



SOCIETY OF ACTUARIES

Article from:

$K_p \text{ gr } g_p \text{ f } g_p \text{ v} \text{ 'E } q_p \text{ u } w \text{ m } c_p \text{ v}$

July 2008 – Issue 20



Contents

- ➔ [Vocal Pace and Tone Can Make or Break Your Presentation!](#)
- ➔ [Chairperson's Column: An Entrepreneurial Actuary's Web Resource](#)
- ➔ [Eight Tips to Establish Professional Boundaries](#)
- ➔ [How to Get Prospects to Take Action](#)

SOA ePoll

Which feature would you most like to see in a networking Web site for the EA Section?

- Profiles of Section members describing what services they provide
- Postings of projects for which Section members are seeking assistance
- Postings by Section members seeking peer review help
- Postings by providers outside the Section describing their services
- None - I would not be interested in this Web site

[Submit Vote](#) [View Results](#)

[Entrepreneurial Actuaries Section](#)

How to Get Prospects to Take Action

by David C. Miller

Are you frustrated because your prospects seem slow to take action? Would you like more success in selling your product, service or idea? Then you want to become familiar with these four principles of influence. They're based on human psychology and behavior. Whether you're a business owner, consultant, sales professional or a leader in an organization, to be influential you must become a student about what makes people tick.

Principle #1: A person's primary motivation is, "What's in it for me?"

As cynical as this statement sounds, its truth can't be denied. We all view the world from our own self-centered perspective. By self-centered I don't mean selfish in that we put ourselves above others. I mean that we are motivated by what's important to us.

If you've had any training in sales, you've probably heard of this concept —What's In It For Me (WIIFM). As much as you may have heard of it, the idea can't be overemphasized. Most sales professionals and consultants I observe do a less than adequate job focusing their marketing and selling activities this way.

A common mistake professionals make is to focus on telling their prospect what's great about themselves or their organization. They're often ignoring Principle #1. Think of it this way: Your prospect's radio station is tuned to WIIFM. Most consultants broadcast on WWD (What We Do) or WWTYN (What We Think You Need). They're transmitting their message on the wrong frequency!

So when you're writing sales copy, preparing a sales meeting or selling one of your ideas, you want to be ready to answer this critical question. Put yourself in your client's shoes. What's important to them? Why would they care about your proposal? What do they get out of it? How will it benefit them personally?

Principle #2: A person's behavior is based on their need to either avoid pain or gain pleasure.

This principle explains a core reason why people do or don't do something. People on diets don't succeed, in simple terms, because they're linking more pain to losing weight than not losing weight. A person may complain about his job because he hates his boss. But does he leave his job? No, because the uncertainty he associates with finding another job is more painful than dealing

2008 Officers:

*Kevin Dolsky, Chair
Sandor Goldstein, Vice-Chair
Ruth Ann Woodley,
Secretary/Treasurer and
Newsletter Editor*

Council Members:

*David Axene
Michael Frank
Michael Miele
Timothy Robinson
Frederick Townsend*

Visit our [Web page](#) for more information, or view past articles at our [Resource Center](#).

And review special offers for our members at our [Member Benefits](#) page, from vendors recommended by other EA Section members.

Ruth Ann Woodley, Editor
ph: 860.651.6236
ruthann@ruarkonline.com

Sue Martz, Section Specialist
ph: 847.706.3558
smartz@soa.org

Jacque Kirkwood, Staff Editor
ph: 847.706.3572
jkirkwood@soa.org

Meg Weber, Director, Section Services
ph: 847.706.9585
mweber@soa.org

with his boss.

Prospects take action when the pain of change exceeds the pain of the status quo.

Many professionals don't fully explore the problems (or pain) a prospect has that would cause them to want to buy their product or service. They spend a lot of time conveying the benefits of a solution, but neglect exploring the pain of the status quo. They leave out what could be the greatest aspect of motivation and influence. Remember: **An undisturbed prospect will not buy!**

Principle #3: Immediate pain or pleasure is a stronger motivational force than future pain or pleasure.

This principle is why so many fail at dieting. The pleasure of having that chocolate cake now often outweighs the consequences that show up on the scale later. Alternatively, the pain of giving up that cake now is a stronger force than the satisfaction of sticking with the diet and dropping unwanted pounds.

The vast majority of smokers stop smoking only after a serious heart attack or cancer diagnosis. Few stop for the promise of better health. Even though the health hazards of smoking are well-documented, the pleasure of smoking that cigarette overrules.

So what does this mean to you? This principle is important because our solutions typically offer future benefits, but may require some immediate pain. Your proposed solution may be very desirable, but the prospect will (unconsciously) weigh it against the immediate pain of paying your fees and the hassle factor of change. Any change will involve pain, because it represents movement from the status quo. It's easier to keep things the way they are, even if they aren't perfect.

To counter act this you need to help the prospect **feel future pain in the present moment**. The human imagination is a powerful thing. When we imagine or dream something vividly, it's hard to distinguish the thought from reality. So as an influencer we need to become skilled at helping people futurepace the status quo. In other words, you need to get them associated with what will happen in the future if they don't buy your product or service.

Principle #4: A person makes buying decisions based on emotion and justifies this decision with logic.

Just think about the last major purchase you made: your home, your car, your plasma TV! Didn't emotion play a large part in your decision to go ahead and make the purchase? This is not to say there weren't plenty of logical reasons why you bought what you did. But I think you'll agree that the more money you lay out for a product or service, the more emotional payback there needs to be.

You may feel this principle doesn't apply to what you're selling. The truth is that it does. Let's say you're selling a computer system to a corporation. What's emotional about that? The buyer will compare your product with your competitors' versions and see which one will do the best job (e.g., fastest performance, most comprehensive reports, most user-friendly, etc.). It seems

purely logical, doesn't it?

But wait—think about the buyer—what does he or she want to accomplish? Doesn't the buyer want to appear smart—like he or she made a really great decision for the company? Isn't that an emotional desire? Logic is used to figure out which decision will accomplish this emotional goal! So even if your product or service is heavily technical, don't discount the emotional component.

To be influential, we need to take into account both logic and emotion. Of the two, emotion is a much more powerful motivating force. Unfortunately, too many people ignore the emotional component and focus solely on logic—neglecting what compels people to buy.

Take inventory of how you approach sales and marketing. Are these principles embedded in your process? If not, start building them in and you'll experience faster closes and more of them.



*David C. Miller, PCC, is a professional certified coach who works with actuaries, consultants and executives who desire to attract more clients and have a greater impact on their organizations. He can be reached at dave@BusinessGrowthNow.com or 215-968-248. Sign up for his complimentary e-course on **12 Ingredients for Explosive Business Growth** at www.BusinessGrowthNow.com.*

[[return to top](#)]

475 North Martingale Road, Suite 600 • Schaumburg, Illinois 60173
Phone: 847-706-3500 • Fax: 847-706-3599 • www.soa.org

Actuaries
Risk is Opportunity.™