

BY BILL MILLER

10 Sure-Fire Ways to Make Sure a Wholesaler Will Never Call on You

...Plus three solid reasons to want him on your side.

Is there a more misunderstood, unappreciated creature in the financial service jungle than the product wholesaler? You know the wholesaler. He likes to consider himself the business partner you depend on for product knowledge, sales ideas and financial support. Within the jungle, he considers himself a lion and a key member of your pride ready to assist you in making the kill. In the real world, the rest of us know him as the guy who pays for lunch and fulfills our every need for golf balls, t-shirts and squishy balls. In other words, he's the antelope carcass that the broker/dealer community feeds on.

Throughout the last 18 years, I have had the opportunity to work on all sides of the wholesaler equation: as a registered rep, a wholesaler and, most recently, a home-office employee of an independent broker-dealer. If my career were made into a TV movie of the week, the obligatory lesson I would learn at the end of it is that *wholesalers are people too*. (Cue the violins please.)

As a registered rep, early in my career, I must admit to having a less

than honorable view of wholesalers. If a wholesaler wasn't paying for a meal or replenishing my supply of Titleists, I wasn't interested. I know, I was a pig. At the time, I preferred to think of myself as a deserving recipient. As fate would have it, my next job in the industry was wholesaling variable annuities. "Who wouldn't want that job?" I told myself. "You make a ton of money, never have to talk to blue-haired old ladies and you get a free lunch every day." That pretty much sealed the deal for me. As you can probably guess, it wasn't quite that easy.

By all calculations, during my seven-year wholesaling career, I bought over 2,000 meals and gave away enough golf balls to completely fill at least two of the larger Great Lakes. After all that wining and dining, I was beginning to feel a bit like an antelope carcass myself. Needless to say, I was burned out. Who would have thought I'd look back fondly on the days of trying to sell a little old lady The Income Fund of America?

With 653,213 miles on my Chevette and a newfound respect for whole-

salers, I began working in the home office of Commonwealth Financial Network, an independent broker-dealer. Joe Deitch, CEO of Commonwealth, asked me if I would be willing to speak to a group of the firm's top brokers at an upcoming conference. He told me my topic would be: "A Former Disgruntled Wholesaler's View of Wholesaling!" My experience in product distribution had come full circle; how could I resist?

Let me just start by saying I've *always* had a special respect and admiration for wholesalers. In my opinion, they have one of the most difficult jobs in our industry. Wholesalers are really the frontline troops in the financial services war. They're the ones that take the hit when their products don't do what they are supposed to do. They are the ones that get blown to pieces when their portfolio managers get caught trading after hours or doing other unscrupulous activities. More importantly, they are the ones that get fired when brokers don't sell their widget. On top of all that, they also have *The Man* constantly looking over their shoulder. You know *The Man*. He's the one with a fancy title ensconced in the ivory tower of the home office. His sole



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purpose in life is to know where his troops are every 15 minutes of every day. *The Man* is also the one that thinks no matter how bad or out of date the product is, if the troops can make just 30 more rep visits a week, they will sell more. I also have no doubt it was *The Man* that came up with the idea of the daily blast fax, a different wholesaler for every product line and spam (not the savory meat).

To prepare for my talk, I invited 10 wholesalers to lunch. Initially, this was very confusing for them because they had never had anyone else pick up a lunch tab for them. Now that their bellies were full and they owed me, I began questioning them about their experiences dealing with reps. We talked about why a rep would want to have a good relationship with a wholesaler and also discussed some of the special things a wholesaler can do for his favorite representatives.

We eventually came up with three compelling reasons as to why you should consider letting a wholesaler in your office, even if he doesn't come bearing gifts and munchies.

■ **A good wholesaler can help you identify new business in your current book.** One wholesaler told us about a



Tell the wholesaler he needs to take you and your office staff to a Red Sox game.



rep that had a situation with an existing high-net-worth client that she didn't know how to handle. The insurance wholesaler immediately recognized the opportunity and had one of his company's Advanced Markets people put together a proposal for the client. The broker and the wholesaler met with the client and closed the sale. The total gross commission to the rep amounted to \$500,000. Not bad for a rep that doesn't do insurance!

■ **A good wholesaler will give his top reps his personal cell phone number for 24/7 access to help with any problems that may arise.** One of the variable annuity wholesalers told us about a phone call from one of his top reps. The rep was meeting with a client who was being pitched the exact same product by a competitor. The rep told the client that because of his close relationship with the company, the client would get much better service from him. To prove it, the rep called the wholesaler's cell phone — at 8:30 p.m. on a Saturday — and had the client talk to the wholesaler. The rep got the business.

■ **A good wholesaler can offer financial support to his best reps.** Every wholesaler has some financial resources available to help support a rep's marketing and seminar activities. Like reps, wholesalers are businessmen. They want to invest their limited resources where they have the greatest opportunity for a return, namely in a long-term working partnership. Before a wholesaler cuts you a check, he will take a look at the amount of business you do, your ethics and your attitude toward the wholesaler and his associates. The days of demanding a big check before you move product are, for all practical purposes, over. Now you gotta give the love to get the love.

So there you have it: some very solid

reasons for maintaining a good relationship with your wholesaler. However, after all this, you still might not want wholesalers calling, faxing, e-mailing and visiting you. I understand. Now normally, I'm not one to let the truth get in the way of a good story, but in the following instances, truth truly is stranger than fiction. So with that in mind, here are 10 sure-fire ways to make sure a wholesaler will never ever call on you again.

1. Have a ski catalog open on your desk and tell the wholesaler you would really, really like a new pair of Salomon skis and boots.
2. When meeting for the first time, tell the wholesaler you're going to need \$5,000 to pay Dr. Joyce Brothers to speak at your "For Women Only" seminar.
3. Schedule a meeting in an out-of-the-way location — such as Bangor, Maine — and then fail to show up.
4. Invite the wholesaler to your home. Then let your dog bite him.
5. Tell the wholesaler that you'll do \$250,000 in business if he will pay for your trip to Vegas.
6. When the wholesaler shows up for an early morning appointment at your home, answer the door wearing your bathrobe and drinking a Budweiser.
7. Get the wholesaler to pay for a



foursome of golf. After he pays, tell him the foursome is full, but suggest he hook up with you later and buy a round of drinks.

8. Show up an hour late for your appointment with a wholesaler and then ask him to re-schedule (repeat as often as necessary).

9. Tell the wholesaler that before you do any business, he needs to take you and your office staff to a Red Sox game.

10. Drive the wholesaler to your home and tell him you two can talk while he helps you move furniture.

While these examples did provide us with more than a few chuckles, the sad part is they are all true. In fact, some of them happened to more than one wholesaler. Do other professionals get treated this way? Have you ever heard of someone going to a dermatologist and saying, "Hey Doc, before you give me that shot of Botox, could you help me move this sofa bed?" I certainly never have.

Maybe by reading this article you have gained some insight into one of the toughest jobs in the financial industry. Maybe you've gained a little bit of respect for these road warriors. Maybe the next time a wholesaler takes you to lunch, you will pick up the tab. (Maybe I'm getting carried away here.)

If you still don't think wholesalers are your cup of tea, feel free to use any of the above mentioned shunning techniques to keep the wholesaling community and *The Man* off your back. Keep in mind, however, that some of the wholesalers out there can be pretty persistent, so you may need to try several of these techniques, repeatedly, to be 100 percent effective. But please, don't tell anyone where you got them, at least not until my new skis arrive.

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