

Prospecting Guide

DAILY PROSPECTING IS THE LIFE INSURANCE SALESMAN'S KEY TO SUCCESS. Remember, prospecting is the foundation on which the structure of your selling activity is to be built. The stronger the foundation, the more stable the structure. For that reason, prospecting is considered three-fourths of the entire job of selling and it is vitally important that you get this point clear in your mind. The more systematic, regular and habitual your prospecting, the greater the prospects of your financial success.

Name : _____

Address : _____

Agency Code No. : _____

Phone No. : _____



LIC

भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

LIFE INSURANCE CORPORATION OF INDIA

CO-Marketing / SBA

'Yogakshema', Jeevan Bima Marg,

Mumbai – 400 021.

2

My money objective for the next twelve months.

Step 1 : I estimate that my minimum money-needs for the next twelve months will be Rs. _____.

Step 2 : In view of my financial needs and other personal objectives, my business objective for the next twelve months is Rs. _____.

Month	My money needs	Renewal Commission (present)	Excess of money needs over renewal commission	First year's commission to be earned	First year's premia to be secured	Business to be written (S.A.)
April						
May						
June						
Total 1st Quarter						
July						
August						
September						
Total 2nd Quarter						
Total 6 months						
October						
November						
December						
Total 3rd Quarter						
Total 9 months						
January						
February						
March						
Total 4th quarter						
Total 12 months						

For translating money - objectives into work - units, read page 4.

Step 3 : How will I use my Prospecting Guide?

To ensure successful working throughout the year, the life insurance salesman must have a system which will provide him with a steady flow of people to whom he will present the benefits of life insurance. The Prospecting Guide is designed to serve that purpose and the following suggestions should be faithfully carried out :

1. **Seek new prospects every day**, at least half of your ordinary prospects should be Heads of Families.
2. **Constantly look for prospects** among all the sources of prospects suggested at the top of the following pages.
3. **Divide your town** into 6 or 12 sectors and allot a few pages in the Prospecting Guide for each sector.
4. **Everyday enter in your Prospecting Guide** the names of people (who may have need for life insurance) in the sector in which they live or work. Naturally such names would generally belong to the sector in which you operated during the day.
5. Qualify each name as quickly as possible, indicating the date of qualification in the relative column.
6. **Complete a prospect card or a data sheet** for every qualified prospect and enter in the respective columns of the Prospecting Guide, age, occupation and the amount of insurance you expect to sell.
7. **Keep your prospect cards or data sheets up-to-date**, regularly removing cards or sheets of those who cannot be seen, cannot be sold in the foreseeable future or prove not to be prospects at present for you, making proper entry in your Prospecting Guide.
8. **Plan your selling calls** on qualified prospects.
9. **Keep your Prospecting Guide up-to-date** by entering the dates you call on a prospect, the date sold and the amount and plan of insurance sold.

4

Step 4 : I now translate my Money Objective into Work Units.

1. (An ambitious agent has to plan for a high target of business and commission income.

The following working shows how this income planning is translated into business).

- | | | | |
|----|--|---|----------------|
| a) | My money need in a month | : | Rs. 20,000 |
| b) | I want to earn as commission income per month | : | Rs. 20,000 |
| c) | To earn Rs. 20,000 per month the premium income required is
(On an average this includes first year and renewal premium income) | : | Rs. 60,000 |
| d) | Sum Assured required for this premium | : | Rs. 16 lac. |
| e) | No.of policies required for Rs. 16 lac.
(On an average sum assured per policy is taken at Rs.4 lac.) | : | 4 |
| f) | To get 4 policies I have to see | : | 10 prospects |
| g) | To get 10 qualified prospects I have to see | : | 30 people |
| h) | To get 30 people in the list I have to make in a month. | : | 60 to 80 calls |
| i) | Therefore on an average I have to make per day | : | 3 to 4 calls |

This planning is made on certain financial assumptions which depend on the status of the agent and the position of the prospects.

2. An effective call is one in which the salesman is able to convey to the prospect the purpose of his visit. Before such an endeavour can be made, the salesman has to locate names of possible prospects and qualify them as his prospects after securing a variety of information from various sources and recording the same on the "Data Sheet-Analysis of Financial Needs" form or the Prospect Card. Names which do not qualify are set aside for the time being. The agent then analyses the prospect's needs, determines the appropriate policy for the purpose and prepares himself to present the proposition to the prospect. At this stage a call is planned for selling the interview.
3. In the case of a beginner who wants to develop his vocational competence systematically and on the right lines, the spade work referred to in 2 above will require nearly as much time as the selling effort. In fact, the more thorough the spade work, the easier the sale.
4. Assuming that a trained salesman would like to occupy himself at least for 8 hours a day, he should plan to invest at least 4 hours on spade work (prospecting) and the other 4 hours on selling efforts. During the 4 hours (or more, if the salesman likes) assigned to selling effort, he can expect to make 3 to 4 well-planned effective calls, provided he works on the sector-wise concept (and thus minimises the unproductive long street runs).

5. In a month of 25 working days, the salesman may be able to make 60 to 80 effective calls or conduct 30 to 40 interviews or make 4 to 6 sales or sell life insurance of Rs. 16 lac. to Rs. 20 lac., on an average per month.

Another illustration in the case of an old agent

Assume that an agent's money need is Rs. 28,000 per month. Then he has to plan for this income accordingly. So another planning is given below :

- | | | |
|----|---|-----------------------------|
| a) | Income expectation
(Renewal Commission included) month | : Rs.28,000 per month |
| b) | Premium income required | : Rs.84,000
(28,000 × 3) |
| c) | Sum Assured to be sold
Premium (Rs.40 per thousand sum assured) | : Rs. 21 lac. |
| d) | No. of policies to be sold
(Average sum assured per policy is taken at Rs.3 lac) | : 7 to 8 per month |
| e) | To get 7 to 8 policies in a month an agent has to meet | : 20 prospects |
| f) | To get 20 qualified prospects one has to make | : 60 calls |
| g) | Considering 4 to 5 holidays in a month an agent has to make. | : 3 to 4 calls per day |

This plan is slightly different from the first plan to show that plans change from person to person and place to place but the principle of preparing a plan is the same everywhere. The salesman's own experience will give him a correct ratio of calls to interviews to sales and therefore his own data is very important to him.

If renewal premium income is well looked after by servicing the policyholders, he can increase this income from Rs.28,000 to Rs.36,000 per month within the first five years.

The various headings appearing on different pages of the Prospecting Guide are meant primarily to stimulate your thought process. It is not necessary to write names of prospects under only those headings which suggest the names of such prospects. The names of prospects should be written in continuation for each sector of the town, dividing the Prospecting Guide in an equal number of sections for the purpose. For the reason stated above the pages bear continuous serial numbers.

Prospecting is a daily activity for the salesman.
Make it a habit. It spells success.

6

SECTOR :

Who are the people known

The heads of families in my locality - my friends - relatives -
My acquaintances -

Date entered	Name	Address	Age

* Here enter the appropriate number stated against the desired need :-
Family Income 1; Mortgage Cancellation 2; Readjustment Income 3; Marriage Expenses 4; Educational Expenses 5;
For example enter “4” for “Marriage Expenses.”

to me whom I can serve ?

neighbours - members of my lodge - club and community.

parents of my children's friends

Occupation	Needs to be provided for (Number*)	Amount I expect to sell (Rs.)	Date qualified as prospect	Dates called	Date sold	Amt sold (Rs.)	Plan of insurance sold

Income for widow **6**; Retirement Income **7**; Other needs **8**.*** Please study "7 Steps to Success" for the income needs and other details.**

7

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SECTOR :

Who are the people with
My landlord – grocer – plumber – furniture dealer – tyre and
– dry cleaner – draper – real estate agent

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whom I do business ?

battery dealer – petrol pump operator – doctor – dentist – lawyer
– motor car dealer – department store operator etc.

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Personal friends – men with whom I do business –
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know and would like to help me ?

highly regarded policyholders – friends of my family
in civic and welfare organisations.

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14

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SECTOR :

Changing situations and responsibilities

Who has recently married; Has a new baby? Gone into
Bought a home? Has an increase

Date entered	Name	Address	Age

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result in needs for life insurance

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in earnings? Inherited money?

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SECTOR :

The house next door - The family upstairs - The store

Who are behind these doors? What

What about other members of

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* Here enter the appropriate number stated against the desired need :-
Family Income **1**; Mortgage Cancellation **2**; Readjustment Income **3**; Marriage Expenses **4**; Educational Expenses **5**;

at the corner – The office on this and the next floor
 needs for life insurance do they have?
 their families, their associates?

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21

SECTOR :

Heads of

Life insurance provides for payment of debts arising and existing when bread-winner is taken out of the picture. Life insurance enables in familiar surroundings and among friends. Life insurance provides are financial needs which heads of families have. Therefore,

Date entered	Name	Address	Age

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Family Income **1**; Mortgage Cancellation **2**; Readjustment Income **3**; Marriage Expenses **4**; Educational Expenses **5**;

23 SECTOR :

Life Insurance needs of

WOMEN : Clean-up fund – retirement – savings – protection
 CHILDREN : Thrift – savings – money for education – marriage rates – medically sound now but may not be later

Date entered	Name	Address	Age

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Women and Children

for dependent children- tax coverage – gift to charity
 marriage – helps build character and responsibility – protection – low
 later – waiver of premium in event of parent's death.

Occupation	Needs to be provided for (Number*)	Amount I expect to sell (Rs.)	Date qualified as prospect	Dates called	Date sold	Amt sold (Rs.)	Plan of insurance sold

* Please study “7 Steps to Success” for the income needs and other details.

Every call brings you closer to a sale!

Every call – Every interview – Every Sale – has a rupee value!!

Know the value of work you do.

At quarterly intervals, make the following calculations :

- Count the number of effective calls you made.
- Count the number of interviews obtained.
- Count the number of sales you made.
- Add the commissions on business sold.
- Determine the value of each call by dividing the total commissions by the number of calls.
- Determine the value of each interview by dividing the total commissions by the number of interviews.
- Determine the value of each sale by dividing the total commissions by the number of sales.
- Strive to increase the value of each by improving the quality and intensity of your prospecting and selling methods and skills.

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