

Sales & Marketing

Update

3rd Edition January 2004



Jim Minto
TOWER Australia
Chief Executive Officer

TOWER – Working with you in 2004

Welcome Everyone

First and foremost - I want to wish you all of the best for 2004. I can say that with some confidence because I believe it is going to be a very good, if not landmark, year for us all. It will be hard and challenging, but it should also be rewarding.

From us at TOWER, a key focus will be on strengthening our partnership and relationships with you. We look forward to working with you on facing, and meeting, the challenges ahead and making it a landmark year for us all.

It is by working co-operatively that we can achieve what is required over the next 12 months.

The Outlook is good. Those of you with significant investment businesses saw 2003 as a better year than the previous two especially. They had been marked by poor investment market returns. For most of the past three years we saw little but newspaper headlines reporting negative results from investments. This sapped the confidence of investors. But the outlook seemed to turn late last year.

Unfortunately, the turn around has coincided with a very strong rise in the \$A. This is putting a local damper on offshore investment returns denominated in \$US although strong rises in international markets are still coming through.

At the time of writing the Dow Jones Index is again above 10,000 points and seemingly on the way up and the media is again reporting positive returns being achieved for investments. Let's hope the momentum continues to flow through.

It is to be hoped that the new found strength in both the local and International equity markets as well as the global economy, particularly the US, flows on to client confidence. From this we can hope that more funds will become available for investment.

My view is that confidence will grow and funds will become available but we must always expect the unexpected and plan accordingly. We know the world is an unstable place so we must be prepared for sudden shocks. Lets hope they don't occur.

TOWER made significant changes to its Investment Management approach last year. We had been at the bottom of the market due to our Growth approach for Australian Equities. Although it cost us more to do so we employed very good external managers and that approach was in place for most of the second half of

the year. It was not early enough to make a big improvement in our rankings for the whole year but the approach is in place and delivering very competitive results.

We will continue to work hard on our Investment Product performance through this New Year.

Change at TOWER – The latest Group Annual Report to shareholders has just been issued and it reflects a year of solid change for the company as a whole.

We have said our last year was one of rebuilding and so it has been. We are a very different company today and the changes we have made have laid a solid foundation for us to build upon

As we start 2004 TOWER Australia Ltd is fitter and leaner and ready to work with you.

As I said when I came to TOWER Australia Ltd in November 2002, a focus will be on further building our partnership and relationships.

But change doesn't stop. I can say we have set ourselves some high performance and change targets to hit this year.

Changed Products – We are a specialist Risk business and we will be, starting late February, launching a reinvented set of Risk products that will be market leading, sustainable with quality definitions and competitive pricing. I look forward to catching up with many of you at that time.

We believe this is a very good time to build the Risk business with a strong need for underlying protection. Asset values and incomes have continued to build.

The challenge for both of us is to persuade people in tight disposable income positions to hold onto Risk products when interest rates are rising. It is a clear instance where we have to work together to reinforce the value of the underlying products.

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TOWER – Working with you in 2004 (cont)

Another target we are aiming at is to enhance our service, especially in the investment business. We are looking to improve all service levels over the year in the investment business and it is a high priority for the first half of 2004.

In Summary - During 2003 we quietly and steadily made progress but we have more work to do

We are very keen to renew our relationship with those advisers who may not worked with us in recent years

If you are in that category please give us a call. We would like to talk to you.

The whole principle of our operation is partnership.

If you are successful, then we will be too. How can we help make you more successful?

We see one of the biggest issues this year as being the impact on advisers of the new AFS Licencing Regime. Like you, we hope the impact will not be too great in terms of complexity for clients or on your business.

Thank all for your support over the past year and we look forward to meeting and working with you in the year ahead.

Jim Minto
Chief Executive Officer
TOWER Australia Ltd



The Secrets of Business Entertaining

by Marcia Wharton

You already are esteemed in your business communities for the levels of success you have achieved, and your clients respect you. You would, however, like to take your success to the next level. Learning the secrets of successful business entertaining are essential in going to the next level in your business success.

Entertaining is an investment in your business

It's easy to take your clients for granted, so you try to show your appreciation to build the best client relationships. Some of you send gifts of flowers, bottles of lovely wine or tickets to national sporting events. You might give clients the opportunity to buy Broadway show tickets through your contacts. Some of you arrange for cars to drive them around when they are in your city, and a few of you have sent clients on interesting trips.

Each of these expressions of thanks is meaningful, yet misses an opportunity for you to connect with these important people in your career. Entertaining your clients not only shows your appreciation, but strengthens your relationships. Those who entertain well propel their businesses and their careers.

Leaders in any industry use effective business entertaining to reach the next level of success. Through entertaining, they not only express appreciation, but they also promote their images, differentiate themselves and build loyalty. They deepen their most valuable business relationships. They see entertaining as an essential investment in the long-term growth of their businesses, but it isn't business entertaining alone that catapults their success. These leaders understand the nuances of expert hosting.

Paying attention to details

Here's a scenario: You have been invited to play golf. You show up in the parking lot, but you don't know if you should put on your golf shoes. You grab your bag and walk toward the clubhouse, hoping to see your host. You eventually find him. On the first tee, you meet the other two players of your foursome. You don't know anything about them and barely get their names as your host races through the introductions. You play a round of golf, have a drink, and your host says he had a good time. You walk to the parking lot and leave.

Now, here is a second invitation to play golf. Two days beforehand, you get a call from your host. He tells you where to drop off your clubs and park and where to meet him. He tells you that soft spikes are required at his club and that he has arranged for a guest locker for you. He names the other people who will be playing with you and what they do, how he knows them and how you might relate to them.

You arrive at the club and go directly to the bag drop-off, where the attendant was expecting you and greeted you. Your host greets you at the putting green, right where he said he would be. He shows you to the locker room, where the attendant calls you by name. When you step into the golf cart, there is a sleeve of balls, ice water and a towel waiting for you, for which your host arranged. You're able to make easy conversation with the other guests because of the information you have about them.

After the round, you go into the pro shop, where your host hands you a logo shirt from the club, as a memento of the day. You have drinks and dinner at a reserved table with a great view of the course. Your host walks you to the parking lot to say goodbye. A few days later, you receive a note thanking you for taking your time to join him in golf.

A two-time MDRT speaker, Marcia Wharton of Camp Hill, Pennsylvania, is an executive coach, professional speaker, teacher and consultant. She is an expert in correct business protocol, meaningful business relationships and polishing one's level of professionalism. Wharton is the author of *How to Entertain with Confidence* and was featured in her own PBS series. For more information or to contact Wharton, visit www.marciawharton.com

The Secrets of Business Entertaining (Cont)

What a different experience for you, the guest!

The first story was simply an invitation to play golf. The first host may have cared, but he didn't know the secret of showing it. The second host knows how to plan, anticipate and ultimately delight you, the guest. He knew the secret of making you, the guest, feel special by stepping into your shoes for the day. Every detail was thought through beforehand to assure your total pleasure. That's what took your experience as his guest to a higher level.

This example clearly shows you the difference between a missed opportunity and a highly successful one. Keep this golf scenario in mind as you assume your role as host next time. The focus on details can be transferred to your own entertaining situation each and every time you have guests. No matter what the form of entertainment, how you take care of your guest is the single most important aspect of successful business entertaining.

Find what works for you

One of the most capable hosts I spoke to within MDRT thoughtfully incorporates local and national fundraisers into her lavish business entertaining. Last year, when entertaining clients at a lunch in a hotel, she surprised her guests with an unusual party favor. She bought 50 apple pies and attached to each a copy of the article about this unique pie sale that had caught her attention in the newspaper — proceeds went to victims' families of the September 11 tragedy. This was meaningful to her guests because 21 of them had suffered losses in the World Trade Center towers.

She has entertained at casual clambakes and formal holiday parties, and she took her staff to Paris, France, one year. She said, "You may not see immediate results of your investment in business entertaining, but down the line, it will pay off." She has maintained

a 97 percent retention rate with her customer base, and I would think her entertaining is a piece of their satisfaction and pleasure in working with her.

Another MDRT member uses his distinctive hobby, wild game hunting, to personalise a barbecue where he serves his own deer, elk and moose. There is no alcohol, and his clients' families are invited to the Texas Ranger Museum, which he rents for his annual event. He even plays a few numbers in the country western band. He wants his clients to get to know him as a well-rounded person, and business is never discussed at any of his events. It's all for friendship and relationship building. By doing what is natural and comfortable for him, he puts his guests at ease.

Host an event you enjoy

Becoming an expert host takes practice. These two hosts know themselves well and understand what it takes to please their guests. You can learn from them, but unless it's comfortable for you, you won't be relaxed enough to carry it off.

Let me share a story of a conversation I had with an MDRT member. He doesn't entertain. He generously picks up all tabs when he's with clients — breakfast, lunches and dinners — but that is the extent of it. He doesn't play golf well, yet many of his clients do. He said, laughing, "I would love to drive the carts, or I'd be better off as a caddie." As we spoke further and I gently guided him along, he decided to try a wine tasting party with lavish hors d'oeuvres at a winery. He was comfortable with this venue, even excited. As a host, he will be more relaxed to welcome his guests.

With an open mind, creative muscle and a little effort, each of you can find your own right answers to business entertaining. The most important criteria is to find a venue you personally enjoy where you will feel most comfortable and confident, and where you can focus totally on your clients.



NO TIME TO KILL



Another year is upon us and unfortunately, and far too many people start the year with their feet running and without a clear objective for the upcoming year.

However, top performing sales people make the time to establish clear targets.

Setting goals is not a complicated process nor does it take a lot of time.

Effective time management is not really about managing time, but about managing ourselves so that we don't squander time!

The problem is most of us efficiently budget our other resources and never adequately consider what may possibly be our most valuable asset – **TIME**.

Each of us has the same amount of time – 24 hours each day to spend, invest or waste.

People who achieve a great deal without working long hours simply manage themselves and their human tendencies better than others. To use time more effectively, try applying this simple five-step plan:

Step # 1 Recognise that time is a unique resource. No person has more time than anyone else does. When someone does more in a day than you do, it's because they know how to manage their time better.

Step # 2 Plan each day. Make the most of your efforts, and be as effective as you want to be. Plan what you want to accomplish each and every day. Without a plan, you're like a ship without a rudder, whichever way the wind blows, is the direction that you go.

To make the most of your planning –

- Spend 10 minutes at the end of day planning what you want to do the next day.
- Write out a to-do list the night before and prioritise the list of actions. Priorities should answer the questions –
- "Is what I'm doing getting me closer to my goals?"

- "What would happen if I didn't do this?"

Step # 3 Keep a time log. The only way to know how you're really spending your time is to keep a time log. In 15-minute increments, write down everything you do in the workday. Keep track of telephone calls, appointments, paperwork, projects, writing and planning.

At the end of the week, ask yourself the following questions –

- What am I doing that really doesn't have to be done?
- What am I doing that someone else could do?
- What am I doing that could be done more efficiently?
- What am I doing that wastes the time of others?

Step # 4 Avoid procrastination. There's really a simple reason why most people never accomplish what they could – they just can't get started. Almost everyone procrastinates from time to time and they do so for a number of reasons such as fear of failure, being overwhelmed by work, avoiding an unpleasant task, etc.

Here are just a few ways to avoid procrastination –

- Write down and visualise the entire project before starting.
- Break the project down into small components.
- Start now – do something right away!
- Do the most unpleasant thing first.
- See the results – focus on the successes, not the failure or penalties of failure.
- Do a little bit – promise to spend only 10 minutes on a project.
- Reward yourself – give yourself a reward for completing a task.
- Work on only one project at a time.

Step # 5 Organise your workspace. Before you start anything, you should have all the necessary resources that you'll need. Keep in mind that organisation starts with your desk. The desk is not a place to stack all the items you want to remember. The desk is a tool for receiving and processing information.

- Have only one project on your desk at one time, and get rid of the things you're not ready to deal with right now.

By following these simple steps, you'll achieve more and enjoy it more. And as a result, you'll make more money and have more balance in your life.

The power of setting goals

Underwriting News Update

Introduction of PMA report follow up service

Over the past 6 months we have been trialing a new service facility via a world renowned group called **International SOS (ISOS)**. ISOS provide a unique call centre service and operate on both an international and Australian basis. They have highly skilled staff and are especially well respected in medical circles around the world.

International SOS have been assisting us by providing a dedicated follow up service with Doctors to whom our Underwriters have written requesting health history details on clients.

During this 'trial' period we have done a great deal of fine tuning of the processes involved with ISOS and the results have been extremely pleasing. We are now seeing around 80% of all PMAR requests being returned to us within 10 working days. This is outstanding and also, represents around a 40% improvement on the results we were achieving prior to ISOS' services being utilised. There are currently only around 8% of cases which are taking longer than 20 working days. We will be looking at ways on a continual basis, to further improve all these service standards over time.

We appreciate that one of the major cause of frustration for Advisers in the Risk application and assessment process, is related to the delays associated with the return of reports (PMAR's) from Doctors. This is THE key reason why we have pursued this facility via ISOS.

We are now very pleased to confirm that we will be running with a full contract arrangement with ISOS as from January 2004. We will be utilising their services on an ongoing basis and, as mentioned above, will be working very closely with them to further improve the processes and turnaround times involved with all PMA report requests from Doctors.

ISOS follow up with the Doctors virtually every day, so they are right on top of all report requests to ensure these are returned to our Underwriters very promptly.

Of significance for you will be that we will also soon be providing access for you to check on the progress of any PMAR requests on your clients, via our Tower Adviser intranet site. Details of this access facility will be forwarded to you shortly.

In the meantime, you can ask your Service Team to provide you with updates as you require. Both our Service Teams and also our Underwriting Teams are now able to access this facility and, as the ISOS site is 'live' the Case Log summary is always completely up to date.

This is a significant service enhancement for what is a key and consistent requirement within the Underwriting process, and will no doubt assist us to continue to improve our services for all our Advisers.

You can contact our Service Teams via either your unique Dealer Partner 1800 phone number, or via our generic Adviser Service number, **1800 286 937**.

All the very best for a successful 2004.

Phil Hill
Chief Underwriter

Calendar of Events

January

- 27 Securities Institute – start of semester 1
- 31 Qualification period ends to attend the TOWER Australia offshore convention to Africa

February

- 12-20 MDRT national roadshow and presentation by International President Mr. George Pickett and Vice President Mr. Stephen Rothschild
- 12 MDRT Presentation – Sydney
George Pickett
Stephen Rothschild
- 16 MDRT Presentation – Melbourne
George Pickett
Russell Collins
- 16 MDRT Presentation – Brisbane
Stephen Rothschild
Jim Prigg
- 18 MDRT Presentation – Adelaide
Stephen Rothschild
Russell Collins
- 20 MDRT Presentation – Perth
Stephen Rothschild
Russell Collins
- 26-27 FPA Western Australia State Conference, Perth

24-11 March
TOWER Australia national launch and roadshow, risk product enhancements

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|---------------------|-------|----|
| Hobart & Launceston | Feb. | 24 |
| Canberra | Feb. | 26 |
| Newcastle | Feb. | 27 |
| Perth | March | 2 |
| Adelaide | March | 3 |
| Melbourne | March | 4 |
| Sydney (Cronulla) | March | 5 |
| Sydney (Parramatta) | March | 8 |
| Sydney (Cockle Bay) | March | 9 |
| Brisbane | March | 10 |
| Gold Coast | March | 11 |

March

- 1 Closing date for MDRT membership applications to be received by MDRT in the USA
- 11-12 FPA Queensland State Conference, Brisbane
- 19-30 TOWER Australia Offshore Convention - Africa