



## Are You Measuring the Concrete?

What does measuring concrete have to do with financial planning? On the surface probably nothing. But if you dig a little deeper measuring the concrete could help you fill your financial planning practice with more clients than you can handle. How so? Please read on....

Over the last few weeks my wife and I have been gathering quotes from demolition contractors on a landscaping project we have been putting off for years. We were in the market to have a shed, a boat garage and a whole lot of concrete removed from our back yard. We did not have the time or the desire to do the work ourselves so we decided to do the prudent thing and get 3 quotes from 3 demolition contractors. We would find the one that was most affordable and finally reclaim our back yard from the ugly eye sores we had stared at for the last five years.

Well, the first guy came and gave us a price of \$3,000. The second guy came and said he could do the job for \$2,500. The third guy never even showed up. We happened to be discussing the project and leaning toward guy #2 with the lower price when we got a phone call from guy #3. It was a Sunday and he apologized for not making it out sooner, but he could stop by and give us a quote if we were available. We told him to come on over.

Guy #3 gets there and he did something different than the first two guys. Not only did he walk around the yard with us and discuss the job in detail (the first two guys barely eyeballed the back yard at a glance) but he excused himself, went back to his truck and got out an odd looking device that he rolled along the ground and it told him how far exactly the device had rolled. He used this device to measure the concrete to be removed.

When he was all done gathering the exact data he took a minute to put it all together and he gave us a price. He broke it down and told us how much the shed and garage removal would be and how he planned to do it. Then he told us how much the concrete removal would be based on a dollar per square foot removal fee. Lastly he told us how much it would cost to bring in some top soil and seed the area. When he added up the three parts of the job the price came to \$3,125. We decided to go with him.

**The question is why?** Why did we go with the guy with the highest quote of all three? Because he was the only guy who measured the concrete. Even though the first two quotes were cheaper we were not confident that they would be able to do the job for that price. In fact our landscaper had placed some doubt in our mind expressing his concern with the low quotes. He said, "You may want to be careful, those are some really low quotes" authoritatively adding, "some contractors low ball their quotes and then try to squeeze more money out of you when they run into unexpected problems." Like

placing topsoil back over the area where concrete had been removed.

With this concern on our minds, coupled with the fact that this last guy was clearly doing his homework in advance, we not only had more confidence in the quote being accurate but we were more confident that he could actually do the job in a professional manner. The difference in price was well worth the confidence and peace of mind. I think on some subconscious level the simple fact that he took the time to measure before he was willing to guess spoke volumes about his professionalism.

### Make Planning More Concrete

So what does all of this talk about measuring have to do with your financial planning practice? Why not ask yourself this question? "How accurately do I measure my clients' figurative concrete?" Obviously as a financial professional we seldom have to physically size up someone's concrete patio but don't we have to size up their financial situation before we can even begin to make a recommendation? If we don't take the time to ask the right questions before we begin to make recommendations what effect will that have on the level of confidence that our clients put in us or in our final recommendations?

Now I am sure with all of the talk about suitability these days you are at least asking some basic questions before you can start talking about what financial products may best suit your clients needs. But do you really do your homework before you start making recommendations or giving out financial quotes?

Let's look at a quick example. Let's say a person is referred to you and when you call him up to talk about how you might help him he tells you that he is interested in a 529 plan to help fund his children's education. How do you handle that situation? Do you reach into your financial bag of tricks and show him the 529 plan that you like the most or are accustomed to recommending and start explaining why you feel it is the best plan on the market?

Or do you use this as an opportunity to do a thorough fact find to see how you can really help this client? After all can he really afford to start a 529 plan? Does he have the proper amount of money in an emergency fund? If not, and an emergency did arise where would he get the money to cope with that emergency? Is he on track to retire when he would like to retire? If not, what is more important to him, being able to stop working some day or having money saved to help his child go to college? Does he have the correct amount of disability, life, and health insurance in place? If not what would happen to that 529 plan if one of those situations robbed him of his financial security? Does he

understand the consequences of taking early distributions from his 529 plan for things other than his children's education?

This is not to suggest that a 529 plan is a poor investment choice for a family looking to fund their children's education. That is not what I am saying at all. What I am saying is did you first measure the concrete? Did you take the time to do a full financial inventory before you made a recommendation? If you do, something magical will happen. Not only will you do a better job for your client but there are at least two other side benefits! First you will instill in your client an unspoken confidence because they will see your professionalism in action and they will know that you cared enough to do the right job. And second, you will no doubt do a lot more business because you will uncover additional financial difficulties that you may be able to assist him with.

Moreover, in addition to all of these advantages you will start to get more clients because your increased professionalism will make you automatically **more referable**.

So next time a client or a referral asks you for a quote or a recommendation remember to slow down, tell them you can help them with their issue at hand, but first you need to gather some additional information in order to make an educated recommendation. In other words make sure you first "measure the concrete". It may just be the deciding factor of whether or not you get your next client, or if they decide to go with your competition. ☐

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