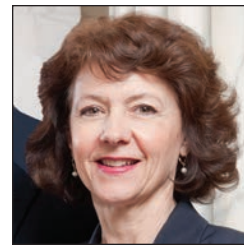




**An Interview with Todd M. Schoon, Executive Vice President-Agencies, Northwestern Mutual**

**EDITORS' NOTE** *Todd Schoon, CLU, ChFC, J.D., began his Northwestern Mutual career in 1988 and went on to build a successful network office in New York. He has held numerous positions of increasing responsibility including Assistant Regional Director of Agencies, Managing Partner, and Vice President-Agencies. Schoon graduated from the University of Iowa with a B.A. in Finance and a J.D. in Law.*



**An Interview with Jean M. Maier, Executive Vice President-Enterprise Operations and Technology, Northwestern Mutual**

**EDITORS' NOTE** *Jean Maier joined Northwestern Mutual in 1979 and has held a variety of positions of increasing responsibility in departments including Compliance, New Business, and Field Services and Support. She serves on the company's Management Committee and the Board for the Northwestern Long Term Care Insurance Company. Maier received a B.A. in History from Macalester College. She is a Fellow in the Life Management Institute, and is a registered representative and principal.*

**How does the field distribution system help differentiate Northwestern Mutual?**

We have an exclusive distribution system, which means only Northwestern Mutual financial representatives can sell our products – we don't broker our business. We have over 350 offices nationwide led by 79 managing partners.

We support our reps at the highest level and create an incredible, interdependent relationship with them. They're essentially business owners that we support throughout their careers with ongoing training and practice management programs. We start with good people who are highly trained who, in turn, attract a highly qualified client creating a circle of success. These financial reps develop deep relationships with their clients based on thorough fact-finding so they're not just executing a transaction; they're uncovering needs through a robust planning analysis. The clients fully understand what they're buying and why they're buying it. In turn, they tend to keep their policies. We quantify this by persistency – how long a client keeps his policy – and we have a persistency rate of about 96 percent.

The way we treat existing policyowners also provides a competitive advantage for us. When most companies in the industry introduce a new product, they tend to offer it only to future clients. It takes a lot of effort to apply new benefits retroactively to all of the policyowners, but we do that and it's a competitive advantage for us.

The oldest policy we have on the books today dates back to January of 1926. It was issued to a 15-year-old man who is now 102 years old. Over the course of those 87 years, we have enhanced his policy over and over and, today, his policy is worth 10 times its original value. That is why people love Northwestern. Our average client relationship is over 40 years.

**What makes a good representative and has the skill set changed as the business has evolved?**

Twenty years ago, a good salesperson would have made a successful representative. Today, the model is more complex. We integrate both insurance and investments in comprehensive plans that take care of our clients' financial security needs.

Financial professionals need to be sophisticated and highly capable leaders who understand the complexities of today's business model. That's why we encourage continuing education and credentialing through The American College – which is the primary education resource in financial services.

**What kind of investment do you make in training?**

Ninety-six percent of our recruits are new to the industry. We like it that way because we don't want people who already have bad habits. We provide excellent training, delivered by the home office as well as locally in the field, throughout an individual's career.

We also have a unique culture of giving back. We have many veteran representatives who mentor newer representatives just coming into the business. ●

**How do you define your role and your key areas of focus?**

Operations and Technology is very focused on making sure that we create efficiencies and capacity for our financial representatives, our clients, and employees at our home office. But it's also about reinforcing financial security for our clients.

When I first thought about how Operations and Technology could support the field/clients, I thought of it as putting wheels on peoples' suitcases. Later I realized we needed to do more than that. We have to ensure that everything packed inside that suitcase is the right clothing for the right weather for the right job. So we work to facilitate the relationship that the financial rep has with the client.

**How critical is technology and how much of a focus has the investment in it been?**

Our interest in technology has accelerated over the past decade because there are tools now that are not have-to tools but want-to tools. No matter what age people are in our field force, they're willingness to play with an iPad is a testament to their desire to use these tools to support the client relationship.

Our Consolidated Client View is a tool that assists in the financial planning process. We give clients a full picture of what they have with us and all the products and services that we offer. In order to build this, we had to get input from key stakeholders. We got them together and simulated what we thought would be best for the financial reps when they work with their clients. We met weekly for one year and kept refining the tool until we got what the reps wanted. We then conducted focus groups with reps as well as clients to fine tune the tool further.

**How do you utilize technology while still maintaining personal relationships?**

We use technology to enhance the relationship between the rep and the client, not replace it. For example, with the iPad, reps are beginning to see that technology does not have to interfere with the relationship; rather, it helps them sit side by side with their clients and build the relationships.

In fact, in our new client Internet site, the client will be able to enter through the financial rep's Web site. So we're building everything with the financial representative/client relationship in mind.

**What are you most focused on to make sure Northwestern continues to lead in this space?**

We are focused on three basic goals: manage the fundamentals – fulfilling the obligations we have to our contracts with courtesy and dignity; increase capacity, be it in the field, the home office, or for the client, which makes it easier to get the job done; and doing everything we can to support the achievement of financial security, because that is what this company and my area is about. ●

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