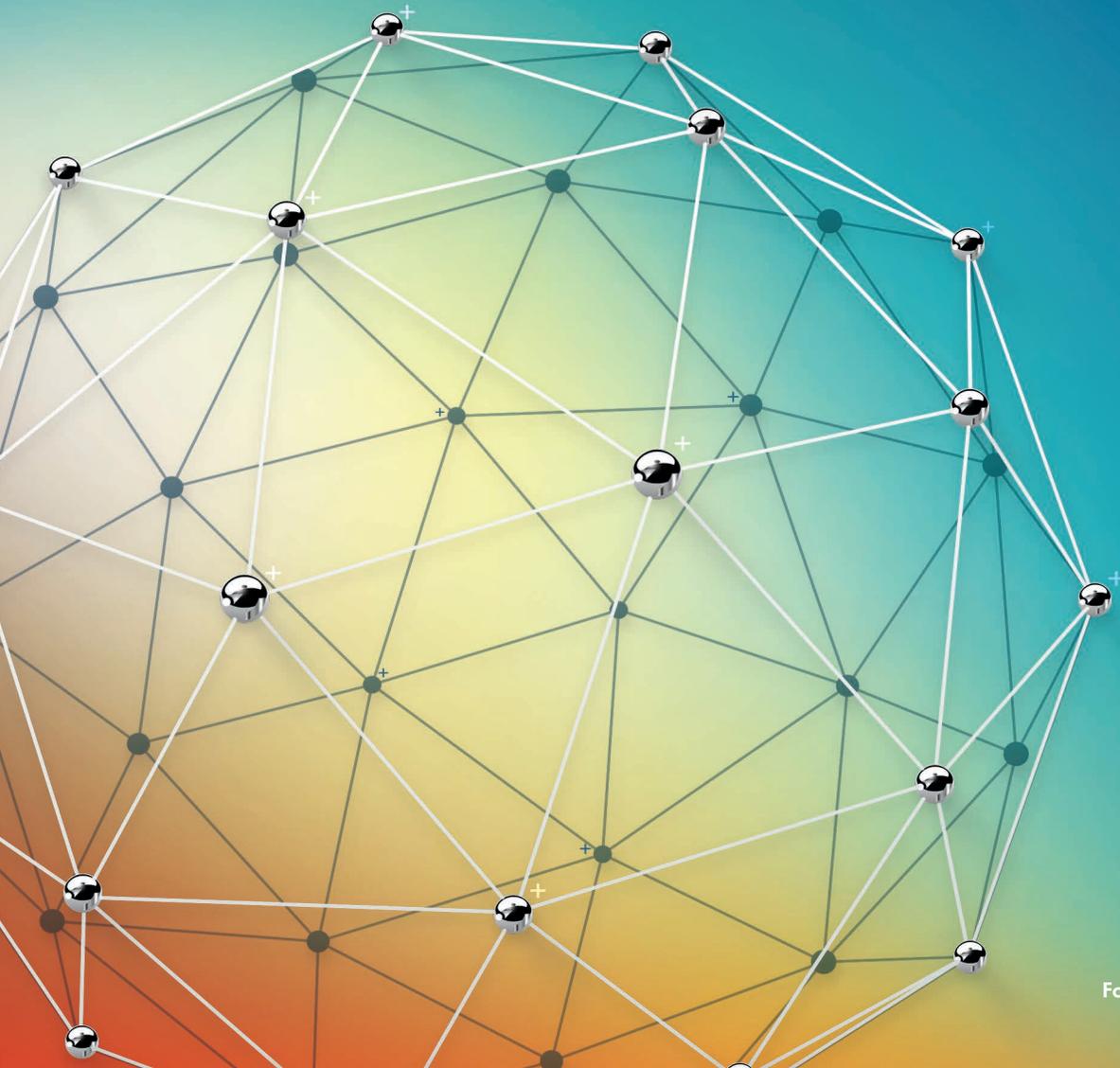




Referral Savvy

THE ART OF MAKING CONNECTIONS



For financial professional use only.
Not for distribution to the public.

Referrals Are Key

to growing your business. The statistics are compelling:

86%

of older Americans say they are most likely to learn about a financial professional from a personal referral.¹

AND

75%

of a financial professional's new business comes from referrals.²

AND

85%

of clients say they are comfortable giving referrals.³

Yet Only

29%

gave a referral over a 1-year period.³

AND

27%

of today's baby boomers have sought financial advice from a professional.⁴

Referral Savvy

can help you close this referral gap by bringing together the best practices of some of the industry's top referral experts, including Bill Cates, CSP, CPAE and President of Referral Coach International.

¹ 12 Key Insights for Financial Advisors and Clients, Think Advisor, January 22, 2015. Data from the EY 2014 Wealth Management Survey.

² Christopher Robbins, "For Better Referrals, Advisors Must Get Strategic," Financial Advisor, October 28, 2016. Data from the 2016 Charles Schwab Advisor Benchmarking Study.

³ Advisor Impact, Rules of Engagement 2014.

⁴ Source: Boomer Expectations for Retirement 2016, Insured Retirement Institute, 2016.

Getting Referrals is an Art

The more passionate you are about engaging clients and building relationships, the more likely you will master the process and produce strong results. REFERRAL SAVVY can help increase the number of qualified referrals that you receive from clients and other business professionals. It also offers strategies that can help you build stronger connections across generational lines, including Millennials, Generation Xers and Baby Boomers.

Maximize Your Referral Potential in 4 Simple Steps

1. Brand Yourself

Create a personal brand that highlights your expertise and makes you more referable.



Page 2

2. Get Connected

Develop a systematic process to ask for and earn more referrals from your best clients.



Page 6

3. Build Networks

Cultivate strong partnerships with experienced professionals such as CPAs and attorneys.



Page 12

4. Increase Engagement

Help turn prospects into loyal clients and clients into engaged advocates.



Page 14

IMPORTANT NOTE: This brochure contains tips and strategies that involve social media, entertainment and gifts. Before conducting any of these activities, such as posting on social media sites, running a client appreciation event or offering gifts, please consult with your firm's compliance department for guidance and information on regulatory or company-specific requirements. The content of this brochure is for informational purposes only and is not meant as an endorsement of any particular activity or social networking site.



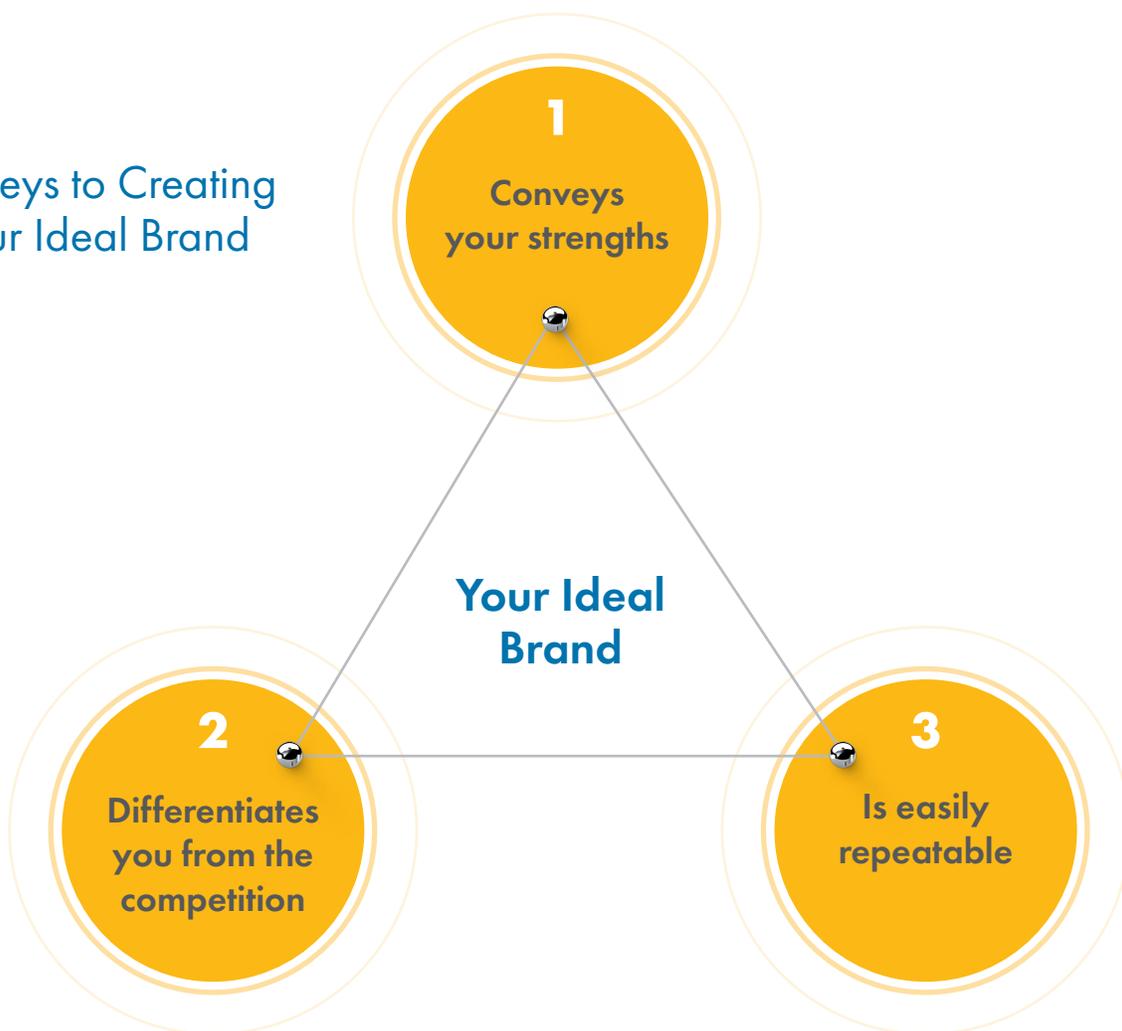
1. Brand Yourself

What's your personal brand? A clear, compelling brand can help you build credibility for your practice, raise awareness and generate leads from clients, strategic partners and even prospects. Your personal brand should distinguish you and your practice by communicating your strengths and value. A memorable brand evokes positive emotions like trust and loyalty and makes clients more willing to give referrals.

81.5%

of professional services companies have received a referral based on brand and reputation alone, not from someone who was a client.⁵

3 Keys to Creating Your Ideal Brand



⁵ Hinge, Rethinking Referral Marketing, 2015. Based on 2015 research of 523 professional services firms.

Make Your Brand Stand Out

A unique brand can help you engage clients and attract more referrals. However, 60% of clients complain that all financial advisors say the same things, making them difficult to distinguish.⁶ The following three branding tips can set your message apart and highlight the distinct services you provide for clients:

Value Proposition

A value proposition quickly tells clients what you do and what makes your company unique or valuable. One way to identify your company's strengths is to ask your clients what they think about your products and services. Their insight and feedback can help you make your value proposition more authentic and impactful.

Sample Value Proposition:

"We're a small investment firm that's built on trust and personal relationships. We're known for our integrity and service because doing what's right for you is also best for our business."

Mission Statement and Vision

Your mission statement adds a vision of where you want your practice to go. Keep the statement short, conversational and benefits-oriented. If your clients do not understand your mission, they will have a hard time referring prospects to you. Avoid using jargon and clichés.

Sample Mission Statement:

"Our mission is to provide financial security and lifetime income. We put the needs of our clients first and seek to deliver unrivaled service through life-long relationships."

Tell your story in 30 seconds or less

An easily repeatable story gives clients a simple message to use to spread the word about you and your company. It also helps them explain your vision and value to others.

Sample Elevator Story:

"From retirement to legacy planning, I strive to be the only advisor that you and your family will ever need. In fact, my very first client is still with me after 35 years. I'm committed to helping my clients build wealth and financial security, and I'll work with you to help turn your vision to life."

⁶ Pershing, "What Do Top Advisors Say and What Do Investors Really Think? A Study of Advisor Value Propositions," 2014.

52% of referred individuals decide **NOT** online reviews or inadequate marketing

Strengthen Your Brand Online and Socially

Building connections today is more than making phone calls and meeting clients. It is also about building your digital presence. Since many prospective clients go online to check out an advisor's reputation before they schedule a meeting, poor branding and negative online reviews could derail your chances of getting a referral.



3 Ways to Building Your Digital Brand

1. Keep your website up-to-date

80% of prospective clients use a financial advisor's website to help them determine if he or she is a good fit, and as many as 30% have dropped a referral or canceled an appointment because the website was "unimpressive."⁷ To make a good first impression, make sure your website is well-designed and the content is timely and educational.

2. Demonstrate your expertise

76% of investors say it's important for advisors to provide financial education and help them make informed decisions.⁷ Your website and social media pages are effective tools to showcase your expertise. Educational content like blogs, webinars and research reports can help you build credibility and visibility.

3. Optimize search opportunities

You want your company to appear at the top of the first page when prospects and clients "Google" you online. By using keyword phrases that highlight your mission, value and expertise, you can improve your ranking in online searches and enhance the "refer-ability" of your company.

⁷ Hinge, Rethinking Referral Marketing, 2015.

to use a service provider due to negative materials.⁷

Connecting Across Generations

TIP #1: Make sure your brand speaks to different generations

Boomers and Matures

People over 50 want experience

They tend to measure quality and value based on how long a business has existed. When speaking to prospects of this age, clearly mention your work experience and the history of your company.

Gen X and Millennials

Younger individuals value education and a strong online presence

They are less concerned about your history and more interested in what you can do for them now. They want to be educated and are looking for someone who is accessible and offers timely information.

To attract Millennials and Generation Xers, consider:

- Using technology to help grow your brand and reputation. Younger clients like to communicate via social media and email.
- Increasing your availability online. People under 50 want access at all times.
- Googling yourself to help monitor and manage your online presence.



2. Get Connected

To build customer loyalty and develop a more consistent pipeline of new clients, it's important to identify where the best referral opportunities are and which clients can provide the most qualified leads. It is also critical to have a proven strategy to ask for and get more referrals.

Develop an Ideal Client Profile—Based on Your Top 10 Clients

An Ideal Client Profile helps you focus your referral efforts on individuals who have the potential to contribute the most to your bottom line. Identify these clients by analyzing your book of business and focusing on assets, growth potential, personality traits and demographics. Ideal clients typically have significant assets and are major centers of influence (COIs) with strong business and social connections.

Ideal Client Profile (Hypothetical Example)

CATEGORY	IDEAL CHARACTERISTICS
Age	48–55
Geography	Within 20 miles
Family	Married with children
Investable Assets	\$350,000
Personality Traits	Type A, hard-working, diligent, extroverted, conscientious, stable, quick witted, down to earth
Profession	Business owner/self-employed in the service industry with less than 20 employees
Salary	\$180,000
Risk Tolerance	Self-described saver, willing to accept some risk, 80/20 stock and bond investor
Investments	Mutual funds and the occasional hot stock, some SMAs
Communication	Quality meetings, regular emails, monthly phone calls
Organizations	Country club, charity involvement
Interests	Vacation, golfing, boating, fishing
Where to Meet?	Local events, networking opportunities, charity benefits, golf course

Share Your ideal Client Profile

Share your Ideal Client Profile with clients, assistants, team members and strategic partners, such as CPAs and attorneys. You are more likely to obtain highly qualified referrals from these individuals if they understand the type of clients that you serve best (see Build Networks on page 12 for more information on strategic partnerships). Of course, you may want to leave out sensitive aspects of the profile, such as salary or asset requirements.



Although **75%** of their business comes from referrals, only **30%** of financial advisors have a formal plan to generate referrals.⁸

Connecting Across Generations

TIP #2: Don't overlook children and family connections when developing your Ideal Client Profile.

Top clients are not just limited to an individual or couple. Affluent families who are looking to pass assets to the next generation may be one of your best referral opportunities, and a great way for you to expand your business.

⁸ Sources: 2016 Charles Schwab Benchmarking Study and 2014 Investment News study. Article references: Mark P. Cussen, "How Advisors Can Improve Their Client Referral Rate," Advisor Insights, November 8, 2016, and Matt Sirinides, "Most Advisory Firms Don't Have a Strategy for Landing Client Referrals," Investment News, December 15, 2014.

Ask for Referrals using The VIPS Method™

More than 70% of clients say they have not referred because they have never been asked.⁹ Many financial advisors are reluctant to ask for fear of appearing pushy or needy. Others are concerned that they will make their top clients uncomfortable.

The VIPS Method™ can help you overcome these concerns.¹⁰ Developed by Bill Cates over nearly two decades of coaching elite financial advisors, it is an easy-to-use strategy that will help you ask for referrals in a natural, confident and professional manner.

How the VIPS Method Works



VALUE

Start with the value discussion

The first step is to encourage clients to talk about the benefits of your services. Happy clients who trust you and recognize the value of your work are more receptive to referral requests.

Sample conversation starter:

"How do you feel about everything we've done so far?"



IMPORTANCE

Treat the request with importance

Your clients are more apt to pay attention, and you will have a better chance of obtaining referrals, if you ask for referrals in a confident and effective manner.

Sample statement:

"I'm happy to hear that you've benefited from this process. With that in mind, I'd like to bring up another topic to discuss."

⁹ Hinge Research Institute, Referral Marketing for Professional Services, 2015.

¹⁰ Registered trademark of Referral Coach International.

As author of three popular books on referrals and president of Referral Coach International, Bill Cates is considered one of the nation's foremost experts on building business through referrals and word-of-mouth marketing. Bill has helped over 20,000 small business owners and sales professionals develop a thriving referral-based business.

Bill's international expertise has been established through hundreds of presentations throughout the world. His client-acquisition system has been featured in publications such as Success Magazine, Entrepreneur Magazine, Selling Power, the Huffington Post and The Wall Street Journal.

Bill earned his Certified Speaking Professional (CSP) designation in 1999. In 2010, he was inducted into the Council of Peers Award for Excellence (CPAE) Hall of Fame, an award of excellence that has been bestowed on fewer than 150 speakers since 1977. Bill now sits on the Board of Directors for the National Speaking Association.



Bill Cates
President, CSP & CPAE
Referral Coach
International

P

PERMISSION

Obtain permission to explore referral opportunities

By using this technique, you can avoid some awkward situations and direct the conversation into areas that may be more conducive to generating referrals.

Sample statement:

"I'm looking to add a few more clients like you this year. I'm hoping you might have some time to talk about whom you know and care about that might benefit from my services."

S

SUGGESTION

Suggest people and categories to explore

You can narrow your clients' focus and guide them into making qualified referrals by suggesting a specific person or a category of people to explore.

Sample statement:

"You mentioned that your brother was saving for a house. If you think he might benefit from the financial planning that I do, please feel free to give him my card. I'd love to hear from him."

100% of “engaged” clients—those that gave at least one referral compared to

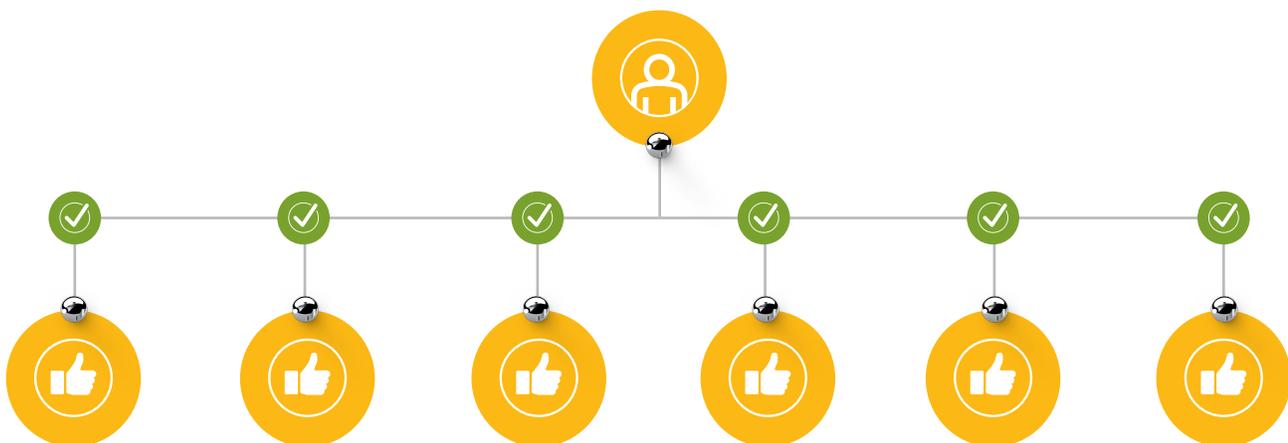
Connect Online with Your Best Clients

Your top clients are more likely to make a referral if they feel happy about your services and involved in your practice. One of the most effective ways to engage your top clients is through social media. Networking sites like LinkedIn, Facebook and Twitter can help solidify your relationships, educate clients and implement a thought leadership campaign. You can touch your top clients quickly and efficiently, while sharing articles, blogs or personal information.

You even have the opportunity to create groups or business pages, where you can connect with clients and other individuals with similar interests and experiences. For example, some of your best clients may have graduated from the same college or worked in the same industry. Interacting with this group can help you build rapport, boost visibility and generate potentially more referrals. (See Increase Engagement on pages 14–16 for more information.)

Build Loyalty with the AIG 26 Touches Client Engagement Program

If you’re looking for ways to better engage your clients, consider our 26 Touches Client Engagement Program. You’ll be able to create a customized 26-touch calendar of emails, postcards, newsletters and other events and communications that will help you foster deeper, more personal relationships, while increasing referral opportunities. Contact your AIG Financial Distributors wholesaler or visit aig.com for more information.



¹¹ Advisor Impact, Rules of Engagement 2014.

become advocates of your practice—
only **5%** among all other clients.”

Educate Your Clients and Support Team on Spotting Referral Opportunities

To help clients recognize valuable referral opportunities, ask them to keep an eye out for friends, family or business associates who are undergoing significant financial change in their lives, such as selling a business, inheriting money or planning to retire. Also ask your assistants, secretaries and other team members to watch for these referral opportunities.

Referral Opportunity Checklist

Look for people in transition and money that’s on the move. Look for friends, family and acquaintances who are:

- | | |
|---|--|
| <input type="checkbox"/> Retiring | <input type="checkbox"/> Having a baby or adopting a child |
| <input type="checkbox"/> Changing jobs | <input type="checkbox"/> Becoming an empty nester |
| <input type="checkbox"/> Inheriting substantial assets | <input type="checkbox"/> Recently widowed or has experienced a death in family |
| <input type="checkbox"/> Selling a business | <input type="checkbox"/> Getting married |
| <input type="checkbox"/> Selling real estate | <input type="checkbox"/> Getting divorced |
| <input type="checkbox"/> Going through civil or legal actions (divorce, personal injury, etc) | |

JUST AN FYI...

The Referral Speak brochure contains scripts, covering everything from the VIPS Method to handling objections. Please use our Referral Savvy app on your smartphone, tablet or mobile device to download this brochure. Or contact your AIG Wholesaler for more information.



3. Build Networks

Nearly 80% of elite financial advisors view referrals from other professionals as “very important” in growing their business. 30% of advisors with \$1 million or more in assets said that their five best clients from the previous year came from this type of referral.¹² Partnering with like-minded professionals can be a powerful referral-building opportunity that can lead to a significant increase in clients.

Develop an Ideal Partner Profile

Creating an Ideal Partner Profile can help pinpoint the best partners for your business. The following hypothetical example includes some of the characteristics you might want to look for in a CPA, including firm size, number of clients and management approach.

Ideal Partner Profile (Hypothetical example)	
CATEGORY	IDEAL CHARACTERISTICS
Firm Type	Regional CPA firm
Size	1-5 CPAs
Client Base	200 clients per CPA, with many key industry leaders and affluent investors
Leadership	Founder is similar in age and interests, but forward thinking in marketing and management style
Approach	Takes a holistic approach—not just a tax shop
Partnerships	Outsources trust and estate planning with an estate attorney
Vision	Vision aligns with comprehensive planning and non-transactional advice—long-term partnership with each client
Referral Approach	Favors using event marketing to make personal introductions

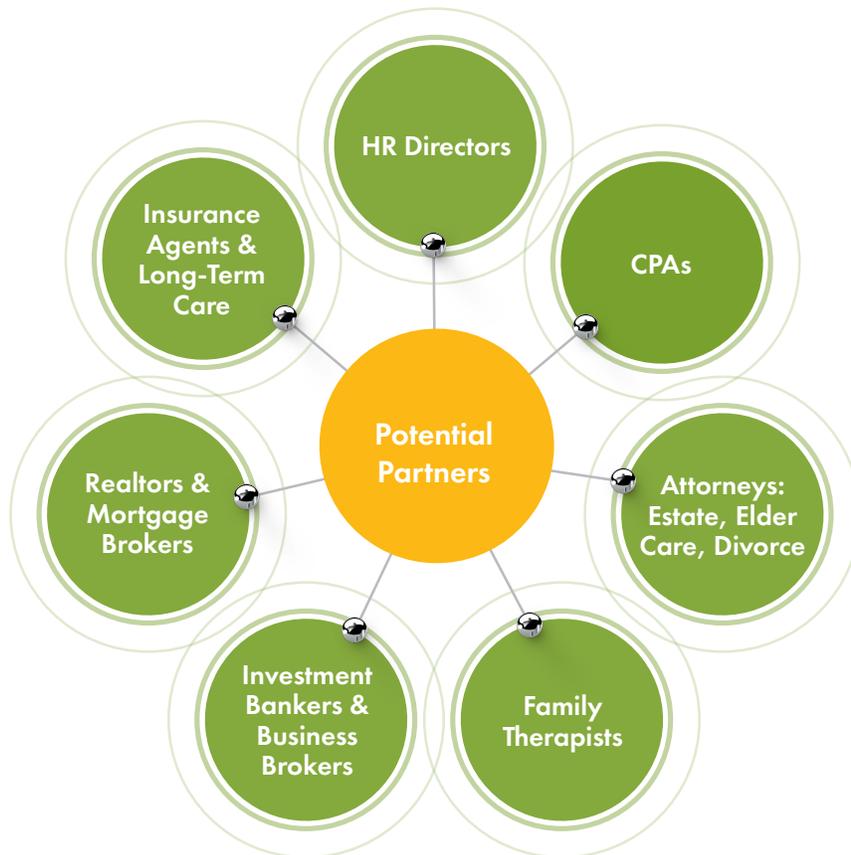
Qualify Your Potential Partners

It is important to find partners with similar philosophies and ways of doing business. Consider fit and personality. How was your first impression? Was there good chemistry when you met? Did the potential partner show integrity and competence? Meet with your potential partner at least several times before deciding to work with them. It will also help to share your Ideal Client Profile with the potential partner, so they know exactly what you’re looking for.

¹² CEG Worldwide, Best Practices of Elite Financial Advisors: 2012 Report.

Create Your Target List of Professionals

One great way to build your prospecting list is to ask your top clients if they would recommend any of the professionals they are working with, such as CPAs, attorneys, investment bankers, realtors or mortgage brokers. Rank these prospective partners according to referral potential. People you have met already or who you know by reputation should have the greatest priority. To find additional partners, consider attending business conferences, joining local charities and community groups and participating in social media sites and other networking groups.



Connecting Across Generations

TIP #3: Speak to different generations using words they understand.

- Boomers want to feel like they are part of a team. Use key phrases like “join our team,” “get up to speed” and “on the same page” to engage these professionals.
- Generation Xers are looking for facts and full disclosure. Consider phrases such as “learn how to,” “check us out,” “do your due diligence” and “take a closer look” to build rapport.
- Millennials want to be recognized for their individuality. Suggest using phrases such as “your unique situation,” “how you’ll fit in,” “how our team will take care of you,” and “how we teach each other” to increase connections.



4. Increase Engagement

Once you receive a referral, it is time to turn the prospect into an engaged client—a loyal advocate of your business who can be a future source of qualified leads. Research has shown that referrals are most effective when existing clients or strategic partners make the initial contact. In fact, the success rate is three times higher if there is prior permission from the prospective client to take your call or meet with you.¹³

Here is a checklist to help you create a lasting pipeline of engaged clients.

Get Introduced to a Prospective Client

- Ask your referral source to call or email the prospective client first.** This will help ensure that they will not be surprised by your call, and it allows your referral source to say good things about you before the meeting.
- Get everyone together for a fun activity.** Depending on your clients, you may consider lunch, manicures, a round of golf. It is a great, informal way to meet your prospective client and to see if there's an opportunity to work together.
- Use a pre-approach note or letter.** Ask your referral source to add a personalized note, which will make your introduction warmer and more impactful.

"Wow" Your Prospective Clients

- Conduct research.** Find out as much as you can about your prospect from your referral source and from online resources, such as social media sites, before your first meeting. Use what you learn to start a conversation and make personal connections.
- Make a great first impression.** The referral experience starts from the very first meeting, phone call or email. Train your staff to treat all prospects with respect. Be sure that everything in your office, from the appearance of your lobby to the professionalism of your receptionist, inspires client confidence and reflects success.
- Do what you say you will do.** Perhaps the most important way to build trust is to deliver on your promises. If something unexpected occurs and you cannot honor a commitment, let your prospect know as soon as possible, and be honest. The truth may hurt, but prospects will respect your integrity.

¹³ Source: Darling, Diane. *The Networking Survival Guide: 2nd Edition*. New York: McGraw-Hill, 2010, page 26. Data based on a Sandler Sales Institute study.

Plant a Referral Seed

- At your first meeting:** Explain how you would handle referrals and reassure clients that you won't do anything to jeopardize a new relationship. "If you ever get a chance to introduce me to someone, I'd like you to know how I would handle it."
- By voice mail:** Leave an outgoing message that says, "Please leave a message at the tone, and if you were referred to us, please let us know whom to thank."
- Through office signs:** Place a "thank you for giving us a referral!" sign in your office lobby. The sign lists all the people who provided you with referrals over the last month or quarter, and it allows you to publicly thank everyone who contributed to the growth of your practice.

Turn Clients into Advocates

- Communicate frequently.** According to a recent study, one of the top 5 reasons why clients leave an investment firm is lack of communication and responsiveness.¹⁴ Regular communication can deepen your relationships and make clients feel more appreciated. To implement a high-impact client communications program, consider the AIG 26 Touches Client Engagement Program or visit www.aig.com for more information.
- Hold client appreciation events.** Events like wine tasting parties not only make clients feel special, but they also help you network and generate referrals.
- Use social media to connect and build community.** A good rule of thumb is to provide a 3:2:1 ratio of evergreen, topical and personal content. Evergreen content is educational and never "expires." Topical content are time-sensitive pieces, and personal content is anything that makes you feel more real and relatable.
- Touch clients on important milestones.** A personalized card, mailer or phone call on special days or events like birthdays, anniversaries and graduations can help strengthen the relationship and improve client satisfaction.
- Conduct portfolio reviews and client surveys.** Let clients know you care about their satisfaction by conducting written surveys. Through the survey, you can measure clients' perception of your services, monitor their investment needs and obtain valuable feedback to make your business more profitable and "referable."
- Form a Client Advisory Council.** The more involved your clients are in your practice, the deeper the relationship and the higher the likelihood for referrals. Select a diverse group of your best clients to establish a Client Advisory Council. Try to get as much age diversity in your council as you can. You will be surprised at the difference age makes when it comes to client perspective regarding your products and services.

¹⁴ Source: CFA Institute, From Trust to Loyalty: A Global Survey of What Investors Want, February 2016.

Referrals Made Easy With the Referral Savvy Mobile App

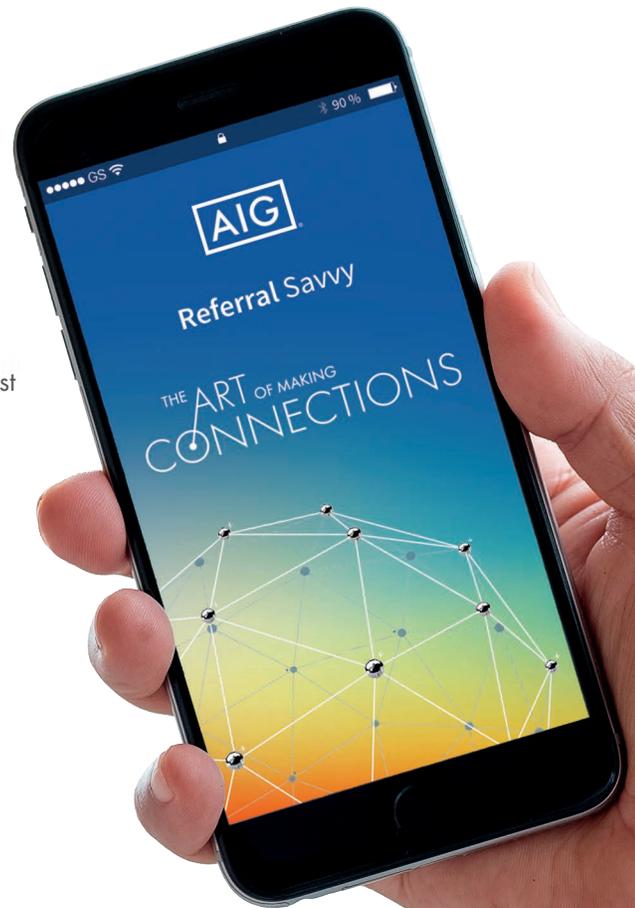


Put the Power to Grow Your Business at Your Fingertips

The Referral Savvy app is designed to help you create a systematic referral system that can provide you with a constant stream of qualified leads. With just a few touches, you'll gain valuable tips to help you enhance your brand, connect with your best clients, build powerful referral alliances and turn prospects into loyal advocates.

Plus, the app provides you with access to programs like 26 Touches, which includes emails, postcards and mailers you can use to garner trust and get clients more involved in your business. You'll even have access to tools that can help you conduct portfolio reviews, client surveys and client appreciation events like golf outings and fine wine tasting.

The Referral Savvy app is easy to use and loaded with incentives to help you get the most out of this valuable program. To get started, simply download it from the App Store or visit our website aig.com for more information.



JUST AN FYI...

For more ideas, check out the Referral Notes brochure, which contains sample letters and emails that you can use to help generate referrals from existing clients and strategic partners. Please use our Referral Savvy app on your smartphone, tablet or mobile device to download this brochure.

Master the Art of Making Connections and Grow Your Business Today!

Maximize your referral potential with Referral Savvy

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