

“My Month Convention Speech”

Disney World

July 24-28, 1991

Mr. Rapoport is optimistic about the future of American Income because he has rearranged his prejudices. He says, “there is nothing that holds us back like a closed mind.” He believes that the company needs to be periodically infused with new ideas to keep it alive. He asks the audience to remove their “restraining shackles” and get ready to change some things.

American Income needs risk-takers. Rapoport admonishes those who brag about never failing. If someone has never failed, then he or she probably has never achieved great success. Rapoport built this company so that risk-takers could have the opportunity to be creative. The State General Agents have proven that risk-taking can be profitable when they combine serious effort with risks. Rapoport reminds them that he has taken a risk by investing in their abilities. When the company provides the capital for them to begin an agency, it is taking a great risk. However, Rapoport believes that he has made good investments in each of them. He says, “One of the most important aspects of being an entrepreneur is willingness to sacrifice to obtain an objective.” Production is at an unacceptable level, and they will have to begin taking risks to jolt the company back into high production.

Recruiting and retention are the “only two problems at American Income.” Rapoport believes that this company should be very attractive to those looking for work because of its marketing methods. In retail, the worker has to wait for shoppers. At

American Income, the salesmen go out and find their customers. As he mentioned before, leaders are going to have to take risks in recruitment. For instance, Rapoport met a cabdriver who he soon realized would be a great salesman. The cabdriver had lost his job as a middle manager at a company in Toledo, Ohio. Rapoport set up an appointment for him with the local State General Agent. The SGA had to take some risks in hiring this individual, but it all turned out perfectly. In this business, State General Agents cannot passively rely on ads to bring in good people. They have to aggressively go out and find potential agents. Personal recruitment means taking some risks, but the potential return is well worth the cost.

When dealing with agents, the SGA's need to make sure that the salespeople are getting recognition and bonuses for their good work. However, they should check up on the agents' progress and keep them accountable for poor production. Agency leaders should not tolerate low persistency levels. They have to set high standards to get the best results. For instance, Bruce Gilpatrick and Richard Rutt have specific programs that increase persistency and keep agents challenged and satisfied. Rapoport is very disappointed that some State General Agents did not even make quota during the My Month production period. Rapoport says that if the delinquent SGA's are not on quota for the months of August and September, then they will come to Waco in October for a training school. The home office personnel have committed themselves to improving the agencies and they "are not going to let you fail." Another way to change things in the agencies is by mixing leads. For example, leads can be put into categories of differing difficulties. The agents will receive a mixture of leads that will challenge them to use their training. The agents need to know how to sell to all types of people, not just those

from one local union. The State General Agents have to take risks to infuse life into the agencies.

Integrity in leadership means taking care of the people under you. State General Agents can make themselves into multimillionaires by taking care of their people, even if this means taking substantial risks. The company includes vested renewals, which have made many SGA's millionaires. However, some workers have been overlooked in the company. Rapoport admits that the General Agents have had an unfair burden to bear in the structure of the organization. This meeting will focus on a solution to the General Agents who suffer under a 70 percent contract. Managers also have to be inflexible about some things. The Friday Morning Meetings should be a cornerstone in the agency. Rapoport blatantly says that he would fire anyone who did not play the meeting tape front and back. Managers have to set up steadfast rules to establish a structure for the agency. Managers also have to understand the mentality of those they lead. Agents cannot fully grasp the meaning of renewals until they have been producing for at least 11 to 12 months. SGA's cannot expect agents to understand something they cannot see or feel. After about a year, managers should explain the renewal system and its many benefits. Then the agents should be more committed to renewing business. Rapoport makes a unilateral decision to eliminate 40 percent contracts. Managers need to be responsible in retaining agents. They cannot do this with lousy renewal explanations and 40 percent contracts. To emphasize the importance of persistency, Rapoport has listed out the persistency requirements for advances. The worse the persistency the less money they will make on the policies they write. Rapoport says, "Quality leadership produces highly

persistent business.” The agency leaders needed a little shaking up. Rapoport hopes that the new initiatives will provide the changes necessary to get agencies back on track.

Rapoport hopes that this meeting has rearranged their prejudices. He wants them to take a fresh look at how to run profitable agencies. Equipped with new ideas in philosophy, recruitment, training, and management, Rapoport wants the State General Agents and General Agents to go out and make some money. He also wants them to know that this business is tough. The ones who will make it are strong people who like to take risks. He knows that his risk in having complete confidence in them will be a wise decision.