

## CONNECTING TO THE BEST

### *Distribution Strategies for 2011 and beyond*

Competition is heating up among financial services recruiters as good men and women become harder to find

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by *michael/Kalen*

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In the world of financial services distribution, the major challenge has always been competing for the best advisors: those people with the passion, knowledge and dedication to serve their customers. The key is to know what these advisors expect and to provide them what they need to be successful, an elusive combination that will drive the achievement and growth of the distribution channel on the whole.

What we hear regularly from advisors is that they must have product options and choices to present to their clients. They need strong, well-branded and competitive carriers to best serve their clients' financial goals. Advisors want options. And carriers need to be stable yet dynamic.

Still, advisors need ways to consistently see enough people. Distribution organizations must help advisors gain access to customers. Simple lead generation programs, strong support from a company known for being smart and objective and informative web access are just some of the marketing assistance of value to advisors today.

This economy is having an impact on advisors and they seek the tools to help their clients pick the right solutions for income protection, asset growth and income management. While the poor job market, the slow economy, and the volatile stock market are factors that put pressure on clients to make important insurance and investment decisions, we are compelled to assist advisors in creating their own financial security by equipping them with products and solutions that work in today's market. In fact, it's more important than ever to understand their concerns and work with them to provide more flexibility and solutions that are tied to their clients' specific needs.

We also know that families are now more concerned about pro-

tecting capital than growing capital with too much risk. They are thinking long and hard about how to spend limited discretionary income. Yet the theme keeps returning to simplicity. For people in the pre-retirement and retirement life stages, the issues they face are serious so they are attracted to an approach that offers solutions based on their priorities. They are not impressed with 30 pound financial plans that end up sitting on a shelf. They appreciate advisors who complete an analysis of their situation, identify the most pressing needs, and work towards simple, effective solutions. Most recently, customers have been interested in affordable health insurance options, lowering cost of life insurance protection, planning for retirement income and protecting their 401(k) plans and other retirement assets. These customers like a simplified planning process and they are laser-like in their focus on their priorities especially related to what they can afford to accomplish today.

Distribution organizations must pay attention to the relationships they build and maintain with their advisors. This plays an increasingly important role in attracting the best advisors, especially during a more difficult economy. It's important to keep multiple connection points such as quality training, easy web connectivity, study groups and meaningful recognition events. Let's not overlook the importance of support and service functions. Advisors appreciate being able to call a support area and get the service they want in a timely fashion. These programs and capabilities all matter to the best advisors. It's important to build relationships with the carriers involved, to help advisors make a connection with both carriers and peers, to help expand advisors' horizons and opportunities for growth.

In the new financial services distribution model, it's critical for organizations to realize that they cannot afford to build everything they need to support advisors on their own. A philosophy of "connect to the best" is more effective and I can offer a couple of examples from recent actions taken by my firm. To ensure that we had the best, most cost effective new business and appointment support, we outsourced this function to a leading provider which leverages an

award-winning technology platform and decades of life and annuity experience to provide cost effective, high-quality service administration and distribution support services. Additionally, as part of our growth strategy we recently expanded distribution beyond our captive agent/branch office organization and acquired a highly reputable independent marketing organization, BHC Marketing. We did so because we saw our strength as a 'career oriented' annuity, life and health distribution group, but quickly saw the benefits of connecting to a larger pool of expertise and capabilities to grow our brand and expand our producer base and capabilities.

One more example of this “connect to the best” approach is using an established broker-dealer platform rather than build our own. We recognized the need to partner with an affiliated broker-dealer to offer investment products and services. Again, self-reflection from an organizational point of view led to a decision to find the broker dealer we felt would best meet our advisors' and brokers' need for competitive investment product line, excellent marketing, sales and support resources and a strong brand to present to their clients.

Yet, as distribution organizations plug into outside resources with the idea of bringing the best resources and product platform to advisors, the missing link is often technology. Technology cannot be underestimated because it will allow a distribution group to tie these pieces together into a cohesive platform. The platform must be a “home” where advisors can go to consolidate all their business from underwriting to claims, from investments to consolidated statements, and from marketing to compensation. It all has to work together seamlessly in a single way to connect advisors, clients, carriers and the home office.

Distribution strategies for 2011 and beyond must be focused on how to compete for the best advisors and how to meet their expectations. Success will hinge on not only understanding their needs, but thinking ahead to create new opportunities, open up diverse markets, and offer progressive product and service solutions. And, it all must be done through an innovative combination of product, service, market access and compensation to attract and retain the best.❖