credit) during a year. And third, for the region, it meant producing $1 million in PC per month.

Five Steps to Visioning

Anthony Galie, Ph.D., is a frequent speaker at industry meetings. In 2009, he was the opening keynote speaker for GAMA International's LAMP conference. In his presentation Dr. Galie identified five steps to visioning:

1. Keep it simple.
2. Write it down.
3. Break it down.
4. Say it often.
5. Burn it in.

Your vision forms the critical foundation of your firm's or agency's success. Once you define your vision, you can begin focusing on the more strategic components of firm and agency development.

Get Big by Thinking Big

Most people who *get big* will *think big* from the get-go. They don't wait around for their career to take hold to feel they've earned the right. And they are exactly the type of people who you want on your team. Here is a pair of stories about two men I know well:

- One was a young high school basketball coach who was making $18,000 a year and selling insurance for me part-time. He once told me, "Someday I'm going to own a home in a wealthy area." Ten years later, after he began to work for me full-time and became an MDRT Top of the Table producer, guess what? He bought a beautiful home in a well-to-do area.

- In the second example, two friends graduated from college and started to work for the same insurance company at the same time. When they walked into the lobby on their first day, one said to the other, "Someday I will be president of this company." About 20 years later, he did indeed become president of that company — and CEO to boot.

What made these two individuals see something no one else did? I don't know, but I try to recruit and surround myself with people who have great vision. After all, I have always believed that **I can't teach vision; I have to recruit people who have vision.**

The Play-by-Play: Chapter 1 Highlights

- Vision is the ability to see something that has not been articulated before. Ideally, your vision statement should contain six or fewer words. What is your vision? Remember, "Keep it simple, say it often, and burn it in."
- What self-imposed barriers are keeping you from thinking big? Maybe a childhood in which your parents didn't support you? The influence of people who do not share your vision? How can you work to overcome them?
- Individualized perception is the ability to see a future for someone that they don't see themselves. Assess your team members' potential and compare it with their current positions. Would someone on your team have a better chance of success in a different position?

CHAPTER 2

Shaping a Culture That Guides Every Decision

Once you have developed your vision and formulated your business plan, the next step is to create the *culture* you want to define your organization. *Merriam-Webster* defines culture as "the set of shared attitudes, values, goals, and practices that characterizes an institution or organization." I encourage managers to come up with one word that describes their culture, for example excellence, service, or professionalism. Defining the culture in one word keeps it crystal clear and simple.

Through the years, many visionaries in our industry have shared their thoughts on culture. Here are some of my favorites:

"Our culture is a lot like the Marines: the few and the proud."
"People don't join companies; they join people and causes."

— Ed Deutschlander
Securian Financial Group

"If you're going to fail around here, you're going to fail my way."

— Al Granum
GAMA International Management Hall of Fame, 1983
Creator of the One Card System

"Culture is the sum of the habits of the people in your organization."
"You're only as strong as your weakest link."
"'Comfort zone' is an oxymoron."
"Our culture determines the type of people we recruit."

— Harry Hoopis
GAMA International Management Hall of Fame, 2003

"A leader is one who brings out the best in others."

— Dick McCloskey
GAMA International Management Hall of Fame, 2002

"Our culture is more concerned with the impact we can make than the money we can earn."

— John McTigue
Northwestern Mutual Life Insurance Company

"Don't build a house you don't want to live in."

— Dave Porter
New England Financial A MetLife Company

"Never let your definition of success be set by someone else."

— Bob Savage
GAMA International Management Hall of Fame, 1999

"Have pride in the outfit and confidence in the leadership."

— Buster Shepard
Franklin Life Insurance Company

"*Managers* get work done through people. *Leaders* grow people through their work."

— Charlie Smith
GAMA International Management Hall of Fame, 2007

"Culture is that thing that leads when you're not there."
"You are perfectly aligned to get the results you're getting."

— Leo Tucker
Northwestern Mutual Life Insurance Company

In Chapter 1, I suggested writing a vision statement that contains six or fewer words. The same is true of the description of your culture. Phil Richards describes his culture in only five words: "high-performance, no-excuse culture." That's what he goes by; everything his firm does is indicative of a high-performance, no-excuse culture. They have in fact built an MDRT-performance culture.

Another statement I like is in what I call "the Bobby Knight style." It goes, **"Balance the drill sergeant and the cheerleader; your leadership style determines your culture."** I love that legendary college basketball coach,[1] but some athletes couldn't play for him.

[1] Bobby Knight, whose nickname was "The General," is now retired. He is best known as the head coach of the Indiana Hoosiers men's basketball team from 1971 through 2000. He also coached the Army Black Knights men's basketball team (1965–1971) and the Texas Tech Red Raiders basketball team (2001–2008).

When people think of Bobby Knight, a lot of them picture him yelling and throwing a chair across the basketball court, but his players loved him. What people don't realize about Knight is that he will get in your face, and he might grab your jersey or kick you in the rear, but when the game is over, he will walk off the court with his arm around you. He also did a lot to encourage his players to graduate from college. In fact, Knight and Pat Summitt, the head coach emeritus for the University of Tennessee Lady Vols basketball team, have the highest graduation rates of all NCAA coaches in history.[2]

That's what I call the Bobby Knight style. There are times when we need to be tough on our agents, and there are times when we need to praise them. You have to learn how to balance the drill sergeant and the cheerleader.

Transforming Your Culture

In 1990, when Ted Turner owned the Atlanta Braves and the team was losing often, Turner hired John Schuerholz as the team's general manager. Schuerholz, who has also been president of the Braves since 2007, transformed the Braves from a losing team to a winning one. From 1991 to 2005, the Braves won an unprecedented 14 consecutive full-season division titles.[3]

A 2005 article in the *Wall Street Journal* featured an interview with Schuerholz and listed his five tips for transforming a culture of losing into a culture of winning:

- Gather everyone, communicate the plan, and preach it daily.
- Constantly remind them it works.
- Don't be afraid to get rid of the people who don't buy in.
- Make the lowest-level employees feel as important to success as the top-level executives.
- Show trust in everyone to do their jobs well.[4]

[2] "University of Tennessee Head Women's Basketball Coach Pat Summitt," The Pat Summitt Foundation, http://patsummitt.org/sites/www/Uploads/files/MediaCenterPatBio.pdf; "Bob Knight, Ralph Sampson Lead College Hall's Class of 2011," *USA Today,* last updated March 1, 2011, http://usatoday30.usatoday.com/sports/college/mensbasketball/2011-02-28-college-hall-of-fame-knight-sampson_N.htm.

[3] Mark Bowman, "Schuerholz Stays Busy with Braves, MLB Committees," MLB.com, last updated Feb. 10, 2013, http://atlanta.braves.mlb.com/news/article.jsp?ymd=20130210&content_id=41521494&c_id=atl.

[4] Russell Adams, "The Culture of Winning," *The Wall Street Journal,* last updated Oct. 5, 2005, http://online.wsj.com/ad/article/culture-winning.html.

In Chapter 1, I said that leaders have to develop a vision before they do anything else, and Schuerholz says the same thing here. His second tip is "Constantly remind them it works." We've said it before: Keep it simple, say it often, burn it in.

Third, he says, "don't be afraid to get rid of those people who don't buy in." (I always say, **"You change the people or *you change the people.*"** I use that a lot. I'm going to do everything I can to help a person be successful, but sometimes it just doesn't work out. And Jim Koch, the CEO of Samuel Adams Beer, said, **"Don't hire people unless they raise the average."**)

Next, Schuerholz says, **"make the lowest-level employee feel as important to success as top-level executives."** Everyone from the receptionists to the agents to the sales managers should know what an important role they play on your team. Finally, he says, **"show trust in everyone to do their jobs well."** If you expect and trust people to do well, they usually will.

Jim Sinegal, who co-founded Costco in 1983 and served as its president and CEO until 2012, perhaps said it best: **"Culture isn't the most important thing, it's the only thing."**[5]

Examples of Culture in Sports

Pat Summitt has won more games as a Division I coach in either men's or women's basketball and ranks second only to legendary UCLA coach John Wooden for the most NCAA titles.[6] She is known for creating a culture of excellence. When Coach Summitt stepped aside as head coach to take the position of head coach emeritus at Tennessee as she battled early-onset dementia, Oklahoma coach Sherri Coale said about her rival, "I, and an entire generation of women's basketball coaches, will always be indebted to her for the culture of excellence she helped to create in our sport."[7]

Andy Reid, who was the head football coach of the Philadelphia Eagles from 1999 to 2012 and now coaches the Kansas City Chiefs, said,

[5] Christopher Brown, MarketCulture Blog, last updated Sept. 14, 2012, http://blog.marketculture.com/2012/09/14/culture-is-not-the-most-important-thing-its-the-only-thing-costcos-jim-sinegal.

[6] "The Stuff Legends Are Made Of," ESPN, last updated Apr. 19, 2012, http://espn.go.com/womens-college-basketball/story/_/id/7829139/pat-summitt-milestone-wins.

[7] Andy Gardiner, "Pat Summitt era ending for Tennessee women's basketball," *USA Today,* last updated Apr. 19, 2012, http://usatoday30.usatoday.com/sports/college/womensbasketball/story/2012-04-16/pat-summitt-tennessee-coach-emeritus/54387162/1.

"Culture is doing all of the little things right. It makes a big difference. Do what you do well, and do it better than anyone else."

Tom Izzo, the Michigan State Spartans head basketball coach, is one of the most successful coaches in college basketball. He has developed a culture that is composed of tough, physical players. A 2013 *USA Today* article explains how Izzo finds the right players for his system. Former Spartan Steve Smith, who played at Michigan State from 1987 to 1991, when Izzo was an assistant there, says, "His style of play is just made for Big Ten basketball — tough, physical guards that rebound the basketball and 'bigs' that want to pound you. They rebound, they push, and they wear you down mentally. He keeps his teams so tough and focused on the prize. …You can just plug guys into the same system you believe in. It's a simple system, but they just wear you down mentally with their toughness and always doing the little things."[8]

Now that you know what culture is and how some successful leaders describe it, let's look at some of the key components of an organization's culture: market, products, demographics, values, image, and expectations. How you define your culture will guide every decision you make in each of these areas.

Market, Products, and Demographics

Your market, products, and demographics — what you offer and to whom — help determine your culture. The best example of an organization whose culture is defined by market, products, and demographics is the Brooklyn Financial Group (BFG), an agency of Guardian Life Insurance Company of America in Brooklyn, N.Y., headed by Abraham Ekstein and Shrage Posen, both of whom are Orthodox Jews. I heard them speak at LAMP '12, and I was extremely impressed.

The agency has 85 agents who average $225,000 in commissions. They have built an MDRT culture that permeates every aspect of their organization. They only hire people they believe are MDRT quality and will qualify for MDRT in their first year. They reinforce this MDRT culture in every conversation. Ninety-five percent of their business is whole life and their expectation is that advisors will achieve MDRT status through life sales. This culture has helped the agency achieve a four-year

[8] "Another Izzo-coached Michigan State team has Final Four potential," *USA Today,* last updated Feb. 18, 2013, http://www.usatoday.com/story/sports/ncaab/bigten/2013/02/18/another-izzo-coached-michigan-state-team-has-final-four-potential/1928901.

retention rate of 80 percent, which is astounding, given that our industry average fluctuates between 11 and 16 percent. Ekstein and Posen have done all this in eight years, focusing primarily on their natural market of Orthodox Jews in the tristate area. They are one of the most productive agencies in the United States. They have developed a unique and high-performing culture that is defined by the market they serve.

Values

Your values are an important part of your culture. *BusinessDictionary.com* defines values as "important and lasting beliefs or ideals shared by the members of a culture about what is good or bad and desirable or undesirable. Values have major influence on a person's behavior and attitude and serve as broad guidelines in all situations."[9] Or, as 2010 GAMA Management Hall of Fame inductee Mike White said, **"the values of the leader drive the culture of the organization."**

Phil Richards is known for a lot of powerful statements, but he is probably best known for this one: **"When your values are clear, the decisions are easy."** The problem is that most people don't have a value system, so their decisions are all over the place. But what happens when you make exceptions to your rules? How many exceptions do you make? What about your values? Are they clear? If your values are clear, your agents should know the consequences of not abiding by them. If your values are not clear, then you're not making the tough decisions. When your values are clear, the decisions are easy.

A person who has strong values typically has strong character. Harry Hoopis said, **"Character is the ability to carry out a resolution long after the emotion that caused you to make it has left."** In addition, Nick Horn, a highly respected agency leader with Lincoln Financial Network and a frequent speaker at LAMP, said, **"Building a great agency long-term starts and ends with values and character.** It all falls apart as soon as character and integrity are compromised in any way."

YOUR VALUES DRIVE YOUR CULTURE

A leader's values drive the culture of the organization. Lou Holtz is a great example of this statement. Of all of his accomplishments, one thing he did enhances his legacy more than all of his wins. In January 1978,

[9] BusinessDictionary.com, http://www.businessdictionary.com/definition/values.html.

when he was the head football coach at the University of Arkansas, the Razorbacks played the University of Oklahoma Sooners in the Orange Bowl.

Just days before the game, Lou Holtz suspended three of his top players — two running backs and the team's leading wide receiver — for an incident involving a young woman in the athletic dormitory.[10] They violated the team's "Do Right" rule that governed personal conduct. Those three players had made 78 percent of the touchdowns that season. Two days before the game, Arkansas was a 24-point underdog.[11]

So game over, right? There's no way Arkansas could win the game when its three top players were kicked off the team for violating team rules. That was a tough decision for Lou Holtz, but guess what? The team rallied around him for doing the right thing and upset Oklahoma 31 to 6.

How many coaches would have suspended key players just days before a bowl game? A lot of coaches would have done nothing, or perhaps taken some disciplinary action after the important game. But not Holtz. He did the right thing when it counted, even though he risked a lot by doing so. That's what good leaders do.

Mike Vietri, executive vice president with MetLife and a big agency builder, once gave a presentation at LAMP titled "Would You Take $10,000 in Cash Today or Keep Your Leader?" That's a great question and an important value proposition. In other words, what value does your leader have if you were to put a dollar amount on him or her? Would you leave your leader for $10,000? I can guarantee you that people in organizations run by people like Phil Richards and Harry Hoopis would never leave for $10,000. Agents don't want to leave leaders who have clear values and strong character for any amount of money.

Joe Tucciarone has built a big, great organization with Guardian in New York. He is known for his statement **"Leadership is earned, not bestowed."** Just because the home office has named you a manager doesn't mean you're a leader. You have to earn that title.

Bob Savage said, **"The leader's job has three important elements: to cause an exciting environment, to always be [agents'] merchant**

[10] "Suspensions, Protest Peel Orange Bowl from Arkansas," *The Register-Guard*, last updated Dec. 24, 1977, http://news.google.com/newspapers?nid=1310&dat=19771224&id=zK1VAAAAIBAJ&sjid=L-ADAAAAIBAJ&pg=5477,7686776.

[11] Lou Holtz, *Winning Every Day: The Game Plan for Success* (New York: HarperCollins Publishers, 1998), 25–28.

of hope, and to help agents develop their personal dreams." That is how a leader adds value.

GETTING BACK TO BASICS

A lot of times, we hear leaders who are experiencing difficulties say, "We've got to get back to basics." What does that mean? That means they got away from what they did well. They got away from their core products. They tried to be everything for everybody but ended up not being good at anything. We see companies do this as well. They expand into new lines of business, and then after a few years, you see them start selling off those areas and getting back to their core business. They go "back to basics."

When Northwestern Mutual Life Insurance Company got into the equities business, many agents started selling mutual funds and variable products instead of their basic core product of life insurance. That was a huge challenge for John McTigue, a managing partner with the company. He knew he needed to change that behavior. Just because McDonald's started selling salads didn't mean it stopped selling burgers. And just because Northwestern Mutual started selling equities didn't mean it stopped selling life insurance.

McTigue said, **"You change behavior by changing the way you educate and train, by how you recognize, who you recognize, and how you compensate."** He helped the agents return to focusing on life insurance and said, "After this challenge, they reverted back to their core values … . **We now know why we are who we are."** Straying from their core values and then returning to them reinforced these agents' belief in those values.

Image

Image is another important component of your culture. The standards you establish and the environment you create will set the stage for how people are treated in your organization and will define your reputation. **People meet you before they meet you.** They might Google you, call you on the phone, or visit your office before they ever meet you in person. So first impressions are critical, and sometimes those impressions are made before you are aware of it.

One of my favorite statements about image is, **"You never get a second chance to make a favorable first impression."** This is true of any part of your organization that people see or otherwise come into contact with — your website, your social media sites, your office, and your agents' appearance, not to mention your receptionist's greeting. As Phil Richards has said, **"Your receptionist is one of the most important people on your team."** For that reason, he calls his receptionist the Director of First Impressions.

Your receptionist is like a special-teams player in football, such as kick returners or punt returners — he or she can be a "game changer." In a close game, these specialists often make the difference between winning and losing. Your receptionist plays a significant role in creating an environment that is conducive to recruiting the great people you need in your firm and keeping your clients happy with great service. Your receptionist sets the tone for everything that follows because he or she, whether through answering the phone or greeting guests who visit your office, is often the first impression anyone has of your agency. A receptionist with great people skills can make a huge difference in attracting and keeping the people you want to be part of your team.

Check your voice mail message, your website, the way your receptionist answers your phones and greets visitors, the reading materials in your reception area, the way your office looks, and the dress and appearance of your associates. How do people feel when they call or visit your office? How do you compare with your competition?

General agent John Ferguson of Securian Financial Group has done a great deal of research on organizational image. Not surprisingly, he has a reputation for having one of the most professional, pleasant offices in the industry. People often visit his office just to see how he creates such a great environment. I once asked him to explain his philosophy, and he told me about some of the research he has conducted on organizational image. Here are some tips he shared:

- *The greeting.* First of all, John's receptionist greets visitors warmly and enthusiastically. And when you walk into his office, you see a welcome message on a plasma TV monitor personalized with your name — for example, "Securian welcomes Conk and Bonnie Buckley." Next, the receptionist offers you a choice of several different types of coffee. She is somewhat of a barista, whipping up a regular cup of coffee, cappuccino, latte, or espresso, and she serves the coffee to you in a mug, not in a paper cup.

- *Aroma.* To make sure the office has a pleasant aroma, John's staff members bake cinnamon rolls in the morning and chocolate chip cookies in the afternoon. So there is always an aroma of something delicious baking. To make sure that no other food smells overpower the aroma of cookies or cinnamon rolls baking, John does not allow anyone in the office to bring food in. So there are no smelly microwaved meals, and there are no pizza boxes or takeout leftovers cluttering up and smelling up the office.

- *Sounds.* John shared with me that one day, he was walking through the office and heard one agent playing hip-hop, another playing country and western, and another playing jazz. The lack of cohesion in the music was jarring. So he made the decision to have classical music piped into the office.

- *Reading materials.* Instead of having a lot of magazines and newspapers in the reception area that are unrelated to the business, John makes sure that the only reading materials available are articles about the agency.

- *Dress code.* Leo Tucker said, **"'Business casual' is an oxymoron."** In other words, your attire is either business or it's casual; it can't be both. Some of the most successful firms and agencies have strict dress codes. It's part of their culture, and it contributes to a positive image and high performance. For example, Harry Hoopis always wore a suit, tie, and white shirt to the office, and expected his agents to do the same. John McTigue requires his agents to wear a suit and tie every day; he also requires them to put their suit jackets on any time they leave their offices, even if they are just going down the hall to the bathroom or to a colleague's office. At any time, someone might have a recruit or a client in the office, and John does not want recruits or clients to see agents without their jackets on. Private schools enforce dress codes, which are part of the culture, along with discipline and parental involvement. It all contributes to good grades and high graduation and college acceptance rates. A dress code can help increase the professionalism and enhance the image of any organization.

As you can see, a lot of little things combined can make a great first impression. And you can add these special touches to your agency at little or no cost.

How many recruits and clients has your agency lost because your image is not as professional, polished, and inviting as it could be? You may never really know. Remember, you never get a second chance to make a favorable first impression. Do what you can to make people's interactions with your office positive and memorable.

Expectations

Your expectations of your agents and other team members become an important part of your culture. And when I think of expectations, I automatically think of the law of limited performance, which is, **"People soon discover the level of performance you will settle for as their leader … and then they gravitate to that level."** If you expect a lot of them, they will achieve a lot. If you don't expect much, that's exactly what you'll get.

And as Harry Hoopis says, **"You're nobody until somebody expects something of you."** I have a good example of that. At age 60, I became a "Big Brother" and mentor to a 12-year-old inner-city boy named Rodney. Rodney's father was in prison. His mother had four children, all with four different fathers, and none of the fathers were involved in the children's lives. There were absolutely no expectations for this young man. No one in this family had ever graduated from high school. My goal for him was that he at least graduate from high school. I kept telling him, "If you graduate from high school, you will have options. If you don't graduate, you will have no options." You can't do much of anything anymore unless you have a high school degree.

Over the next three years, we made some progress and I really thought Rodney was going to graduate. I did my best to try to keep him out of gangs, and I got him involved in sports. Then his father got out of prison, and someone from the Big Brothers Big Sisters organization called me and said that the father wanted to try to be a dad and was moving in with his mother, who is Rodney's grandmother. They asked if I would back off so Rodney's father could try to be a dad to him. I called back about two years later because I wanted to send Rodney a birthday card and see how he was doing, but they wouldn't tell me anything. I have no idea if he ever graduated or even stayed in school, but my guess is that he did not.

One of my grandsons lives in Kansas City, where I live, and is the same age as Rodney. His father's expectation was not, "Are you going to go to college?" Instead, it was, "Which college will you attend, and what are you going to major in?" So here were two teenage boys who lived 20 minutes apart, but they were on very different paths in life because in one kid's world, there were no expectations at all, and for the other one, college was an expectation. You're nobody until somebody expects something of you.

GAMA 2004 Management Hall of Famer Maury Stewart, who recruited Phil Richards into the industry decades ago, expected his agents to achieve a minimum of 100 life sales each year and MDRT production. Because of that expectation, Phil had 104 life sales during his first year in the business. Now Phil has high expectations in his own recruitment and training processes, just as Maury did. In his high-performance, no-excuse culture, Phil requires agents to have 100 sales a year and MDRT production — or they're gone. One of Phil's sayings is, **"If you're not performing at a high level, our culture will spit you out."**

We should have expectations of ourselves too — and challenge ourselves. **Don't limit your goals to what you know you are capable of achieving *today***. Move out of your comfort zone and set your goals high (for instance, making a million dollars a year), with no limitations or restrictions, and if it is truly important to you, you will find a way to get there. **Don't let the *way*, or the *how*, limit the *what* in your goal.** You just have to find a way. All of the most successful people have had challenges, but they found a way to the top.

A Culture of Accountability

Once you have established and communicated high expectations in your firm or agency, such as 100 lives per year and MDRT qualification, then you need to hold your agents accountable for reaching those goals. As their leader, it is your job to help them get there, and you can do that by creating a culture of accountability.

One way to create a culture of accountability is to make your benchmarks public knowledge — for example, color-code your producers' names and production levels in your monthly bulletin, newsletter, or email announcement. Red: Not acceptable. Yellow: Convention level. Green: MDRT level. And blue: Top club level (such as the President's Council). Some agency leaders send the production report to the producers' spouses as well. It makes a huge impact on a producer when his wife says, "Why is your name down here at the bottom of the list, but Joe and Sam are up here?"

A small change like that can make a big difference in people's performance because they don't want their peers or their families to know that they're not doing well.

Do Your Own Thing, Plus One

Another suggestion I often make is to **do your own thing, plus one.** This is a pearl that I always printed at the bottom of my monthly bulletin. It means that whatever you're doing, do just one more. It may be one more recruiting interview, one more selling interview, one more call that you make tonight, one more appointment that you set for the week — whatever you're doing, do one more.

Harry Hoopis picked up on that concept and encouraged his agents to **have 50 appointments booked ahead**. That one strategy can make a monumental difference in a producer's book of business. You do that by replacing all of the appointments you have today, plus one. So if you have three appointments on Monday, then that day, you have to replace the three you used up, plus one. So going into Tuesday, you will have four appointments on the books. If you keep adding one more each day, in another 46 days, you will have 50 appointments booked for the rest of your life. From that point on, all you have to do is replace the appointments you use up each day. That is a powerful strategy.

Set Expectations High

Sharon Olson of Minnesota Mutual was interviewed in GAMA's monthly AMT (Agency Management Today) Series. She talked about going out into the field solo for the first time after being in training for several weeks. Her manager had been going out on appointments with her, but now Sharon was finally ready for her first week on her own. Her manager said, "Set as *many* appointments as you can this week." So Sharon set 30 appointments.

When she got back to her Monday-morning meeting a week later, everyone's numbers were posted on the board. The other agents told her, "You can't set 30 appointments. Nobody in the agency does that. We average about six appointments a week here."

Guess how many appointments she set the second week? Six. That's what was expected of her, so that's what she did.

This example illustrates the huge impact peer pressure can have on a person. So when your new agents get ready to go out in the field during their first week, tell them, "Set as *many* appointments as you can this week." Don't quantify your expectations. How well they perform will tell you everything you need to know about their potential. If someone sets six appointments, that tells you that you might have made a bad hiring decision, but if an agent sets 22 appointments, you might have a new superstar.

A young man I knew ran the leading agency in his company, and part of his success could be attributed to the fact that he incorporated strategies he learned from GAMA leaders. Some of his peers from the same company told him, "We can't do that. We're a property and casualty company. That only works for ordinary insurance companies." But the manager was indeed doing those things and achieving success with them. A lot of managers limit their progress because they set their expectations low and assume that they can't achieve what someone else is already achieving. They say, for example, "Our company can't do what Northwestern Mutual does" — as if Northwestern Mutual has some secret way of doing things nobody else can follow. That's a big myth. When I come across managers with that attitude, I share with them my favorite Chinese proverb: **"The man who says it can't be done should get out of the way of the man already doing it."**

Change the Picture, Change the Performance

In Chapter 1, I mentioned psychologist Anthony Galie, who is a frequent speaker at MDRT and GAMA meetings. He says that **if you change the picture, you change your performance**. In other words, if you visualize a successful outcome, you will be more likely to achieve it.

Here are two examples of that pearl of wisdom. The first one is from the 1986 movie *Hoosiers*. It's based on a story about a small school in Milan, Ind., that was going to play a big school from South Bend for the state championship. In the film, the game is going to be played at Butler University in Indianapolis. The small team has played all of its games in rural towns, in small high school gymnasiums that might seat 200 people at the most. They take a bus trip to Indianapolis to play in the finals. When they arrive, the team members walk into the huge, 12,000-seat arena.

Seeing that his players are intimidated, the coach has one of his bigger players put one of the smaller players on his shoulders. He has a tape measure with him. He gives it to the smaller player and says, "Measure it!" The player measures the basket and says, "It's 10 feet from the floor. It's the same height as the basket in our little gym."

After that, the young basketball players are no longer in awe of the big gym, and they upset the big team in the finals. By changing the picture, the coach changes their performance.

My second example of this idea is about Marquette University in Milwaukee. In 2003, Marquette was playing an early-season basketball game at Tulane University in New Orleans. The NCAA finals were scheduled to be played at the end of the season in the Superdome in New Orleans. When the Marquette team got off the airplane in New Orleans, their coach asked their bus driver to drive to the Superdome, where he had arranged for a tour. They got off the bus, walked into the Superdome to the center of the arena, and looked around. The coach said, "I want you to look around because this is where *we will play* in the Final Four next March." He also ordered a photo of the Superdome, had it enlarged, and had all of the players sign it.[12] He was planting the picture of success in their minds, and it changed their performance throughout the year. In fact, they played so well that they made it to the Final Four, though Kansas beat Marquette 94–61 in the semifinals.[13]

Whether someone else sets expectations for you or you set them for yourself, aim high. Make success happen. George Bernard Shaw said, **"The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them."** Similarly, the great military commander Hannibal said, **"We will find a way or make one."**

Set expectations high for the people you lead as well. As Dick McCloskey said, **"A leader is one who brings out the best in**

[12] Joe Lapointe, "2003 NCAA Tournament: Midwest; Wade and Marquette Are Picture of Success," *The New York Times,* last updated March 30, 2003, http://www.nytimes.com/2003/03/30/sports/2003-ncaa-tournament-midwest-wade-and-marquette-are-picture-of-success.html.

[13] "2003 Men's NCAA Tournament Bracket," ESPN, http://espn.go.com/ncb/ncaatourney03/bracket.

others." People become what we expect of them. They rise or fall to our expectations. Just do it. Find a way!

The Play-by-Play: Chapter 2 Highlights

- Culture is composed of shared attitudes, values, goals, and practices that characterize an institution or organization. What's *one word* that describes your culture? Does your culture promote high performance? If so, how?
- "Balance the drill sergeant and the cheerleader; your leadership style determines your culture." As a leader, how effective are you at balancing the drill sergeant and the cheerleader? Would others say that you are too lenient with your people, too strict, or that you balance the two well? What can you do differently to achieve balance in this area?
- Values have a major influence on a person's behavior and attitude and serve as broad guidelines in all situations. What are the values you have established for your firm or agency?
- Every method of contact the outside world has with your organization determines your image. When was the last time you checked your voice mail message, website, social media sites, office environment, agents' appearance, the reading materials in your reception area, or your receptionist's greeting to see what kind of image your firm or agency is portraying? What are some changes you can make to improve your image?

- You're nobody until somebody expects something of you. That is true of your agents too. Do you set your expectations high for their performance and success? What expectations do you have for them or plan to set for them?

CHAPTER 3

Seven Traits of Successful Leaders

Once you have formulated your vision and decided what kind of culture you intend to develop, you need to work on the *leadership traits* that are necessary to build and grow a successful organization. Growth is not going to happen just because you put a plan on paper.

There are seven important traits that I have identified among the industry's most successful leaders: They demonstrate integrity, stay focused, find their niche, spend their 12-hour workdays doing what counts, empower others to help them, make the tough decisions, and create a predictable environment. Let's examine each of these traits.

Demonstrate Integrity

Merriam-Webster defines integrity as "firm adherence to a code of especially moral or artistic values." In Chapter 2, I said that values are an important part of your culture; integrity is adhering to those values. And people who abide by their values without compromise have character. Here are some of my favorite statements about integrity:

"Talent without character creates celebrities, not heroes."

— Charlie Smith
GAMA International Management Hall of Fame, 2007

"In looking for someone to hire, you look for three qualities: integrity, intelligence, and energy. But the most important is

integrity because if they don't have that¸ the other two qualities are going to kill you."[1]

— *Warren Buffett*

"With integrity, nothing else matters. Without integrity, nothing else matters."

— Winston Churchill

INTEGRITY HELPS LEADERS RISE TO THE TOP

In 2006, Harvard University's Kennedy School of Government and *US News & World Report* named A. G. Lafley, chairman of the board, president, and CEO of Proctor & Gamble, one of "America's Best Leaders." *USA Today* management reporter Del Jones interviewed Lafley and asked, "You've seen a lot of promising people. What distinguishes those who rise to the top?" Lafley listed "uncompromising integrity" and "the courage to make the really hard call" as two traits of good leaders. Jones also asked Lafley about his weaknesses, and he answered, "I have high standards and high expectations, and I expect everybody to be as committed as I am."[2]

Wow. Those are his weaknesses?

INTEGRITY DOESN'T ALWAYS MEAN BEING NICE

Mark Mangino was the head football coach at Kansas University (KU) from 2002 until 2009. He changed the culture there and took KU to several bowl games in a row, including the 2008 Orange Bowl.

As the head coach at KU, Mangino took a team that hadn't had a winning season in six years and turned it into a national powerhouse. KU won the Orange Bowl for the first time in school history after the 2007 season, when the Jayhawks had a 12–1 record and reached No. 2 in the national polls.

While at Kansas, Mangino's teams exceeded the highest previous team GPA for four years. He insisted that his players excel as student-athletes. His team had few off-the-field incidents, and 32 of his players made it into the NFL. He also instituted a "Character First" program while at Kansas to focus the players on being successful at life. He said,

[1] Mary Buffett and David Clark, *The Tao of Warren Buffett* (New York: Scribner, 2006), 58.

[2] "P&G CEO wields high expectations but no whip," *USA Today*, last updated Feb. 19, 2007, http://usatoday30.usatoday.com/money/companies/management/2007-02-19-exec-pandg-usat_x.htm.

"Instilling structure and discipline in my players is a life skill that goes far beyond their football career."[3]

In December 2009, a few of Mangino's players complained about his tough coaching style. He was fired amid allegations that he verbally and physically abused players. (Some sources reported that he resigned.[4]) When someone asked him, "Would you be nicer if we let you stay?" Mangino replied, **"I'd rather die on my feet than live on my knees."** He kept his integrity and stuck to his principles.

Many of Mangino's players remained loyal to him, insisting that he had strengthened the long-struggling program with structure and discipline. They credited him with making them better players and men.[5]

After Mangino was out, KU hired a very "nice" coach, Turner Gill, who had been an All-American quarterback at Nebraska. His "nice" coaching style (and culture) led KU to two losing seasons, a half-filled stadium, and millions of dollars in lost revenue. One newscaster said about Gill "I know he's a really good guy with strong principles and all that stuff, but I'm sorry, he needs to be leading a troop of Boy Scouts at a weekend jamboree. He's just too nice and too soft to be a head coach at a BCS [Bowl Championship Series] school."[6] Gill was ultimately fired after two losing seasons, with three years remaining on a contract that still owed him about $6 million.[7]

Mangino, a Bobby Knight–type coach, refused to change his principles or integrity. He refused to change his culture or compromise what he believed in.

Integrity is doing what you say and saying what you do. It's walking the talk. It's being "what you see is what you get." Then

[3] Larry Kelly, "Larry Kelly: A Big-Time Program Would Be Smart to Hire Mark Mangino — A Big-Time Coach," *New Castle News*, last updated Nov. 28, 2012, www.ncnewsonline.com/sports/x942836987/Larry-Kelly-A-big-time-program-would-be-smart-to-hire-Mark-Mangino-a-big-time-coach/print.

[4] "Mark Mangino Resigns from Kansas Coaching Job," SportingNews NCAAF, last updated Dec. 4, 2009, http://www.sportingnews.com/ncaa-football/story/2009-12-03/mark-mangino-reported-out-kansas-coach.

[5] "Mangino Out at Kansas," ESPN College Football, last updated Dec. 4, 2009, http://sports.espn.go.com/ncf/news/story?id=4711389.

[6] "Jack Harry: Turner Gill Better Off Leading a Group of Boy Scouts than a BCS Program," Action 41 News, KSHB.com, last updated Oct. 4, 2010, http://www.kshb.com/dpp/sports/jacks_smack/jack-harry:-turner-gill-better-off-leading-a-group-of-boy-scouts-than-a-bcs-program.

[7] Dave Skretta, "Turner Gill Fired: Kansas Football Coach Sacked after Two Seasons," *Huffington Post*, last updated Nov. 27, 2011, http://www.huffingtonpost.com/2011/11/27/turner-gill-fired-kansas-football-coach-jayhawks_n_1115391.html.

people won't wonder what you stand for or what your values are. They will not question your integrity.

Stay Focused

In terms of focus, our leading pearl is **"Recruit or resign."** When I left the Franklin Life home office to take over the Kansas City region, the CEO handed me a card that said, "Recruit or resign," and told me, "This is your job description." So I knew exactly what I was responsible for in my new endeavor. Focusing on that one critically important responsibility helped me build an incredible team of high-performing producers.

Recently, being focused helped students at Boone Middle School in Kansas City improve their test scores dramatically. The school was widely praised and used as an example of education success in the Kansas City area.

They had great leadership from the top down and focused only on important things — the "daily five" (reading, writing, math, science, and social studies). Everyone was on the same page.

Being focused helped Phil Richards define a new path that helped North Star Resource Group become one of the largest financial services firms in the world. Phil was inducted into GAMA International's Management Hall of Fame in 2005 at LAMP. In his acceptance speech, he said that the defining moment in his career was the day he decided to stop general recruiting and focus exclusively on college recruiting. Recruiting only recent college graduates was a strategic decision he made to build a new organizational culture. Recent college grads are like water; they take the shape of whatever vessel you give them. For that reason, as they acclimate to your culture, you don't have to try to change them or retrain them.

An organization can't be everything to everyone. Its leadership has to determine who they are and what they do best, then develop a focus on those core competencies, make them a part of the culture, and align their people to their vision.

Have you noticed that even though this chapter is about the traits of successful leaders, we are still talking a lot about vision, culture, and values, which we discussed in the first two chapters? All of these concepts are key components of leading firms and agencies.

FOCUS ON WHAT YOU DO BEST

Ben Feldman was one of the greatest insurance salesmen our industry ever had — maybe even the best. He wrote as much business by himself as a lot of small companies did with all their agents combined. He was known for giving support by doing what he did best — selling insurance. For example, instead of spending three hours flipping pancakes at a church or synagogue fund-raising breakfast, he would make an appointment with a prospect on a Saturday morning and make, for example, $5,000 in commission on that appointment, then donate that money to the church or synagogue. It made perfect sense. Would the church rather have the $5,000, or would they rather have him down there for three hours with 15 other guys, flipping pancakes? He focused on what he did best.

In prioritizing our activities, we all have to make decisions such as, "Should I cut my own grass?" I never did. If I enjoyed it, I would have done it. Instead, I took the three or four hours it would have taken to mow my lawn and did a couple more recruiting interviews. I paid somebody else to cut my grass because I made more money doing what I did best than it cost me to pay somebody else to do something I wasn't good at. We all have these decisions to make. What are you spending your time on? Are you doing things that somebody else could do — the "stuff" I talked about in Chapter 1? Or are you focusing your time and talent on those things you're good at that bring you the most success?

MULTITASKING IS NOT FOCUSING

We often think of highly successful leaders as being masters at multitasking. But that is not necessarily the case. I recently watched a CNBC report about research that was conducted among the top 500 CEOs. The result was that the great CEOs do not multitask; rather, they unitask, or focus on just their core products or core competencies. They are focusing; they are not trying to be everything to everybody. I thought that was interesting because we hear about multitasking all the time. But if you are multitasking, it might mean that you are average at all kinds of things, and not really good at anything in particular.

Best-selling author Jim Collins said, **"It's just as important to determine what we should *not* be doing as it is to know what we should be focusing on."** He also said, **"You should work to live, not live to work. Working long hours is often very inefficient."** The Kinder brothers put it another way: **"Are you doing enough of the right kind of activities?"**

Stay focused. Keep your eye on where the puck is going to be. That's what leadership is.

Find Your Niche

One way to be focused is to find your niche or specialized market. People who find a niche and excel at it typically do well. Strong leaders help their people find out what they are good at and let them do more of it. Our first pearl for this topic is, **"Dominate your niche."**

How do you find out what your niche is? Through the process of self-assessment. As Harry Hoopis has said, **"Find out what you are, and be the best one you can be."** Find out what you do best, and do more of it. Find out what your people do best, and let them do more of it.

If you are a basketball coach, do you have your 5-foot, 10-inch guard practice his three-point shooting and ball-handling skills, which he is probably good at, or do you have him practice rebounding, which he is less likely to excel in? Do you have your 6-foot, 10-inch post player practice rebounding and setting picks, which are probably strengths for him, or do you have him practice on ball handling and three-point shooting, which are skills he probably doesn't excel in? You don't count on your point guard for rebounding and setting picks; that's what your big guys do. And you don't want to have your big guys working on the things you have your point guards working on. Through the process of assessment, find out what each person does well. Focus on your strengths, and dominate that area.

Well-known management guru Peter Drucker said, **"In an organization, one can make his strength effective and his weakness irrelevant."**[8]

I remember reading an article where someone asked Ed Zore, former president and CEO of Northwestern Mutual, "What's the best advice you could give a new manager or a new agent?" His reply: **"Make sure you know your strengths and weaknesses and leverage others to compensate for your weaknesses."**

In his best-selling book *Good to Great*, Jim Collins discusses Isaiah Berlin's famous essay "The Hedgehog and the Fox," based on an ancient Greek parable, and says, "The fox knows many things, but the hedgehog knows one big thing." His Hedgehog Concept says you should know

[8] Peter F. Drucker, *The Effective Executive: The Definitive Guide* (New York: HarperCollins Publishers, Inc., 2002), 75.

three things about yourself: what you can be the best in the world at, what drives your economic engine, and what you are deeply passionate about.[9]

In his 1999 best seller *First, Break All the Rules*, Marcus Buckingham says all managers are different, but what they do differently can be summed up with this mantra: "They don't try to put in what God left out; they try to draw out what God left in. That's hard enough."[10]

Joe Tucciarone of Guardian said, **"Everyone has strengths and weaknesses; the question is whether their strengths can be developed and aligned with our *culture*."**

Now, that's a statement that takes it to the next level. An agent might have great strengths, but do they align with what you do? If they don't, then he or she needs to join another team. Having great skills is just part of the equation. A lot of managers hire the wrong people because they don't evaluate whether a recruit fits into the organization's culture. I hear managers say things like, "Hey, this guy was a great used-car salesman. He could sell snow to an Eskimo." That's great, but does that mean he can develop relationships? Does he have discipline? Can he handle all the rejection he's going to get in our business? Can he understand and communicate financial services? The fact that somebody was successful at selling used cars does not mean that he can be successful at what we do.

PASSION CAN BE A NICHE

Sometimes people excel not because of a particular skill but because of their passion for what they do. For example, when Dick Vitale, an ESPN basketball analyst for three decades, was inducted into the Naismith Memorial Basketball Hall of Fame in 2008, he said, **"I can't run, can't jump, can't shoot but just have a tremendous — I'd like to think — passion about the game."**[11] Vitale has been inducted into 12 halls

[9] Jim Collins, *Good to Great: Why Some Companies Make the Leap … and Others Don't* (New York: HarperCollins Publishers Inc., 2001), 90, 95, 96.

[10] Kevin Ohannessian, "Leadership Hall of Fame: Marcus Buckingham, Author of *First, Break All the Rules*," FastCompany.com, http://www.fastcompany.com/1749059/leadership-hall-fame-marcus-buckingham-author-first-break-all-rules.

[11] Elizabeth White, "Riley, Vitale, Olajuwon, Ewing in Hall," *The Washington Post*, last updated Apr. 7, 2008, http://www.washingtonpost.com/wp-dyn/content/article/2007/09/07/AR2007090701399.html.

of fame.[12] So here's a guy who never played the game, but he is in 12 basketball halls of fame because he found his niche and dominated it.

WORK HARD ON YOURSELF

John Wright was a Chicago Bears wide receiver and then became a Northwestern Mutual general agent. When he retired from his insurance career, he became an NFL team psychologist. When he was a main platform speaker at LAMP, I wrote down something he said: **"Work harder on yourself than you do at your job."** Now, what does that mean? He said the NFL running backs work about an hour a year at their job. So a good running back might make $10 million for an hour's worth of work in a year.

How did he come up with that? Well, the average NFL running back carries the ball about 20 times each game, for about five seconds on each carry, for 16 games in a season. That totals about 27 minutes per season. The quarterback hands him the ball. He runs through the line, picks up three or four yards, and down he goes. Once in a great while, running backs break for a long gain, but most of the time, it's three or four yards here or there. But these running backs work the rest of the year on building their bodies up, focusing on their speed and agility, and watching film. They work much harder on themselves than they do on their jobs.

Jim Rohn, an American entrepreneur who had an inspiring rags-to-riches story, said, **"Work hard at your job and you can make a living. Work hard on yourself and you can make a fortune."**

KNOWLEDGE IS POWER

When you find your niche, you become *the* expert in one area and surpass your competition. Knowledge is power.

In an interview on *Larry King Now*, veteran journalist Bob Woodward said that when Paul Ryan (the U.S. representative for Wisconsin's first congressional district and the current chairman of the House Budget Committee) was a freshman congressman, he asked Democrat Barney Frank, a member of the House from Massachusetts from 1981 to 2013, "How do I do this successfully?" It was unusual for Ryan to seek Frank's advice because Ryan is a Republican, and Frank is, in Woodward's words, "an ultra-liberal Democrat." Frank replied, "Don't be a generalist.

[12] "Vitale Inducted to 12th Hall of Fame," DetroitTitans.com, last updated June 10, 2013, www.detroittitans.com/news/2013/6/10/MBB_0610131603.aspx.

Be one thing and go deep. Go deeper than anyone, and learn it in a way that no one can outmaneuver you." Ryan did just that. He devoted his time to studying the budget, became a ranking member of the House Budget Committee, and then became the chairman of the committee.[13]

FIND YOUR NICHE IN YOUR PERSONAL LIFE TOO

I work out three days a week at the health club, and about half the time I'm there, I see my friend, Jim. Jim had to have brain surgery after a tumor in his brain paralyzed one side of his body. He kind of drags himself in, but he works out three days a week. He always takes a bench and puts it in front of one of the TVs so he can watch TV while doing sit-ups on the bench. One day, I was doing my lifting exercises, and I noticed that a lot of time went by. I was through, and Jim was still doing sit-ups. I went over to him and said, "Hey, Jim, how many of these things do you do a day?"

He said, "I do a thousand a day. God took away my arms and legs, but he didn't take away my stomach. I can do more sit-ups than anybody else at this club." He found his niche and dominated it.

Young people can find their niche too. Two of my grandsons have different skill sets. One brother is an Eagle Scout and an A student. The other brother is a good athlete and a B student. Now, the Eagle Scout wants to be more like his brother, who is the athlete, and the brother who is the athlete wants to be more like the A student. I had to sit them both down and tell them, "You've got to find your niche and dominate it. Don't try to be someone or something that you're not." The older boy is not an athlete. It doesn't matter how much he wants to be; he simply isn't. But he's going to be a Bill Gates someday. He's fabulous on the computer.

A lot of people want to be something they're not. It's a futile exercise. You've got to find out who you are and what you're good at, and then go dominate it and be the best one you can be.

Spend Your 12-Hour Workdays Doing What Counts

Several decades ago, Harry Hoopis committed to working 12 hours a day — and that meant doing so wherever he happened to be. Seeing

[13] "Bob Woodward on Paul Ryan Asking Barney Frank's Advice" (video), YouTube.com, last updated Sept. 13, 2012, http://www.youtube.com/watch?v=HHcU9fo-3vs.

the true value in this, he naturally made sure that his representatives followed suit:

> We hear a lot about the importance of habits. For example, I recommend that all reps get into the habit of working while travelling in their cars. Between the hours of 7:00 a.m. and 7:00 p.m., Monday through Friday, reps should have the radio and the music off. During this time, while driving to or from the office or appointments, they should be engaged in thought exercises. This is when they should be thinking about their goals, dreams, and aspirations, focusing on family objectives, rehearsing for the next appointment, role-playing what might happen, or thinking about how the last appointment went. All of these fall under what I call Work Orientation, or WO, the first half of WORK.
>
> The second half of WORK is RK, Receive Knowledge. That's easy to do these days with the abundance of audio CDs and access to HPN Mobile. Listen to great speakers or autobiographies of famous people. Get inspirational messages to motivate you.
>
> Do this three hours each day, which is the average driving time a rep does in a day, five days a week, and you will have 15 hours of think time and learning a week. That's 60 hours a month, or 720 hours per year. Eighteen 40-hour weeks of meaningful WORK, instead of just driving and daydreaming. I have done this for more than 40 years, and I guarantee you that it will have a profound effect on your professional and personal development.[14]

DELEGATE THE "STUFF"

In Chapter 1, I said that one of the commonalities among our *Essentials of Leadership and Management* faculty is that they make the most of their workdays by delegating "stuff" to other people. That's important. Phil Richards said, "**Do what you do best, and delegate the rest.**" Harry Hoopis said, **"Have the lowest-paid person capable of doing the job do the job."** He also said, **"A leader is measured by what he *doesn't* do."** By that, he means that we shouldn't confuse activity

[14] Harry Hoopis, *The Road to the Bountiful Life* (Falls Church, Va.: The GAMA Foundation for Education and Research, 2014).

with productivity. A lot of times, agents' spouses will tell me, "He works all the time. He's gone 10 hours a day." Then we look at his schedule and find that he has had only one appointment a day. What's he doing for the other eight hours? I don't know, but he isn't being productive. He's doing "stuff." If you continue to do "stuff," you will be measured by what you're *not* achieving.

Harry Hoopis and Norm Levine have both addressed the importance of delegating "stuff."

Harry Hoopis would say, **"Rule number one: Between 8:00 a.m. and 4:00 p.m. agents should be conducting interviews or scheduling appointments, not doing '*stuff.*' "** Harry retired not long ago, but he always said that his job description consisted of three responsibilities: recruiting, planning, and counseling his agents. Instead of using the word "delegate," he used "de-skill." He said he de-skilled from everything else. He spent his time doing the things that only he could do, and he handed off the other responsibilities to the people on his team.

Norm Levine used to say, **"From 7:00 a.m. to 6:00 p.m. is 'people time.' What do you do in your 12-hour workday? How much 'stuff' are you doing that you could give to others so that you are doing the things that only you can do?"**

The things that only you can do are the *right* things. Peter Drucker said, **"Management is doing things right. Leadership is doing the right things."** And I often say, **"It's more important to do the right things than to do things right. You delegate things to be done right."**

BALANCE WORK AND PLAY

Early in my career, I listened to a presentation by Russ Huether, one of the best salesmen in Franklin Life and the industry. He averaged a sale a day for 20 years. Everybody thought he was a workaholic. After one of his speeches, I waited until all of the other people left, and I went up to him and said, "Russ, you're kind of like a robot, and most people say, 'I could never be a Russ Huether because he's a workaholic. He probably never sees his family.'" Russ smiled at me and told me something that helped me when I was a young agent and manager. He said, **"When it's time to work, work, and when it's time to play, play, but don't confuse the two."**

Russ added, "Even though I average more than 350 sales a year, my wife and I take a two-week vacation every quarter. And I take a week off for all three of the industry conventions — our Franklin Life convention, the NAIFA convention, and the MDRT convention. That's three months that I take off, but the other nine months, when I work, I work." He made the most of every day that he did work; he had six to eight appointments each day and had a very high closing ratio. He taught me about balance — how to work and how to play.

Harry Hoopis had a similar philosophy: **"You have 200 workdays in a year."** He trained his agents on what he called a "200-workday calendar." He said that if you take four weeks of vacation and you take off two weeks to attend industry conventions — your company convention and the MDRT convention — and you plug into your calendar a year in advance all of the education and training classes that you will take, 200 workdays remain for the year. He had to make sure that people were really working on those 200 workdays because they're already taking 152 days of the year off for education, training, and vacations.

KEEP SCORE DAILY

Ed Deutschlander has a great statement that keeps agents on track daily: **"Did I win today or lose today?"** We don't know unless we keep score. Therefore, just like in sports, we have to have a point system — three point systems, actually: one for ourselves, one for our agents, and one for our sales managers.

A lot of agents and managers don't know what a good day's work looks like, so they need training in that area. I combined what Russ, Harry, and Ed said and created a formula that helps managers and agents define a day's work based on a pre-established points system. Only income-producing work like making sales calls accumulates points (minimum daily goal: 10 points), and the system subtracts out vacations, convention time, and other non-money-making days, leaving about 200 workdays a year. Then the company's or agency's daily averages of appointments, closings, commission per sale, and so forth are factored in. With this information, you can define a day's work like this: Points times 200 workdays equals your income, where the value of a point is determined by an individual company or agency.

On this point system, you get no points for doing "stuff," like working on the computer. Agents earn points by setting appointments and going to see prospects and clients. Entering data into the computer is not helping an agent make a sale. He should delegate that to somebody else. This system forces agents to delegate the "stuff" to someone else so they can spend their time in face-to-face appointments. An agent can't have three or four face-to-face meetings that last two hours each while he is working on the computer for five hours and doing other "stuff."

In a 10-point day, let's say you assign each face-to-face appointment a value of two points. If an agent has four appointments each day, that's eight points for the day. He still needs two more points from other activities (such as referred leads, community service, or industry meetings) to make his 10 points. If he does this activity for 200 days, he should be able to expect "X" amount of income.

If you keep score daily, it will help you achieve your bigger goals one step at a time. Marv Rotter, president of the Central Region of AXA Advisors, said, **"I work my plan every day until it's complete. It's hard by the yard; it's a cinch by the inch."**

INVEST YOUR TIME IN PEOPLE

When I was the vice president of agencies at Franklin Life, we encouraged all of our agents and managers to bring in visitors — their clients, their potential recruits — to the home office. It was part of our culture. We really rolled out the red carpet when they came in. We ate lunch with them in the executive dining room. After lunch, they would go in and spend a few minutes with the CEO, the president, the senior marketing officer — whoever was in the office that day.

One day, I was the host of two managers who were bringing in a recruit and his wife. After lunch, I escorted them into the office of the CEO, Bill Alley.[15] It was a very busy time for us, and when I took the couple into Bill's office, he must have had 15 telephone messages on his desk. I expected him to shake their hands, then say, "It's nice to meet you," and resume working. But that's not what he did. He walked around his desk and over to the sofa and the chairs and asked the visitors to sit down. He then spent 15 minutes with them, asking questions about them and what they were looking for.

[15] William J. Alley joined American Brands in 1979 when it acquired the Franklin Life Insurance Company. In 1987, he was appointed chairman and CEO of the consumer products company. http://www.nytimes.com/1996/07/31/nyregion/w-j-alley-66-head-of-american-brands.html.

The next day at breakfast, I said, "Bill, why did you spend all that time with those people? You don't even know them, and you don't even know if they're going to come to work for us. Why would you spend all that time when you were so busy and had so many other people to call back?"

Bill replied, **"The best minute I spend each day is the one I invest in people."** He added, "Those calls will be there later, but those people may or may not be, depending on their impression of us." He taught me something important that day — that the most important time I spend is the time I invest in people.

Remember the pearl of wisdom from Ed Deutschlander: "People don't join companies; they join people and causes." What do you do in your 12-hour workday? Do you spend your time on "stuff" or people? How you spend your time will help you answer that important question you need to ask yourself each night when our head hits the pillow: "Did I win today, or did I lose today?"

Empower Others to Help You

In the last section, I talked about the importance of delegating your "stuff" to other people. This is critical, and it's something that a lot of managers have trouble with. When you delegate to others the tasks that you shouldn't be doing, it helps you grow your agency and avoid burnout. It also empowers others to excel in the areas in which they have talents you may not have. By empowering others, you will strengthen your team and expand your sphere of influence.

Delegating can be difficult. It requires that you *let go* of work that is familiar to you and that you love. Daralee Barbera, a top managing partner with Waddell & Reed, was one of my best students, and she is my protégé. When she gave a main-platform speech at LAMP, she ended by saying, **"If you're going to grow, you have to let go."** She talked about how she learned how to delegate and "duplicate" herself. Former GAMA CEO Charlie Smith said, **"We teach what we know, but we reproduce what we are."**

To help you understand why it is critical to let go of some of your familiar tasks and empower someone else to do them, there's the important concept called "span of control."

CHANGE YOUR SPAN OF CONTROL

Managers who do not delegate "stuff" during their 12-hour workdays find it difficult to grow their agencies and firms. They fail to "duplicate" themselves so that their span of control, or the people they manage, comprises a team of *other managers* instead of a team of *agents*.

In the military, athletics, and management, it has been said that people can effectively manage 10 to 12 other people — in other words, the average span of control is 10 to 12 people. When it gets past that number, you need help. You can't give more people than that the individual attention they need.

As I mentioned before, I ask all of the *Essentials* participants to tell me about their organization, including how many agents they have and what kind of infrastructure they have. Most of the agencies have eight to 12 agents. Sometimes managers will tell me that they have been in the business for 18 years and have 10 agents. My question to them is, "Why 10?" That means they haven't hired even one agent a year. Why not 25 agents? Why not 50? What is holding them back from growth?

In most cases, it's because the managers have never delegated the "stuff" to someone else. They are working as hard as they can, but they can't manage more than 10 or 12 agents adequately unless they get help.

If you're an offensive line coach for a football team, and you have between 10 and 12 offensive linemen, you can micromanage them, and that's your only responsibility. They are within your span of control. Let's say you're promoted to offensive coordinator, and you now have four position coaches under you, including the new offensive line coach who is replacing you. You have now 40 to 50 players, and as the coordinator, you're responsible for the offensive game plan and for calling all the plays during the game. So what's your span of control? The 40 or 50 players? No, your span of control is the four position coaches. And their span of control is the 10 players under them.

Now let's say you become the head coach. You have all of the players, plus two coordinators (offensive and defensive) and the position coaches. So who is in your span of control now? The players, coordinators, and position coaches? No — just the two coordinators.

DIFFERENT POSITIONS REQUIRE DIFFERENT SKILLS

As the head coach of a football team, managing your two coordinators is only part of your job. In addition, you have to develop the game plan; make the final decisions on the tough calls; and oversee the weight program, the academic coach, and all of the public relations and media coverage. The reporters are not interviewing the assistant coaches; they're interviewing *you*. You also have to be the chief financial officer and manage all of the money for your program, and you report on all of these activities to the athletic director. Now, does this position require the same skill set that you needed to be the offensive line coach, the offensive coordinator, or a player on the team?

No. They are entirely different skill sets. That's why so many good coordinators don't make it as head coaches. It's not that they don't know the X's and O's; it's because they've never developed the skill set required to move to the next level. Likewise, when you grow your organization, and your new span of control involves managing managers instead of agents, you will probably need to develop a different set of skills. You will manage your managers differently from the way you manage agents.

Do whatever you need to do to gain the skills you need to grow your agency and move up to the next level — take classes, hire an executive coach, or seek the advice of your peers. Empower others to do the tasks you're currently doing so that you can "duplicate" yourself. Troy Korsgaden, one of the nation's most-sought-after insurance industry speakers, author, and consultant, and the founder of one of the top Farmers Insurance agencies in North America, said, **"You either have staff or you are the staff."** Machen MacDonald, a well-known executive coach in our industry and the founder of ProBrilliance Leadership Institute, said, **"Surgeons don't shave the patients."** And Shawn McDuffee, who is one of Phil Richards's senior vice presidents, said, **"Duplicate yourself. My job is to become obsolete."**

Why do we need to delegate responsibilities and empower people? Here are three great reasons:

- You can build an agency (10 to 12 agents) but not an organization (50 to 100 agents) by yourself. You can grow to 10, but you can't grow to 50 or 100 if you don't delegate "stuff" and empower people. You will actually burn out if you try to do it all yourself.
- Other people have skills that are better than yours in certain areas.
- You can lose good people by micromanaging them. Don't

micromanage good people; you could run them out of the business.

Teach — and empower — other people to do what you do so you can move up to the next level.

Make the Tough Decisions

You change the people or *you change the people.*

Another hallmark of a true leader is the ability to make the tough decisions that might not be popular. Many managers put off making those tough decisions because it might cause people to dislike them. Margaret Thatcher said, **"If you just set out to be liked, you will be prepared to compromise on anything at any time, and would achieve nothing."**

Don't mess around with those tough decisions. **If you have a frog to swallow, swallow it fast. And the bigger the frog, the quicker you want to swallow it.** In other words, handle your big problems quickly. Get them out of the way.

When my wife and I go for a walk, I always jog and run the hills. She can't understand that. She says, "We should be walking uphill and jogging downhill. But I have always believed that you should attack your problems. Don't put them off. **Attack the hills.** If you have conflict, attack it early in the day; don't keep putting it off. It won't go away by itself. It will be like a cancer: It will metastasize.

Nobody likes conflict, and unfortunately, some people run from it. But you won't get anywhere by saying, "I don't know what to do. It's somebody else's problem." No — if you're the leader, you must resolve problems. You must make the tough decisions. And often, the bigger the problem, the tougher the decision, especially as you move up the ladder of success. The decisions of the president of a company are bigger and tougher than the decisions an agent of the company must make. And the decisions a head coach must make are bigger and tougher than those a position coach must make.

The most important decisions are the responsibility of whoever is at the top. The person in charge must make the tough decisions and take responsibility for them. Pete Carroll talked about this concept. He is the head coach and executive vice president of the Seattle Seahawks and former head coach of the New York Jets, New England Patriots, and the

University of Southern California Trojans football team. I remember seeing him on television after he won his second national championship with Southern Cal. A reporter asked him, "Pete, what's the big difference between an assistant coach and a head coach?" He replied, **"Assistant coaches can make suggestions, but the head coach has to make the final decision. It's not about consensus."**

In other words, the head coach — the leader — makes the tough decisions. When you're down by three points on the one-yard line, with five seconds to go, do you kick the field goal to tie the score and send it to overtime, or do you play to win? You might call a time-out and listen to suggestions from your quarterback and all of the assistant coaches, but ultimately, *you* have to make the tough decision. Because of that decision, in tomorrow's paper you're going to be either the hero or the goat. If the decision wasn't the right one, you can't say, "Well, we all took a vote, and 60 percent voted for the wrong decision." *You* will be held accountable for that decision because you are the team's leader.

Just as it's important to take responsibility for your decisions, it's also important to give credit where due. When your team achieves an accomplishment, give your team members the credit. It will be apparent that you lead the team and that you deserve part of the credit. As Lt. Col. Allen West, a former U.S. Congressman from Florida, said, **"Leaders take responsibility. Rarely do they take credit."**[16]

BE A LEADER, NOT A FRIEND

Herb Brooks was the hockey coach of the 1980 USA Olympic team that defeated the heavily favored Russian team. A movie called *Miracle* was made about the story. In the movie, the Herb Brooks character gathers the 20 players who made the team, and the first thing he tells them is, **"I'll be your coach. I won't be your friend."**[17] The coach drives his players hard because the Russian players are older and are actually professional hockey players, while his team is composed of college students. In the end, his team wins.

That American Olympic victory of 1980 was probably the biggest upset in any sport in the world at the time, maybe ever. There was no way those kids should have ever beaten that Russian team, but Brooks

[16] Katie Pavlich, "Allen West: CBC Has Judged Eric Holder by the Color of His Skin," Townhall.com, last updated July 1, 2012, http://townhall.com/tipsheet/katiepavlich/2012/07/01/allen_west_cbc_has_judged_eric_holder_by_the_color_of_his_skin.

[17] "*Miracle*—Quotes," IMDb, http://www.imdb.com/title/tt0349825/quotes.

drove them and drove them. He was tough. In practice, they were falling on the ice from exhaustion, but when they got to the finals, they were in better shape than the Russians. He helped them achieve much more by being their leader than he ever could have by being their friend. You can do the same for your agents.

HIRE THE "CLIMBERS"

Phil Richards often refers to a book called *The Adversity Quotient*, which categorizes people as quitters, campers, or climbers.[18] Phil says, **"We only hire climbers."** He tells the story of a young man who had been with his firm for six or seven years and was an MDRT producer. (As I mentioned earlier, in Phil's firm, agents must achieve MDRT in a certain number of years, or as he says, "Our culture will spit you out.") One year, the firm held a contest. Any agent who could produce at two times the MDRT qualification level would receive some special perks. The young man went to Phil and said, "Hey, you told me we have to be at the MDRT level. That's where I'm at, and now you're making a promotion out of two times MDRT. You're changing the rules on me."

Phil replied, "I'm not changing the rules on you; you're changing the rules on me. When I hired you, you said you were going to be a climber, and I told you I would help you. Now, after six or seven years, you've decided to be a camper. And you're better than that. We only hire climbers here at North Star." What leadership!

LET PEOPLE GO IF THEY'RE NOT RIGHT FOR THE TEAM

One of the most common "tough decisions" a leader has to make is recognizing when keeping someone on the team is not in the best interest of the organization — and then letting that person go. As Maury Stewart has said, **"Tough love is vital. *Being an enabler of failure* is not a virtue you should allow. Be willing to be tough."**

Many well-known leaders have admitted that they failed to make these tough decisions. Carly Fiorna is one of them. She was the CEO of Hewlett-Packard from 1999 to 2005 who was forced out by HP's board.

In her book *Tough Choices: A Memoir*, Fiorina describes some situations in which she did not make the tough decisions that needed to be made. For example, she discusses Peter Blackmore, one of her executive vice presidents. "There was mounting evidence that although Peter was

[18] Paul G. Stoltz, *Adversity Quotient: Turning Obstacles into Opportunities* (Hoboken, N.J.: John Wiley & Sons, Inc., 1997), 14–15.

an excellent sales executive whom I liked tremendously, he didn't pay sufficient attention to the details of execution in his very large, complex organization. Then the Board had disagreed. Tom Perkins and Lucy Salhany were particularly adamant that we should give him another chance. I acquiesced and left him in the job for another year. It was a mistake, and it was mine."[19] She added, "We'd put him in the wrong job, and we'd left him there too long . … Building a culture of accountability and execution discipline requires real and clear consequences for failure to perform."[20]

Success equals getting the right person doing the right things at the right time.

In his 1997 book, John Wooden, who won an unprecedented 10 NCAA national championships in a 12-year period as head basketball coach at UCLA, says, **"[Some] will show you by their deeds that your organization is not for them. As a responsible leader, you must not hinder them from finding a better fit with another organization. This begins, of course, by removing them from your team."**[21]

One John Wooden story that is a favorite among UCLA fans is the one about Bill Walton, who was the All-American 7-foot center on UCLA's national championship team. John Wooden had a dress code — no facial hair or long hair. Walton returned to school for his senior year sporting a beard and long hair. Coach Wooden reminded him that he was violating the rules. Walton protested, and the coach asked him if long hair was important to him.

"Yes, Coach, it is," Walton said.

The coach replied, "Well, that's good. I admire a man who sticks up for his principles."

"Thanks, Coach."

"We're going to miss you, Bill."

Walton cut his hair and shaved his beard. He went on to win two more Player of the Year awards (the USBWA College Player of the Year and the Naismith College Player of the Year) and one more championship playing for John Wooden at UCLA.[22]

[19] Carly Fiorina, *Tough Choices: A Memoir* (Paperback) (London: Penguin Books Ltd., 2006), 277.

[20] Ibid, 278.

[21] John Wooden and Steve Jamison, *A Lifetime of Lessons on Leaders and Leadership* (New York: McGraw-Hill, 1997), 60.

[22] Wally Bock's Three-Star Leadership Blog, "In Memoriam, John Wooden," http://blog.threestarleadership.com/2010/06/06/in-memoriam-john-wooden.aspx.

Often, managers and agents have disagreements, and it can be uncomfortable for everyone involved. In many cases, the disagreement results in a decision to let an agent go. Harry Hoopis had a great way of handling conflicts with agents. He would tell the agent, "Every day I come to work and I ask myself, 'What kind of organization do I want to lead?' When you come to work each day, you need to ask yourself, 'What kind of organization do I want to work for?' Now, if your answer matches mine, you get to stay. If it doesn't, you have to go." It's a great way to put the ball back in the other person's court. You make it that person's decision. You're not firing him; you're simply reminding him of your expectations. I love the way Harry handled that.

MAKE TOUGH DECISIONS QUICKLY

As I said at the beginning of this section, leaders need to make those tough decisions quickly. The longer you wait, the more you compromise your culture and the morale of your other team members. The late Al Granum said, **"Correct your hiring mistakes quickly — in the first 90 days.**" He used to say that if agents can't achieve 25 percent of MDRT production in their first 90 days, they're never going to do it. I agree with that. When agents start out in the business, they're excited, and they have all the people in their natural market to call — friends, relatives, neighbors. If they can't produce 25 percent of what they're supposed to in the first year within the first 90 days, they will never make it.

Create a Predictable Environment

If agents and your other team members are to know what is expected of them and how they can achieve success, the environment you create must be predictable. That means you must establish guidelines that govern everyone's conduct and determine how people are evaluated, compensated, and rewarded. Making exceptions to those guidelines causes big problems in an organization.

AVOID MAKING EXCEPTIONS

Harry Hoopis has often said, **"Successful people flee unpredictable environments."** When you start making exceptions for certain people in certain situations, that leads to unpredictability. He has also said, **"The exceptions you make today become the rule tomorrow, and before you know it, you have a whole organization full of misfits."**

Taking shortcuts also creates an unpredictable environment that confuses people. **"Shortcuts never pay off in the long run."**

I often say to managers, "Tell me about the last exception you made with an agent. How did it work out?" I always get the same response: They roll their eyes and say, "It didn't work out very well."

I have a personal example of how unacceptable it is to try to work in an unpredictable environment in which leadership makes exceptions that break the rules. When I was the senior marketing officer at Franklin Life, I oversaw who qualified for our company conventions.

Anyone who attended our company convention had to achieve certain benchmarks. We were clear about our expectations: "Here is what you have to have. If you have it, you qualify to go to the convention. If you don't have it, you don't get to go."

I didn't make any exceptions for anyone. I reviewed the list of qualifiers and approved it. About two months later, I received a list of all the people who were going to the convention. I saw five or six people on the list whom I hadn't approved. I went to the young woman who had prepared the list, thinking it was a mistake. She said, "No, the president OK'd them. He said they're friends of his."

So I went back to my office and had my secretary prepare a resignation letter for me. I went right upstairs, put it on the president's desk, and said, "I quit, and I want to take over the next available region." We had two available then: Kansas City and Nashville. I said, "I'd like to visit both places and make my decision."

He was shocked and asked, "Why are you doing this?"

"You just impugned my integrity," I said. "You overrode me, so that means that next year, these people know that if they want something, all they have to do is go to you, whether they qualified or not. You impugned the integrity of the entire organization by making exceptions for your friends. I can't operate in that kind of environment."

So I left the home office to go back into the field. It was OK because I'm more of an entrepreneur than a bureaucrat anyway. Harry Hoopis was right: Successful people flee unpredictable environments.

If a football team misses a field goal, it can't call a time-out and tell the referee, "Hey, Ref, we want another shot." No, the rules exist for a reason, and everyone has to follow them so that the environment is predictable. People either make it, or they don't. You don't change the rules of the game to accommodate someone who doesn't measure up.

QUANTIFY YOUR EXPECTATIONS

One way to create a predictable environment is to quantify your expectations so people know what you expect of them and how much effort will gain them how much income.

In our industry, one very effective way to do this is to follow Al Granum's One Card System, which is based on a 10-3-1 formula. **For every 10 qualified leads, three people will sit down with an agent and give him or her facts. Of those three, one will ultimately become a client.** When I first used this system, it taught me that the future is *predictable*. Agents' success is predictable based on their fixed activity. We know what the averages are, and that helps us set benchmarks.

Phil Richards uses Al Granum's 10-3-1 formula to help his agents plan out their careers. He hires only college graduates, so most of his new agents are about 22 years old. He tells them, "Your job over the next 10 years is to build your book of business so that by the time you're 32, you have your clientele developed. You will do that by getting 100 new clients a year. That's just two a week. In 10 years, you will have 1,000 clients. You can't handle any more than that. In fact, you're probably going to have to hire a few people to help you." An agent who has 1,000 clients will be very successful.

How is that goal achieved? Phil explains to his new agents that, using Granum's 10-3-1 formula, in the next 10 years, they will have to approach 10,000 qualified leads, of which 3,000 will sit down with them and actually provide facts. And 1,000 of them will become clients. Each agent will be rejected 9,000 times in the next 10 years. Most people can't handle that kind of rejection. We have to be the type of people who look at the funnel being 10 percent full, not 90 percent empty, and most people can't do that. Remember, only 4 percent of all small businesses succeed in the first 10 years, according to author Michael Gerber.[23]

Tom Bowman, one of my peers at Franklin Life, said, **"We are paid in direct proportion to the amount of rejection we can withstand each day."** I liked that statement so much that I used to have it displayed in my office. It is something agents need to hear. Here's an example. Agent A makes 10 calls to secure five appointments. That's typical; we all know that in our industry, we can get appointments with

[23] Michael E. Gerber, *The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It* (Paperback) (New York: HarperCollins Publishers, 2001), 91.

about 50 percent of the people we talk to. That means that Agent A gets rejected five times. Agent B makes 30 calls and sets 15 appointments. She is rejected 15 times. Now, who's going to have the most success in the long haul? Agent B, who is rejected three times as often as Agent A. We are paid in direct proportion to the amount of rejection we can withstand each day.

So if you have ever wondered what traits are common among successful leaders in management and sports, these are *seven* important ones.

The Play-by-Play: Chapter 3 Highlights

- Successful leaders of firms and agencies focus on their core competencies. What are your core competencies? To what extent do your team members focus on them?
- A niche is a specialized market. Successful leaders find their niche and dominate it. What is your firm's or agency's niche? What do you need to do to dominate your niche?
- What is your niche in your personal life? What would it take for you to dominate that niche?
- "Stuff" comprises the tasks you should be delegating to someone else so you can focus on the work that only you can do. Are you still doing "stuff"? If so, what tasks will you commit to delegating to someone else? To whom will you delegate those tasks, and when?

- It has been said that people can manage 10 to 12 people effectively — in other words, the average *span of control* is 10 to 12 people. When it gets past that number, you can't give people the individual attention they need. Who is in your span of control? Is it time to "duplicate" yourself by hiring one or more managers to manage your agents or advisors? What is the next step in your firm's or agency's growth — who will you promote next, and when?

- Effective leaders are responsible for making tough decisions, which sometimes means letting go of someone who is not contributing to the team appropriately. Those decisions need to be made quickly. Have you been putting off making tough decisions? If so, what are they? When will you commit to handling them?

- Successful people flee unpredictable environments. One management behavior that creates an unpredictable environment is making exceptions to the rules. Have you made any exceptions to your own rules to provide a favor to someone? If so, what was the situation? Even if you weren't aware of it, it likely created a morale problem. Commit to abiding by all of your rules all of the time.

- One way to create a predictable environment is to quantify your expectations so that people know what you expect of them. In what ways do you create a predictable environment? If your environment is not as predictable as it could be, what can you do to make it more so?

CHAPTER 4

Building an Infrastructure That Drives Success

Once you have the conceptual framework (mission, vision, and culture) of your firm or agency established, it's time to build the *infrastructure* that will drive your success. Infrastructure is the underlying foundation or basic framework of a system or an organization.

Infrastructure includes putting key people in key positions and then developing good systems that allow any capable person to run your business when you're not there.

Key People in Key Positions

A big part of your job as the leader of your firm or agency is to fill all the positions on your team with great people who have the appropriate skill sets — receptionists, administrative assistants, sales managers, recruiters, trainers, product specialists (in every product you sell), mentors, IT specialists, and the chief financial officer. In fact, it's your first step.

And you need a focused job description of your own. One like Harry Hoopis's: He considered his three responsibilities to be recruiting, planning, and counseling. He *de-skilled from* (that is, delegated) everything else. Dave Porter lists his responsibilities as "recruiting, training, sales manager development, and spending time with my kids." When you fill your positions with great people who have the right skill sets, it is easy for you to delegate the "stuff" to other members of your team and focus on what's important to you.

Once you have the right people in the right positions, they all have to work together toward the same goal. An old military rule says, **"Don't**

outrun your supply lines." In other words, if you are pursuing your enemy, you have to make sure that the soldiers who are bringing you food, ammunition, and fuel are keeping up with your troops or else you will be in big trouble. In our business, this means that everyone plays an important role in the agency's success, and everybody has to be on the same page. Said GAMA 1999 Management Hall of Fame inductee Bob Savage, **"People only fail alone . . . they never succeed alone."**

People often ask me if the great leaders in our business have any weaknesses. It's a good question. I had to think about that one. My reply is that, as individuals, everyone has weaknesses, but as leaders of their organizations, these great visionaries have none because they have filled every position on their teams with quality, skilled people.

A recent example of an organization that has built a great leadership team is the Kansas City Chiefs. It has been 15 years since the Chiefs have been to a playoff game, and they have experienced umpteen changes in their leadership — coaches, general managers, and presidents. A year ago, they fired another group. In the past, the general manager didn't get along with the head coach, and the head coach didn't talk to the president. It looks as though they finally put together a good leadership team.

John Dorsey, the new general manager, recently described the organization as being "symmetrically aligned," with good people who have great skill sets in each leadership position (that is, himself as general manager, owner Clark Hunt, president Mark Donovan, and head coach Andy Reid). He noted that the structure Hunt has set up works and that they have created a "belief system" together. "Listen, not one guy has all the answers, but collectively, if you can take everybody together, the *fist* is much more powerful than a finger." He also said the leaders are in constant communication with one another. "Constant communication makes effective organizations, and that's the way it is."[1]

Lack of communication is probably the biggest negative we have in businesses. If all the people in key positions are going to be on the same page, they have to communicate well with one another.

[1] Vahe Gregorian, "New GM Dorsey Brings Energy, Enthusiasm to First Training Camp with Chiefs," *The Kansas City Star*, last updated July 20, 2013, http://www.kansascity.com/2013/07/19/4354736/new-gm-dorsey-brings-energy-enthusiasm.html.

ACHIEVE QUANTUM-LEAP GROWTH

The sales manager position is one of the most important positions in your organization. In Chapter 3, I talked about how important it is to "duplicate" yourself so you can change your span of control and manage sales managers instead of agents. Because one person can manage only 10 to 12 people adequately, your agency will never grow unless you manage a team of sales managers who each manage 10 to 12 agents. I call that "quantum-leap growth." Embrace multiplication rather than addition. **Great leaders duplicate themselves.** Grow sales managers who grow firms within the firm.

SPEND YOUR TIME ON THE TOP 20 PERCENT

Harry Hoopis often says, **"Treat everyone fairly, but not equally."** Harry also has a foundational principle: **"As the Resident Big Thinker (RBT), the agency leader builds the organization and then the organization builds the business."** He believes managers should spend most of their time, energy, and money on the agents who make up the top 20 percent of the organization. Your top 20 percent are the people who are building your firm or agency.

Pareto's Principle, or the 80–20 rule, named after Italian economist Vilfredo Pareto, says that 20 percent of people, objects, and things will represent 80 percent of the total value. In our business, 80 percent of our revenue will be generated by 20 percent of our key people (agents, managers, administrative staff, and so forth).

But whom do you think most managers spend most of their time with? Yep. The *bottom* 20 percent of their agents — and most of them admit it. To be successful, you must spend the majority of your time developing your *top* producers. Trying to make winners out of your bottom 20 percent is an exercise in futility — and it's expensive.

Bob Fashano is a highly successful industry leader with Guardian Life Insurance Company of America who believes in the 80–20 rule: "You develop your top 20 percent, and they will build your agency. **Spend most of your time, energy, and money on your top 20 percent."** He also said, **"Encourage many, but mentor the few."** In a recent speech, I heard him add, **"And don't play Robin Hood.** Don't take your time, energy, and money away from the top 20 percent (who are going to build your firm) and give it to the bottom 20 percent (who probably aren't going to make it anyway). This *redistribution of wealth* doesn't work any better in building an organization than it does growing an economy."

Quincy Crawford believes in this concept as well. **"Producers bring you premium, but sales managers build your organization,"** he has said. He had a highly successful agency composed of 150 agents. When he was delivering his 2006 Management Hall of Fame speech at LAMP's Celebration of Excellence, he ended by having his 10 sales managers join him on the stage. His concluding statement was, "I didn't build this master agency. *They* did." Quincy developed his 10 sales managers (his top 20 percent), and those 10 sales managers recruited, trained, and developed the 150 agents (with an average of 15 agents per sales manager). There is no way one person can recruit, train, and develop 150 people, but one person can train 10 managers, and those 10 can each go out and recruit 15 agents, which is at the high end of the average person's span of control.

This concept also works in sports. Hayden Fry, the great University of Iowa football coach who turned Iowa around back in the 1980s, spent most of his time with his first-string quarterback. I heard him speak at a business meeting. While talking about whom you have to spend most of your time with, Fry said the third-string quarterback was a great kid whom he liked very much. He personally didn't care much for the first-string quarterback, but he was the one he went to war with every Saturday afternoon. So he spent 80 percent of his time every week with the first-string quarterback, and he spent absolutely no time with the third-string quarterback.

In college football and in the NFL, while preparing for a game, the first-string quarterback gets 80 percent of the snaps, and the backup quarterback gets 20 percent. The third- and fourth-string quarterbacks play on the practice squad, so coaches don't spend any time with them at all. The lesson is that it is not about liking; it's about doing. **Spend your time with the people who are going to build your business — not just with the people you like.**

MANAGE THE MIDDLE

Another important formula to remember came from Harry Hoopis. It's called the 20–60–20 formula, or "Manage the Middle." According to this formula, an organization can be divided into the top 20 percent, the middle 60 percent, and the bottom 20 percent. This is an important concept because the middle 60 percent of our people, whom we're trying to develop, are influenced by the top 20 percent as well by as the bottom 20 percent. I believe that the bottom 20 percent have more impact on their direction than the top 20 percent. The reason is that the top 20 percent of your team are working hard every day and doing what they're supposed to do. The bottom 20 percent are hanging around the office, complaining about everything. They can become a cancer that can really disrupt your whole organization. This is usually where you have to make the tough decisions — among the bottom 20 percent.

A poll by the Gallup Organization revealed a similar set of numbers in studying the percent of employees who are "engaged." The poll found that only 29 percent are "engaged" (the top), 71 percent are "disengaged" (the middle), and 17 percent are "actively disengaged" (the bottom).[2]

In his book *Engaged Leadership*, personal development expert Clint Swindall documents a belief I share: that the bottom performers can destroy an organization. He says, "The bottom 17 percent are not committed to the organization's future and are opposed to just about everything you do. Most are miserable and want to share it with anyone who will listen. In fact, they're out recruiting new members of this actively disengaged group every day. And in some cases they are the most vocal and influential leaders in the organization."[3]

ELIMINATE THE BOTTOM 10 PERCENT

Jack Welch, who was the chairman and CEO of General Electric from 1981 to 2001, was one of my favorite CEOs. He was known for firing the bottom 10 percent of his workforce every year, a practice that was often called **"rank 'em and yank 'em."** In his book *Winning*, he talks about differentiating among the top 20 percent, the middle 70 percent, and the bottom 10 percent of the people in an organization. "As for the bottom 10 percent in differentiation, there is no sugar-coating this — they have to go," he says.[4] Everybody at GE was held accountable each year, and there was no "camping."

[2] Dr. Robert Prescott, SPHR, "Employee Engagement: An Imperative for Talent-Focused, Results-Oriented, Strategic HR Functions," HRFlorida.org, http://www.hrflorida.org/displaycommon.cfm?an=1&subarticlenbr=489.

[3] Clint Swindall, *Engaged Leadership: Building a Culture to Overcome Employee Disengagement* (Hoboken, N.J.: John Wiley & Sons, Inc., 2011), 8–9.

[4] Jack Welch and Suzy Welch, *Winning* (New York: HarperCollins Publishers Inc., 2005), 49.

YOU WIN WITH PEOPLE

Tony Stewart is a NASCAR champion and now a NASCAR car owner. He is the first and only driver to have won championships in stock cars, Indy cars, and open-wheel Midget, Sprint, and Silver Crown cars. His three NASCAR Sprint Cup Series championships made him one of just nine drivers who have scored three or more Cup titles.[5] In 2008, when Stewart left Joe Gibbs Racing, an organization he had been with for his entire racing career, he said, "If I've learned anything from my time at Joe Gibbs Racing, it's that Joe Gibbs' saying of 'You win with people' is incredibly true. They always surrounded me with not just good people, but great people, and the results speak for themselves."[6]

Bill Belichick, head coach of the New England Patriots, is one of the best coaches of the past decade, and many people consider his quarterback, Tom Brady, to be the best quarterback in the NFL. As of February 2012, Coach Belichick's record while coaching a Brady-led team was 122–44. In games that he has coached without Tom Brady as his quarterback, his record is 53–53.[7] **If you don't have a great quarterback, you don't win.**

Take a look at your firm or agency. Where do you spend most of your time? **Are you *leading* the top 20 percent, or are you *pushing* the bottom 20 percent?** Most managers spend about 70 percent of their time pushing and 30 percent of their time leading. They are spending all their time trying to make someone something they will never be. Remember what Harry Hoopis said: "Our team is only as strong as our weakest link." Trim your bottom tier and focus on your top tier.

The Right Positions on the Team

Once you have key people in key positions, then you need to ensure that the other positions on the team are filled with great people and that everyone is working together. Try to have "individualized perception" — the ability to see what someone does well — and then put them in the right seat on the bus or in the right position on the team.

[5] "The Official Site of Tony Stewart," http://www.tonystewart.com/page/biography.

[6] Adam Amick, "Tony Stewart Leaving Joe Gibbs Racing — Official Release," *Bleacher Report*, July 9, 2008, http://bleacherreport.com/articles/36193-tony-stewart-leaving-joe-gibbs-racing-official-release.

[7] Wayne Allyn Root, "Who Is Really behind Coach Bill Belichick's Success?," *Winning Edge Blog*, last updated Feb. 10, 2012, http://blog.winningedge.com/2012/02/who-is-really-behind-coach-bill-belichicks-success.

Whether you're in sports, business, or the military, you need people with different skill sets to fill the positions on your team. As I mentioned earlier, in college football we start out with a position coach, who manages 10 to 12 players. If he is promoted to offensive or defensive coordinator, he will lead four position coaches and 50 players. If he is promoted to head coach, he might oversee two coordinators, 10 position coaches, and 100 players. The athletic director has to oversee not only the football program but all of the other male and female sports programs within the university. At the very top is the president of the university. The athletic department is just one small piece of his or her responsibility. Each one of those leadership roles is extremely important, but each requires an entirely different set of skills.

In the U.S. Army, the private is the low person on the totem pole, and there are a lot of positions as you climb the ladder, including corporal, sergeant, lieutenant, captain, major, colonel, general, the army chief of staff, the secretary of the army, the secretary of defense, and finally the commander in chief (the president).

In our industry, you start out with an agent or advisor, who is a salesperson. The next step up is a personal-producing general agent, or PPGA. This is somebody who dips his or her toe into recruiting but is still a personal producer. The PPGA can move up to become a sales manager, who can then be promoted to district sales manager, then to general agent, managing partner, regional manager, state manager, and division vice president, who reports to the senior marketing officer, who reports to the president or CEO. Each company calls these positions something different, but the hierarchy is basically the same — the span of control changes and the required skill set are different for each position.

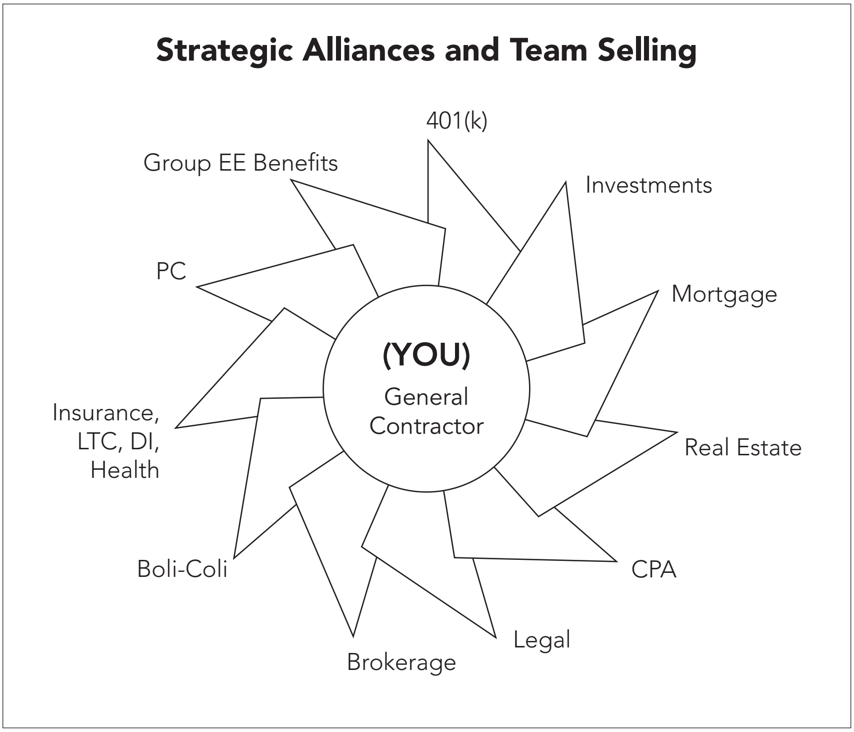
When you are building your infrastructure, be open to the possibility that your organization might look different in the future from the way it does now. Maury Stewart said, **"Five years from now, 50 percent of your agency's business will come from agents who have not been recruited yet."** Keep in mind that you are working on a 10-year game plan. In the future, you might have positions in your organization that you don't have now, and you will have people on your team whom you haven't met yet.

ESTABLISH TEAM SELLING AND STRATEGIC ALLIANCES

You can achieve optimum synergy by incorporating team selling and strategic alliances into your firm or agency, thus making synergistic relationships a part of your infrastructure.

In the movie *Rocky*, Rocky Balboa describes his relationship with his girlfriend, Adrian, this way: "She's got gaps, I got gaps, together we fill all the gaps." By partnering people who have different skill sets, you will create a stronger team than if you allow everyone to work independently. Team selling and strategic alliances allow you to combine people's talents and specialties so you can offer more robust solutions to your clients.

With team selling, you have advisors who specialize in different areas team up to meet with clients, and create optimum solutions for them. Mike White, GAMA's 2010 Management Hall of Fame inductee, said, **"Most sales in our firm are between two or more advisors."** That's team selling.



This pinwheel demonstrates strategic alliances within a firm or agency.

Karsten Lundring of Thrivent Financial for Lutherans, GAMA International's 2012 Hall of Fame inductee, and Linda Witham, a past GAMA president, were partners in the largest fraternal benefit society in the world, and they managed the only master agency in the fraternal world, Thrivent's Southwest Region. Sixty percent of the producers in that agency are MDRT members, and they achieve that success largely through team selling.

With strategic alliances, you partner with firms that provide services to your client base to offer them broader solutions than you can provide on your own. Mike White's agents partner with 51 CPA and legal firms and three community banks. Those are strategic alliances.

Some leaders, like Dave Porter, show their various relationships with people and with other types of firms as a hierarchy. Others, like Phil Richards, show these relationships in a pinwheel, with their agency in the middle and the people and firms the agency has relationships with surrounding the agency.

Build your own pinwheel to show your strategic alliances with CPA firms, credit unions, and other organizations. You should have a sense of urgency in creating such strategic alliances. If you don't get these alliances as spokes on your pinwheel, then your advisors might ultimately end up being the insurance spoke on someone else's pinwheel as they are recruited away.

INVEST IN DEVELOPMENT

It's important that you invest in developing the great people you have hired. **The investment of money in the recruitment and development of human capital is the best investment we can make.** It's not an expense. Managers often say, "I can't afford to develop people." You can't afford *not* to invest money in the development of your people, especially your top 20 percent. You're never going to grow if you don't develop the people who are building your business.

Good Systems

Once you have put key people in key positions and have filled the other positions on your team, you have to build good systems.

A good system is one that operates seamlessly when you're not there — in other words, a franchise system. McDonald's is a great example. Founder Ray Croc was brilliant in creating a system that worked so well even a teenager could run it. He developed a turnkey operation. We have to build systems that enable our organizations to run just as smoothly when we're not there as when we are there. **The systems stay the same; only the people change.**

Systems provide structure. As Harry Hoopis says, **"I have to determine structure and systems in my daily life, or I will run out of control."**

If you establish a formula or system that works and communicate it to everyone, then everyone in your organization can be successful. Don't mess with the formula. Harry Hoopis's formula was 60 appointments per month and 60 referred leads per month. Al Granum's 10-3-1 formula is probably the best-known formula in our business. And remember, he said, "If you're going to fail around here, you're going to fail my way. Our systems work." Warren Negri is well known for his ability to attract people into the industry and enroll them in the use of systems that make them successful. Warren's systems and processes of recruiting, development, team building, management development, and agency branding and marketing are among the most useful in the industry. He says, **"When your systems are working, you don't have to manage the people."**

Most people can't do what you and I do. In *The E-Myth Revisited*, Michael Gerber says that more than 80 percent of businesses fail within the first five years, and 80 percent of the survivors fail in the next five years.[8] Therefore, only 4 percent of new businesses succeed over 10 years. The success rate of franchises is much higher because you don't have to reinvent the wheel; you use best practices of proven successful operations. As Bob Savage says, **"We should consider all knowledge from people who have already solved the problems we're encountering."** When you create a franchise system, you are able to do that.

When we train new sales managers, we teach them everything we know and expect them to *duplicate* what they have learned in their agency. This is *franchising*. When Quincy Crawford developed his 10 sales managers, they all duplicated the principles they had learned from him, thereby creating 10 franchised agencies (10 duplicates of Quincy's culture).

[8] Michael E. Gerber, *The E-Myth Revisited: Why Most Small Businesses Fail and What to Do About It* (Paperback) (New York: HarperCollins Publishers, Inc., 2001), 2.

That should be your goal — to have great people in the right positions and to build effective systems that allow you to duplicate yourself and grow your firm or agency exponentially. Organizations that have a strong infrastructure can overcome the challenges that cause most businesses to fail.

The Play-by-Play: Chapter 4 Highlights

- In building a firm or agency, creating infrastructure includes putting key people in key positions. Each position requires a unique skill set. Do you have the right people with the right skill sets in the right positions? If not, what adjustments do you need to make?
- Successful leaders spend most of their time, effort, and resources developing the people who make up the top 20 percent of their team. But most managers spend most of their time, effort, and resources trying to develop the people representing the bottom 20 percent of their team. Are you *leading* the top 20 percent, or are you *pushing* the bottom 20 percent? What will you commit to doing differently?
- Do you have team selling and strategic alliances in place to combine people's talents so you can offer even better solutions to your clients? If not, will you investigate these highly successful strategies? Will you formulate a plan for teaming up advisors and forming strategic alliances with other firms such as CPA firms, legal firms, and banks?
- Another critical component of a strong infrastructure is good systems that allow any capable person to

run your business when you're not there — in other words, a "franchise" system. How well does your firm or agency run when you are not there? What changes do you need to make to enhance your systems and processes so they are easily replicable?

CHAPTER 5

Recruiting Agents Who Fit Into Your Culture

There is a big difference between recruiting and selection. Unfortunately, a lot of managers get the two activities confused or use the terms interchangeably. Recruiting is generating a pool of suitable candidates, while selection involves screening those candidates to decide which ones are the best fit for your firm or agency. This chapter covers recruiting. We will discuss selection in Chapter 6.

Recruiting is the most important job you have as the leader of your firm or agency, and it is becoming even more important. The demand for financial advisors is expanding as a direct result of increased investments by individuals and businesses, as well as high numbers of active producers retiring from the industry. According to the Bureau of Labor Statistics, the need for financial advisors is expected to grow by 41 percent over the next decade, and the employment of financial analysts and advisors is forecast to increase at a higher rate than any other occupation through 2014.[1]

Recruiting is nothing more than putting candidates' names into a funnel. Bill Cochran, GAMA's 1998 Management Hall of Fame inductee, said, **"The more people I put into the funnel, the smarter I become."**

According to LIMRA International, the average four-year retention rate in our industry is 15 percent.[2] One of the main reasons this rate is

[1] Russell Figueira, M.S.M., CLF, "Helping Veterans Transition to Civilian Success," *TWC Interactive Magazine* (Spring 2012), http://www.theamericancollege.edu/twc-interactive-magazine/spring-2012/files/assets/seo/page84.html.

[2] *LIMRA Market Trends 2010* (Windsor, Conn.: LIMRA, 2010).

so low is that we don't have enough qualified names to choose from — we don't put enough names into the funnel. So we end up selecting the "best of the rest." As Leo Tucker said, **"We are perfectly aligned to get what we get."**

Recruiting is the lifeblood of this industry. The only way you can win as a manager is to have good agents on your team. That is true in sports too. Joe Torre, who managed the New York Yankees from 1996 to 2007, said, **"There are no great managers — only good managers with great players."**

Constantly recruiting talented advisors to join your firm or agency is what will make it profitable and keep it growing. **If your agents give you one qualified referred lead per month and you hire one of every 24 candidates you interview, then you will hire one new person each year for every two agents you have.**

In a main-platform speech at LAMP, Guardian agency leader Josh Becker said, **"There is nothing more important to your success than hiring *great* people."** And Quincy Crawford has said, **"We have two jobs: recruiting and everything else."**

Recruit to Your Culture and Values

As I mentioned in Chapter 1, your values define your culture, and having a strong culture composed of strong values will attract the top candidates. As Ed Deutschlander often says, "People don't join companies; they join people and causes."

When you know what your culture is and you recruit to it, you end up with a team full of like-minded people. In 2009, Kraft CEO Irene Rosenfeld spoke with *USA Today* reporter Del Jones about how she led Kraft Foods through "transitional change" when it became a giant company in its own right after its 2007 spinoff from Altria Group. She said, "Of our seven values, the one that has had the most profound impact is the one that encourages all employees to act like owners." She went on to explain that she made some leadership changes, and Jones asked her, "What qualities do you look for in new people?" She replied, **"I look for a passion to win and *a sense of urgency about getting it done.*"**[3]

[3] "Rosenfeld setting 'delicious' goals at Kraft," *USA Today,* last updated Sept. 21, 2009, http://usatoday30.usatoday.com/money/companies/management/advice/2009-09-20-advice-ceo-kraft_N.htm.

Those are qualities of someone who is acting like an owner, one of her organization's core values.

In Chapter 2, I talked about Tom Izzo, the head coach for the Michigan State Spartans men's basketball team since 1995. I discussed how he recruits to his culture, which is a little different from the culture most basketball teams have. He recruits big physical guards and big post people who beat their opponents physically and mentally. That's the team's culture. In football, Wisconsin and Iowa both play a pro set with two tight ends, and as a result, they recruit huge offensive lineman and big running backs. They are not "finesse" teams. To maintain that type of culture, they have to recruit players who excel in it. You have to do the same in your agency. Figure out who you are and what you believe in, and then recruit candidates who share the same convictions.

Avoid Common Recruiting Mistakes

Many managers fail because they don't commit enough resources to the recruiting process. As Quincy Crawford has said, **"Your ability to recruit won't guarantee your success, but your inability to recruit will guarantee your failure."** Jack and Garry Kinder agree: **"Our job is to create *enough* of the *right* kind."** I believe that **the time, energy, and money you spend on the recruitment and development of human capital is not an *expense*; it's the best *investment* you will ever make.**

Another common recruiting mistake is to hire candidates too quickly, before screening them thoroughly. Burr Anderson, GAMA's 2008 Management Hall of Famer, said, **"If I could do it all over again, I would hire slower and terminate quicker."** Managers who rush the recruiting process often end up settling for candidates who aren't quite right. Rushing puts you at risk for compromising. **Don't take shortcuts. Don't hire under pressure. Don't ever compromise your values.** Said Joe Tucciarone, **"The agony and cost associated with a bad hire vastly outweigh the time and caution required to do the job right."**

As leaders, we drive the recruiting, selection, and development processes. We are responsible for all of our decisions. Quincy Crawford would add, **"When an advisor fails, it is always our fault. We either hired them wrong or we trained them wrong."**

Recruit for Skills You Can't Teach

I have often said, **"A coach can't teach size, speed, heart, or smarts. You have to recruit it."** Bob Savage built his agency with new, inexperienced agents right out of college. All of the people on his management team also joined his agency right out of college. Said Bob, **"A successful basketball coach once gave me great advice: 'I can't coach tall. My job is to find tall people who are good athletes and then teach them the game.'"** I think this is incredible advice.

Harry Hoopis has said the same thing in a different way: **"We don't make winners; we find them."**

In Chapter 4, I talked about how different positions on a team require different skill sets. While your job as a *manager* requires one skill set, you need to look for a different skill set in candidates for the *agent* position. They should excel at setting appointments, building rapport with prospects, explaining financial services and products in a way that is easy to understand, and closing sales. **Recruit people who are better than you are at what they do.**

How to Find the Best Candidates

So where do you find candidates to feed through your recruiting funnel? The three best sources of candidates are agent referrals, college internships, and social media.

AGENT REFERRALS

Agent referrals are an extremely good source of candidates because your current agents know your culture and know people who are likely to fit into it and excel in it. GAMA 2008 Management Hall of Fame inductee Burr Anderson's agency had an agent-referral culture. He regularly took his staff and agents out for lunch and gathered names of potential candidates from them. He also required new agents to submit one candidate's name per month, for a total of 12 each year.

Kerry Lawing manages a master agency with Ohio National Financial Services. He is a good buddy of mine, and we both live in Kansas City. He came up with an idea called the "Spousal Luncheon." Between Thanksgiving and Christmas, he invites all of his agents' spouses to attend a luncheon, which is at his country club, includes champagne, and is first-class. With his spousal referral system, if an agent's spouse refers a candidate to the agency, and that person becomes an agent, the spouse receives a free day at the spa. If the spouse refers two people who become agents, he or she wins a weekend at a bed and breakfast. Now Kerry is getting as many good recruits from his agents' spouses as he is from his agents.

COLLEGE INTERNSHIPS

The one thing a college student needs more than anything else is professional experience to add to his or her résumé. By offering paid or unpaid college internships that provide students with valuable work experience and maybe college credit, you can discover talented young people who have an aptitude for the business. Interns provide valuable help to agents who don't have time for data entry and other "stuff." Giving this work to interns helps free up your agents' time and teaches the interns about the business. Many successful managers in this business started out as college interns. Keep in mind, though, that not all college interns will become agents; some might become IT specialists or administrative assistants.

SOCIAL MEDIA

Not only do social media websites like LinkedIn and Facebook generate a considerable amount of business for many agents, but they also provide a good source of candidates. If you do not have a strong social media presence and aren't interested in learning how to improve in that area, hire a specialist who excels in social media marketing and recruiting. He or she can help you tap into this valuable resource. This is one area in which a college intern can really help you.

Before you communicate to people that you are looking for qualified candidates, define your ideal-candidate profile. In other words, list the top 10 qualities of your ideal candidate. Then send the list to everyone on your "recruiting team": agents, staff, spouses, centers of influence, strategic alliances, religious leaders (priests, rabbis, ministers — some of them host career nights), military people, colleges, and policy owners. For example, you might say that you would like to find "a self-motivated person with a high energy level who has completed a college internship and has integrity." Add an attention-grabbing headline on your communications that says, "We're hiring because everybody else is firing." Then list 10 bullet points of the qualities you are looking for. If you're looking for an intern, add this at the bottom of your marketing materials: "Who do you know who has a son or daughter going to college who might like to have an internship with our agency?"

If you are not getting enough names of suitable candidates into your recruiting funnel on a regular basis, it might be time to rethink your priorities. Decide if you need to refocus your team on recruiting, develop a specific recruiting process everyone can follow, or hire a recruiter. And make sure your firm or agency stands out as the kind of organization that attracts top candidates.

The Play-by-Play: Chapter 5 Highlights

- Recruiting is nothing more than putting candidates' names into the funnel. If you don't have enough names in the funnel, you end up selecting "the best of the rest." Is your team putting enough names in the funnel? If you aren't getting enough recruits, what can you do to generate more?
- Top candidates will gravitate toward firms and agencies that share their values. To what extent are you recruiting to your culture and values? How do candidates know what your culture and values are? How can you do a better job of communicating them so that you hire an organization full of like-minded people?
- A common recruiting mistake is hiring too quickly. When you rush the hiring process, you are more likely to settle for candidates who aren't quite right for your agency or firm. Have you ever rushed the hiring process just to get a new agent on board? How did it

turn out? What can you do to ensure that you have a strong recruiting process in place and that everyone on your team follows it?

- The three best sources of candidates are agent referrals, college internships, and social media. Are you pursuing these sources actively? If not, why not? What will you commit to doing so that your team can tap these resources and generate more names for your recruiting funnel?

CHAPTER 6

Selecting Candidates Who Are Most Likely to Succeed

In Chapter 5, I said that recruiting is nothing more than putting candidates' names into a funnel. The next part of building a team is *selection*, which is the process of predicting a candidate's future performance. Selecting quality agents who are likely to succeed helps you retain the agents you hire and reduces the amount of money you spend on development and training. Industry experts say it can cost anywhere from $125,000 to $250,000 to develop an agent over five years. Phil Richards and Ed Deutschlander tell candidates, "You need to convince me why I should invest this money to develop you."

In Chapter 4, I said that in his book *The E-Myth Revisited*, Michael Gerber reports that only 4 percent of new businesses succeed over 10 years. Most people (96 percent) can't do what you and I do. *We* are the 4 percent (survivors). We have survived in this industry by constantly selecting new agents who are likely to succeed in this challenging work environment. Making wise selection decisions is critical to your business's future.

A Set of Steps You Follow Regularly

The selection process is a collection of steps (such as testing; interviews with staff, agents, and VIPs; homework; and a business plan presentation) that you put prospects through before offering them a contract.

But **a step is a *step only* if you do it all the time!** A common problem among managers is that they make exceptions along the line — they will skip a step if they don't have enough qualified candidates in the funnel. But if you have a seven-step selection process, and one of the steps is a VIP interview, it really *isn't* a step if you don't require every candidate to go through the VIP interview.

The good agencies never make exceptions, because they don't have to; they have hundreds of names in the funnel to choose from. The problem with many smaller agencies is that they may have 10 people in the funnel and need to hire two of them, so they make all kinds of exceptions to their process. That's why it's critical for you to have a robust recruiting program that keeps a lot of names in the pipeline. **"Proper selection can occur only if there are a large numbers of candidates in the selection pool,"** say Glenn Bozeman of the American College and Terry A. Donahe of MassMutual Financial Group in the *GAMA International Journal* (May/June 1996).

Tough Selection Equals Good Retention

One common factor among high-performing agencies and firms is a *tough* selection process. That means you have high standards and follow a process that helps you identify and eliminate the candidates who aren't likely to succeed. Hiring the wrong people is costly, time-consuming, and frustrating. If your selection process is tough, you will be more likely to hire high-performing agents.

Maury Stewart often says, **"Tough selection equals good retention."** In his agency, they conduct first interviews with 40 candidates to hire one person. Harry Hoopis would hire one out of 40 too. His old agency conducts 2,000 first interviews to hire 50 people. John McTigue conducts 1,500 first interviews to hire 30 agents. That's one out of 50.

Josh Becker's agency has a five-year retention rate that has ranged from 65 percent to 77 percent over the past 10 years. It's considered one of the highest in the industry. "There is nothing more important to our success than hiring great people," Josh said. "And ***great*** **retention starts before the batter gets to the plate and the first pitch is ever thrown. Good recruiting means less selling, so stay in the selection business."**

Said Mike White, "We are a hard firm to get into. **We interview hundreds of candidates every year just to hire very few."**

At North Star Resource Group, Phil Richards's team hires one out of 37 candidates they interview. Candidates who interview there have to develop a business plan and present it to a selection committee. Having high expectations like that quickly separates the serious candidates from those who aren't likely to make it. Now *that's* tough selection.

It can be difficult to turn away candidates you really like and want to hire, but who don't do well as they proceed through the different steps of your selection process. But you can't make exceptions!

In Chapter 3, I talked about how making exceptions to your own rules creates an unpredictable environment that will cause you to lose your best people. Making exceptions to your selection process causes big problems as well. So don't forget Harry Hoopis's statement: "The exceptions you make today become the rule tomorrow, and before you know it, you have a whole organization full of misfits."

Josh Becker learned that the hard way. Many years ago he hired the younger brother of his top agent. It turned out to be a big mistake. After that experience, he said, **"It's a lot easier to steer a candidate to a different bus than to get a bad hire off of yours."**

Bill Goodwin, GAMA's 1996 Management Hall of Fame inductee, summed up tough selection best: **"If you don't have the time to do it right, where are you going to find the time to do it over?"**

Look for Reasons *Not* to Hire

Norm Levine is famous for what he calls the "Levine M&Ms," that describe the qualities to look for in an agent. They all begin with the letter "M":

- *Motivation:* Says Norm, "**You cannot motivate an unmotivated person."**
- *Market:* Look for someone who has a strong natural market and the ability to excel in sales, either in the general population or in a specialized market.
- *Money:* **"I don't expect them to be rich, but I expect them to be responsible with their finances. If they have filed for bankruptcy or have a poor credit score, don't hire them."**
- *Morality:* This is about ethics. Norm says, **"If they have had ethics problems in the past, they are probably going to have them in the future."** He adds, "I can't take the chance."

- *Marital status:* This one is really about emotional stability, not whether a person is married or single. In other words, look for someone who tends to have stable relationships.
- *Maturity:* When Norm evaluated agents, he would ask himself, "Would I buy from you?"
- *Mental capacity:* Agents and advisors have to be able to learn many things. In today's environment, that includes being tech-savvy.
- *Medical:* Make sure candidates have the stamina to handle the stress and long hours required.

One trait that can be misleading is *hard work*. A lot of managers hire candidates who have demonstrated that they work hard. That by itself isn't enough. I've always said, **"Hard work beats talent only when talent doesn't work hard."** Neither hard work by itself nor talent by itself guarantees success. Candidates need to have both, and the selection process will tell you which candidates have talent *and* will work hard.

Quincy Crawford doesn't believe managers should look for reasons to hire a candidate. Instead, **"look for the broken rear axle. Look for reasons *not* to hire."** Maury Stewart has a similar philosophy: **"If you have a good selection process, you are *not* trying to select people *in*; you are trying to select people *out*."** Maury used a "sweat interview," which was the last interview before offering a contract. In this one-hour interview, he and his managers would try to talk candidates out of the career and challenge them on why they might not be able to succeed in this business. **This career is very challenging, so we need to put their *feet to the fire* early on to find out if they are right for the job and fit our culture.**

One way to select people out is to try to discover weaknesses that could become problems down the road. In his interview process the late Brian Early, a legendary leader with Northwestern Mutual, would ask candidates, **"What difficulties might we have in developing you?"** That's a great question in the selection process because if candidates are honest when answering, it can reveal a lot about their coachability and attitude.

Looking for reasons not to hire is contrary to what most managers do — they typically look for rationalization, for reasons why they *should* hire a candidate. By simply changing your approach and mind-set, you can make a drastic improvement in your ability to hire agents and advisors with great potential for success.

Testing for Aptitude

Many agencies and firms require that candidates take various tests to determine their aptitude for the job. Such tests can assess product knowledge, performance, cognitive ability, situational judgment, personality, and, probably most important of all, call reluctance. You don't just find out if they *can* do the job; you want to find out if they *will* do it.

Testing is the objective barometer; it removes emotion from the selection process. Many managers tell stories about how they "fell in love" with a candidate, but it didn't work out because although the candidate made a favorable first impression, looked good, or went to a good school, he or she did not have the skills needed to withstand rejection or build a book of business. The test does not fall in love with the candidate, so it's an objective way to assess his or her ability to do the job.

Quincy Crawford has said, **"If they pass the test, then forget the test. We never hire just based on a test. But if they fail the test, we forget the prospect."** Quincy's team would require each candidate to take two tests and submit a handwriting sample so a graphologist, or handwriting analyst, can determine key personality traits that might affect his or her ability to do the job.

In Quincy's former agency, tests eliminate 80 percent of the candidates. The 20 percent who remain are required to go through a precontract period, which he calls "getting engaged." Half of the remaining candidates are eliminated during precontract. That means that only 10 percent of the original candidates remain. Before he retired, Quincy's agency hired one out of 30 candidates and averaged a 50 percent 10-year retention rate. His agents' average income after five years exceeded $200,000.

Most master agencies, from what I've found, use two or more tests.

The Precontract Period

There is only so much you can learn about a candidate during an interview in your office. That's why many successful agencies require candidates to complete a precontract period. During that time, which can range from one to six months, candidates participate in activities like conducting market surveys, learning about products and prospecting systems, practicing fact-finding and closing through use of scripts, and going on sales calls with agents or managers.

Requiring candidates to conduct themselves as though they were already hired will help you assess their abilities and willingness to do what you ask, and it will help you determine their fit with your agency's culture and the career. As Quincy has said, "It allows them to try the suit on to see if it fits, before they buy it."

During precontract — the "engagement period" — you need to find out the answers to these three questions about your candidates:

- *Can* they do the job?
- *Will* they do the job?
- Do they *fit* your culture?

Quincy says the precontract period is where the rubber meets the road and would ask two of those questions: "*Can* they do it? *Will* they do it?"

Bill Grimes of Grimes & Associates, the company behind Sales Call Reluctance and SPQ*Gold Profile, suggests using a precontract period to screen candidates: **"We don't need to know what people *are*; we need to know what they *will do*.** Will they prospect without hesitation and go make sales calls?"

You Can't Motivate People

Early in my career, I was frustrated with the development of some of the agents I had recruited. Wally Becker was one of the great agency builders with Franklin Life, and one day I heard him give a speech. Afterward, I talked to him about all the frustration I was experiencing. Wally looked at me and said, "Conk, you're an old football coach, and I'll bet you think you can motivate people."

I said, "Yeah, I can."

"Let me tell you something," Wally said. "Neither you nor I can motivate anyone." What he told me next changed my attitude on recruiting and selection: **"Quit spending your time trying to motivate people. Spend your time finding *self*-motivated people."** That was the moment I got out of the babysitting business. I started recruiting self-motivated people who already had a high energy level and entrepreneurial characteristics. I can't teach self-motivation; I have to recruit it. As Harry Hoopis says, **"If I want it more than they do, we can't make it."**

You Can't Change People Either

It amazes me how many people think they can change someone. I know of women who had abusive boyfriends who they married. They said, "I thought he would change once we got married." I've also heard of people who married drug addicts, thinking they would change. You will save yourself a lot of heartache by realizing that people rarely change.

A lot of managers spend an incredible amount of time, energy, and money trying to change candidates or agents and make them into something they're not. Studies show that we can't change people.

A 2010 study revealed that we "remain recognizably the same person" from childhood to adulthood. Using data from a 1960s study of approximately 2,400 ethnically diverse elementary schoolchildren in Hawaii, researchers compared teacher personality ratings of the students with videotaped interviews of 144 of those individuals 40 years later. They found that four personality attributes — verbally fluent, adaptable, impulsive, and self-minimizing — stayed much the same, despite the passage of four decades of time.[1] It seems **we are who we were in the first grade!**

Cambridge University in England found similar results in another study. The two researchers discovered that "the habits of mind, which influence the ways children approach complex problems and decisions, including financial ones, are largely determined in the first years of life."[2]

And a 2003 study by the Institute of Psychiatry, Kings College London, and the University of Wisconsin–Madison found that children's behavioral styles at age three are linked to their adult personality traits at age 26, even after the study members "experienced profound life changes," such as working full-time, getting married, or becoming a parent.[3]

[1] "Childhood Personality Traits Predict Adult Behavior: We Remain Recognizably the Same Person, Study Suggests," ScienceDaily.com, last updated Aug. 5, 2010, http://www.sciencedaily.com/releases/2010/08/100804151456.htm.

[2] Andrew Oxlade, "Financial Habits Formed by Age Seven," *The Sydney Morning Herald*, last updated May 27, 2013, http://www.smh.com.au/money/planning/financial-habits-formed-by-age-seven-20130524-2k51y.html.

[3] "Children's Behavioral Styles at Age Three Are Linked to Their Adult Personality Traits at Age Twenty-Six," Education Consumers Foundation, http://www.education-consumers.org/research/briefs_0704.htm.

You must see people as they are, not as you wish them to be. Appreciate who you are and match your personality to an appropriate skill set. For your agency, use a tough selection process to assess your candidates' skills honestly and to determine if they are genuinely a good fit. Don't hire them thinking that you can change them.

The Play-by-Play: Chapter 6 Highlights

- Selection is the process of predicting a candidate's future performance. The process is a collection of steps you put prospects through before offering them a contract. A step is a step only if you do it all the time. What are the steps in your selection process? Do you follow them all of the time, without exception? If you do make exceptions, which steps do you require of only some candidates, and why?
- One factor that is common among high-performing agencies and firms is a tough selection process. That means you have high standards and follow a process that helps you identify and eliminate the candidates who aren't likely to succeed. How tough is your selection process? How can you make it tougher, more selective, and more likely to screen out the people who aren't likely to make it in this career?
- Do you look for reasons to hire candidates or reasons *not* to hire them? Most managers tend to look for reasons to hire, but the more successful managers look for reasons *not* to hire. If you decide to adopt this approach, how will you screen candidates out of your agency?

- One selection step that is common among high-performing agencies and firms is that they require candidates to undergo a series of *tests*. Do you conduct candidate testing? If not, why not? What types of additional testing can you implement that would help you screen candidates more effectively?
- Requiring candidates to go through a precontract period helps you assess their ability and willingness to perform the tasks you ask them to do. During that time, which can range from one to six months, candidates participate in activities like conducting market surveys, learning about products and prospecting systems, practicing fact-finding and closing through use of scripts, and going on sales calls with advisors or managers. Do you have a precontract training period? If so, what activities are candidates required to complete? How can you strengthen the precontract process to better assess candidates' ability to do the job?

CHAPTER 7

Developing Effective Leaders Through Supervision and Accountability

During an agent's first 90 days on the job, *supervision* and *accountability* are critical and can make the difference between success and failure. After that period is up, we begin agent training, which we will focus on in Chapter 8.

But **the most important time in a financial advisor's career is the first 90 days.** That's when career habits are formed and high expectations are instilled. It is critical that you supervise agents' daily, weekly, and monthly *fixed activity* and hold them accountable for their performance.

You can make a good judgment about agents' chance of success at the end of 90 days because it's during that time that they are talking to all of their relatives and friends and they're excited about the career. Al Granum said, **"It isn't going to get any better than it does in the first 90 days."** He also said, **"You can tell in the first 90 days."** I agree. It's the period that will determine not only whether they will make it as agents, but also whether they will become effective leaders.

Make the First 90 Days a Boot Camp

Just as I emphasized in Chapter 6 that your selection process needs to be tough, your supervision and accountability processes must be tough as well. Basically, you have to run a 90-day *boot camp* for agents. If you make it easy on new agents and let them get by with this and do that, then a year later you could be saying, "Well, I guess this just isn't going to work out." The most successful managers will tell you that for the agents' benefit as well as your own, you need to determine quickly, in that 90-day trial period, whether you made a good hiring decision or a bad one.

And how do you measure the probability of agent success? For quite a while, an industry standard has been that **agents who sell 100 lives or households in their first year have a 98 percent probability of success.** If they sell 100 lives or households in a year, that equals 8.3 per month, or about 25 in 90 days. If they can't achieve that kind of production in the first 90 days, they aren't going to make it. If they can't do one-fourth of what they are supposed to do for the year in the first 90 days, then you made a bad hire. But we'll see in Chapter 8 that when an advisor fails, it is always our fault. We either hired them wrong or we trained them wrong.

New York Life Insurance Company managing partner John Baier, who is a past president of GAMA International and the organization's 2013 Management Hall of Fame inductee, said, **"In the beginning, agents will do everything we tell them to do. After 90 days, they don't do anything we tell them to do. Therefore, we form their habits in the first 90 days."** He was being a little facetious, but it's basically true. In the first 90 days they are usually scared of you, so they do everything you tell them. After 90 days, they get pretty self-confident and independent. So any habits you want to get formed, you need to do it quickly. It's kind of like raising kids — you don't wait until they are teenagers to enforce discipline because by then it will be too late. A boot-camp environment is the most effective way to instill good habits.

Be Tough

Al Granum's One Card System, the 10-3-1 activity-management system for new agents, taught us that our business and the future are predictable: If agents do a certain amount of fixed activity, they can predict a certain amount of income. But getting new agents to develop the critical habit of following a one-card system requires constant supervision. Therefore, many agencies have a one-card supervisor. That person has to set performance expectations for agents daily and enforce them. And it's not an easy job.

Who does the one-card supervisor remind people of? A drill sergeant. What do people do when they are in the military for the first 90 days? They go through boot camp. Why is the drill sergeant so tough on people? Because he hates them? No, it's because he wants to teach them survival skills so that when they get deployed to a war zone, they don't get killed. That's why good leaders are so tough on their people. And it's the same in our boot camp.

Explain to your agents that you're being this tough on them because you care about them and want them to be among the 4 percent who survive. It's not supposed to be fun and games.

In our business, if you ask successful advisors the name of their one-card supervisor in "boot camp" in their first 90 days, they will know it and remember that person with respect. When successful people, either in business or sports, talk about the person who had the most influence on them, it's usually somebody who was tough on them, not the ones who let them get away with everything.

Catherine Conley was the one-card supervisor under Al Granum. When Al retired, she moved over to Harry Hoopis's agency. She was a task master. Advisors didn't like her in the beginning, but when they got some experience in the business and became successful, a lot of them attributed their success to her. During their first 90 days, she met with them every morning at seven-thirty. That's important because on the 91st day, when advisors were finally on their own, what time do you think they started working? At 7:30 a.m. If she had met with them at 9:00 a.m. during their first 90 days, they would all have started at 9:00 a.m. on their 91st day. She helped the advisors establish good work habits. That is the purpose of running a boot camp for advisors' first 90 days: to build good habits that will lead to success. But doing so requires a tough leadership style.

Katharine Graham, the legendary publisher of the *Washington Post* for more than two decades, developed her tough leadership style during battles with the printers' and pressmen's unions that almost sank the newspaper in the 1970s. During that challenging period, she said she learned four lessons:

- Leaders have to be tough.
- Appeasement never works.
- Removing poor performers boosts morale.
- Standards and discipline benefit customers.[1]

[1] "Katharine Graham's Rules of Toughness," BusinessManagementDaily.com, last updated Oct. 4, 2012, http://www.businessmanagementdaily.com/7278/katharine-grahams-rules-of-toughness.

Retired four-star general Colin Powell served as the secretary of state, national security advisor, commander of the U.S. Army Forces Command, and chairman of the Joint Chiefs of Staff. He also believes leaders need to be tough. In 2012, he said, "Being kind doesn't mean being soft. When young soldiers go to basic training, they meet a drill sergeant who seems to be their worst nightmare. They are terrified. But all that changes. The sergeant is with them every step of the way, teaching, cajoling, enforcing, bringing out the strength and confidence they didn't know they had. When they graduate, they leave with an emotional bond they will never forget. Ask any veteran the name of his drill sergeant and he will know it." And then Powell named his own drill sergeant from 55 years ago.[2]

Being tough on your agents will help them develop good habits, set high standards for themselves, and learn to withstand rejection. It also will make them think about how their habits and activities determine their level of success. As Machen McDonald often says, **"Managers get in your face, but leaders get in your head."**

The late John Wooden, former head basketball coach at UCLA, said, **"They're going to talk about you if you work them too hard. They're going to talk about you if you don't work them hard enough. Either way, they're going to talk about you. … So you might as well work them too hard. The expectation of the organization comes from you, the leader."**

Set High Expectations

To help agents succeed, set your expectations high for their performance at various stages of their career, beginning with the first 90 days. Said Joey Davenport, principal and chief development officer at Hoopis Performance Network, "These expectations, if enforced, will begin to define your culture. **The only thing more detrimental to a culture than not establishing expectations is to establish them and then not enforce them. You must draw a line in the cement, not the sand."**

One of your expectations should be for agents to meet a certain minimum standard for *fixed activity.* I have two examples of how fixed activity can make agents extremely successful.

[2] "Colin Powell: Kindness Works," Parade.com, last updated May 20, 2012, http://www.parade.com/news/views/guest/120520-colin-powell-kindness-works.html.

In the first case, 30 years ago I interviewed a 21-year-old college dropout who was making a six-figure income as an agent. Back then, a six-figure income was a lot more than it is today. But even in today's dollars, for a 21-year-old kid, that's a great achievement. I was curious about why he wanted to leave his current company. The answer was that he wanted to become a manager, but this company required all managers to be college graduates — and he hadn't finished college.

So I interviewed this young man. You would expect that anybody who is a making a six-figure income at age 21 would probably be pretty cocky, and he was. Over lunch, he was telling me that he already knew the keys to success of this business. Imagine that — this snot-nosed 21-year-old kid telling me, age 40 then, that he knew the secret. I said, "Really? Tell me about it."

He said, "You have to specialize."

"OK," I replied. "What do you specialize in?"

He said, "I specialize in setting appointments. I set 25 appointments a week."

He said the other agents in his office had two or three appointments per week, and they all got the CLU designation to put after their names. "You know something? They all fight to go out on my appointments with me," he said. "But I'm not stupid. I'm learning this business. I figure that in another six months, I won't need them anymore, but they can't make it without me."

This kid was doing well — fixed activity made the difference for him. People ask me if I hired him, and the answer is no, and it's because he was not coachable. He would not have fit into my agency's culture.

My second story about how fixed activity can make an agent extremely successful is about Walt Sleeman, who brought me into the insurance business with Franklin Life. He had been a manager for 20 years in downstate Illinois. We recruited more than a hundred agents a year. That was back in the days when we sold only life insurance and fixed annuities. Life was easy then. We sold packages, and you could have a temporary license. You can't do that today, but back then we did, and we primarily recruited teacher-coaches. That's who we were; it was our culture. When I moved to Kansas City, I brought Walt Sleeman in to be my guest speaker at my first big regional meeting.

I was wondering how I was going to introduce Walt to the group. I had just received his monthly newsletter, and it showed that he had 106 producers. Now, everybody knew that Walt made more than a million dollars a year. So I introduced him by saying that in his 20 years as a manager, he and his managers had recruited more than 2,000 people — that's 100 a year for 20 years. One hundred agents remained in his agency, producing an income for him that exceeded $1 million a year. After I introduced him, the first thing he said when he got to the podium is something I will never forget. He said, **"You too can become a multi-millionaire in this business if you're successful just 5 percent of the time."**

You see, Walt was the type of person who looked at this business as the cup being 5 percent full, not 95 percent empty. That is similar to researcher Michael Gerber's estimate that only 4 percent of the people who run small businesses succeed. Walt Sleeman is a perfect example of Gerber's research.

Enforce Consequences

Once you set high expectations for agents regarding fixed activity, it's important to let them know what the consequences will be for failing to meet those expectations, and you have to enforce them. You have to hold them accountable for their performance.

Sabine Robinson used to work for John Qualy of Northwestern Mutual in St. Louis. She wrote a book titled *Quick! The Cement Is Drying*. As the supervisor of John Qualy's one-card system program, she trained more than 200 agents over the years. She now helps agencies set up tough boot-camp programs. She says, "You set expectations and help them transition out of the business if they choose not to perform up to those expectations. **High-performing new agents will have greater respect for management when they see that consequences for nonperformance are enforced."**

Measure Performance

Measuring agents' performance is important throughout an agent's career, but it's absolutely critical in the first 90 days. **Anything that can be measured can be improved.** In Chapter 3, I said that one of the traits of successful leaders is that they keep score daily, and I mentioned Ed Deutschlander's statement "Did I win today or did I lose today?" You don't know unless you keep score, and you do that with a point system.

Remember the formula: A day's work in points multiplied by 200 workdays equals income.

Here is an example of how measuring an agent's performance can help him or her achieve more. One of my agents was a high school teacher and also a basketball and football coach in Kansas City who sold insurance for me part-time in the summers for several years. One day about 30 years ago, the summer in which he began working for me full-time, he and his wife, who was also a teacher, were sitting with me at their kitchen table. They had two daughters who were about to enter high school and middle school. They told me that they were very concerned about the school district they were living in. It was changing, and not for the better. Their house payment was about $500 a month. They wanted to move to the good school district in Kansas City, but the mortgage on a home in that neighborhood would have been about $2,000 a month — four times what they were paying.

So there they were, two schoolteachers. She was still teaching school, and he was coming into the insurance business full-time and would be paid on commission. I said, "Don't worry about it. Put your house on the market and go buy a house in the good school district."

They both asked, "How can we do that?"

I asked him, "How many appointments do you average a week?" He said eight, although I already knew that. I asked him what his closing ratio was, and he said 40 percent, so he averaged about three sales a week. I asked him what his average commission per sale was, and he said about $500 a year. I asked, "Can you increase your fixed activity from eight appointments a week to 10?"

He thought about it and said, "Well, yeah, I can do that."

I said, "That's all you've got to do, with your averages — just see two more people a week." I explained to him that if he could get two more appointments per week, that's eight more a month. He would close three of those eight for $500 each in first-year commission, which equals $1,500. The difference between where he was living, at $500, and where he wanted to move, at $2,000, was $1,500 a month. I felt sure that he could achieve that goal and encouraged him to put his house on the market. He did so. They moved into a house in a great neighborhood, and they never missed a beat.

If you can measure it, you can improve it. Help your agents set goals and reach them. Then help them set even higher goals and reach those. That's what a leader does.

Teach the Difference Between a Definite No and a Deferred Yes

In our business — and sometimes in life — you have to know the difference between a definite no and a deferred yes. When agents are first starting out in the business, many of them lack confidence and give up too easily. As their leader, it's your job to teach them that a prospect has the potential to become a client until he or she gives the agent a definite no, as in, "Please don't call me anymore. I definitely don't want to buy from you." Until then, the agent should consider any response a *deferred yes*.

My attitude has always been that you will eventually become a client of mine. I am a pit bull. I will eventually wear you down. In fact, the best client I ever had turned me down five times. I kept calling him. Each time, he would say no, and I would say, "You wouldn't object if I called you in six months?" He said no. In two and a half years, he turned me down five times. He finally agreed to talk with me, and he became the biggest client I ever had. So don't give up on someone unless you get a *definite no*.

My favorite example of this philosophy is my wife, Bonnie. We dated for quite a while, and when I asked her to marry me, she turned me down — three times. Her reason was that she was seven years older than I. She thought that made a difference to me, but it didn't. After she turned me down the third time, I brought her an actuarial table to show her that women live an average of seven years longer than men. I told her that if she married me, we would both die in the same year. She ran out of excuses, and we just celebrated our 22nd wedding anniversary.

So supervision and accountability are the hallmarks of boot camp for new agents. But my best advice, both for you and for your agents, during boot camp is this: **Don't get too high on the highs, and don't get too low on the lows.** Your agents will be up and down daily. One day they will be happy as heck, and the next day they will be stood up three times. So you have to remind them to balance it all and try to make sure the good days outnumber the bad. You don't want them to get so discouraged with the lows that they quit, and you don't want them to get so confident with the highs that they think they can abandon everything they learned during boot camp.

The Play-by-Play: Chapter 7 Highlights

- The most important time in a financial advisor's career is the *first 90 days.* That's when career habits are formed and high expectations are instilled. Daily, weekly, and monthly supervision of their *fixed activity* is crucial. The best way to get new agents or advisors off to a strong start is to run their first 90 days like a boot camp. Be tough on them. Set high expectations and hold them accountable for their performance. What do the first 90 days in your agency look like? Do you run a boot-camp type of new-agent program? If not, what can you do to make your new producers more accountable?

- Agents or advisors who sell *100 lives or households* in their first year have a 98 percent probability of success. If they sell 100 lives or households in a year, that equals 8.3 per month, or about 25 in 90 days. If they can't produce 25 lives or households in the first 90 days, they won't make it in the career. What level of performance do you expect of your agents or advisors in their first 90 days? Are you challenging them enough?

- High-performing new agents and advisors will have greater respect for management when they see that consequences for nonperformance are enforced. Do you enforce consequences for those who do not meet your *minimum* standards for performance? If so, what are they? Do you enforce them consistently? Are they strict enough?

CHAPTER 8

Training and Mentoring by Extraordinary Leaders

After your new agents finish boot camp in their first 90 days, that's when *training* and *mentoring* begin, and both processes should be ongoing throughout an agent's career. There is always something to learn in our business, and by offering continued training and mentoring, you will develop the agents who will become the leaders in your firm or agency.

Training to Improve Agents' and Advisors' Skills

The most important factor in a new agent's decision about which agency to join is great training. In the beginning, agents don't know much about compensation or products. They want to know that your training can take them to whatever level they wish to reach. **To attract the best talent, it's important for your firm or agency to have a great reputation for training in your community.**

Some agents adapt to training better than others; some are uncoachable because they think they already know it all. Legendary UCLA head basketball coach John Wooden said, **"It's what you learn after you know it all that counts."** A good selection process will screen out the "uncoachables."

When Quincy Crawford analyzed performance issues among new agents, he would ask, **"Is it a *skill* (training) problem, or a *will* (activity) problem?"** You need to find that out in the first 90 days. If it is a *skill* problem, you can give agents more training, but if it is a *will* problem, you can't help them. If they will not do what you ask them to do in terms of fixed activity, you can't help them. And remember, whenever someone fails in this business, it's always our fault — *we either hired them wrong or we trained them wrong.*

Said Dr. Barry Alberstein, a clinical and consulting psychologist who works extensively in the financial services industry, **"The first responsibility of a good leader is to make sure the new agent knows what a good job looks like."** That's one of the things agents learn in the training process.

"High levels of activity coupled with joint fieldwork with a senior agent [plus mentoring] seems to be a key ingredient in getting new agents off to a fast start," emphasize Glenn Bozeman and Terry A. Donahe in their May/June 1996 *GAMA International Journal* article "Commonalities Among High-Retention Agencies." And in the same issue ("Street Smart Selection"), George W. Dudley and Shannon L. Goodson of the Behavioral Sciences Research Press say, **"Agents who produce the most, soonest, are most likely to be the best producers," so recruit *fast starters.*** Al Granum always told us, **"You will know within the first 90 days if you've got a fast starter or not."** I agree with that. I can remember only one person in 24 years who made it after a slow start during the first 90 days.

After the first 90 days, when you begin mentoring and training, position yourself as less of a supervisor and more of a business partner. Harry Hoopis is known for this approach: **"I want them to think of me as their *business consultant,* not as their boss. They need to know that if *they* don't do well, *I* can't do well."** Agents will take criticism and challenges from a "consultant" better than they will from a boss.

TRAINING BY FACULTY MEMBERS/SPECIALISTS

Harry Hoopis has also said, **"Amateurs teach amateurs to be amateurs** — and that's why we don't use agent failures to teach. Our training faculty promotes the best of what we have to teach the new advisors coming aboard. Therefore, our faculty member/specialist is a very important position on our team." You need to have specialists in every product you sell, and you should refer to them as faculty. They should teach the subject matter related to the product or service they specialize in. It doesn't cost any money to give somebody a title like "faculty member" or "specialist." A lot of people enjoy being seen as expert in a certain market or product and teaching new people.

TRAINING IN FACT-FINDING

One subject that managers commonly train agents on is how to conduct the fact-finding interview, which is summed up by the old saying, **"Don't tell me how much you know until I know how much you care."** We have to train our agents to be good listeners and to be empathetic to prospects' needs before trying to sell products or services to them. As Harry Hoopis says, **"Our *product* is peace of mind, and our *service* is knowledge."** In his former agency, representatives spend five and a half hours per week in a training class.

TRAINING IN COMMUNICATION SKILLS

Another important training topic for new agents and advisors is communication. Nonverbal communication (the way we come across when we're communicating) is a lot more powerful than verbal communication (the words we say). In 1967, UCLA researcher Albert Mehrabian found that 7 percent of our communication is composed of the words we use, 38 percent is tone of voice, and 55 percent is body language.[1] We need to teach our agents how to pick up on nonverbal cues and to read between the lines to determine what a prospect means but might not be saying.

The Internet has opened up new lines of communication for us, but I still like face-to-face interaction because we communicate more effectively when we can see how people react to us. We can read their body language as they respond to our questions. I'm kind of like the old linebacker — I'm watching people's eyes. You watch the quarterback's eyes, you watch the guy in front of you. And a lot of times, you can pick up feedback in people's body language that they don't say out loud about what they're thinking or about to do.

A 2013 article from CNBC says, "Body language and nonverbal communication can have a big impact on your professional life and can ultimately make or break a deal, business relationship, or even your success. … Body language encompasses body movements, facial expressions, and gestures, as well as the tone of your voice." In the article Eliot Hoppe, an author and expert on body language, says, "People make up their minds about others in the first four seconds."[2]

[1] Jeff Thompson, "Is Nonverbal Communication a Numbers Game?," PsychologyToday.com, last updated Sept. 30, 2011, http://www.psychologytoday.com/blog/beyond-words/201109/is-nonverbal-communication-numbers-game.

[2] Holly Ellyatt, "Seven Things Your Body Language Is Telling Your Boss," Entrepreneur.com (from CNBC.com), last updated Aug. 25, 2013, http://www.entrepreneur.com/article/228056/newsletter.

An example of the power of nonverbal language in sports is the Oct. 5, 2013, game between the Kansas City Chiefs and the Tennessee Titans, who were beating the undefeated Chiefs in the fourth quarter. The Chiefs needed leadership. In the huddle, the guys can sense how confident their leader — the quarterback — is.

According to an article in *The Kansas City Star*, "The offense … had yet to produce a touchdown, and quarterback Alex Smith had looked uncomfortable much of the day. But as the Chiefs took over with 11:28 left, coach Andy Reid said, 'The eyes that I'm looking into are positive eyes … . That was my picture. That's what I'm looking at … . They look at him every snap, right? That's their leader out there. So if you're wavering at all, or you don't have the right look in your eye, these guys sense that. And they can tell. So how you present yourself is huge.'"[3]

The article goes on to say, "Tight end Sean McGrath saw 'that look in his eye,' too, and he felt it surge through him. 'It's not so much what he says; it's the way he carries himself, the way he emits what it is to be a leader,' McGrath said. 'We just go in there, fully confident in him, knowing that he's going to lead us to the promised land.' "[4] The Chiefs beat the Titans 26 to 17.

So when you're down and you're getting beat in the fourth quarter, what kind of leadership are you providing? Your people "in the huddle" can see it in your eyes — they can tell whether you're confident or terrified about the future.

Remember, you never have a second chance to make a favorable first impression.

TRAINING FOR ASPIRING MANAGERS

Some of your training will be targeted toward agents who want to make the transition from sales to management. When I was at Franklin Life, we had a saying: **"You sell your way into building, and you build your way out of selling."** Here is what that means. In the beginning, agents spend 100 percent of their time in personal selling. As they begin to build an agency (one agent at a time), more of their time is consumed by training, joint work, and recruiting. So they might spend 60 percent of their time in personal production and 40 percent in agency

[3] Vahe Gregorian, "Resilient Chiefs Have Put Their Trust in QB Alex Smith," KansasCity.com, last updated Oct. 6, 2013, http://www.kansascity.com/2013/10/06/4536666/resilient-chiefs-have-put-their.html.

[4] Ibid.

development. If an agent grows the agency over time (10 to 15 agents), his or her time allocation might be 20 percent personal production and 80 percent agency development. Eventually, if that person builds a large enough agency, 95 to 100 percent of his or her time will be spent on the agency.

In the beginning, 100 percent of your commissions come from personal sales. As you start bringing people on, more of your income comes from your agency. So if you have two or three agents, maybe 20 percent of your income will come from them, and 80 percent will still come from personal production. But as your agency gets bigger and bigger, your income from the agency grows, so you need less income from personal production to equal what your income was. Eventually, you won't have time to sell at all. You sell your way into building, and you build your way out of personal selling.

The biggest agency in Franklin Life was the Viking Region. It had more than 200 agents and was managed by the late Don George. He used to preach the "*Three Steps* to Building a Mega-Agency." We all learned the steps and taught them to our people:

1. *Master your sales cycle.* You have to know your product inside out. Find your niche and dominate it. We had a packaged program called the "President's Plan" that we sold in the middle market, and we had to master it — in essence, master the sales cycle.

2. *Teach others to sell the President's Plan.* In other words, teach others to do what you do. As you duplicate yourself, you start to build your franchise and grow by *addition*.

3. *Teach others to teach others to sell the President's Plan.* In other words, teach others to teach others to do what you do. By developing sales managers, you will grow by *multiplication*.

There was another great agency builder at Franklin Life, who worked under Don George. He used the following three steps for sales success. I taught them to our people:

1. *Master the sales cycle in your niche area.* This includes mastering your presentation to prospects.

2. *Work hard.* His formula was 40–15–10–4. Those numbers refer to 40 telephone approaches, 15 appointments set, 10 actual meetings, and four new clients. If an agent talks to 40 people and asks them for appointments, 15, on average, will set up an appointment, which is 40 percent. Of the

15 who set up an appointment, 10 will actually show up. The numbers in my agency were pretty close to that; we found that one out of three (33 percent) will cancel the appointment. That means an agent would have 10 people to see a week. And out of the 10, four would ultimately become clients. We had a 40 percent closing ratio, which is average. A lot of people had 50 percent and higher. But look at what that 40 percent would do: Four sales per week times 40 work weeks equals 160 sales per year. That's enough to qualify for MDRT. By "work hard," this manager meant that an agent had to see at least 10 people a week, or two per day. So agents have to set at least 15 appointments a week to see 10 people. If they will do that, there's no way they can fail.

3. *Recruit people to do steps one and two.* We're in a tough business — remember, only 4 percent of small businesses survive, and only 16 percent of agents make it four years in this business. But it's also a very simple business if you follow the formula. This leader had three simple steps: Master a product, show it to enough people, and then recruit others to do the first two steps.

We have a tendency to make things difficult in this business. Handling rejection and being disciplined are the toughest parts for agents, but with proper training, they can develop strategies that will help them overcome the feelings of discouragement that tempt them to quit.

By training agents the right way — helping them set goals, commit to a certain amount of fixed activity, and understand the significance of the service they are offering — the career can be easy for them too. Ben Feldman, who was with New York Life, was one of the greatest insurance salesmen of all time. He sold more life insurance than a lot of small companies did. He said, **"A piece of paper, a few drops of ink, and a couple of pennies, and an advisor creates a miracle — the miracle of life insurance!"**

Mentoring to Build Leaders

Mentoring is such an effective strategy in our business that MDRT has its own mentoring program. MDRT describes the mentoring process this way: "Mentoring creates a positive outcome for two producers by matching their varying levels of experience and talent to lead the aspirant to long-term financial success and the mentor to continued and/or greater success and personal satisfaction. To succeed, mentoring teams require open, two-way communication."[5]

[5] "About Mentoring," MDRT.org, http://www.mdrt.org/membership/AboutMDRTMentoring.asp.

Paying it forward: Someone recruited, trained, mentored, and coached each of us, and when we become managers, we do the same for new people entering the business. It's about helping the next generation, just as we were helped, and it's a foundation of our industry.

Here is how Phil Richards defines mentoring: **"A mentor is a wise teacher who guides and cares."**

Mentors serve as positive role models for agents. Remind your agents of this pearl of wisdom: "Stop spending time with people who are not the type of person you wish to become. Whom do you wish to emulate?" Mentors also help challenge agents and set their goals high. Ed Deutschlander and Phil Richards often quote this saying by Johann Wolfgang von Goethe: **"If I accept you as you are, I will make you worse; however, if I treat you as though you are what you are capable of becoming, I help you become that."**

MENTORING HELPS COMPANIES SERVICE "ORPHAN" CLIENTS

In some agencies and firms, mentoring is the norm. According to Mike White with Securian Financial Group, **"Everyone in our firm has been mentored by someone else."** And at North Star Resource Group, each new agent is coached "to get adopted by a senior advisor" — to do more than you are asked to do so that senior advisors notice you and request of management that they get to mentor you. Phil Richards says his senior agents have 300 to 500 clients, but they usually work with only 150 top-tier clients per year. That leaves hundreds of clients who aren't being seen; we call them "orphans." (Home offices don't like to have orphan clients because they represent missed opportunities for business and are vulnerable to being approached by agents from other companies. In many cases, home offices have orphan clients in their files who haven't been contacted by an agent in five years or more.)

MENTORING SOLVES NEW AND EXPERIENCED AGENTS' MAIN CHALLENGES

A new agent's challenge is finding prospects to see under favorable conditions, and the more experienced agent's challenge is finding a way to provide service to all of his clients. A mentoring arrangement solves both problems.

Have the mentor introduce new agents to his second- or third-tier clients for service and split the commission on new business (maybe 80 percent for the new agent and 20 percent for the mentor). When the more experienced agent retires, the newer agent can take over his clientele. This becomes a win–win–win–win. It's a win for the policy owner, the home office, the mentor, and the agent.

Shaun McDuffee, a senior vice president with North Star Resource Group, once gave a main-platform speech at LAMP titled "High-Performance Mentoring." He mentioned that he was mentoring eight agents who were 22 to 24 years old; all of them were MDRT producers and making six-figure incomes. Those agents, in turn, were mentoring newer agents. His point was that "you don't have to have gray hair to be a mentor." People tend to assume that mentors are much older agents, but that doesn't have to be the case.

It can be difficult to persuade some experienced agents and advisors to become mentors. A lot of them assume that they will have to work in the younger agent's market, selling to 20-year-olds. But that's not what happens; instead, the senior agent brings the newer agent into his market, and the younger agent learns how to work in a more upscale market.

Shaun has been specializing in selling to physicians since 1990. The agents he mentors are out prospecting and getting appointments for Shaun in his own market — with doctors. Shaun enjoys working with the younger agents and gets some much-needed help, and the younger agents get to see how sales are made to physicians.

TIPS FOR A MENTORING RELATIONSHIP

The Small Business Administration (SBA) conducts a mentoring program for small-business owners. The SBA recommends that a mentor and mentee establish a mutually beneficial, structured relationship. The organization provides the following five tips, which you should encourage new-agent mentees to follow as they are mentored by more experienced agents:

- *Be organized, prepared, and consistent.* Make sure you are respectful of your mentor's time.
- *Do not expect your mentor to run your business for you or make decisions for you.* You should have realistic expectations about what a mentor can provide you.
- *Plan your mentoring sessions in advance.* They could be as simple as having a one-on-one meeting once a month to discuss business goals, obstacles, and regulatory requirements you don't understand.
- *Take notes, create action items, and be prepared to review progress during your next session.*
- *Thank your mentor for his or her time and assistance with your business decision-making skills.*[6]

Training and mentoring agents who have successfully completed your 90-day "boot camp" will help reinforce the good work habits and high standards that you and your team members have instilled in them. Training and mentoring should continue throughout your agents' careers to help them to increase their production, grow professionally, maybe move up into management, and become a mentor themselves. By offering continued training and mentoring activities, you are investing in your most valuable resource — your agents — and developing tomorrow's extraordinary leaders.

[6] "Finding a Business Mentor," sba.gov, http://www.sba.gov/content/find-business-mentor.

The Play-by-Play: Chapter 8 Highlights

- The most important factor in a new agent's decision about which agency to join is *good training.* How well defined is your training program for new agents? To what extent do you publicize it so that people who are seeking a career in this industry know that you offer a strong training program? What can you do to strengthen your training program?
- According to MDRT, mentoring creates a positive outcome for two producers by matching their varying levels of experience and talent to lead the aspirant to long-term financial success and the mentor to continued or even greater success and personal satisfaction. Do you offer a mentoring program? If not, what steps can you take to implement one?
- Pairing veteran agents with newer ones in a mentoring relationship can help the more senior agents provide better service to their second- and third-tier clients, and it can help newer agents find prospects to visit. Are you using mentoring relationships to help your agents solve their respective challenges? If not, what can you do to establish these mentoring relationships?

CHAPTER 9

Using Time Management and Quarterly Reviews to Be a More Effective Leader

Two important areas of leadership not often discussed are *time management* and *quarterly reviews*. Managing your time well and establishing quarterly reviews for your agents can help you become a more effective leader and empower others to reach their true potential.

Mastering time management will help you gain control over your work schedule and empower those you lead to be more self-sufficient. Implementing quarterly reviews will help you build in regular performance checkpoints to hold agents accountable and help enhance their probability of success.

Time Management: Stopping the Time Thieves

I have talked a lot about the importance of delegating "stuff" to others in your organization so you can spend your valuable time doing what only *you* can do. To do a better job of time management, ask yourself three questions every time you are presented with a new task:

1. Does this have to be done?
2. Does it have to be done *now*?
3. Does it have to be done *by me*?

In addition to doing "stuff," the two biggest thieves of our valuable time are dealing with problems or questions — often called "monkeys" — someone else can handle, and allowing interruptions.

DEFLECT THE MONKEYS

Bob Fashano gives a great talk about taking on agents' monkeys. He says, "I am a '*reformed monkey picker-upper*.' When somebody says, 'Have you got a minute?' here comes the monkey. **When we take on agents' monkeys without teaching agents how to handle their own monkeys in the future, we become enablers.** We become their administrative assistant. That's *role reversal*." Before he became aware of what he was doing, Bob says, "I wasn't leading, I was being led. I was being reactive, not proactive. And leadership is all about being proactive."

"Agents don't grow when we give them the answers," says Bob, who tells agents, "I have no time for your monkeys, but I have all the time in the world for *you*." When agents bring you their monkeys, give them back and encourage the agents to handle them on their own.

HARRY HOOPIS'S NO-OPEN-DOOR POLICY

To avoid interruptions, Harry Hoopis had a *no-open-door* policy before he retired.

A lot of managers have an open-door policy. Any person can go to their office at any time, unannounced, and talk about whatever he or she wants to discuss. Not Harry. Here are the four rules of his no-open-door policy:

- *You can't set an appointment to see me today … today.*
- *You can either find the proper person or department to handle your issue, or you can set an appointment to see me between 6:00 and 8:00 a.m. the next morning.* The reason for that time frame is because Harry didn't want to interfere with his agents' workday, which started at 8:00 a.m. Harry always arrived at the office at 6:00 a.m. He trained his administrative assistant to act as a buffer to route agents' important subjects and requests to the proper person instead of allowing the agents to say, "Hey, Harry, I've got a problem here." They were typically issues that someone else could handle, and there was no need to interrupt Harry. He wanted agents to understand the difference between "urgent" and "important" issues. To most agents, everything is urgent: "Hey, there's a mistake on my commission statement." Well, that may be urgent to the agent, but someone like Harry should not be interrupted for that kind of a situation; the agent should check with the accounting department to find out why

the error occurred. So teach your support staff to know the difference between urgent and important issues. If someone has died, been in an accident, or arrested, that is an emergency and something the top person should be involved with.

- *When you set an appointment with me, it will be for no more than 15 minutes.* Once in a while, an agent would slip through Harry's "buffer" system because the administrative assistant was at lunch or running an errand, and an agent would knock on Harry's door. In those cases, Harry would give the agent a five-minute stand-up discussion. But when agents had an emergency situation, he would give them as much time as they needed. Harry is a caring person. If someone went to him and said, "Harry, I just got a call, and my teenager was arrested for drugs," or "My wife was in an automobile accident," that's an emergency. He would stop whatever he was doing to take time with the person.
- *When you meet with me for a prescheduled 15-minute appointment between 6:00 and 8:00 a.m., you must follow an agenda.* Harry learned the hard way that if he didn't require agents to have an agenda, they would sit down and start talking about the previous night's ball game or the like. Before he knew it, 10 minutes would have gone by, and they hadn't even started discussing the agent's issue yet. "If all my agents are doing that," he said, "I could spend an hour a day just talking to people about yesterday's ball game." He couldn't afford to waste his time that way. So when an agent arrived at his office, Harry would have the agenda in front of him. That allowed him to get right to the point.

Harry's rules represent what I call "structured office etiquette." After all, **you have to have some structure, or the animals will run the zoo.** If you currently have an open-door policy and find that it causes disruptions in your day, you might want to consider adopting a no-open-door policy like Harry's. How can you get any work done if you are interrupted 15 times during the day? Building a more structured process for meeting with agents will also make them respect your time more.

A lot of managers have had an open-door policy for so long that they don't realize they're spending several hours a day putting out fires. This is also a huge time-management issue for a lot of new managers. They want to be nice and think they are helping their agents, but they really aren't; instead, they are being enablers. But once they're aware of the problem, they can establish some rules, close their door, and get some work done.

BE EFFECTIVE VS. EFFICIENT

If you are *efficient*, you are doing things right. If you are *effective*, you are doing the right things — and that is far more important. Be mindful of the difference.

FOCUS ON WHAT *NOT* TO DO

Most people follow a to-do list of tasks they need to get done soon. But it's also important to focus on the things you are *not* going to do. You will be more effective at time management if you delegate the "stuff" on your to-do list to someone else. Don't get so caught up in the things on your list that you fail to recognize the tasks that someone else should be doing. Spend your time doing only what only you can do. **Your "not-to-do" list may well be more important than your to-do list.**

Quarterly Reviews: Keeping Agents Accountable

Our agents are small-business owners, so we should treat them as such. This means we need to hold them accountable for quarterly results the same way Wall Street holds publicly traded companies accountable for their performance every 90 days. **The quarterly review is one of the most powerful accountability tools in our business.**

WRITE YOUR GOALS DOWN

When you write your goals down, you are more likely to achieve them. Gail Matthews, Ph.D., a clinical psychologist at Dominican University of California, conducted a study on this topic. Her research revealed that people who wrote down their goals, shared them with a friend, and sent weekly updates to that friend were, on average, 33 percent more successful in accomplishing their stated goals than those who merely formulated goals.[1]

[1] "Study Backs Up Strategies for Achieving Goals," Dominican University of California website, http://www.dominican.edu/dominicannews/study-backs-up-strategies-for-achieving-goals.

That's what makes quarterly reviews so effective — agents are writing down their goals, sharing them with someone else, and following up on their progress regularly.

DEFINE A DEADLINE

In addition to writing goals down, another important step in achieving goals is assigning deadlines to them. Here is another one of Phil Richards's most famous pearls of wisdom: **The difference between a goal and a dream is that a goal is a dream with a deadline.** Having to qualify for MDRT by Dec. 31 is a goal with a deadline. If you want something but you don't write it down as a goal with a deadline, it's just a dream.

When I was a manager with Franklin Life, I conducted quarterly reviews of my agents' performance simply because the home office held me accountable for reporting my numbers every 90 days. I just went through the motions gathering the numbers and totaling them up for my quarterly review with the home office. This might be your attitude too. I did not realize the relevance and importance of quarterly reviews until I saw how three of our industry leaders — Dick McCloskey, Phil Richards, and Dave Porter — approached the quarterly-review benchmark.

QUARTERLY-REVIEW TIPS

Over the years, Dick McCloskey and Phil Richards came up with a six-step process for conducting effective quarterly reviews:

1. *Limit your agents to four goals (three business goals and one personal goal).* All of them should be *activity* goals that can be quantified and measured. Dick used to say that if someone wrote 20 goals down and completed 16 of them, it wasn't much of an accomplishment if the four they didn't complete were the four most important ones. If you have too many goals, you won't be able to prioritize them or focus on the more important ones.

2. *Never allow agents to use the word "average."* An agent might say her goal is to earn $100,000, so she is going to "average" $25,000 a quarter. But it doesn't work that way. That agent needs to look at his calendar to see when she is going to be on vacation or attending a convention and when school will be out (if she has children). Not all quarters are

the same. When agents average like that, it means they don't really have quarterly goals; they just took their annual goal and divided it by four.

3. *Conduct a 15-minute, no-nonsense review with all agents and have them restate their goals.* If they can't restate their four goals by heart, they really don't have any goals.

4. *Never accept an excuse.* When agents would start to explain why they didn't meet a goal, Dick would reply, "What I hear you saying is that you didn't achieve your goal." They would say, "Yeah, but this happened, and that happened —" and begin the excuses again. He would repeat, "What I hear you saying is that you didn't achieve your goal." Those explanations are just excuses. As the leader, it's important that you never accept any excuse.

5. *If an agent did not hit his goal, then one of two things has to change: either his behavior or the goal. There is no other choice.* It's very simple: Agents who don't reach a goal have to reduce the goal or increase their activity.

6. *Determine the* "why" *behind the goal.* Phil always asks agents, "Do you know the *why* behind the goal?" If an agent says, "I want to qualify for Million Dollar Round Table," Phil will reply, "That's not good enough. *Why* do you want it?" Phil recalls that a successful agent once told him, "I want to make one hundred thousand dollars my second year in the business." Phil asked him *why*, and he replied, "My mother and dad live in a trailer, and I want to buy them a home." That was the *why* behind the goal, and he accomplished it. Another one of Phil's top agents once told him, "I need to make two hundred thousand dollars next year." When Phil asked *why*, the agent said, "I'm putting my sister through the University of Michigan." And he did.

Dave Porter talks about the "90-day work plan," and he asks his agents to follow three steps. They're similar to the six steps that Dick and Phil use, and they apply to leaders as well as agents:

1. *Set four goals — three business goals and one personal goal.* Dave's own three business goals are recruiting, training, and developing sales

managers. Those are the only three business areas for which he holds himself accountable. His personal goal is spending time with his kids.

2. *Identify the obstacles that can prevent you from reaching your goals.*
3. *Define the action steps you will use to accomplish your goals.*

At the end of the day, it's all about accountability. Once you establish quarterly reviews as a requirement in your firm or agency, your agents will know that at the end of a 90-day period, they are going to sit down with you eye to eye and be held accountable for what they said they were going to do 90 days earlier.

What time management and quarterly reviews have in common is that they both help you gain control over your agency, become a more effective leader, and hold those in your agency accountable for solving their own issues, when possible, and achieving the level of success they are capable of.

The Play-by-Play: Chapter 9 Highlights

- "Monkeys" — questions or problems that agents or advisors could figure out for themselves — are a thief of your valuable time. Do you answer all of their questions and respond to their requests with no questions asked? Or do you encourage them to solve problems and answer questions on their own? What can you do to deflect the "monkeys" back to agents?
- Interruptions are another one of the biggest thieves of time in a firm or agency. How much of your time

each day is spent dealing with interruptions? What can you do to create more structure in your time with agents?

- When you make a to-do list, do you also make a "not-to-do" list that is composed of the "stuff" that you need to delegate to someone else? To be a better manager of your time, what "stuff" will you commit to delegating to others?
- The quarterly review is one of the most powerful accountability tools in our business. Do you conduct quarterly reviews? If not, when will you begin implementing them? If you do conduct them, what can you do to make them more effective?

CHAPTER 10

The Importance of Perseverance in This Challenging Industry

Bad things happen to good people. The way we get through them is by having *perseverance* — the ability to survive despite counterinfluences. To persevere through difficult times, we must be able to *adapt* and *adopt* — that is, adapt to unforeseen circumstances and adopt a positive attitude and a will to get through them. We have to muster the courage to "hang in there" during bad times.

We spend a lot of time talking about the success of our industry's top leaders. As a result, a lot of people think they had smooth sailing all the way to the top. But they did not. They had a lot of challenges along the way. In fact**, the bigger your firm or agency is, the more challenges you tend to face.**

So although it is important to examine the successful strategies that have helped our industry's top leaders become successful, as we have been doing, it's also important to realize that these leaders have persevered in difficult times to get where they are. We all face hardships that are beyond our control. What really matters is how we handle them.

A Personal Story About Perseverance

There was a six-year period in my own life and career that was extremely trying. It took great perseverance to get through it. So when I tell people to persevere through the rough times, I'm not telling them to do something I haven't done myself. If you take the steps you need to take to get to the other side of your situation, you will recover. Sometimes it feels as though it might go on forever, but it won't.

I took over the Heart of America Region for Franklin Life in 1979, and we showed good growth through 1985. But from 1986 to 1989, we had four down years, then two flat years in 1990 and 1991.

Our slide began in 1986 at the beginning of the "replacement era," when some companies developed a sales pyramid scheme with part-time salespeople who operated by replacing whole life insurance with term insurance and side-fund investments (mutual funds, diamonds, and so on). This "buy term and invest the difference" scheme created a negative environment in which we were spending more time trying to conserve our business and keep our clients than we were selling new business. As a result, our production declined for several years.

Term insurance typically has lower premiums than whole life, but it provides only a temporary death benefit and nothing else. We called the people who were leading this effort "termites" because of their focus on term life insurance only.

GAMA's 2000 Management Hall of Fame inductee, Alan Press, and his company, Guardian Life Insurance Company of America, led the fight against these "termites." When he was president of the National Association of Life Underwriters in 1989, Alan described this scheme as a "multilevel marketing system" in which salespeople's earnings were based less on selling insurance policies than on finding other people to sell for them and taking a cut of their commissions.[1]

The industry finally stopped the bleeding, but not before millions of people dropped their permanent insurance for term insurance (much of which lapsed), and people either didn't "invest the difference" or they lost money in their side-fund investments.

It was the most negative period in my 50-year career, and it was one of the main causes of our downward spiral. It wasn't the only reason, but all insurance companies had a difficult time for at least four years.

During my six-year challenge, other things were happening as well. We were working very hard and doing all of the right things in our agency, but some things we just can't control, and death is one of them. I lost my top producer at age 49. He died in his sleep of a brain aneurysm.

[1] "Ex-Football Coach Art Williams Runs a Winning Insurance Firm, But Some People Are Crying Foul," People.com Archive, last updated Nov. 20, 1989, http://www.people.com/people/archive/article/0,,20115997,00.html.

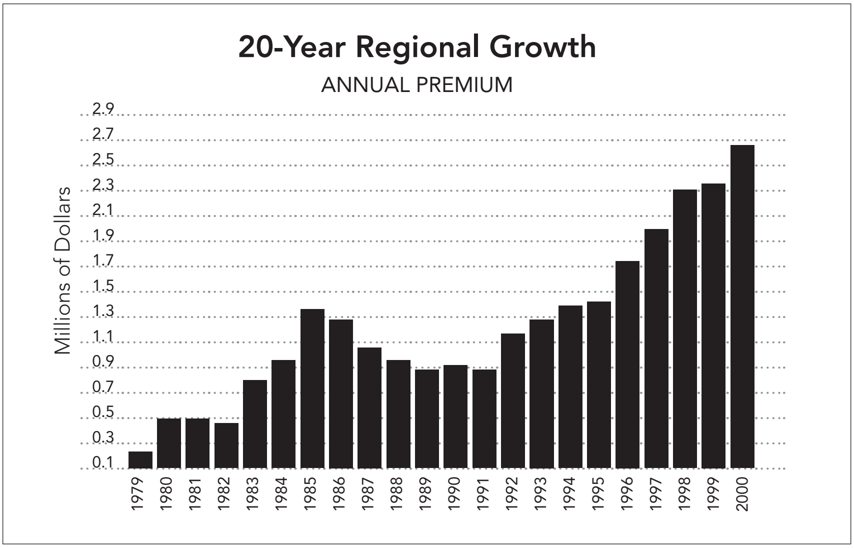
Another agent died of throat cancer, and a third one died as well. Yet another agent came down with Guillain–Barré Syndrome, and one had a heart attack. Some went through divorces, others moved out of the area or left the business, and four filed for bankruptcy.

I lost my No. 3 agent to a bankruptcy, but it wasn't because he mismanaged money. His child had an illness and was not expected to live past the age of 14. My agent and his wife took their son all around the country to find out if they could save or extend his life. The agent's health insurance didn't cover any of the tests or treatments, and that's why he ended up filing for bankruptcy. I didn't know it, but they were garnishing his commissions at Franklin. If he went to a new company, there wouldn't be any garnishment because he hadn't earned anything. He was forced to leave our company and join another, where he could start over. His brother was our No. 5 producer, and their dad ran the agency. They both left as well, taking three other people with them. I lost a total of six people (the whole agency) in the same year because the one brother filed for bankruptcy.

In 1990 alone, we lost 15 of our top 30 producers. If you have been in the business long enough, you've been there. In life, *bad things happen to good people*. There is no way you can recruit and hire new producers and train them to be at the level where these veteran agents were — at least not quickly. It was extremely frustrating.

December 1991 was a critical time in my career. I went to the home office for a regional managers' meeting. The agency vice president had to make a decision to replace me or give me one more year. He said, "Conk, we love ya, but if you don't turn this thing around this year, we're going to have to replace you because it will be seven years that you have had either a flat year or a down year." Fortunately for me, he had enough confidence, after our visit, to hang in there with me for one more year. I came very close to being relieved as regional manager and maybe to being out of the business altogether.

But I persevered, and the next year — 1992 — our agency led the company with 32 percent growth and received the Legion of Honor award. Then we followed that with nine consecutive years of good growth.



You will have bad times. You have to persevere through them and be able to "adapt and adopt" to whatever changes confront you. Don't give up, and in the end your chart (like ours at Franklin Life, above) will show upward growth too.

How I Survived the Bad Times

Looking back on that extremely difficult time in my life and career, I have identified 10 strategies that helped me persevere:

1. *Don't get too high on the highs — and don't get too low on the lows.* Even-keeled is the name of the game for sustained success.

2. *Keep on keepin' on.* We kept on recruiting good people, which was the only thing I could control. During those six years, I had no other choice. I had to keep doing what we were supposed to do: recruit good people. But during that time, we kept losing more people than we were bringing on. We couldn't control the deaths, the divorces, the health problems, or the bankruptcies. They were not my fault. They weren't my company's fault. It's like being a coach. Say that because of injuries a pro football team is down to its third-string quarterback. Are you going to fire the coach if the team doesn't win because it has to play with a third-string quarterback? That's kind of where I was. It wasn't that I wasn't doing the right things; it was that we had a lot of bad things happening, including the "replacement era."

3. *Develop "Exhibit A's" in your firm or agency.* You always need more "bell cows," or leaders. You must keep developing your leaders, because people will follow them.

4. *Develop your core group (your top 20 percent).* During that time, I found that I was spending more time with the bottom 20 percent than with the top 20 percent. I had to keep telling myself, "Quit doing that." Sometimes you do things when things aren't going well, maybe out of desperation, that you wouldn't do if they were going well.

5. *Don't add — multiply!* I had to help our sales managers develop people who could duplicate themselves.

6. *Strive for a combination of vertical and horizontal growth.* Vertical growth is developing more MDRT producers, and horizontal growth is recruiting more and more good agents.

7. *Avoid major losses by increasing retention.* We finally stopped the bleeding because bad things eventually stopped happening.

8. *Get back to the basics.* We needed to renew our focus on our core products. Find your niche and dominate it.

9. *Have high expectations (that is, raise the bar).* We implemented the law of limited performance and developed a high-performance, no-excuses culture.

10. *Find self-motivated people.* Quit spending your time straining to motivate your people.

When I gave my talk at the company's annual convention as the leader of one of the top regions for the year, the home office executives were all sitting in the front row. I said, "You all came close to replacing me a year ago, and I want to tell you, I didn't do anything differently this year than I had the six years before. In fact, I probably worked harder the six years before than I did this year, when our region became number one in growth."

When you're not losing more people than you're bringing in, it's easy to show growth. But for six years, between the "replacement era" and all of the bad things that kept happening, I almost didn't make it. But I persevered.

What Perseverance Looks Like

A lot of people have gone through periods of hardship, but because they did what they had to do to go on, they came out of the situation stronger than ever. Here are some of my favorite stories and tips about perseverance.

A VICTORIOUS ARMY

Years ago, I read an article in which the author said that **a victorious army is one that stays on the battlefield five minutes longer than the enemy.** Gettysburg is a good illustration. In the battle fought at Gettysburg during the American Civil War, the Union and Confederate casualties were almost equal, but Union general George G. Meade stayed on the battlefield after Confederate general Robert E. Lee retired. The invasion by the South was stopped not because the boys in blue outfought the boys in gray, but because they outlasted them. **The person who will not give up is sure to win eventually.**

EDDIE ARCARO

Eddie Arcaro was born in 1916, the son of a poor taxi driver in Cincinnati. He wanted to become an American thoroughbred jockey, so he did. He lost his first race, his second, his third, his first 10, his first 20, but he kept trying. He lost his first 100 races, his first 200, but he kept plugging away and lost 50 more. After 250 straight losses, Arcaro won his first race in 1932 in Tijuana, Mexico. He went on to win more American classic races than any other jockey in history, and he is the only rider to have won the U.S. Triple Crown twice. He is widely regarded as the greatest jockey in the history of American thoroughbred horse racing. He was inducted into the National Thoroughbred Racing Hall of Fame in 1958 and retired with record purse earnings exceeding $30 million.[2]

MIKE ARCURE

Mike Arcure was a Franklin Life superstar. When he gave a talk at the company convention one year, he revealed his success formula: *Twenty-six appointments per week equals 252 sales per year*. He would talk to 60 people a week to set 26 appointments a week. That is less than 50 percent, which is average. Most people get appointments with 50 percent of the people they talk to. Of the 26 appointments he set, 18 would be kept, which meant eight of them, or one out of three, would cancel. That is also an industry average. Out of the 18 appointments that were kept, he made eight sales. That's less than the industry average of a 50 percent closing ratio. So Mike was rejected 52 out of 60 times every week, which is 87 percent rejection! This is how he summed up his success: **"You too can become a superstar if you're average enough times."** Nothing

[2] "G. Edward Arcaro," RacingMuseum.org, http://www.racingmuseum.org/hall-of-fame/horse-jockeys-view.asp?varID=4.

he did was above average; he just did more of it than anybody else. So he was rejected more often — but he was also successful more often. Most people can't handle that kind of constant rejection.

"JUST BE HERE IN FIVE YEARS"

At Franklin Life, I used to give out an award that I called the "Hang in There Award." This started when one of my agents qualified for MDRT in the year that he fought throat cancer. He died a year later. I gave this award out only twice in the 23 years I had the region. The second winner of this award accepted it with great emotion and said, "The only thing I did is follow the encouragement and wisdom of my manager when he told me five years ago, 'Just be here in five years.' In other words, you've got to hang around through all of the rejection long enough to build your clientele. Then it gets a lot easier."

Most people can't do what you and I do. Don't ever tell someone, "If I can do it, you can do it." That's just not true. Only 4 percent can do this over the long haul — so just "be here in five years."

GUIE LEBO

Guie Lebo was a Franklin Life district manager. When he spoke at our national convention one year, he began by walking over to a table that had a tall stack of files on it. He said, "These are all of the files of failed agents from my last 10 years. **You can't get here [as a convention speaker] without having been there. You see, life is a marathon, not a sprint."** I never forgot that. He made everyone realize not just the rejection that successful agents go through, but the rejection and failure that successful managers go through. That was a great picture story for me.

"FEEL THE FEAR AND DO IT ANYWAY"

One year at our company convention, one of our top managers gave a speech about withstanding rejection. It was titled "Feel the Fear and Do It Anyway." We all get it — it's tough being rejected on the phone, at an appointment, or during a closing, but what impressed me was hearing a real success, like this manager, say that he had fear every day, but he just worked through it. He explained that we all experience fear, whether it's fear of rejection, fear of success, fear of failure, or fear of taking risks. But **the greatest risk of all is never taking a risk!**

MY 4-BY-6 CARD

One of the things that helped me persevere through the bad times was a 4-inch-by-6-inch card that I taped to my desk and read every morning when I got to work. The items I wrote on the card were the only things I could control, so they are what I focused on.

1. Be Tougher
2. LISTEN
3. Don't Complain
4. See Key People (80%-20% rule)
5. Don't Spend time with losers
6. Build Hawkeye Agency
7. Personal Production
8. Don't do anything I can pay someone to do

Lead Don't Push   Recruit or Resign

Praise Don't Criticize

Focus + Repetition = Accomplishment: The secret behind my motivational 4-by-6-inch card.

"PLAY TO WIN"

In sports, we sometimes say about a team, "They aren't playing to win. They are playing *not to lose*." That means, for example, that a basketball team is being tentative and trying to milk a lead or that a football team is using a "prevent" defense.

In the 2000 NCAA basketball finals, All-American Mateen Cleaves of Michigan State said before the game, "Win or lose, we are going to leave it all on the floor." And they did. With a six-point lead and 10 minutes to go, Cleaves sprained his ankle but came back and played injured. The coach didn't play him sparingly, trying to protect their lead. No, they played to win. They left it all on the floor. And they won by 13 points. Cleaves was named the Final Four Most Outstanding Player.

In life, we have many challenges, and many times we become paralyzed. We play *not to die* instead of playing *to live*. If you are experiencing some serious challenges in your life, I hope you play to win. Play to live. Don't go into a "prevent" defense and just play not to die. When I die, like Mateen Cleaves, I'm going to leave it all on the floor.

The year 2001 was a challenging year for me and my family because I was fighting non-Hodgkin's lymphoma cancer. When I was getting chemo treatments in the cancer clinic, the people there were fighting high odds, but they were all *playing to live*, not *playing not to die*. Whether they won or lost this game of life, they were leaving it all on the floor.

One thing I've learned is that for a cancer patient, there is no such thing as a bad day. Be grateful for the time you have because if you start grieving now, you will never enjoy the beauty of the day. **We don't get to choose how or when we are going to die. We can only decide how we are going to live — today.**

A former vice president with American General Life and Accident

Insurance Company, Peg Manola, a very good friend of mine, was dying of breast cancer. As I talked with her in the last few months of her life, she was telling me all the things she was going to do before she died. She told me, "**Life isn't about waiting for the storm to pass; it's about learning to dance in the rain.** Remember, life isn't fair. Life is tough. Then you die."

I would like to leave this chapter with one of my favorite pearls of wisdom: **Life is not a journey to the grave, with the intention to arrive safely, in a well-preserved body … but rather to skid in broadside, thoroughly used up, and loudly proclaiming, "Wow, what a ride!"**

The Play-by-Play: Chapter 10 Highlights

- Which of the 10 tips in this chapter can help you survive and "hang in there" during the times when situations that are out of your control cause you personal and professional hardship?
- How have you gotten through the difficult times in your career and life? Take a few moments to list the strategies and philosophies that helped you persevere. Then share your list with someone you know who is going through a challenging time.
- Are you *playing to win or playing not to lose?* Are you *playing to live or playing not to die?* What can you do to make every day a day you are planning to win?

CHAPTER 11

Coach Conk's Leadership Lessons

In sports and during my five decades in this industry, I have learned many leadership lessons — not only by finding my own way but also by observing, remembering, and following what the most effective leaders do well.

In this chapter, I summarize what I've learned throughout my lifetime in three key areas: the four main differences between a manager and a leader, five rules for leaders, and seven of the old coach's leadership philosophies. Call this collection "Coach Conk's 4-5-7 Lesson Lineup." And though I have already covered some of these points in previous chapters, I believe they are so important that they are worth repeating.

Four Differences Between Managers and Leaders

On some level, we all know that a manager is quite different from a leader. Some leaders are managers, but not all managers are leaders. Here are four differences:

- A *manager* is someone who is in charge of a set of tasks or a group of people, while a *leader* is someone who influences people to achieve a shared goal.
- Managers *maintain* the status quo, while leaders *inspire* employees toward higher levels of achievement.
- Management includes duties such as organizing and coordinating, while *leadership creates the vision*.

- Management is concerned with *day-to-day activities*, while leadership is about the *big picture and the future*.

Which one are you?

Five Rules for Leaders

Now, once you appreciate where management ends and leadership begins, and know that you are in fact a leader, here are five ways you can inspire the people you are leading:

- *Share your vision.* Help your associates see your agency vision and the part they play in it. Then communicate it every day.
- *Get out of the way.* Instead of getting caught up in the *how* of what you are doing, focus on the *why*. One of the best lessons in leadership is to **explain the *why* before the *how*.**
- *Give others room to shine.* Great leaders inspire others by giving them a chance to showcase their talents and knowledge. A great coach once said, **"Give your players all the credit for what goes right, and you take the blame for what goes wrong.** You're the leader — either you recruited them wrong, or you coached them wrong."
- *Learn from your mistakes.* Don't be afraid to admit when you're wrong. Find the lesson in every mistake you make. Being open-minded and willing to adjust will set a positive example for your associates to follow.
- *Be there when they need you.* When my top producer's father died of a heart attack, I drove two hours to be by his side and was there for the funeral. Look for ways to support your agents, both in business and in life.

Seven of the Old Coach's Leadership Philosophies

- *Quit spending your time trying to motivate people.* Instead, spend your time finding self-motivated people.
- *Don't build fences around good people.* That is, don't micromanage them. Phil Jackson, a retired professional basketball coach, is considered one of the greatest coaches in NBA

history. Under his leadership, the Chicago Bulls won six NBA titles, and the Los Angeles Lakers won five. He believed in finding good players and then giving them room to do what they do best. He said, **"Don't overmanage good players. Players win championships, not the coach. You've never seen a jockey carry a horse over the finish line."**

- *Be there when they need you.*
- *Spend your time, effort, and money on your top 20 percent.*
- *Don't do "stuff" in your 12-hour workday.*
- *Always skate where the puck is going to be.*
- *Dream the biggest dream you can think of and then find a way to make it come true.*

The Play-by-Play: Chapter 11 Highlights

- A *manager* is someone who is in charge of a set of tasks or a group of people, while a *leader* is someone who influences people to achieve a shared goal. Managers *maintain* the status quo, while leaders *inspire* employees toward higher levels of achievement. Management includes duties such as organizing and coordinating, while leadership *creates the vision.* Management is concerned with *day-to-day activities,* while leadership is about *the big picture* and *the future.* Considering those differences between a manager and a leader, which one are you? What can you do to become a more effective leader?

- To what extent do you share your vision with your agents or advisors, as well as their role in that vision, every day? What are some specific ways you can do a better job of this?
- Do you focus more on the *how* of what you're doing or on the *why*? Leaders focus more on the *why*. If you tend to focus more on the *how*, what steps can you take to change your focus?
- What are some specific ways in which you allow others to shine by showcasing their talents, knowledge, and accomplishments? How can you do a better job of this?
- When you make a mistake, how do you react? Do you become defensive and try to justify your actions or do you acknowledge your mistake, welcome suggestions, adjust to correct your error, and try to learn from it?
- To what extent are you there when your agents or advisors need you? What are some situations in which you were there when others needed support? What steps can you take to do a better job in this area?

CHAPTER 12

The One Thing

The 1991 movie *City Slickers*, starring Billy Crystal as Mitch, is about four men who are going through midlife crises, so they go on a two-week Southwestern cattle drive that serves as a "male bonding" getaway. Each man is wrestling with his own unique problems and frustrations in life. Their trail boss, Curly, played by Jack Palance, is a mysterious, hard-edged, experienced man of the world.

After Mitch causes a destructive stampede, Curly makes him help find stray cows as punishment. As the night progresses, they slowly begin to bond. Mitch discovers that although Curly comes across as tough, he is an extremely wise man. Curly advises Mitch that he can face his problems by discovering the "one thing" that is most important in life.

Mitch asks Curly, "But what is the one thing?"

Curly replies, "That's what you have to find out."

What the "One Thing" Is for Me

So if I assume the role of Curly, since I have gained some wisdom from so many years of experience, let me leave with you the *one thing* that you need more than anything else to help you find peace, contentment, and success in life.

Balance.

Balance is about prioritizing your time in all aspects of your life: faith, family, business, fitness, recreation, and volunteerism. Here's how you can include each of these into your daily life:

- *Faith:* Every day, recognize a power greater than yourself.
- *Family:* Spend *quality* time with those you love, without the

electronics! That means having dinner with your kids, reading a story to them, putting them to bed, watching their games and other activities, having a "date night" with your spouse, spending time with your parents and grandparents (they won't be with you forever), and saying "I love you" to all of the people who are important to you as often as you can.

- *Business:* Have a "point system" in place, and don't do "stuff" in your 12-hour workday.
- *Fitness:* Get regular exercise. Eat and drink in moderation.
- *Recreation:* Get away from it all to do what you enjoy (traveling, playing sports, golfing, hunting, fishing, or whatever).
- *Volunteerism:* **Volunteerism is the rent we pay for the space we occupy on this earth.** We need to give back to something bigger than ourselves.

Relationships Form a Strong Foundation

Those of you who know me understand how much I love the ocean. One day I was sitting on the beach, watching a little boy and girl play in the sand on the shore. They were building an elaborate sand castle. Just as they were about to finish, a giant wave came along and reduced their castle to a heap of wet sand. I thought the kids would burst out crying, for all of their hard work had been for naught. Instead, they ran up the beach laughing and holding hands, and then they sat down to build another castle.

I realized then that all of the things we work so hard for are, in effect, built on sand. They can disintegrate in the blink of an eye because of a health crisis, a financial problem, or death. Only our relationships with other people, and the memories of them, endure. **It's not what you have in your life that counts, but whom.** Sooner or later, that wave will come and knock down what we have worked so hard to build. And when that inevitably happens, like the little boy and girl, only the person who has somebody's hand to hold will be able to laugh and endure. **Relationships form a strong foundation on which to build your life.**

The 2006 movie *The Pursuit of Happyness* demonstrates the importance of putting relationships first in your life, regardless of the struggles you're facing. The movie is based on a true story about a man named

Christopher Gardner. Gardner invests his family's savings in a "bone density" device that doesn't sell well. As he struggles financially, his wife leaves him and he loses his house, bank account, and credit cards. He is forced to live on the streets with his young son. He takes a job as a stockbroker, but before he can receive pay, he must complete six months of training.

It is a story about balancing parenthood with working to make a living. A *USA Today* reporter interviewed Chris Gardner and asked him what he would advise single parents about balancing time with the kids with time at work. Said Gardner, "In a tie, family wins, period. If you've managed your affairs, if you've managed your relationships, you know that one presentation can probably be rescheduled if something comes up involving your child. Your son is going to have one first baseball game. Your daughter is going to have one first dance recital. You've got to be there."[1]

Titles or Testimonies?

In Chapter 10, which is about perseverance, I talked about a six-year downward spiral that almost cost me my job and my place in this industry. I mentioned that during that time, I lost half of my agents. One of them was Lou Short, a friend and associate who died from cancer at age 56. I didn't know until he died that he didn't have any disability insurance. Up to that point, I just assumed that all of my agents had purchased for themselves the products they were selling to their clients, but sadly, that wasn't the case. From then on, when I held annual reviews with my agents, I worked on their personal financial plans with them.

It reminds me of the old saying, "*The cobbler's children have* no *shoes*." It means that people sometimes neglect using their professional skills to help themselves or those closest to them. And that's what happened here. It's important to realize that sometimes our own agents don't have anybody helping them with their financial planning, so they and their families are inadequately protected.

But Lou did help many other families protect their assets, and he left an enduring legacy in Burlingame, Kans., a small, rural community in which he operated the main insurance office. I drove two hours to his funeral, and as I sat in the church, I saw a whole community come together to say good-bye to a good friend and to offer support to the

[1] Hadley Malcolm, "For 'Happyness's' Gardner, opportunity, passion linked," USAToday.com, May 19, 2013, http://www.usatoday.com/story/money/business/2013/05/19/breaking-through-executive-tips-chris-gardner/2166179.

loved ones he left behind. Lou filled the position of the town's "insurance man." They believed in him and trusted him.

During the eulogy, the minister made reference to people who live their lives to *acquire titles or build testimonies*. I looked around the church and saw the value of what you and I do — we build testimonies. Because of Lou's work, millions of life insurance dollars will continue to protect the farms, homes, and assets of the people in his community long after his death. Many young children in that church will have money to get an education, start a business, or keep their family farm because of our profession. I was so saddened to lose a friend but so proud of his legacy. He didn't acquire many titles, but he built a surplus of testimonies during his lifetime.

I drove home thinking about how proud I was of who we are and what we do for a living. We really do make a difference, as Lou Short did in that rural Kansas community. If we truly believe the impact this career has on the lives of the people we help, the passion of what we do will shine in the recruiting process, and I am convinced that our selection and retention will improve dramatically as a result. Despite all the electronic gadgets we have nowadays to aid in our communication, this is still a people business. For when all is said and done, it's the testimonies we build, not the titles we acquire, that help communities survive and grow and make our lives meaningful.

Winston Churchill is often quoted as saying, **"We make a living by what we get, but we make a life by what we give."** We are in an industry that truly focuses on making a life, both for ourselves and for the people we serve.

Completing the Circle of Life

During our lifetime, we have many role models — parents, grandparents, teachers, coaches, business leaders, religious leaders — who teach us about many different facets of life. But I never really had anyone teach me about death. Death is something we will all go through as we complete the circle of life, but I really never had a role model and therefore was fearful of the unknown.

GAMA's 2005 president, Jim Krueger, and his wife, Bonnie, were best friends with my wife, Bonnie, and me. During his presidency, Jim found out that he had pancreatic cancer and had only six months to live. During the last months of his life, Jim became a role model for dying, which is something we all will do with very few good role models. Jim and I talked once or twice a week during the six months he was dying, and his faith was a shining light for me.

As I thought about what Jim endured, I came up with four words that describe the admirable manner in which he fought his battle:

1. Jim faced his death *courageously*. He tried all of the experimental chemotherapy his weakened body could endure, which allowed him to live two months longer and give his outgoing presidential message at LAMP.

2. He faced death *confidently* because he knew where his soul was going after death.

3. Jim faced death with *dignity* because he gracefully accepted the cards he was dealt.

4. We build a *legacy* by what we believe, by who we are, and by what we do for others. The James Krueger First in Class Awards that GAMA International bestows upon the best of our company's leaders each year at LAMP is a legacy my good friend has passed on to future generations of leaders in our industry.

Football fun in the sun: (from left) me, my wife, Bonnie, Bonnie Krueger, and Jim Krueger at an Iowa–Wisconsin game. Jim was a dear friend and a past GAMA International president who left an enduring legacy of leadership, kindness, character, and volunteerism.

Now in semiretirement, I have a clear picture of what is important when we get to this juncture of our careers and our lives. What's important is not how much money we have earned, how large of an agency we have built, or what we have acquired. It's not even a low golf handicap. No, **what's really important is the *legacy* we leave, the *values* we have lived, and the *character* we demonstrate** while passing the baton to those we love in the relay of life — and hoping that we have improved our position since receiving the baton from those who came before us.

The most important thing I've learned over the years is that my predecessors and mentors all had different leadership strengths, but they all had balance, were givers, and are leaving a legacy. They have given their time, commitment, and love to something bigger than themselves.

The Best Compliment I've Ever Gotten

A wife of an agent I was mentoring once came up to me and said, "Conk, I want to thank you for saving our marriage. You might not have known this, but a year ago, I was filing for divorce because he was never home and never spent any time with the kids. He was very overweight and wasn't taking care of himself. Then you started mentoring him, and he lost 40 pounds. He is home now at least two nights a week to put the girls to bed, and we have a date night every Friday night. And we ride bicycles together for exercise. It has all happened because of you."

As you mentor others, the impact you are making in their lives probably goes far beyond the training you give them on products and sales strategies. They value you not just for the leadership you provide in your agency or the industry, but also for the *life lessons* you have been passing on to them. Passing those lessons on to others is an important part of your legacy.

Balance Face Time With Time on Technology

Again, balance is about prioritizing your time in all aspects of your life: faith, family, business, fitness, recreation, and volunteerism. And it's important to spend *quality* time with those you love, *without the electronics!* This is a huge problem today — so many people are addicted to technology that they lose precious opportunities to connect with their loved ones. In your daily life, be sure that you balance face time — time spent having meaningful conversations in person — with the time you spend on your computer, smartphone, or tablet.

As you seek that "one thing" that will help you the most in life — *balance* among all facets of your life — remember that the most important thing of all, and the one thing that will build a solid foundation for the legacy you will leave behind, is relationships with people. Remember, *it's not what you have in your life that counts, but whom*.

Volunteerism: Your Ultimate Legacy

To leave a legacy behind after we're gone, we must give something back that is bigger than ourselves. That is done through *volunteerism*, which as I said earlier is the rent we pay for the space we occupy on this earth. The leaders in this industry have given back abundantly; they have paid their "rent" many times over. Their *legacy* is that this world is a better place to live, and that this industry and GAMA are further ahead because of the love, compassion, commitment, and selflessness they have demonstrated through decades of tireless leadership.

How Do You Want to Be Remembered?

A few years ago, a Barbara Walters TV special aired, showing excerpts from about 30 of her highest-profile interviews through the years. The one common question she asked each person was, "How do you want to be remembered?" All of the dignitaries she interviewed responded by mentioning things like their Academy or Grammy Awards, Super Bowl wins, Olympic medals, or records they broke. All but one — Howard Cosell. Cosell was one of America's most memorable sports journalists; his career spanned four decades (1953–1993). He said he wanted to be remembered as *a devoted husband, a good father, and a doting grandfather* because, he said, "when it's all over, that's all there really is."

Howard Cosell is the only one who got it. **As we pass through this life, the only thing that really matters is family!**

Legacy is about making a difference. **We build a legacy from what we believe, by who we are, and what we do for others.** It's never too late to be what you could have been, so get involved! Give back. Be a giver in life. Give back to something bigger than you. **The problems people have figuring out who they are and where they fit in this world would be solved if they understood their part in something bigger than themselves.**

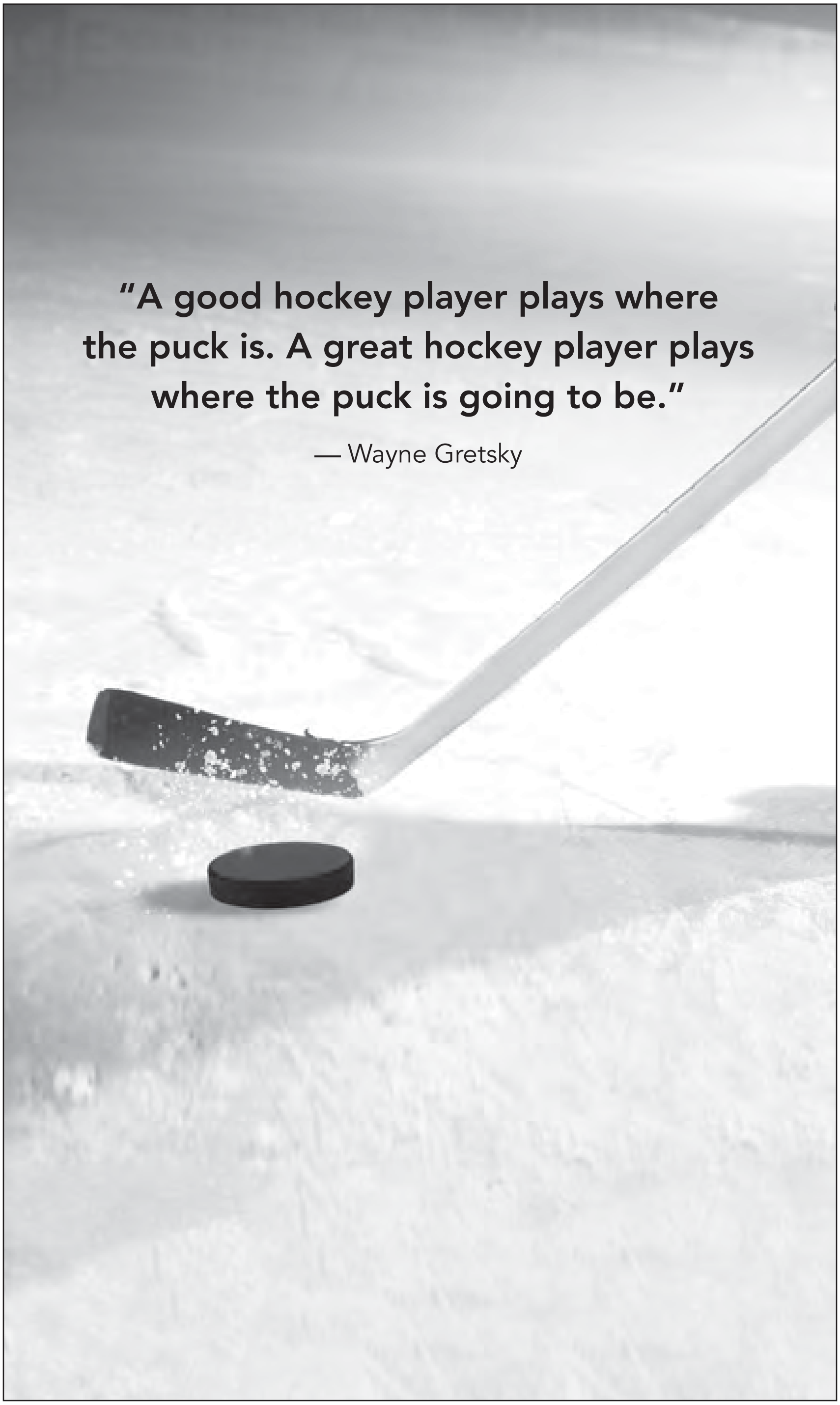
"Pep talk" at LAMP: Delivering my remarks to GAMA members in 2009 upon being inducted into the Management Hall of Fame.

In the movie *Hoosiers,* which I mentioned in Chapter 2, Gene Hackman plays the coach of a small-town basketball team that has only seven players. They're used to playing their games in front of 100 or maybe 200 hundred people and against other small schools, but they make it to the state finals and have to play a much bigger school at Butler University in Indianapolis in front of 12,000 people. The six players on his team are all going through difficulties. The father of one of them has committed suicide, and another player's father is an alcoholic and violent toward the kid's mom. The coach is battling his own demons: He has been kicked off of another college team because he struck a student, but the principal of this small school has given him another chance.

So what does a coach say to his players in a situation like that? They are all struggling with personal issues, they are intimidated to be playing a much larger school in a huge arena, and, as the 30-point underdog, are facing an almost certain defeat. But they're taking on a challenge that no one in their school has ever attempted. The emotions are overwhelming for all of them, and the only thing the coach can say is, "I love you guys." His team goes out and wins the game on the last shot. That movie had a huge impact on me.

When I was inducted into GAMA's Management Hall of Fame, I acted out that scene in my acceptance speech. Then I closed by expressing my appreciation for the industry leaders who were active in GAMA and acknowledged how much they were doing to give back to the industry by volunteering and by training and mentoring the next generation of leaders.

To all of you who came before me and mentored me, and to all of those who will follow and become one of our future leaders: I have so much respect for you and for your commitment, passion, leadership, and the legacy you will pass on. As I look back on my career — the opportunities I've been given, the challenges I've overcome, the many lessons I've learned about leadership and life, and the people I have had the honor to know — I am as overwhelmed with emotion as that Hoosiers coach, and all I can say in closing is … I LOVE YOU GUYS!


"A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be."
— Wayne Gretsky