

January 2003 GORILLAS OF THE MONTH: David Babinski & Chris Scalese

In every issue of the Gorilla Times[®], a Gorilla who has shown outstanding performance through the System or experienced some other great accomplishment is chosen to be the "Gorilla of the Month." Bill Good interviews this Gorilla to find out what has brought him/her success. This issue features Gorilla David Babinski; his partner, Chris Scalese, was unable to attend. In the interview, David talks about how the System helped his business increase production dramatically and create a strong team.

Bill: Ladies and gentlemen, I am very pleased to introduce to you our Gorillas of the Month: We have David Babinski and Chris Scalese. Now, Chris is on an appointment, so David is speaking for the partnership. They are based in the financial world center of Dickson City, Pennsylvania, which is a suburb of the giant metropolis of Scranton, Pennsylvania, population 75,000. And if anybody wonders, "Can you create a million-dollar practice in a small area?" the answer is yes, yes, and yes. So, David, you and Chris started your . . . you came on the System when?

David: Well, it's an interesting story that I'm sure is repeated over and over. I came on the System in 1992 as a Sales Assistant, and I developed into a junior partnership and went off on my own. Then I didn't have the System; about two years off on my own, I came back onto the System, I'd say in 1999.

Bill: Okay.

David: I went and bought my own System. So I became a Gorilla in 1999.

Bill: All right. Now, 1999, were you and Chris partners then?

David: No, I was actually working in a financial planning shop that did mostly retirement plans, pensions.

Bill: Okay.

David: My job was to work with the people that were actually retiring out of the pension and I needed the System to keep track of that, and then eventually that just developed into my desire to only work with retirees and that's when I hooked up with Chris. It was July of 2000.

Bill: All right, now in 2000, the two of you together produced how much?

David: I really don't have good statistics for that, but if it was 200,000, that was a lot for us.

Bill: Okay. And in 2001?

David: 2001, we had the full year together on the System. We did 472.

Bill: And 2002?

David: 2002--we just finished up the books. We did several thousand below 1.2 . . .

Bill: . . . million.

David: Million. Correct.

Bill: Okay, good. And you guys are independents, correct?

David: That is right.

Bill: All right, now let's go back just a little bit. From the year 2000 to right now--we're recording this January 10, 2003--a lot of people have seen their revenue go down 25, 35, 45, I've talked to people who have seen it go down 50%, but you are up six times in that period of time.

David: Right. From the top of the market, I'd say definitely.

Bill: Right. So you're up six times from when most people started to go down. Now what did you do differently?

David: Well, I went from basically being "being myself," if you will, with that financial planning practice that focused on the actual pension assets themselves to putting together a team and building and implementing the Bill Good model.

Bill: Now, did you have any capital to do this?

David: Well, it costs money.

Bill: Right.

David: I didn't have it.

Bill: Okay, so . . .

David: We borrowed it.

Bill: Okay. So what kind of commitment did you have to make to put this together?

David: Well, with most things, if you're going to do it, you have to do it right, so I knew (from already having been a part of the System, if you will, with my previous job as a Sales Assistant), I knew that to do it was not just the trip to Utah, was not just the cash for the computer and the software--it was the team, and I had to build the team. And I had a payroll of three or four thousand dollars a month before I was making anything. So we committed to the System, if you will, but we also committed to the people required to make it happen. And we started with the CO and then a Service Assistant, and when I say it like that, like within two days I had both of those positions filled. And then after I got together with Chris we started with the sales side.

Bill: All right. So within just a few weeks of you and Chris getting together, you had a CO, you had a Service Assistant, and what else did you add? When did you add your Sales Assistant?

David: I would say the Sales Assistant was added . . . that would have been like September 2000, and say by January, we had a part-time person making appointments for us. So three months later.

Bill: Okay.

David: We basically had THE team.

Bill: Okay, good. And at this point . . . your take-home pay is probably pretty skinny, huh?

David: Yeah . . . 2002 was a good year.

Bill: Okay.

David: Much better than 2000.

Bill: All right. Now to promote your business, what did you do?

David: Well, we basically consider ourselves a seminar company; that's what we do for a living.

Bill: Okay.

David: We happen to also give financial advice, and that's how we make money. But basically, everyone in my shop is set up to implement and promote seminars. And that's how we did it; that's how we grew it. And we tracked it through the Bill Good System.

Bill: Okay. So what kind of seminars, how often do you do them, how do you promote them? Let's take a look at the seminar model.

David: Okay, we'll go back to the very beginning, and we stumbled in the dark a little bit. We tried classroom-style in a local hotel, three thousand pieces of mail. We had maybe 30, 40 people with, you know, a couple pitchers of water in the back of the room, and we pontificated for two, two-and-a-half hours, something like that, with questions. And we would get three or four appointments and open an account if we were lucky. And in the midst of all of this and assimilating all the information out there, it seemed that people were leaning back towards lunch seminars, dinner seminars. You had a program with Harry Dent that you were promoting that was promoting dinner seminars. And I was involved with that before the bubble burst in the market. And we decided, well, let's try it. We were already on the hook for the staff, we were already on the hook for a bigger, better office, furniture was coming, computers were coming, so let's just go all the way. We started to have dinner seminars at a local restaurant (which, if you say the name, and everybody already knows right where it is, you don't have to give

directions--that's the restaurant you want to pick, that's the one we picked). And we started to have seminars, dinner-style, probably November/December of 2000, and since then, we've probably done, I'd say, 73 to 75 seminars in the past two years.

Bill: All right, so you're doing them better than one every two weeks.

David: Sure. For 2002, 41 seminars in 52 weeks, so not quite one a week, but way more than one every two weeks.

Bill: All right. So are you doing straight mail-only seminars?

David: That's correct. Mail only with just a number to call in; we handle all the reservations in-house.

Bill: Okay. Are you doing your own mailings, or do you farm them out?

David: We farm those out to a company that has the list, does the mailing, and, you know, just prints our invitations for us.

Bill: Okay, and how many times are you going back to the same list in the course of a year?

David: Well, it is THE list--it's the same list the whole time--but to do 41 seminars, because the room only fits 50 or 60 people, we only had to do probably 12 mailings. But I would say that those 12 mailings were to the same list.

Bill: Okay.

David: So as long as it's pulling, we just keep mailing.

Bill: Okay. And you're sending the same invitation, or have you changed the invitation?

David: No--same invitation . . . the same invitation I was using in 1996! It's very similar.

Bill: All right. Is it wedding style, letter style . . . ?

David: Wedding style with a live stamp and a return address on the back that's not a company. And I think there was a book, *Prospecting Your Way to Sales Success*, that lists some of these things.

Bill: That's correct.

David: And we've just been doing them ever since.

Bill: All right, so when you do a mailing, you're promoting how many seminars?

David: We'll have three right on the mailing--*Have your choice of dinner, dinner, dinner*--and we probably will have to have one to two "overflows." We always have five reserved with the restaurant when we send the mailing, but we try and fill those three first, and then normally we'll have an overflow closer to the first date and an overflow closer to the last date.

Bill: Okay. Now, when somebody comes to a seminar, if they don't come in for an appointment, what happens to them?

David: They go into the System as a prospect, they get a somewhat consistent monthly newsletter, they get all of our wonderful . . . I think you call them "Feel Good Letters" . . .

Bill: Right.

David: . . . and whatever the holiday letter is, the Christmas letter, the 4th of July letter, they get all of those. And they continue to get re-invited to the seminars.

Bill: Okay. Now, do you have an arrangement with your list company to pull people who have attended and become clients off, or do they just continue to mail to the same people?

David: You know, we had debate about that, but . . . the answer is, they continue to get the invitations. I've had clients call up and say, "Oh, I'm so glad you sent me that invitation. My friend Bob was asking me about this--can I just come again and bring him?" And I say, "Absolutely!" And some of them just come again alone and they think . . . that we're just going to give them updates,

but it's the same exact seminar. And they say, "Oh, I'm so glad I came because I picked up this or I picked up that." And it's just, I would absolutely discourage someone from taking current clients off that list.

Bill: Very good.

David: Unless, of course, you're promising something at the seminar that you don't actually deliver. That would be a downfall, I guess, but we've had tremendous success with that.

Bill: That's great. So a typical seminar has how many buying units in it?

David: 30 to 35.

Bill: All right, and how many of those do you get appointments with?

David: We are to the decimal at 50%.

Bill: Okay.

David: Oh, I'm sorry, 50% that request.

Bill: Okay, 50% of the people who attend request appointments.

David: Right. That night they check off a box--*I would like to come and see you, this date, this time*--that type of thing. They've indicated the intent to come meet with us right at 50%. And that's been consistent for a long time. Now, the first seminar in the group of five might be 30 and then the last one is at 70.

Bill: Right.

David: But it's been averaging 50 for a long time; that's why we won't change the list.

Bill: Okay. Now, according to me, if it ain't broke, don't fix it.

David: Right.

Bill: All right . . . now, I believe you told me how many first appointments you held last year.

David: Yes, and you know what, I do not have that in front of me, but I'm pretty sure it was close to 300.

Bill: I think I remember 274.

David: Yeah, 274, 278, something like that.

Bill: And then you opened 130-some accounts--new clients last year.

David: Right.

Bill: So you're right at 50% closure there as well.

David: Right. Right.

Bill: Now, what are you doing with the people that come in that don't close, or some of them have retirement dates months or years away and you've given them green cherry status, or what?

David: Right. Known future opportunity for most of them.

Bill: Okay.

David: And once every three to four months, I will send out what we call a product mailer, something that actually, like, solicits business.

Bill: Right.

David: And we'll pick up some of those. They'll go, "Oh, I've been meaning to come and I know you've talked to me about this or that and this is due," and then come in and they literally just walk in with a check because they're ready to go.

Bill: Okay.

David: So they're not treated much differently right now, although I have in the back of my head that they should be treated more like a connection style, more aggressive . . . that's what I have in mind for 2003, is to somehow get the Wilson Campaign, if you will, working on them.

Bill: Right.

David: And I think that's a way to just keep them warm and keep in front of them a little bit more consistently than we have been. But I think that that's one of the places I think that's going to help me get to two million is to follow up on those people much more aggressively.

Bill: That's the goal for this year, right?

David: Right. That's why I'm working. What I'm trying to do this year is not work 41 nights out of the year--work a little bit less and have my database supply more of those appointments for me.

Bill: That works for me. All right, let me ask you one other question. I know you've got to go to an airplane; I've got to go to a WebEx demo.

David: Oh, okay.

Bill: These product mailings you do--as you know, for some time, I have recommended to people that financial planners should do periodic product mailings.

David: Well, I'm going to tell you, I'm going to interrupt you there.

Bill: All right.

David: I didn't make that up--I just do what I'm told, Bill.

Bill: I know--you're a good student; you've been a good student for ten years, David.

David: In my seminar, you could probably pick 15-minute snippets from other people's seminars. This is not . . . you know, it's very simple.

Bill: Give me an example of a product mailing. What's a product mailing?

David: Callable CDs. You know, "Are you disappointed with the local bank's interest rates? LaSalle Bank, which is a huge bank that supplies independents--5 percent callable CDs, 7 ½ year maturity" . . . I think a million, million-and-a-half came in the door on that one in assets. Just something that I like to start my letters with. A lot of my Clients ask me, "What are we doing today for better interest rates?" you know, or something that references "my clients are already taken care of and now I'm thinking of you."

Bill: Right.

David: That type of a feel. And I'm pretty sure that's yours, because I don't think I could have come up with that.

Bill: I don't recognize that; that might be yours.

David: Okay. Well then, I got it from somewhere. But you know, people have responded to that and it's just the matter of they're telling me and I'm hearing that they're not hearing from their advisor, any advisor. There's a lot of proverbial head-in-sand going on, I'm pretty sure, because people come in to see us and they haven't spoken to *anyone* in over a year.

Bill: Right.

David: And they don't know where to go. People just absolutely do not care what *happened*; they want to know where they *should be going*. They don't want to hear excuses about why they're where they're at--*this* is how we could fix it and *this* is how we can make sure you're still going to have a comfortable retirement.

Bill: Hey, what are the odds that you'd send me one of those product letters and I'll make it Letter of the Week next week?

David: I will email one straightaway.

Bill: You've got my email address, correct?

David: Just write to your personal one, right?

Bill: Correct.

David: Yeah, I do have that.

Bill: All right, well, David Babinski, you and Chris have done a marvelous job. I think you have shown that the . . .

David: I just want to interrupt you again--I know you're trying to wrap it up. I do not want to discount the fact that my team is unbelievable. I don't want to end without getting that in there.

Bill: Give me a quick profile of what you've got; I've got a couple more minutes.

David: Okay. I've got Jackie, who was the first person we ever hired that first day when we just started our business, and she's been with us ever since. She is running our seminars for us flawlessly; she also runs my office. We would not exist in the form we are today without Jackie--she's incredible. And she just makes it happen. I mean, I thought it was a dream three years ago when I read your material and it said pick a date and show up. That's the RR's responsibility for a seminar. I'll come in in the morning, and be like, oh, there's a seminar tonight? Is anyone coming? And it's just done. The projector's there, the slides are in order, the list is ready, she's at the door, my name tag's on my lapel when I walk through the door. It just is seamless, and I don't even pick the date anymore because they have discretion over my calendar. So I just come in, and I'm like, oh, there's a seminar tonight. So without her, that would not happen. Okay, so she was the original Service Assistant, and then as our practice grew, I hired two additional people that are Service Assistants. So I have two Service Assistants, Bonita and Eileen. I've got a Marketing Director. Her name is Laura. And she has under her Mary Beth who is a Caller. She only sets my appointments. And then under her would be a CO, Steve--he's part-time. And then Jackie is Event Coordinator/Office Manager position. So I feel I have the team in place now that I would need to get to where I want to be. And that's the whole gem of the Bill Good System: you don't want to have the team that you can *afford*; you want the team that you would need if you were already there. And that's what we did from the very beginning. We had three employees when we couldn't even afford to pay ourselves. And now that we have, you know, two Service Assistants, two Sales Assistants, a Marketing Director, a Computer Operator, I feel that's, I'm going to say the three million-dollar team--I don't want to say five yet, I already get nervous. But eventually, we'll be there, and Laura tells me starting next week we have a part-time Caller as well. So that's seven people on my team.

Bill: Very good.

David: So I wanted to get that in there, because the team is what makes it happen.

Bill: They're critical. You'd be a \$200,000 producer.

David: *Maybe*. On your own.

Bill: Right.

David: You could be a \$200,000 producer on your own; you could be a \$250,000 producer on your own with the Bill Good System, because it's a very, very fancy Rolodex. You put those part-time team members in place right out of the gate and it doubles. It should double. It just happens. It has to happen because then you don't have anything else to do.

Bill: Terrific. All right. David Babinski, speaking on behalf, I know, of Chris Scalese and your entire team, thank you very much. You're great Gorillas, great students, good friends, and I appreciate your taking the time with me today. And for the benefit of people listening to this over our Real Audio broadcast, if you're a client, David's letter will be posted in the Letters Library on Letter of the Week. So David, thank you very much.