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BUILDING YOUR AGENCY

"What I wish
I'd known
decades ago!"

AN INDUSTRY VETERAN

From new license to
generational wealth

BY
LES DUNAWAY

Your FUTURE'S so *BRIGHT*,
you have
to wear shades!

You've taken the first step
toward building your business
and your agency.

By choosing the financial
industry you have given yourself
the opportunity to do great
things for your family as well as
other families

**Because
there's money
in the
money business!**

You can build a business which
will provide generational wealth.

But, like every business it's key to
have a business plan – to know
where you're going, what you
want to build.

This ebook shares some of the
things that I wish I had known
when I began my business years
ago.

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Printed in the United States of America

First Printing, 2017

ISBN 0-9000000-0-0

Jeremiah Press

475 E Main St
Suite 328
Cartersville, GA 30121

www.JeremiahPress.com

Generational Wealth

When my 7th great-grandfather, John Dunaway, came to Virginia from England in 1662 he intended to build generational wealth.



He intended to own land, build a horse business, raise a family and leave all that to his family. He had no interest in "getting a job".

He and his wife Kathryn had 11 children.

He knew that what you build, what you own is the only true source of wealth

generational wealth

Wealth that can be passed down to your family through the generations.

He knew that no one can save their way to wealth, since saving only adds to wealth.

Wealth is created only by multiplying – the growth of investments.

See Matthew 25:14–30 The Parable of the Talents.

Americans are once again realizing that freedom is bought by what you own.

After decades as W-2 slaves, they are once again realizing that building a business is the only way to Freedom. And only generational wealth can free a family forever.

So, if your new, shiny insurance license doesn't enable a business which provides generational wealth, it's, pretty much, wasted time, money and effort

A Plan for Your Business

Are you building a business or buying a job?

When people first decide they want to own a business, they are often trapped into buying a job

a job they,often,really, really hate.

Franchise opportunities often lead people into this trap. People take what they've saved and buy a business. Too late, they learn they've bought a job - that they hate!

They spend all the money they have on a business opportunity which is nothing more than a job they must get up and go to every day for the rest of their life.

Because they have no money left and there's no way out - because there's no resale market for failed dreams. [Play the video from 1981]

Remember the story of Charlie

Charlie had a pickup truck.

And a lawn mower.

And a sign on the pickup truck door that read Charlie's Lawn Care.

Did Charlie have a business?

No! Charlie was self-employed.

Charlie had bought a job!



If Charlie can Keep On Keepin On
and
get a second pickup
and
a second lawn mower
and
find a guy to drive them,
and so forth,
then
Charlie might have a business,

someday.

There's nothing wrong with being self-employed
Just remember

"If you're self-employed and want to go to the beach,
the business and your income must stop"

Self-employed vs Un-employed

Do you know the difference between self-employed and unemployed?

What you sold today!

That's called eat what you kill.

Every morning starts at zero.

And you get to do it over and over, day by day, until you can't do it anymore.

Like Charlie, when you've hired enough agents into your agency to provide the necessary income, you'll have a business – until then, you're self-employed.

Are you allowed to build an agency?

Does the structure of the company you're with allow/support/mentor you to find/hire/mentor those agents?

Can your boss tell you:

What it will take to own an agency?

Cash?

Licenses?

People?

How long it will take?

What it will pay?

What he will do to help you?

Hint: most don't – because the bosses live off the spread – the difference between your commission and theirs.

Eventually, you'll want the boss's contract and he'll say NO – because that would take his income, that you earn, to zero.

Your choice, then, is to quit the business or do what you should have,
in the beginning,
find a company that sees you as a business partner,
rather than as a disposable source of income.

Necessary Income

Every business is built three times –
in the mind,
in the plan
and
in the world.

Since you've gotten your license, you've done the 'in the mind' part

Hopefully, it's closer to dream than fantasy
and
you have a somewhere-close-to reality mental picture of:

Hours per day/week/month required
Dollars per day/week/month required
Days/weeks/months/years required to go from negative cash
flow to positive cash flow
Dollars per day/week/month likely to be produced

A key to having a rational picture is the source(s) of the picture.

If it's your daddy who's been successful in the business for 20 years, that's one thing.

If it's someone who just wants to harvest your address book that's another.

Step ONE in your plan must be a careful evaluation of your sources.

In the plan and, for sure, in the world, the concept of burn-rate is important.
In starting a small business – and they are ALL small to begin with – burn rate must include the business owner's normal expenses without regard to the new business – house, car, food,...

Notice "it is a measure of negative cash flow" – that means it's going out, not coming in. Most new business fail because of lack of understanding of that principle.

Another misunderstanding is that burn rate isn't just about money – it's also about sleep, motivation, belief, patience, respect and the love of and for your family.

Be really, really sure you know the cost of thing – not just the price of things

What kind of business

You can engage in activity where, each day you search for prospects and try to sell them something.

That's called eat what you kill.

Every morning starts at zero.

Some people keep doing that for years
- it is not a business -
it is a soul-devouring, family destroying malady.

A business runs and makes money
and grows,
even when the owner is at the beach.

In order for that to happen you must have business partners
- people who are as committed to the business as you are;
who have skin in the game.

Each business partner must bring something to the agency;
must add a strength

A counter-example is someone who owns a sandwich shop and hires people to make the sandwiches.

The owner must be in the shop, every day,
watching the sandwiches being made
no beach time!

Why?

Because someone who takes a W-2 job making sandwiches cannot be trusted to do all the other things necessary

- open up, lock up, clean up, ...

Oh, and by the way, the sandwich shop only generates about \$20,000/yr in free cashflow.

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Business Partners

Does the company who suggested you get an insurance license
have a clear plan for how you'll find those business
partners?

And how to know if they'll fit?

And for how many you'll need?

And for how long it will take to find them?

And how many will quit, each month?

There are many direct sales companies which have a very simple business
model:

Recruit people

Call their families

Call their friends

Tell them to buy leads

Repeat when they quit

You can recognize these companies by their every day/week/month/year
continuous recruiting
and
the parallel continuous quitting,
driven by the recruits
making no money

Talking to People

Every business involves talking to people about the products and services that business offers.

The big difference is where you're coming from.

Talking with a friend about their hopes, dreams, wants, ... is a warm, feel-good, happy thing.

Getting in someone's face to get them to do something, buy something is no fun for anyone.

And it is, for DAMM sure, not the way to make new friends.

There's a better way - talk to friends like you would when you just found a new super-widget store (where super-widget is a thing that REALLY lights your fire) - car, shoes, clothes, bike, ...

You just can't wait to tell your buds about it - even if they are totally NOT interested (example: telling Android users about your new iPhone).

But,
they will listen to you and, probably, rag you a bit - because you are friends.

That's the sort of conversation that builds relationships;
that leads to a deeper understanding of each other;
that leads to the "totally uninterested" friend saying

"Hey, how do I learn more about that?".

There's money in the money business!

When money moves, someone gets paid!

This statement applies more to the investment side of the business than the insurance side of the business.

Some people get an insurance license without understanding much about the difference between the insurance business and the financial (money) business.

Often, that's because the person who "recruited" them had in mind plugging them into a particular hole – generally with little concern about how they will fit.

If someone tells you "You only need an insurance license", they have made it clear that they have no interest in your ability to build a career or an agency.

Today's financial business is about serving the 76 million baby boomers and their 65 million GenX kids and their 83 million grandkids

you don't do that with "just an insurance license".

Kinds of Companies

If you are going to sell financial products and services
you are going to be working for a Field Marketing Organization aka FMO

If you are reading this, you already are

Depending on your organization, you may not know that
Different organizations call themselves different things

There are two major flavors of FMO's
Traditional / bricks & mortar / old world / ... Model
Recruiting Model

The "traditional model", like most traditional things today is dying

The recruiting model includes two large companies and many small to tiny

A good measure of the size of an FMO is "commission dollars paid"

In 2018,
the largest traditional paid out just over \$30,000,000
the largest recruiting model paid out just over \$792,000,000
the second largest recruiting model paid out just over \$250,000,000

the second largest recruiting model company has over twice as many agents as
the first

So, twice as many agents shared less than one third as much commission

So, you need to know the numbers