

SIGNATURE  
STORY



# It Takes



BY MATT ALDERTON

A former runway model and nursing student, Jennifer Padolina was working in corporate America when she decided she needed a change. Tired of the standard white-collar routine, she craved real rewards and tangible triumphs. She wanted to be her own boss, in charge of her own career. So she quit her job in 1995 and moved home to New Jersey from New York to pursue a different kind of calling.

She found it later that year, when she was introduced to a life insurance agent at New York Life Insurance Co. in Saddle Brook, N.J.

"This woman who was an agent asked me to help her with a fund-raiser," Padolina recalls. "I did, and she said, 'Hey, you'd be a great agent.' I said, 'I don't think so. That's the last thing I want to do, become an insurance agent.'"

Still, an insurance agent is exactly what Padolina became. Drawn to the inherent flexibility and unlimited earning potential within the financial services industry, she was excited by her prospects. She joined New York Life part time in December 1995. By February 1996, she was a full-time agent.

The transition wasn't easy.

"I started in this business with no prior experience," she says. "I basically started from scratch."

What Padolina needed was someone to train her, guide her and support her. In a word, she needed a mentor.

Fortunately for Padolina, the perfect match was available through the Million Dollar Round Table and its partnership with the General Agents and Managers Association. The MDRT/GAMA International Mentoring Program pairs aspiring life insurance agents with industry veterans for up to three solid years of on-the-job training that is as inspiring and intense as it is instructive.

The life insurance industry is ripe with opportunity and attracts thousands of new agents every year. Notoriously competitive, however, those opportunities don't always deliver. As a result, scores of under-prepared agents turn their backs on would-be careers every year when they fail to produce the sales on which their jobs depend.

"In our industry, attrition is a huge reality," says John Prast, executive vice president of MDRT, a Park Ridge, Ill.-based international association for high-producing life insurance and financial services professionals. "You can spend up to \$100,000 bringing in, training and recruiting a new agent. The question is, 'How long do they stay?' Only about 13 percent are still in the business after four years."

For those who do stay, MDRT is the gold standard in association membership. Founded in 1927, it comprises 35,744 high-producing financial services professionals, including life insurance agents and financial advisors, representing 457 sep-

arate companies. Each of those professionals must qualify for membership every year by generating a minimum level of first-year commissions, which are essentially first-time sales made to new clients (see box). The result is a hard-working membership on the cutting edge of its industry.

That cutting edge is less crowded these days. In 1975, at its highest point, the life insurance industry recruited more than 50,000 new agents annually, according to industry research company LIMRA International. It has since fallen to nearly half.

## Stemming the Loss

In the early 1990s, MDRT began to notice this downward recruiting trend, and knew it needed to act. Fewer new agents could translate into an ailing membership. "We're an organization that represents the best of the best," Prast says. "But we can only have a population of the best if we have a population in total.

"We said, 'Is there anything we can do?' And that's when we decided to think about mentoring."

The m-word first landed on MDRT's lips in 1993, when LIMRA was quoting new agent retention at just 11 percent. "A committee of members was assigned to look at what they could do in order to increase membership," says Susan Gallichio, MDRT's membership development coordinator. "Companies weren't recruiting, and they weren't training, so we wondered what, then, what would the effect be on associations like MDRT?"

Concerned about dwindling membership, as well as industry best practices that mandated pitting new agents with little or no training against longtime veterans, the executive committee appointed a separate council to explore the concept of mentoring. MDRT members collaborated with mentoring expert and consultant Margot Murray, founder of Oakland, Calif.-based MMHA The Managers' Mentors Inc., in order to build the program. Together, they studied mentoring programs and their applications within the financial services industry. They explored and brainstormed steadily for two years, and they liked what they saw. In fact, they loved it.

"Mentoring works," Prast says. "Philosophically, our organization has always been one that wants to give back. We saw an opportunity to help our industry, so we did."

### Inside MDRT Membership

Because Million Dollar Round Table members must generate a certain amount of first-year (new client) commissions every year, they tend to be the financial services industry's top and most consistent producers. In order to qualify for MDRT membership in 2007, an agent in the United States must:

- Report either a minimum of \$75,700 in eligible first-year commissions or \$151,400 in eligible premiums
- Belong to at least one professional association that's recognized in their field
- Follow the MDRT code of ethics
- Submit a new membership application every year

*Source: Million Dollar Round Table*





## Joining Forces

In 1994, another association got wind of MDRT's mentoring research. The General Agents and Managers Association, a Falls Church, Va.-based association that represents more than 5,500 agent managers — the supervisors and directors who oversee the front-line advisors and agents, including MDRT members, in their offices — liked the idea of mentoring and wanted to be involved. So it teamed with MDRT and formed a joint task force to conceptualize a formal, management-supported mentoring program for insurance and financial services professionals.

"Their assignment was to design the final pilot program," Gallicho says. "It was amazing. In a day and a half they created a program, complete with forms and everything. In May of 1995 they presented the whole thing to the executive committees of MDRT and GAMA, who gave their respective approvals."

After two years of mentoring research, and less than two days of brainstorming, the MDRT/GAMA International Mentoring Program was finally born.

"By having the unification of two organizations," Prast says, "we then had more clout as we went to companies and organizations to espouse mentoring. Because there were two of us, we had more influence."

Before anyone could espouse the benefits of mentoring, however, they had to make certain it worked. As part of the pilot program, they decided to create 24 mentor-apprentice teams, which they invited to Chicago for a kick-off meeting that included training, networking, dinner and speakers. MDRT recruited the mentors and paid their expenses while GAMA recruited and funded the apprentices, called aspirants.

The goal of the partnership was the same for all pairings: to train the aspirant to eventually generate enough new sales to qualify for MDRT membership. How they achieved their goal — what, why, when and how they would study — was entirely up to them.

"It was so much fun to watch these people become animated as they began to decide the parameters of their mentor-

ing relationship," says Gallicho, who has since taken over the mentoring program as its chief spokesperson and ambassador. "It was a huge success."

At the end of six months, one of the 24 aspirants in the pilot program qualified for MDRT membership. Four others came within 80 percent of membership requirements. Just one aspirant dropped out of the program. The others, meanwhile, experienced at least a 30 percent increase in their production.

"We knew we had something," Gallicho says. "So we introduced it to the industry."

## A Model for Success

In March 1996, MDRT planned a mentoring session and workshop at LAMP, GAMA's annual meeting, in which it officially introduced the MDRT/GAMA International Mentoring Program to an audience of eager agent managers.

"Our industry is rapidly changing, and I think mentoring will become one of the most important future functions of the career agent system," industry legend Norman Levine, CLU, ChFC, then chair of the joint mentoring task force, said during the workshop. "Most of us are products of those who came before, but there aren't enough of us volunteering to become tomorrow's role models."

Gallicho, who was in the room during Levine's presentation, armed with take-home materials for interested parties, says the response was phenomenal. "It was standing room only," she recalls. "I ran out of materials. We had no idea we were going to have that kind of turnout. It was unbelievable."

Attendees did more than just take the hand-outs; they responded with an eagerness to get involved that still exists today. Here's how the program works: Mentor-aspirant teams are pre-matched within their offices, often by their manager. MDRT members volunteer as mentors; aspirants, who are typically new to the business, are encouraged, and sometimes required, to participate as part of their training and recruit-

## Learning to Teach

While it may sound innovative in an age of online learning and electronic training, mentoring is nothing new. The word, which according to the *Random House Unabridged Dictionary* means “a wise and trusted counselor or teacher,” has been around for centuries. It originates from the character Mentor, a trusted advisor in Homer’s epic poem, *The Odyssey*, and entered English usage in the mid-18<sup>th</sup> century. Long before then, however, skilled craftsmen — cobblers, carpenters, tailors and blacksmiths, for instance — trained young apprentices in the art and science of their work. Mentoring wasn’t a program. It was a tradition.

Today, however, mentoring is a lost art. In order to make its mentors effective, therefore, MDRT must mentor many of its mentors in the act of mentoring. It’s a mouthful, but it’s true.

“We have lots of MDRT members who mentor, and they’re very good at it,” says Susan Gallicho, MDRT’s membership development coordinator. “We have many more MDRT members, though, who say, ‘I’m not a teacher; I can’t mentor.’ They’re perfectly willing to do it, they just don’t think they’re any good at it.”

To change reluctant mentors’ minds, MDRT recently designed and launched an online Mentor Resource Kit for MDRT members to use with their aspirants. Home to dozens of industry articles — about everything from prospecting and sales to client relations and motivation — the kit is intended to provide shy teachers with materials they can use in building lesson plans, assigning homework and sparking discussions with their aspirants.

To view the Mentor Resource Kit online, visit [www.mdr.org/benefits/mentoring/MentorResourceKit.cfm](http://www.mdr.org/benefits/mentoring/MentorResourceKit.cfm).

ment. Once matched, the teams define the parameters and the goals of their relationship. Finally, they register with MDRT, paying an initial enrollment fee of \$150 in exchange for training materials, agreement forms and personality profiles that are designed to help them communicate more effectively with one another. From there, the relationship is theirs to manage, grow and maintain.

The mentoring program was off to a running start after that first presentation, and by the end of 1996, MDRT and GAMA had 67 mentoring teams. In 1997, it had more than 500. That’s when the program received its first endorsement, from *New York Life*, which made mentoring — and MDRT membership — mandatory for new and non-MDRT agents.

“Mentoring is a real big deal at *New York Life*,” Gallicho says. “They understand that MDRT members contribute significantly to a company’s success. They’re high producers, they’re consistent producers, they’re good for the industry and they’re good for clients.”

Among the new agents pursuing MDRT membership at *New York Life* in 1997 was Padolina, who had found an invaluable mentor in *New York Life* Managing Partner John T. Baier, CLU, ChFC, CFP, MSFS. He was in the room at LAMP when Levine christened the mentoring program, and he was among its earliest adopters and its strongest believers.

“I decided that the mentor-aspirant program was going to be one of the cornerstones in building my agency,” he says. “We decided we were going to become an MDRT agency. And basically, that meant I was only interested in having two kinds of agents — agents who are members of MDRT and agents who are aspiring to be members of MDRT.”

Padolina was one of three new agents that Baier adopted as aspirants following MDRT’s rollout of the MDRT/GAMA International Mentoring Program. “We met every month with the idea that we’d come back and share with everybody what we’d done — what was successful and what was not — and share ideas,” she says. “The goal was to qualify for MDRT.”

In her first full year as an agent, Padolina met that goal. She attended MDRT’s annual meeting that year with Baier, where qualifying aspirants are greeted every year with a special reception, and returned the following year not only as a full

MDRT member, but also as a mentor, with three successful aspirants under her wing and at her side.

## Pupils Turned Peers

There are many success stories like hers in the 11-year history of the MDRT/GAMA International Mentoring Program. To date, MDRT and GAMA have welcomed more than 10,000 aspirants into the program. Of those, nearly 2,300 have fully qualified for MDRT, and about 1,200 more are at least 80 percent of the way there.

One of the earliest aspirants to qualify for MDRT was John Waite, CLTC, an Indianapolis-based agent for Prudential. Having worked for a CPA firm for about five years in the late 1980s and early 1990s, he decided in 1993 to take a job with Prudential, where industry veteran Fran Jacoby, CLU, ChFC, adopted him as her aspirant — three years before the mentoring program had graduated from good idea into working reality.

“Every success I’ve had can definitely be traced back to the knowledge that I gained from Fran,” Waite says. “She’s still a mentor to me. To this day, if I have a question, she’s the person I go to.”

That’s not surprising to Gallicho, who says mentoring is intrinsically suited to lifelong collaborations. “It’s a very personal thing,” she says.

Jacoby couldn’t agree more. An agent for more than 35 years, she’s seen firsthand the impact that mentoring can have on protégés like Waite. “For me, the emotional stuff is really important,” she says. “Watching somebody succeed — watching their ‘Aha!’ response when they get it — is pretty exciting.”

The mentoring program is uniquely designed to tease those “Aha!” moments out of aspirants. That’s because unlike most programs, MDRT’s doesn’t police relationships or mandate their progress. Instead, mentors and aspirants — who are typically pre-matched within their companies — are encouraged to develop individualized programs in order to maximize learning and success. MDRT provides them with resources, incentives and documentation, but what happens post-paperwork is entirely up to them.

“They define what they’re going to do — how long their relationship is going to last, how often they’re going to meet, what products they’re going to look at — as well as what mar-

kets they're going to be in, whether they're going to do joint work and whether they'll split commissions," Gallichio says. "What we tell them is they need to do all this before they start mentoring, to define it up front and put it in writing."

Some mentor-aspirant teams meet weekly, in person; others meet monthly, by phone. Some build annual business plans; others simply wing it. Some share clients and commissions; others just share ideas. Everybody does it differently, and that's what makes it so successful, its advocates insist.

"The important factor in a successful mentor-aspirant team is that they both have the same expectations from their relationship," Baier says. "It's a matter of focus, it's a matter of setting high goals and it's a matter of caring."

## Problem Solved

The question still remains, however: Is mentoring a good solution to agent attrition? All signs point to "Yes," according to Thomas Ensign, MDRT's membership services director.

"We've seen a positive effect on retention of agents," he says — and not just among aspirants like Padolina and Waite, who have now been in the business for more than a decade. "The unexpected part of this was that we began to hear from companies that not only were their newer agents increasing their production, but the mentors were also increasing production. It wasn't necessarily our intent, but it's no surprise that when you're teaching someone, you want to be on your A-game."

In fact, MDRT reports that mentors increase their own production by 14 percent during their first year of mentoring, and 13 percent in their second. "It's hard to get somebody to the top of the mountain without getting there yourself," Gallichio says.

Because of its intent, helping folks become better at what they do, mentoring helps students and teachers alike make more sales. And sales most certainly beget retention.

"The mentoring program is a sleeping giant," Prast says. "There's so much potential to it. It has been far more successful than any of us probably had a right to expect. When we started keeping numbers, we realized, 'Wow, these aren't incremental numbers; they're quantum-leap figures.' The downside to this is, 'Why aren't we doing more with it?'"



## Mentoring By the Numbers

- **1,400:** The average number of mentoring teams that participate in the MDRT/GAMA International Mentoring Program every year.
- **35:** The percentage of aspirants who reach at least 80 percent of the MDRT membership requirement during their first year in the program.
- **14:** The percentage by which mentors increase their production in their first year of mentoring.
- **13:** The percentage by which mentors increase their production in their second year of mentoring.
- **28:** The number of companies who currently have teams in the MDRT/GAMA International Mentoring Program. To date, 36 companies have had teams in the program.
- **11:** The number of countries currently represented in the MDRT/GAMA International Mentoring Program. To date, teams from 29 countries have participated in the program.
- **2:** The number of full-time MDRT staff members that work primarily on the program.
- **150:** The cost, in dollars, of enrolling a mentor-aspirant team in the MDRT/GAMA International Mentoring Program.

Source: Million Dollar Round Table

While there is always "more" to be done, there's no denying progress when you see it, Baier says. "The odds of (new agents) making it in the business are about 87 percent against them," he says. He had just six MDRT agents in his office when he mandated mentoring at New York Life in 1997; today, thanks to mentoring, he has 70. "A mentor is one more resource we have to give them, one more person interested in their success."

That interest, according to Padolina, who now heads the mentoring program in Baier's agency, is almost as important to retention as income. "This business can be lonely," she says. "To share your personal experiences with someone who is just starting in the business, to me, is probably more important to a new person than anything else."

After all, Padolina points out, mentoring at its best isn't just about training someone to make more money. "True mentoring is really about sharing your experience with someone who needs help," she says. "It's a chance to make a difference." ■

Matt Alderton may be reached at [matt@sliversandscribbles.com](mailto:matt@sliversandscribbles.com).

**THE DECEMBER 2007 SIGNATURE STORY** features the Chicago-based Depression and Bipolar Support Alliance and its Certified Peer Specialists program. In 1999, the 501 (c) 3 organization developed a model peer specialist program, training and certifying peers who have recovered from severe mental illnesses to be mentors and coaches for peers who are still struggling with their illnesses and lives. More than 700 peer specialists have been certified through this program, which is meeting the organization's mission of improving the lives of people living with mood disorders. Founded in 1985, DBSA is the largest patient-directed organization and annually serves more than 4 million consumers affected by depression and bipolar disorder — the nation's most prevalent mental illnesses. For more information, visit [www.dbsalliance.org](http://www.dbsalliance.org).