

Sales & Marketing

Update

9th Edition July 2004



TOWER – moving forward

Excellent performance of investment funds over the past year and I am proud of the outcomes we have delivered at TOWER.

[Find out more](#)



The Power of PR

A public and media relations programme as a key component of a professional financial adviser or dealer group's marketing activity can boost sales activity, raise the profile of the business, enhance the relationship with existing clients and suppliers and also to attract additional customers.

[Public Relations](#)



TOWER's Claim Statistics

– Real benefits paid to real people

Real-life examples of claim benefits paid to TOWER customers on their Life Protection, Income Protection and Crisis Protection plans.

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How to Run With the Best and Win

What made Mark Allen the world's best in his gruelling field can bring success in any field?

Allen is the six-time winner of the Hawaiian Ironman race.

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TOWER – moving forward

Hello everyone,

I hope you are progressing well with your business and personal plans this year.

As you know TOWER has been pressing hard this year for some revision of the new FSR Disclosure Regime. This has been covered in some of my past updates and in comments we have been making in the press.

Our concerns are about the value being delivered to consumers from the new regime and the loss of productivity and added cost for advisers. We were also concerned that some consumers were likely to miss out on much-needed advice.

We strongly believe in the concept of open disclosure as set out in the original objectives of FSR. It is vital though that the essence of the key points of any advice and product gets through to the consumer.

From an adviser perspective the cost of doing business is higher and lower value clients are less attractive. The reality is many Australians who need advice will not get it under the new regime because it is relatively more expensive to provide that advice.

Lower productivity for advisers and large volumes of disclosure material will also mean higher costs for consumers. The new regime which offers a new way forward for the markets then needs to be adjusted to make it simpler, clearer and more cost effective. A further benefit is it would then be more accessible and valuable to consumers.

Well, I notice that there has been some really good news in the press recently. At a recent FSA gathering, the Parliamentary Secretary to the Treasurer, Mr Ross Cameron, noted our concerns with Financial Services Disclosure.

In particular, Mr Cameron drew attention to the requirement of Statements of Advice which, he said, could run to 80 pages.

This is an issue many of you have taken up with me in the past and on which I have spoken to many people. It is good to see a response from government with a promise to put the issue before ASIC.

Mr Cameron noted that FSR has delivered some outcomes that were “not intended and not supported” but still backed the need for clear, concise and effective disclosure.

As I said, we are all backing FSR in terms of disclosure to customers and it appears ASIC has moved quickly. It has issued new guidelines for Statement of Advice and I recommend you read them at www.asic.gov.au.

We can hope we see the regulator move fast to adopt new guidelines to make life simpler, however, in a climate when a close election is looming, we might not see any change in the immediate future.

We are very pleased to see this outcome.

The other really good news of late has been the performance of investment funds over the past year and I

am proud of the outcomes we have delivered at TOWER.

According to press reports, balanced funds have, in the past year, recovered the losses suffered since 2000 when global and local stock markets started to tumble.

No one was immune to these market setbacks. It is unfortunate that some investors take the view that it is the fault of the managers for not foreseeing them and taking the appropriate action.

While we had over the longer term delivered competitive returns our Growth style for Australian equities, Growth Investment Management style was out of favour from June 2000 when markets adjusted and our returns were affected by that factor.

It is important investors receive very competitive returns on our products and we will continue to closely monitor these.

In mid 2003 we moved to the multi-manager approach for our Australian shares portfolio. Over 2003-2004 our Australian shares portfolio outperformed our benchmark, the ASX 300.

Barclays Global Investors; Investors Mutual and Jenkins Investment Management have so far done a sound job. We believe this gives us a very competitive solution for Australian equities management and we will continue to monitor progress.

As a further step forward we have recently announced our move to a multi-manager strategy for Australian fixed interest and Australian cash investments. These will be in the hands of Deutsche Asset Management and Macquarie Investment Management.

This step will help enhance our objective – to deliver competitive and consistent returns.

All these outsourcing moves have cost us extra in expenses as compared to the option of continuing to manage the funds in-house. We have made the outsourcing move to benefit clients and the rewards have flowed through in the past year.

Our reward comes from greater client satisfaction with the returns. Once again I am pleased with this step forward.

Thank you all again for your support of TOWER. We have a very simple principle to work towards based on partnership. If we can help make our advisers more successful then as a result we will be more successful.

Our challenge is to do precisely that and help make you more successful.

Best wishes to you all from the team at TOWER

Jim Minto
Chief Executive Officer,
TOWER Australia Limited



Jim Minto
TOWER Australia
Chief Executive Officer

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The Power of PR



A public and media relations programme as a key component of a professional financial adviser or dealer group's marketing activity can help to boost sales activity, raise the profile of the business, enhance the relationship with existing clients and suppliers and also to attract additional customers

However, the power and effectiveness of Public Relations is often misunderstood and unappreciated.

Unfortunately, today, in too many cases, business communication initiatives are implemented and undertaken haphazardly with devastating results.

And in these cases, is a waste of time and resources.

Insightful financial services professionals have a profound appreciation for the benefits of PR to promote their business and expertise.

Effective PR has many benefits and can be better than expenditure on advertising for promoting the image and reputation of your business in the marketplace.

Some of the benefits include:

The creation and enhancement of the business brand, profile and reputation in the marketplace.

The development of a positive reputation through second party endorsement.

The creation of confidence in the business by clients, potential customers and suppliers.

The creation of an awareness and understanding of the business that differentiates the organisation from competitors.

To raise the profile of the business principal and/or senior executives and position them as industry authorities.

The first step in a process to get the media to notice your business is the creation of newsworthy press releases about important topics with a unique perspective.

However, there are two golden rules for effective media releases:

1. **Quality not quantity.**
2. **And don't forget the all important 'personal touch'**

If a proposed media release is not newsworthy, then don't send it.

Make sure that the media release is dispatched to the right editor or journalist and where possible, include a personal note and follow up with a telephone call.

The relationships made with members of the media can be extremely productive for your business and its long-term objectives.

Clients, potential new customers and suppliers want to be confident in their relationship with your business.

Second and third party endorsement via positive media articles adds real value to the business bottom line and perception about your business.

PR supports the overall business corporate communication process and offers an opportunity to provide an extensive insight into your business.

It can also be customised to fit your marketing plan.

Marketing PR is designed to increase the visibility of your business and enhance brand and profile awareness rather than direct sales.

It provides clients, suppliers and potential customers with a unique appreciation of your business and increases their knowledge about who you are and what you do.

Many financial services professionals recognise the value of a strategic PR and media programme as an integral component of the business-marketing plan.

It can make the difference to the survival of a business, particularly in the tough times!

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TOWER's Claim Statistics

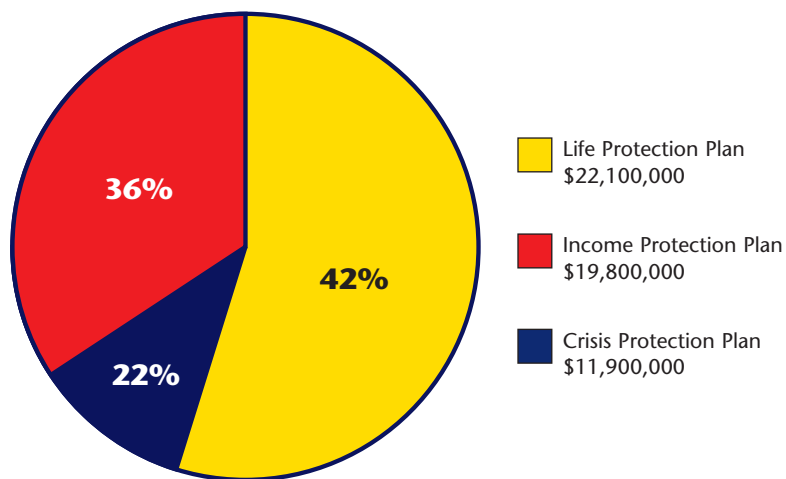
– Real benefits paid to real people

Our reputation is not built on the claims we make, but on the claims we pay.

TOWER'S CLAIM STATISTICS

Real benefits paid to real people!

1st January, 2003 – 31st December, 2003



The above chart illustrates the amount of Death, Trauma and Disability insurance claims paid by TOWER Australia for the period of 1st January 2003 to 31st December 2003.

DID YOU KNOW?

In 2000, 12,469 Australian women died from Coronary Heart Disease, 5 times more than deaths resulting from breast cancer¹.

Term life insurance is a form of personal insurance that pays a lump sum upon death or diagnosis of a terminal illness.

Term life insurance is not just a lump sum of cash, it helps pay the mortgage, represents food on the table,

a school of choice for your kids, a reliable car... in fact everything that makes up your lifestyle.

In 2003, TOWER paid more than \$22 million in death claims². The following table illustrates some real-life examples of claims paid to TOWER clients during that period.

Term Life Insurance Claims				
Occupation	Age	Sex	Cause	Benefit Paid
IT Technician	20	M	Multiple Injuries	\$ 75,000.00
Security Controller	22	M	Head Injury	\$ 60,000.00
Child Care Worker	28	M	Drowning	\$101,600.00
Accountant	34	F	Breast Cancer	\$218,464.29
Builder	35	M	Pancreatic Cancer	\$100,000.00
Union Official	38	M	Subarachnoid Haemorrhage	\$314,867.79
Sales Representative	38	M	Brain Cancer	\$ 42,900.00
Retail Manager	52	M	Heart Attack	\$226,976.00
Tyre Technician	57	M	Cancer	\$220,000.00
Farmer	61	M	Leukemia	\$133,100.00

Figures shown represent a selection of claims paid by TOWER Life for Term Life Insurance during 01/07/2003 – 31/12/2003.

¹. Australian Institute of Health and Welfare, Australia's Health 2002

². 2003 represents the Calendar Year and claims are for retail term products only.

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TOWER Customer Claim Benefits (Cont)

DID YOU KNOW?

In Australia each year, more than 85,000 new cases of cancer are diagnosed.¹

Crisis insurance, as the name implies, offers financial protection if one of life's major catastrophes, such as a medical trauma, should happen to you.

While there is no way to guarantee that you will never suffer a traumatic condition, there is a way to help protect your financial wellbeing and security if trauma

occurs. Crisis protection insurance offers a simple and cost efficient way of doing this.

In 2003, TOWER paid more than \$11 million in crisis protection claims². The following table illustrates some real-life examples of claims paid to TOWER clients during that period.

Crisis Protection Claims				
Occupation	Age	Sex	Cause	Benefit Paid
Managing Director	43	M	Bowel & Liver Cancer	\$121,585.00
Plant Manager	44	M	Heart Attack	\$159,062.00
Consultant	48	F	Breast Cancer	\$400,000.00
Solicitor	49	M	Heart Attack	\$286,894.00
Poultry Farmer	50	M	Heart Attack	\$ 63,083.00
Company Director	52	F	Breast Cancer	\$127,042.00
Registered Nurse	57	F	Bowel Cancer	\$120,043.00
Lawyer	59	M	Liver & Lung Cancer	\$ 50,000.00
Housewife	59	F	Multiple Sclerosis	\$226,281.00
Anaesthetist	61	M	Prostate Cancer	\$ 94,834.00

Figures shown represent a selection of claims paid by TOWER Life for Crisis Protection Insurance during 01/07/2003 – 31/12/2003.

¹. Australian Institute of Health and Welfare and Australasian Association of Cancer Registries, Cancer in Australia 2000, Canberra, 2003.

². 2003 represents the Calendar Year and claims are for retail crisis products only.

DID YOU KNOW?

More than 60% of Australians will be disabled for more than one month during their working life.¹

Income Protection is a highly effective way of helping safeguard you from potentially the single greatest threat you may ever face; loss of income due to sickness or injury.

If sickness or injury renders you unable to work, an income protection plan can go to work for you to pay a monthly income. Quite simply, it could help put food

on the table, petrol in the tank, stop the bank from foreclosing on your mortgage and generally give you the means to maintain a reasonable standard of living

In 2003, TOWER paid more than \$19 million in income protection claims². The following table illustrates some real-life examples of claims paid to TOWER clients during that period.

Income Protection Claims				
Occupation	Age	Sex	Cause	Benefit Paid
Payroll Officer	30	F	Multiple Injuries	\$188,490.00
Nurse	35	F	Sarcoma	\$361,452.00
Horticulturist	37	M	Multiple Sclerosis	\$ 32,748.00
Glazier	38	M	Anxiety Depression	\$ 68,640.00
Bus Driver	42	M	Multiple Trauma	\$ 21,360.00
Solicitor	49	M	Heart Attack	\$ 38,292.00
Electrician	51	M	Brain Cancer	\$ 33,059.00
Ambulance Driver	52	M	Post Traumatic Stress Disorder	\$ 34,068.00
Education Officer	60	F	Bells Palsy	\$ 28,000.00
Doctor	61	M	Multiple Injuries	\$ 58,608.00

Figures shown represent a selection of claims paid by TOWER Life for Income Protection Insurance during 01/07/2003 – 31/12/2003.

¹. Institute of Actuaries Table IAD 1989-93 and ALT 90-92

². 2003 represents a Calendar Year and claims are for retail risk products only.

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TOWER Customer Claim Benefits (Cont)



TOWER customers make some Claims of their own.

"Thank you for all you've done. We appreciate the assistance and care you give to providing our members with first class service and prompt response. You have a rare quality of making people feel they are important, even when the odds are against them."

"To just say thank you for your help. Going out of your way to help me get my money, I can not put into words how this has helped myself and my family."

"Your help in this matter has been terrific you are a credit to your job. Our deepest thanks."

"I am very grateful for your support. Financial support from TOWER is essential and I consider that I am fortunate to have such a professional supportive and caring Claims Officer."

"May I just say that I am pleasantly surprised by the speed and efficient way in which you have processed this payment during such a difficult period in my life. I had previously heard stories of how tardy insurance companies manage to be in the payment of these particular funds and now will be able to assure people that TOWER Australia Limited has proved to be an exception."

"You and TOWER were magic at handling my claim."

"The speed and professional manner that TOWER handled this (the claim) was excellent."

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Ironman Success

How to Run With the Best and Win

What made Mark Allen the world's best in his gruelling field can bring success in any field?

Clear strategy

Willingness
to adjust

Commitment
to completion



Allen is the six-time winner of the Hawaiian Ironman race.

He earned the title by being the best in the one-day Ironman Triathlon, which requires a 2.4-mile ocean swim, a 112-mile hot, windy bike ride, and a 26.2-mile run in temperatures around 90 degrees Fahrenheit.

The race's conditions make it the toughest single-day athletic event in the world.

What made Allen a success in this Ironman realm of elite athletes was more than natural ability. What ultimately set him apart is having the heart and mind of a true champion.

Allen used three simple, but powerful, tools to achieve his desired outcome. Financial professionals can use the same tools to help them win their own quests for success.

1. Clear strategy

"Working really hard doesn't make you a champion," said Allen at the 2003 Top of the Table Annual Meeting in Rancho Mirage, California.

"Create a clear strategy of the work you need to do."

2. Willingness to adjust

"Let's face it, none of us are fortune-tellers," said Allen. Because of that, "we need to put our strategy to work and see what happens when it interacts with the real world. Sometimes the strategy is perfect, and we achieve the results we're after; but often, that strategy needs to be adjusted to keep us on track."

3. Commitment to completion

Success doesn't happen overnight. "We need to have a commitment to completion to doing the work day after day, until we achieve the results we're after."

Do it in the times when we feel like it.

Do it on the days when we don't.

Do it when the results are matching or exceeding expectations, but also do that work when maybe we find ourselves falling a little bit short," he said.

Final thoughts

In long races, when your body wants to give out, it's your thoughts that make the difference, Allen explained.

It took Allen six punishing Ironman races and another Ironman champion named Dave Scott to help him figure that out.

In all of his previous races, Scott had beaten Allen. So Allen learned how Scott trained for races and Allen did the same, including following the same strict low-fat diet.

"In 1989, as I prepared for my seventh Ironman, I knew that I needed to prepare for perfection plus about 10 percent," Allen said.

At some point, though, Allen realised he might be missing something that went beyond physical training and restrictive diets. He realised what he had to change was his fear.

"I was afraid of the marathon...and I was afraid of Dave Scott. I couldn't see myself winning unless he had a bad race," Allen said.

These fears, he realised, were something he focused on during his past races, instead of focusing on giving 100 percent.

Allen trained for his seventh race with a new intensity, and when the day of the race came, Allen was side-by-side with Scott.

Toward the end, however, when it looked like Scott was going to beat him for the seventh time, Allen wanted to give up.

"My energy started to go, and negative thoughts came in," said Allen.

Allen realised he had to answer a very important question: "Where do you draw your strength from when you want to quit?"

His strength came from a quiet place inside him. When Allen found it, he realised he was just happy to be there. "I was with the best in the world. It doesn't get any better than that."

Scott ran his best race that day. Allen beat him, though, by 58 seconds. Allen went on to win the Ironman competition five more times.

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