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## The Value of Networking

*As a successful leader in the financial services industry, you know all too well the importance of building and cultivating a network — in fact, networking has undoubtedly played a significant role in helping you get to where you are today. Every once in a while, though, a little refresher on the subject can't hurt, so as part of GAMA International Canada's renewed commitment to its founding principles of networking and professional development, here's a reminder to continue to make networking a key part of your day-to-day life.*

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**T**here is a huge difference between having a job and building a career, or owning a business and growing that business. The distinction between leading an obscure business life and being wildly successful often is not what you know, but who you know and how you network with those people.

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Successful entrepreneurs, consultants, sales people, politicians, and business leaders have learned that simply keeping your nose to the grindstone will result, figuratively, in a bloody nose. But enhancing your sphere of influence by nurturing personal business contacts will help accelerate your career or business goals.

Networking is the most powerful force you can use to meet goals. Ray Kroc struggled with many problems ranging from financing, equipment design and cooking methods when he launched the first McDonald's restaurant. He found solutions among business friends he made at a country club and from technical experts at a potato trade association that helped him perfect production of his renowned McDonald's french fries.

As Ray Kroc knew, the benefits of cultivating a network can include:

- Meeting people with specialized technical skills or knowledge.
- Cultivating referral sources that can put you in touch with the right person to help or hire you.
- Having someone to turn to for advice or inspiration.
- Positively impressing people who will tell others about you, thus helping to build your reputation and awareness of your talents or business.
- Finding solutions through the benefit of multiple minds.

There is no great mystery to networking. People do it naturally and consistently every day with family and friends — they stay in touch, call, get together and correspond. Yet, when it comes to business networking, many people don't do it for a variety of reasons, including:

- They don't think long term, don't set goals, and don't plan for the future. They view themselves

## The Value of Networking *(continued)*

as having a job, not a career, and they are comfortable in that position.

- They're shy, introverted, fear rejection, or, at the extreme, self-focused and unfriendly.
- They seek levels of comfort, feeling it's better to stick with the familiar than to reach out to make contacts with new people.
- They believe they can be successful without developing contacts.
- They procrastinate, believing they don't have time or will get to it later.

Unfortunately, many people who attempt to network do it badly. The usually are guilty of committing one or more of seven deadly sins: inconsistency, lack of ongoing contact, being ill-mannered, being self-serving, giving nothing in return, not saying thank you, forgetting the other person once the need is fulfilled.

Successful networking is based on building long-term relationships that can pay future dividends. The right way to network is to develop a proper attitude and habits. Stay in touch with people when you don't need anything. Do something for them, if you can.

Use a variety of ways to synergistically maintain contacts. Some possibilities include the following:

- Develop a database of people you encounter in business and make it the foundation for all your communication efforts. Harvey Mackay, author of several business books, including the best seller,

### *Special thanks . . .*

GAMA International Canada wishes to thank Desjardins Financial Security for its support and generosity in translating all Association newsletters for 2002.

*Swim With the Sharks Without Being Eaten Alive*, has thousands of names on his Rolodex file. He claims it is his most important tool for success because it contains the names of people who can help him solve any problem or meet any goal.

- Consistently send information they can use to people on your database. One example is to send articles you read on topics you know interest an individual.
- Send something personal for a birthday — a card, e-mail or fax. Do the same to note an achievement, such as a promotion or award. If you know the person well enough, call to say "Happy Birthday." Send thank-you notes when the occasion is right. One PR agency president takes photos of people he meets at conferences and later mails a copy of the photo with a handwritten note. If you have tickets to a sporting or entertainment event you can't use, offer them to a business contact instead of your brother-in-law.
- Learn about your contacts personally and make appropriate gestures, whether it's to congratulate an accomplishment of a family member or to express condolences on the loss of a loved one.

To expand your base of networking contacts, join civic and professional associations. The key is to become active on projects and committees and learn more about the members you meet. Add them to your database for ongoing contact.

Also, build a higher profile in the community by speaking, giving workshops or writing articles based on your expertise. Send reprints of your published articles to the appropriate names on your database.

Remember, networking is a powerful way of building professional relationships and generating new business opportunities. The more relationships you build, the more you increase your referral network, bolster your reputation, and improve the quality of your client base. In fact, just one relationship can provide a vast source of referrals and substantial income over a professional career.

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**Source:** John DeFrancesco, senior partner, DeFrancesco/Goodfriend Public Relations, author of *The Common Sense Guide to Publicity*.

# We've Moved!



Please make note of the following new contact information for  
GAMA International Canada:

GAMA International Canada  
#11-1155 North Service Road West  
Oakville, ON L6M 3E3  
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E-mail: [info@gamacanada.com](mailto:info@gamacanada.com)  
Web site: [www.gamacanada.com](http://www.gamacanada.com)

## ***GAMA International Canada 2003 Annual Conference***

**Ideas That Work: The ‘How to...’ Conference** will be held September 14-16, 2003, at the Delta Meadowvale in Mississauga, Ontario.

Plan now to attend this event, which promises to be chock-full of hands-on, practical knowledge and skills that you can take back to your office and put into action immediately. You will also gain valuable networking opportunities and be captivated by an inspiring message from an amazing Canadian athlete.

### **Featured Speaker: Jeff MacInnis**

Explorer and entrepreneur, Jeff MacInnis achieved a 400-year-old impossible challenge when he led the first team to sail the Northwest Passage. This epic journey covered 4,000 kilometres over 100 days in an 18-foot boat named Perception — using only the wind and a dream as the sources of power. The expedition survived one of the harshest environments on the face of this planet, through an ice-choked passage that has claimed more lives than Mount Everest.

In athletics, Jeff competed on the Canadian National Ski Team, racing in World Cup events and winning the Belgium

National Downhill Championships in 1984. This was the era of the “Crazy Canucks,” and Jeff learned valuable insights into outstanding team effort.

As an explorer, Jeff was also an intricate member of the first team to journey over-land from London to New York, a grueling 25,000 km journey around the world.

Jeff’s accomplishments give his message a tremendous power and the audience leaves with strategies and a belief they can Dream, Dare and Do — Anything They Want To.

### **Featured Speaker: Richard R. McCloskey, CLU, CFP, ChFC**

Dick McCloskey is CEO of Tax & Financial Group, a General Agency for Minnesota Life, where he integrates inexperienced and seasoned advisors as well as operates a successful brokerage operation. As GAMA International’s 2002 Hall of Fame inductee, he has also been recognized by his peers with the industry’s most prestigious honour.

Dick will appeal to a broad range of GAMA International Canada members as he shares personal insights on the specific approaches and processes he has adopted in order to reach the phenomenal level of success his organization has consistently achieved for so many years.

# Avoiding Compliance Blunders

By Denny Groner, PhD, CLU, ChFC

Foreword by Rick Forchuk, MBA, CFP, CLU, CH.F.C.

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*Part I of this article ran in the Fall 2002 edition of this newsletter, and focused on issues surrounding compliance that are becoming increasingly critical for advisors. As a management professionals and as leaders of those who actually bring in the business, it's incumbent upon us to make certain that appropriate compliance-oriented issues are brought fourth.*

*At the end of the day, when the fertilizer hits the ventilator and a lawsuit is launched, the management person involved may be judged just as harshly as the financial advisor. Reprinting an article such as the one that follows, circulating it to those whom you supervise, and then documenting that circulation in a compliance file can go a long way towards furthering advisor education, and covering your own potential liabilities.*

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## Not Keeping Up-To-Date

An experienced financial advisor has every right to rely in his/her tried and true methods and procedures,

but not keeping up to date can lead to potential compliance blunders. For example, advisors who do not keep up to date may not realize that features, costs and benefits of familiar products may have changed, that some of their favorite sales materials have become obsolete or that newer products are more suitable than older, familiar ones. It can be difficult to find the time to keep up to date, but it is a price that agents have to pay to avoid potential compliance blunders. Accusations of misrepresentation, unsuitable sales and improper disclosure could result from not keeping up to date.

Some of the things advisors can do to avoid this potential blunder are:

- Make continuous training and development a part of your regular routine. Set aside time each week to review new information from the companies you work with. Subscribe to industry publications and read them regularly.
- Participate in industry groups and look for ways to learn how other experienced financial services professionals do their job.
- Periodically evaluate the features, benefits and costs of the products you are familiar with and test to see if they are still the best ones to recommend.
- Periodically check the dates on the sales materials you typically use. Are any particularly old? See if there are more up-to date materials available.
- Have your administrative associates alert you to any significant changes in administrative procedures that could have an impact on your clients or the products you typically recommend.

## Being Blinded by a Big Sale

Big sales have the potential to blind an advisor to a potential problem. It is human nature to focus on the value of a goal and minimize potential problems. Bigger sales are also sometimes more complicated. They may involve trust arrangements, estate tax implications, business issues, etc. Sometimes the risk that you will make a compliance blunder is magnified when the sale is big.

The bigger the sale, sometimes the bigger the tendency to avoiding probing too deeply to determine if



### About the Author

Dennis (Denny) Groner, PhD, CLU, ChFC, is a recognized authority in the area of compliance and market conduct. He has over 25 years of experience in the financial services industry, and has provided training and consulting services for thousands of financial professionals.

Special thanks to Rick Forchuk, MBA, CFP, CLU, CH.F.C., for his ongoing assistance in previewing and selecting newsletter articles from outside sources.

## Avoiding Compliance Blunders *(continued)*

the client may let an old policy lapse once the new one is issued. This can lead to an unreported replacement. With some big sales, the emphasis is the short-term benefits of a product, such as a bonus annuity, rather than on the long-term surrender costs. That can lead to accusations of failure to disclose important information. Another example of being blinded by a big sale is not discussing all of the potential business, tax and accounting issues involved in a business sale, because you rely on the client's advisors to fully understand the impact of the product on legal and tax issues. That can lead to potential accusations of misrepresentation.

Some of the things advisors can do to avoid this potential blunder are:

- Get another experienced insurance professional to look at the sale and give you feedback on any open or questionable issues.
- Require that the client consult his/her advisors and that you work with them to ensure that the client gets proper advice.
- Carefully scrutinize the process you used to determine if you have carried out all of your duties properly.

## Assuming Someone Else is Going to Take Care of a Service or Administrative Problem

Client service issues sometimes have a tendency to evolve into full-blown company and regulator complaints. Simple problems like lost cheques, incorrect bills, missing correspondence, etc., can irritate and annoy clients enough to formally complain, when they feel that no one is listening. In addition, many clients are more willing to complain in writing since they know that written complaints are treated more seriously. Sometime unresolved complaints end up as regulator complaints. No one wants a history of client complaints on their record, especially if the complaints end up as regulator complaints.

Advisors need to be careful about the way they handle simple client service issues because of the risk that these issues will escalate into complaints. Agents sometimes blunder into thinking that someone else is going to handle the client's problem. Agents are busy and it is common that they assume that the company or their associates are paying close attention to quickly and fairly resolving a service issue. This can lead to a breakdown in service and communication. The client often needs help in resolving service problems and if the agent or his/her administrative associates do not actively help or facilitate the resolution of the problem with the company, the complaint may unfairly attribute blame to the advisor.

## Also by This Author

*Managing Compliance: A Guide for Insurance Professionals* is a practical, applied, how-to approach to controlling compliance risk at the agency or office level. The only book written for the manager about actually managing compliance, it is a full tool box of ways to develop, adapt, enhance and implement policies and procedures to reduce compliance risk. For example, Denny provides over 100 ideas on how to integrate compliance into recruiting, selection, training, etc. Specific training is provided on controlling compliance and market conduct risk, developing an effective supervisory system, developing and communicating standards and policies and procedures, monitoring and supervising compliance and market conduct, taking corrective action on potential problems, and preparing for market conduct and compliance exams and audits.

To order this book, please call 1-800-824-8742 or visit [www.dearborn.com](http://www.dearborn.com). For additional information about Denny's other books and his firm's services, please contact Groner & Associates at [GronerAssociates@AOL.com](mailto:GronerAssociates@AOL.com).

Some of the things advisors can do to avoid this potential blunder are:

- Treat every service issue as important. Educate your associates that even seemingly routine service issues can escalate into complaints.
- Develop a service issue log, so that you can follow up on issues on an appropriate basis. Never let a week go by without checking the log and reviewing what is happening with unresolved issues.
- Require your associates to keep you up to date on a regular basis regarding what they have done to resolve or facilitate the resolution of service issues.
- Call clients to let them know you are following up. Even if you don't have an answer yet, let them know that you and your associates are paying attention to the issue.
- If you must refer the issue to the company for resolution, try to give the client the name of a specific person to call, record that you referred the person and follow up with the person at the company to see how the issue is being resolved.

## Name Your Newsletter

With our new association name of GAMA International Canada, it's time to update our quarterly newsletter's name too. "Excellence... In Leadership" has been officially retired — and you, as members, are being challenged to come up with a new name for this, your association newsletter.

Please submit your ideas to [info@gamacanada.com](mailto:info@gamacanada.com) by Jan. 15, 2003. A panel will review all entries and choose the winning name. The winner\* will be eligible for a \$150 voucher redeemable with GAMA International Canada 2003 conference registration! Enter now ... and enter often!

*\*Note: In the event that more than one person submits the name that is ultimately picked, a draw will determine the winner.*

## Harry Hoopis Selected as GAMA International's 40th Management Hall of Fame Inductee

GAMA International Canada proudly congratulates Harry P. Hoopis, CLU, ChFC, of Hoopis Financial Group, for being named the 2003 inductee into GAMA International's Management Hall of Fame. Since 1974, this award has been presented annually to a leader in the insurance and financial services industry in the United States.

The honor commemorates a career spent building organizations and promoting the industry. Harry, as this year's honoree, has demonstrated a dedication to both industry activities and community affairs — a proven leader. Formal ceremonies will be held during the Celebration of Excellence Recognition Banquet at the annual LAMP convention\* on Monday, March 17, 2003, in San Antonio, TX.

“Harry has had a significant impact on both sides of the border over the years. His giving and generous nature has had him serve as a mentor, teacher, and guide to many Canadian industry leaders. The only surprise here is that it took so long to see him named to the Hall of Fame,” stated Rick Forchuk, MBA, CFP, CLU, CH.F.C., Past President of GAMA International Canada.

Harry graduated from the University of Rhode Island and received a degree in accounting. In 1974, Harry moved to the Northwestern home office in Milwaukee and took the position as assistant superintendent of manpower development. Three years later, he was appointed general agent in Chicago. In the 24 years since that appointment, the agency has experienced phenomenal growth. His field force increased from 34 financial representatives in 1977 to more than 140 currently under contract. Sales rose from \$50 million to more than \$2.8 billion in face amount last year. Harry's agency ranks number 1 in Northwestern Mutual and total in-force business exceeds \$20 billion. If



the Hoopis Financial Group were measured against all life companies, it would rank in the top eight percent.

Harry is a charter Master Agency Award winner and has received this award every year since its inception. He is a past president of GAMA International and in 1996, became the fifth recipient of Northwestern's Robert Templin Award for contributions to

management development. Harry is a member of the LIMRA Research Agencies Group, the General Agents Symposium and sits on the CAIFA board of directors. He is a highly sought-after speaker and has addressed more than 100 groups around the world in the past five years.

Charles A. Smith, CLU ChFC, GAMA International's executive vice president and CEO remarked, “The financial services industry is fortunate to have been the beneficiary of Harry Hoopis' distinguished professional career. His integrity, passion, brilliance and his unmatched record of achievement as an agency builder, uniquely qualifies Harry for induction into GAMA International's Management Hall of Fame.”

Harry has sat on the board of directors for the Lake Forest Symphony and Junior Achievement as well as sponsoring the Gateway Foundation (supporting teenagers with drug and alcohol addictions). He also created the Hoopis Family Foundation that raises funds for the City of Hope and cystic fibrosis. Harry and his wife Bea live in Lake Forest, IL. They have two grown children, Krina and Peter.

\* For additional info on the LAMP 2003 convention, please visit GAMA International Canada's web site at [www.gamacanada.com](http://www.gamacanada.com) and click on “Conference”.

## **Expert Knowledge Offered Through Field Leaders Forum Teleconferences**

Through our partnership with GAMA International, GAMA International Canada is pleased to offer Field Leaders Forum Teleconferences FREE to all members. These quarterly teleconferences provide members with the opportunity to learn from top-notch talent on timely, relevant topics specific to distribution management — without leaving the office! Each forum is followed by a question and answer period, enabling you to fine-tune the information presented during the call and help address your specific needs.

The number of Canadian participants on these calls continues to grow and feedback on the knowledge gained has been extremely positive, so please mark these dates in your calendar and take advantage of this valuable learning opportunity!

### **Upcoming Topics & Dates for 2003:**

January 22	Transitioning to New Leadership
May 7	Compliance/e-Compliance
July 16	Marketing
August 20	Multiline
September 24	Supervision Systems That Work
November 5	I Can Recruit, Now What Do I Do?

Dial-in directions and further details on specific content to be discussed will appear the week prior to each teleconference in the GAMA International Canada e-mail bulletin.

CDs of the teleconferences are also available for purchase for a short time after each call, at a cost of \$29 each (including taxes and shipping). Please watch the GAMA International Canada e-mail bulletins for further information or contact us directly at (905) 469-1531.

Recent teleconferences have included:

- Child's Play: A New Take on Critical Leadership Skills
- Retention & Training
- Selection
- Recruit the Recruiter!
- Strategic Alliances
- Retention: Cross-Selling & Relationships
- Tips From the Top
- Doing it More, Doing it Better, Doing it with Less
- Compliance: Limiting Your Liability

Please note that some of these topics covered above may still be available for purchase on CD; please e-mail [info@gamacanada.com](mailto:info@gamacanada.com) to check availability.