Targets℠
Plus

VAN KAMPEN INVESTMENTS

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Identify

The Lead Generation and Qualification Supplement Includes:

- Create a Marketing Plan
- DC Goals Worksheet
- "Develop Your Network: Unearthing New Prospects"
- Introduction to Professionals Letter
- Suggested Phone Scripts
- Fact-Finding Worksheet
- Sample Prospecting Letters
- Sample Follow-Up Letters

Identify: Lead Generation and Qualification

Targets[SM] Plus helps you rethink your approach so you can maximize the opportunities in the defined contribution market. We begin by providing you with all of the tools you need to develop relationships with qualified prospects.

With Targets Plus you can:

- Evaluate your business' strengths and weaknesses
- Clarify your competitive advantages
- Define your target market
- Set goals and create a business plan
- Brainstorm creative prospecting ideas
- Initiate comprehensive, sophisticated and efficient introductions and follow-ups to potential plan sponsors

Create a Marketing Plan

Creating a book of defined contribution business can be challenging. Effectively servicing these clients is even more difficult. It is prudent to evaluate your resources carefully before deciding to enter into or expand your defined contribution business, both in terms of human capital and expected income.

Financial professionals of all levels of experience in this market may want to take advantage of the DC Goals Worksheet, including those:

- Entering the defined contribution arena
- Enhancing their defined contribution business by moving up in plan size
- Seeking greater prospecting efficiency
- Looking for a tool to help their less experienced colleagues more effectively contribute to their franchise

The worksheet on the next page will help you define your market and establish your year-long sales goals.

It is helpful to think of your pipeline of leads as having four stages of development:

- **Dormant:** unqualified leads
- **Cold Leads:** leads qualified as fitting your business model
- **Warm Leads:** qualified leads with whom you have an ongoing dialogue
- **Hot Leads:** any lead that has resulted in an in-person sales presentation/consultation

DC Goals Worksheet

I wish to partner/expand my team: ☐ No ☐ Yes; I wish to add to my team someone who focuses on ________________.

Sales Goals	target year[1]	following year
1. Number of qualified prospects with total assets of under $1 million		
2. Number of qualified prospects with total assets of $1–$5 million		
3. Number of qualified prospects with total assets of $5–$10 million		
4. Number of qualified prospects with total assets of $10–$25 million		
5. Number of qualified prospects with total assets of $25 million+		
6. Total leads (add lines 1 through 5)		
7. Percent of qualified prospects converted to Warm Leads	%	%
8. Number of Warm Leads (line 6 x line 7)		
9. Percent of Warm Leads converted to Hot Prospects	%	%
10. Number of Hot Leads (line 8 x line 9)		
11. Close rate	%	%
12. Total new plans won in 20__ (line 10 x line 11)		
13. Average plan size (assets) — GOAL	$	$
14. Average number of participants		
15. Assets from new plans (line 12 x line 13)	$	$
16. Average participant balance	$	$

Income Calculator	current year[2]	following year
17. Existing assets (*for following year, use "current year" total from line 27)	$	$
18. Retention rate	%	%
19. Ongoing trail fee	%	%
20. Annuitized income (line 17 x line 18 x line 19)	$	$
21. New plan assets (from line 15)	$	$
22. New plan finder's fee/commission	%	%
23. New plan income (line 21 x line 22)	$	$
24. Anticipated ongoing participant contributions	$	$
25. New contribution commission rate	%	%
26. Ongoing contributions income (line 24 x line 25)	$	$
27. Total assets ([line 17 x line 18] + line 21 + line 24)	$	$
28. Total income (line 20 + line 23 + line 26)	$	$

My strongest competitive advantage is:

____

____

[1]If planning begins prior to December 31, "target year" is next year. If planning occurs after December 31, "target year" is current year.

[2]If planning begins prior to December 31, "current year" is the current year. If planning occurs after December 31, then "current year" is the previous year.

Develop Your Network: Unearthing New Prospects

Where to start?

Look at your client list — who owns their own business? The first quarter is an ideal time to broach the subject of defined contribution retirement plans. That's because business owners are mired in tax season, and a qualified retirement plan may reduce the bite of the IRS.

Who sits on the boards of directors of mid- to large-sized companies? Are there any presidents, CEOs or COOs? Are they part of a company's upper management, particularly in the treasury/finance or human resources departments? Chances are, these companies already have some sort of a retirement plan. Your goal is to provide an option that better fits their needs and objectives.

Attractive companies include those:

- That are reorganizing with many highly paid workers, such as attorneys, accountants and doctors

Where else to look:

- Dun & Bradstreet listings
- Money Market directories
- Larkspur Data plan sponsor databases
- Chamber of Commerce listings

Network, network, network...

As you network and meet new prospects — on the golf course, through professional organizations, during informational seminars you organize and sponsor, at your child's extra-curricular activities or even at the grocery store — be sure to position yourself in a way that emphasizes the added value you bring to the table.

When you introduce your profession, rather than saying, "I represent the XYZ company retirement plan," try a more consultative approach, "I focus on working with companies to help match the best possible retirement plan program to their needs." Remember, always have your game face on…and your marketing strategy in mind.

Launching a broad-ranging campaign to meet other professionals in your area, such as accountants and attorneys, can prove invaluable to your business. They can often be a good source for referrals. The introductory letter included in this supplement may prove helpful in your initial endeavors.

Consider This:

Several trade organizations offer educational conferences. Benefits to attending include an opportunity to build a strong network of peers as well as training on current industry trends. The Center For Due Diligence (CFDD) and The American Society of Pension Professionals & Actuaries (ASPPA) are two such trade organizations.

Introduction to Professionals Letter

PROFESSIONALS LETTER

This letter may be customized only as indicated. Any other change has not been approved by Van Kampen or ING. Please note that it is your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]
[Professional name]
[Address]

Dear Mr./Mrs./Ms. ________________:

I specialize on working with small- and mid-sized businesses to help them maximize the effectiveness of their retirement plans. In my business, I encourage business owners and other plan sponsors to understand the types of plans that are currently available, as well as today's rapidly changing landscape of retirement benefits.

To offer a personalized solution to each client, I pride myself on representing a variety of retirement plans that offer:

- ☐ Fiduciary solutions providing varying levels of fiduciary support
- ☐ Dedicated local service
- ☐ Multi-manager investment platform with target-date funds
- ☐ Employee communications and services
- ☐ State of the art annual plan review and plan benchmarking technology
- ☐ Access to unbiased third-party financial advice and guidance

In our respective professions, we probably represent many of the same types of clients. I believe it would be very valuable for us to meet and discuss our businesses in more detail. I will call you next week to arrange for a brief introductory meeting.

Sincerely,

[name]
[title]
[memberships]

Hitting the Pavement

Your immediate goal is to gain an in-person appointment with the most promising prospects—those sponsors that fit your business model and are likely to change providers in the next 12 months. Gather as much information as possible about the sponsor prior to your meeting, and be sure to target the company's decision makers. This extra legwork early in the process may pay dividends in the medium term as you develop a consultative relationship that focuses on a sponsor's retirement plan options.

Concentrate on the following steps and strategies during your prospecting efforts:

1. **Mail the prospecting letter found on page 10 of this supplement to your broad prospect list.**
2. **Utilize the following phone scripts to gain an in-person appointment for your most promising prospects.** These scripts will help you to involve your contact in the discussion by investigating issues common to most plan sponsors such as service level, investment performance, costs, contribution levels, and fiduciary concerns. By focusing on these issues, you're likely to identify at least one area of concern.
3. **Identify the key decision maker as early as possible.** Ask prospects if they are involved with the company's retirement plan. If not, ask to be directed to the appropriate individual.
4. **Concentrate on selling your consultative practice and competitive advantages.**
5. **Obtain as much information as possible over the phone.** The more you obtain during your first pre-qualifying call, the shorter the sales process. Use this information to fill out the fact-finding worksheet found on page 9; this work will prove invaluable later in the process and during your meetings.
6. **Be sure to keep a record of all prospect interaction.**

Phone Script

Full compliance of all Federal Trade Commission "Do Not Call Registry" regulations is required.

Part I: Existing clients

Hi Mr./Mrs./Ms. ___. This is (name, title) calling from___. I've been reviewing your account and realized that we haven't addressed the issue of a retirement plan for your company. Have you given this much thought?

Part I: Non-clients

Hello, may I speak with the Director of Benefits? Good morning Mr./Mrs./Ms. ____, this is (name, title) calling from (company) located in (address). Mr./Mrs./Ms.___, I focus on reviewing benefit plans like 401(k)s for small- and mid-sized companies in your area.

Do you currently have a 401(k) plan or a retirement plan of any type?

Part II: If the company has a defined benefit/pension plan (clients and non-clients)

That's great. I can see that your employees' future is important to you. Did you know that many of today's younger employees would benefit greatly from the addition of a defined contribution plan to complement your existing pension plan?

In today's more mobile labor economy, the best younger workers may shy away from employers who only offer non-portable pension plans, since they often don't benefit from these plans. Defined contribution 401(k) plans may better fit their needs. Time and again, I've seen that offering both types of plans is important, as it provides flexibility to both your older and younger workers, and serves as a great way to attract and retain a talented workforce.

I'd like to show you a plan that I believe may make sense for your company and your employees. I'll be in the area on (date). Can we set up a time to meet and further discuss if a plan may be right for your business?

(continued on next page)

Part III: If the company does not have a plan (non-clients)

Have you given much thought to establishing a plan for yourself and your employees? Retirement plans have become one of the most important employee benefits offered today. In fact, you may find this to be a successful and cost-effective way to attract and retain some of your best employees.

It also helps you save a substantial amount of your own income on a tax-advantaged basis. Did you know that your contributions are tax-deferred, which may lower the taxes you pay every year? Even better, your account grows tax-deferred, so your savings could potentially grow faster than in a non-retirement account. Think about these benefits…let's face it, these days, no one can afford to rely on Social Security as their sole source of retirement income.

I'd like to show you a plan that I believe may make sense for your company and your employees. I'll be in your area on (date). Can we set up a time to meet and further discuss if a plan may be right for your business?

Part III: If the company does not have a plan (existing clients)

If you don't mind me asking, what has prevented your company from establishing a retirement plan?

If the answer is cost: I understand your concern. With a company retirement plan, though, we actually need to look at a different set of measurements when evaluating cost. Let's take a step back. The most critical element of your business success is probably your employees, correct? You know how important it is to attract and retain the most qualified individuals.

Did you know that retirement plans have become one of the most important employee benefits offered today? What you save in terms of retained knowledge and training expenses usually more than compensates for your administrative costs associated with a plan.

If the answer is time: I agree with you that establishing a plan can be time-consuming. But once the foundation of the plan is set, its maintenance generally requires little oversight from your human resources staff or benefits coordinator.

If the answer is "haven't thought of it/saw no benefit": Well, there are several benefits that you may find from a retirement plan. For example, I suspect that you're paying a substantial amount in taxes. Unlike most other investments, retirement plan contributions are tax-deductible. Even better, your account grows tax-deferred, so your savings could potentially grow faster than in a non-retirement account. Think about these benefits…let's face it, these days, no one can afford to rely on Social Security as their sole source of retirement income.

What about your employees? Have they ever inquired about a company retirement plan? Do your competitors offer a retirement plan? If so, they may have a strong competitive advantage in attracting and retaining the best employees in your area. There is a number of plans that permit you and your employees to save for retirement without you having to incur substantial costs.

I believe we have had a good deal of long-term success in the past with the rest of your portfolio—we should set up a meeting so that I can learn more about your business, as well as discuss some of the more important recent developments in the industry. I'll be in the area on (date). Can we set up a time to meet and further discuss if a plan may be right for your business?

Part IV: If the company already has a defined contribution retirement plan (clients and non-clients)

That's great. What type of plan do you currently sponsor? Are you satisfied with:

- ☐ The level of fiduciary support you are currently receiving?
  If no: Then I recommend you take a look at some of the unique fiduciary programs that are currently available.
- ☐ The administrative services you're receiving?
  If no: Well, I know of several plans that provide effective and comprehensive recordkeeping systems. These plans have proven beneficial to many other companies like yours by accurately automating as much administration as possible to allow you and your staff to focus on your true business goals. We should discuss some of the options available to you.
- ☐ The plan's current investment performance?
  If no: I can see you understand how important it is to provide your employees a multi-manager platform that provides access to some of the most prominent names in the investment management business. Why don't I prepare an investment analysis for you—at no cost, of course—to see if perhaps there are gaps in your investment lineup?
- ☐ The plan's costs?
  If no: Let's talk about the specifics of your plan(s), and I will prepare a detailed fee analysis for you, which we can discuss when we meet face-to-face.
  (Skip to Part IV, Section B)
- ☐ Your company's contribution levels?
  If no: Did you know that some providers can offer you meaningful plan data that puts your plan in context using extensive third-party data analysis comparing your plan to those of your peers? Actionable steps for the coming year are also available.
- ☐ The contribution level of your employees?
  If no: As you know, participant education is a critical component of being a fiduciary. I recommend that you take a look at the communication programs many of our providers have developed to help educate your employees on the importance of saving for their retirement, as well as help increase their comfort level with the plan's operations and its investment options.

If employer feels that nothing is wrong with the plan:
I understand how you feel. I had a client that felt the same way. What we found, though, was a way to make the plan even more effective for the employees, yet still cost-effective for the sponsor. Some of the ways we achieved this were by addressing gaps in their investment lineup, providing consulting assistance, and implementing a communications campaign that focused on getting participants to use more of the automated services rather than calling Human Resources.

Why don't we get together to discuss (any issue addressed above). I'm going to be near your office on (date). Let's meet then at (time)? (Continue to Part IV, Section B)

Part IV, Section B

So I can be efficient with our time and be prepared for our meeting, I'd like to ask some general questions regarding your plan:

- ☐ How many employees are in your company? How many participants are currently enrolled in the plan?
- ☐ Is there a company match?
- ☐ Who currently handles the investments? Do you recall when the plan began using these investments?
- ☐ Which investment choices are offered to participants?
- ☐ Who handles the administration? Do you recall when ___ began managing the plan?
- ☐ How much does the plan have in current assets?
- ☐ What is the amount of the monthly deposit?

Excellent — thank you. Do you have about ten more minutes to answer some detailed questions about the specifics of your current plan?

If no: Thank you. I am looking forward to our meeting on (date) at (time). In the meantime, I'll send a confirmation letter that briefly describes our services.
If yes: Great.

- ☐ What was the plan's overall return last year? How about for the past three, five, or ten years?
- ☐ Can funds be transferred among investment options without penalty?
- ☐ Do you have access to proprietary and third-party funds?
- ☐ Does your investment platform require proprietary funds in order to get plan-level fiduciary protection?
- ☐ Are you charged a front-end or back-end sales charge, management fee, or contract fee? (Offer to prepare a fee analysis.)
- ☐ Who administers your plan? Are you and your employees satisfied with their performance?
- ☐ Do you know the total administrative costs of the plan?
- ☐ Does the recordkeeper perform all services for one fee?
- ☐ Is your current recordkeeper completing Form 5500 and performing non-discrimination testing?
- ☐ Does the fee include completion of Form 5500? Non-discrimination testing?
- ☐ Has anyone ever made an administrative cost assessment for the plan?
- ☐ Are you performing any of the administration services internally?
- ☐ Do you have trouble passing the ADP/ACP test? Did you pass last year?
- ☐ How frequently are participant account balances valued (e.g., daily, monthly, quarterly, etc.)?
- ☐ Does your plan permit employees to borrow or take special hardship withdrawals?
- ☐ What percentage of your employees are currently participating in the 401(k) plan?
- ☐ Is your plan automatically updated to comply with tax law changes? How much are you charged to bring your plan into compliance?
- ☐ What changes in the plan design would you like to see?

Thank you for your time—I have a lot of valuable information to prepare a detailed analysis for our meeting on (date) at (time). In the meantime, I'll send you a confirmation letter that briefly describes our services.

Fact-Finding Worksheet

Gather as much information as possible about prospective take-over plans. Maintain comprehensive files for each prospect that includes this worksheet, 5500s, documentation of correspondence and meeting notes.

General

Type of current plan:
Number of employees:
Number of office locations:
Number of participants:
Number of eligibles:
Eligibility requirements:
Total plan assets:
Plan's estimated monthly cash flow:

Investments

1-yr. return: 3-yr. return: 5-yr. return: 10-yr. return:
Multi-manager? ☐ Yes ☐ No
Number of investment options:
Options:
Sales charge: %
Penalty-free transfers between investments: ☐ Yes ☐ No

Administration

Plan administrator:
Total administrative costs:
Consolidated fee? ☐ Yes ☐ No
Contract fee: $
Valuation: ☐ Quarterly ☐ Monthly ☐ Daily
Form 5500 completion: ☐ Yes ☐ No
Non-discrimination testing: ☐ Yes ☐ No
24-hour VRS (voice response system): ☐ Yes ☐ No
Online participant account access: ☐ Yes ☐ No
Online sponsor account access: ☐ Yes ☐ No
Other services provided:

Plan Design

Prior failed ADP/ACP tests: ☐ Yes ☐ No
When:
Current average deferral rates of non-highly compensated employees:
Frequency of open enrollment periods:
Loans or hardship withdrawals allowed: ☐ Yes ☐ No
Automatic enrollment: ☐ Yes ☐ No

Fiduciary Responsibility

Automatic plan updates to comply with tax law changes: ☐ Yes ☐ No
Charge: $
Investment Policy Statement: ☐ Yes ☐ No
Types of ongoing employee education:

Introductory Prospecting Letter

PROSPECTING LETTER

This letter may be customized only as indicated. Any other change has not been approved by Van Kampen or ING. Please note that it is your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]
[Prospect name]
[Address]

Dear Mr./Mrs./Ms. _______________:

The confluence of several events, including an aging population, declining Social Security benefits, and longer life spans, has forced retirement savers to assume greater responsibility for their future. As such, many Americans face a bleak financial future when they retire from the workforce.

Are your employees on the right track to long-term financial stability? Selecting an appropriate retirement plan for your company is both personally rewarding and professionally smart. providing quality retirement benefits options is one of the best ways to attract and retain your key employees.

My firm offers a variety of retirement plans that provide:

- ☐ Fiduciary solutions providing varying levels of fiduciary support
- ☐ Dedicated local service
- ☐ Multi-manager investment platform with target-date funds.
- ☐ State of the art annual plan review and plan benchmarking technology
- ☐ Access to unbiased third-party financial advice and guidance

Whether you currently have a plan or not, I would welcome the opportunity to sit down with you and discuss:

- ☐ The latest retirement industry trends
- ☐ Recent legislative changes that directly impact you and your employees
- ☐ Your role as a plan fiduciary, and how we can help make this responsibility less onerous
- ☐ Ways to optimize your retirement plan to your particular business needs and objectives

Even if you are not in the position at this time to make changes to your plan, I am confident you will find the time well spent. I will call you next week to arrange for a brief introductory meeting.

Sincerely,

[name]
[title]
[memberships]

[Firm] does not offer tax or legal advice.

Follow-up Letter: Start-up Plan

Effective and efficient follow-up is critical to the sales process.
Your follow-up must:

- Make your prospect take notice of your efforts
- Address the concerns of your prospect that you learnedfrom your initial conversations
- Not overwhelm either your prospect or your own available resources

FOLLOW-UP LETTER

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[To be printed on firm letterhead]

[Date]
[Prospect name]
[Address]

Dear Mr./Mrs./Ms. _______________:

Thank you for speaking with me on (date). As we discussed, a well-designed and administered 401(k) plan can enhance your company's ability to:

- Provide employees with a greater opportunity for financial security
- Maintain a competitive edge in hiring and retaining valuable employees
- Generate a tax deduction both from employees' elective deferrals and any employer contributions to the plan
- Cost-effectively reduce your staff's administrative burden

As I mentioned on the phone, I/my team focus/es on identifying the right plan for your business. I/we want to help you stay current with the latest retirement industry trends and legislative changes, understand the extents and limitations of your fiduciary responsibilities, and explore ways to help optimize a retirement plan to your particular business needs and objectives. I/we can offer a number of world-class retirement platforms that provide:

- Fiduciary solutions providing varying levels of fiduciary support
- Dedicated local service
- Multi-manager investment platform with target-date funds
- State of the art annual plan review and plan benchmarking technology
- Access to unbiased third-party financial advice and guidance

I look forward to our meeting on (date) at (time).

Best regards,

[name]
[title]
[memberships]

[Firm] does not offer tax or legal advice.

Follow-up Letter: Takeover Plan

FOLLOW-UP LETTER

This letter may be customized only as indicated. Any other change has not been approved by Van Kampen or ING. Please note that it is your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]
[Prospect name]
[Address]

Dear Mr./Mrs./Ms. _______________:

Thank you for speaking with me on (date). As we discussed, many of my current clients have utilized my consultative services to enhance their retirement plan's (insert concern noted from phone conversation—administration, investment performance, administrative costs, participation/contribution levels, participant communications).

[If administration efficiency…]
I work with several plans that provide comprehensive and effective recordkeeping systems by accurately automating as much administration as possible to allow you and your staff to focus on your true business goals.

[If investment performance…]
I will prepare an investment analysis for you—at no cost, of course—to see if perhaps there are gaps in your investment lineup.

[If administrative costs…]
I will prepare a detailed, no-cost fee analysis for you, which we can discuss when we meet face-to-face.

[If participation/contribution levels OR participant communications…]
As you know, participant education is a critical component of being a fiduciary; I think you would be impressed by the communications programs available to help educate your employees on the importance of saving for their retirement, as well as help increase their comfort level with the plan's operations and its investment options.

(continued on next page)

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(continued from page 12)

As I mentioned on the phone, I/my team focus/es on finding the right plan for your business. I/we want to help you stay current with the latest retirement industry trends and legislative changes, understand the extents and limitations of your fiduciary responsibilities, and explore ways to help optimize a retirement plan to your particular business needs and objectives. I/we can offer a number of retirement platforms that provide:

- ☐ Fiduciary solutions providing varying levels of fiduciary support
- ☐ Dedicated local service
- ☐ Multi-manager investment platform with target-date funds
- ☐ State of the art annual plan review and plan benchmarking technology
- ☐ Access to unbiased third-party financial advice and guidance

I Look forward to our meeting on (date) at (time).

Best regards,

[name]
[title]
[memberships]

[Firm] does not offer tax or legal advice.

Contact ING for more business building ideas.

National Support Line 1-888-238-6243

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Please ask your clients to consider the investment objective, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund and can be obtained by contacting you, the financial professional, or by downloading one at vankampen.com. Encourage them to read the prospectus carefully before investing. Van Kampen Targets[SM] is a service mark of Van Kampen Funds Inc.

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