

Michael's Directory interview number two.

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MIKE ERICKSON: Hey there Southern Arizona neighbor, welcome to the Michael's Directory podcast. This is your host and friendly neighborhood REALTOR®, Mike Erickson, with Coldwell Banker Residential Brokerage. I'm here to introduce you to local tradespeople, service providers, and craftspeople so you can learn who they are, and how they do business, so you know who to turn to for professional services. Sit back, take some notes, and enjoy the conversation.

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MIKE ERICKSON: I'm very delighted to introduce my guest, Dianne Kelley of Sandbrook Group. Dianne are you ready?

DIANNE KELLEY: I am.

MIKE ERICKSON: Dianne is the founder, CEO, and designated broker at Sandbrook Group, a growing local life and health insurance provider focused on helping people secure their financial futures. She has lived in both Phoenix and Tucson but has called Tucson home for the past 24 years. She is very well known in Tucson business circles and today we get to learn more about her and her business.

Dianne, there is so much more to you than I can share in this introduction. Please take a moment and tell us a little more about you personally.

DIANNE KELLEY: Well like you said, I've been in Tucson now for 24 years, actually is going on 25, and this is my third time back in Tucson. So I left, came back, left, came back and left then stayed. So Tucson is my home for all intents and purposes.

When I move down here I was a single mom, two children, and I went to work for a friend of mine who had an insurance agency at that time. And got really established in the community and was enjoying that a lot. And then push came to shove. He had passed away and things had changed at the firm; the famous last words where nothing's going to change, right.

So I said okay, I'm done here and I want to jump out and go on my own. So in 2005, June 1st exactly, I started Sandbrook Benefits Group which is focused on employee benefit plans. And then with some of the migration with the Obamacare and some of the other things that came down the pike, I realized that

I needed to expand my services to reach my target audience and to help my clients more. So I established Sandbrook Benefits Group on June 1st of 2005 and we have since migrated into business consulting for small and medium businesses as well. So that's it in kinda nutshell as far as the change over from our original focus which is simply on employee benefits to actually helping business owners.

MIKE ERICKSON: So Dianne, would you say that you're an insurance agent or a consultant or something else?

DIANNE KELLEY: Right, and that is our focus is to make sure our business clients are protected. Not only legally but financially in the financial tools that we use our insurance based tools. In most cases, however, there are a lot of other things that a business owner needs to be considering to make sure their businesses are running smoothly and all their holes are covered. And that could include employee issues, it could include some legal things, it could include HR, it could include their payroll system and how that's working, it could even include IT security.

So we are a insurance broker, we are independent, we're not tied to any one particular insurance company, per se. Which I like doing.

But we also have a lot of other services available for our clients. Again, to help them make sure that their businesses continue, if that business owner gets sick hurt or, heaven forbid die, what happens to that business. So, we're really, I'd call it, I guess, to use the term holistic, we look at the big picture. We look at all the moving parts and if we don't have the resources we go out and find that for the client and then bring it to the floor so that they have everything that they need to function.

MIKE ERICKSON: Well that's a whole lot more than just an insurance agency, Dianne, but how did you get started in the industry?

DIANNE KELLEY: Oh that's really easy. I was actually very young and very green and looking for a new job. And a one of the opportunities was with a life insurance agency that functioned out of Tempe, Arizona. That's not where they were headquartered but that's where the district office was and I was living up there at the time. So I got hired on as their office manager to, I think it was, five busy agents up there. And about six months into the job I decided I was on the wrong side of the desk. I was doing all the work, they were having all the fun, getting all the money.

So I started just reading everything I could possibly on the industry in the life insurance industry. At that time I wasn't in in the health insurance arena yet. And gobbling it up, learning everything I could, and finally I decided it was time to jump ship. And I messaged the general agency, the gentleman who is in charge time, I sent him an eight-page letter which basically wood looking back was a business plan. This is why I want to do it, this is how I want to do it, and all the details. And he didn't even give me the courtesy of a return phone call. Nothing. OK. Crickets as they say. So I finally mustered up the courage to call him because I was very young, I think I was 23 at the time, and call him and said you know did you get my letter? And he said, yes I did. And I said and? And these were his words, he says, "there's

no room for women in sales in my industry.” And I was, I was floored. I'd never heard that before. I thought, what are you talkin' about?

So, long story short, I lost my job over it. And had to go take another job in the interim while I was studying for my insurance exam. But that was quite a few years ago. I got hired on by another company that was much more respectable to women. And treated me like gold. I was the only woman in the agency for many, many years. There a couple women who came in along the way but they left pretty quickly. There's a pretty high attrition rate in the industry unfortunately. But I stuck it out and like I said I have my own organization and I'm enjoying it. So that's kind a little bit of the history, but yeah, it was it was pretty shocking at the time.

MIKE ERICKSON: Dianne let's go back to that eight-page letter that you wrote, pretty much that business plan. In that business plan you pretty much laid out why you want to be there. Can you share why you do what you do today?

DIANNE KELLEY: I love working with my clients and I was working very closely with the clients of these other agents and enjoy the talks and helping them and making sure that they got what they needed in the service arena. So I thought, well why not do the sale. I love the flexibility of the job where I could make my own hours. I was looking forward at the time to having a family at some time and thought the flexibility would be great while I was raising my children. I also like the fact that they're making good money. I saw what they're making and thought, I can do that. It was commission-based. That was a little bit scary but I thought, well, I can do this.

So I guess I had the mindset at that time that this is what I want to do and even with the obstacle foot in front of me, of not being able to get him with the company that I was working for it the time, I still kept pushing through until I got where I wanted to go. And I think that's really important anybody in life's lessons. That if you have your big vision and you have your why that there should be nothing stopping you and there's always a way to push through and get where you need to go.

MIKE ERICKSON: Thank you Dianne. Well let's turn our attention over to Sandbrook Group. You travel around going to network meetings, you're contacting new customers all the time. How do you introduce Sandbrook Group to these people?

DIANNE KELLEY: We have focused, and will continue to focus, on the small to medium businesses. We feel that they're largely overlooked, not just in our market, butt overall. The broker houses, the big brokerage houses will go after, what we called the whales. They want to go after the employers with thousand or more employees or 500 or more employees. And the small to medium-sized business owners are really the ones who need the most hand holding because again they're running their business.

They do their business, they don't think about these things on a daily basis that they need to do in order to make their business continue to work. Or in the event of it, like I said, a sickness or an accident or, for heaven sake, a death of the owner or one of the owners. It can jeopardize that entire business. So

what we try to do, is focus on the small/medium business and our specialty is family-owned businesses and closely held corporations. A closely held company's where that business owner is as involved in the day-to-day operations of that business. They're not sitting back at their desk and having all the worker bees work. They're actually involved in the business and they're the ones who especially need our help.

MIKE ERICKSON: So what services do you offer small and medium-sized businesses?

DIANNE KELLEY: Well like I said, we started focusing first of all on the employee benefit aspect. Most employers, even though they're not required to offer health insurance to employees if they have less than 50 employees, still like to provide that benefit for their employees so we can certainly help him with all the tools and the quoting and finding an appropriate plan for them to offer to their employees. Which improves their retention rate. That's a start.

But anytime with the business owner really wants to know what happens if I get sick or I get hurt? How am I going to continue my business? And there are a lot of different insurance programs that we offer that they may not even be aware of. For instance, I did a large event last summer over in California and a, well she's a chiropractor, came up to me and she says, "This almost happened to me last year." I said what happened? And she said, "I got double pneumonia and I was out of work for over eight weeks and I almost lost my practice." And I said to her, did you know that there is a disability overhead plan that you can purchase that will not only pay your overhead when you're sick or hurt, which means you can keep your doors open, but it would have also have compensated her to hire another chiropractor to come and take care of her patients while she was off. And she shocked. She says, "I had no idea that even existed."

So those are the types of questions we have for the business owner. If you get sick or hurt, who's going to run the show? What's your involvement in your business on a daily basis? Do you have a back-up plan? Do you have somebody in your organization who could pick up if you weren't there? What if you woke up one morning and you could not get to that office on an extended basis? What would happen to your business? Um, someday they're going to exit their business. It's either voluntary or involuntary. Either way they need to have a plan.

MIKE ERICKSON: Well Dianne, one of the things I love about real estate, is sitting down and planning with a client. And like you said, consultations are a big part of your business. Can you share a little bit more on how you consult with small and medium-sized business owners?

DIANNE KELLEY: Right, and we are very consultive. We have a lot of questions that we ask the business owner and many times even doing a presentation I'll ask some of these leading questions and people from the audience will just blanch and go 'oh my gosh I never thought about that before'.

Think about a contractor. So you have a small HVAC company for instance. And you have the owner who's also the licensed contractor. What happens to that business if that licensed contractor gets sick or hurt or dies? They've got the contract license. So you need to have a backup; you need to have a

plan to know that if something happens to that person you got somebody she's either already contracted or you have somebody in the industry that you can call who has a contractor's license. This is a really big issue.

I was talking to a small group, a breakfast meeting one time, and brought that up and there was a commercial carpet person in there and her husband is the contractor. And she said, "I never thought about that." You know, so these are the types of things that we bring up by asking the questions and then they figure out 'oh my goodness I do have a problem here' so that's pretty much what we like to do with the consulting.

MIKE ERICKSON: Alright Dianne, let's talk about your ideal customers. You've talked about working closely with small and medium-sized business owners but are there, is there anyway to break that down a little bit more?

DIANNE KELLEY: Absolutely so if they've been in business for a number of years I can always go in and find out that they neglected a lot of things. But even the new business owner needs to sit down and have that conversation with me. And what we do is pre-plan so maybe they're not ready for certain things at that particular point that they're going to need them at some point down the road if they are, in fact, going to grow their business which most of them hope to do.

So the ideal business owner would be anyone who's a sole proprietor, who has a LLC or subchapter S corporation. Sometimes there's more than one owner; that's also very important because they need to have a properly executed what's called buy-sell agreement. So if something happens to one of the partners the other partner can buy out their interest in that business and that's usually funded with life insurance, right? So they would buy out that particular partner's family, give them the money, buy out their share so they don't have to be in business with the spouse or the children of the partner who passed away. And now the business can continue. So those types of businesses who are in that very special niche where they have a risk that they may not have addressed are the perfect client for us.

On the other side we have a lot of baby boomer business owners who are looking to exit. They want to retire. Or maybe they're trying to get their business ready to sell it. There are certain steps that they have to take in order to get that business ready. And they can't just wake up in the morning go 'gee I think I'll sell my business today.' There are certain things that they need to do in order to get that prepared and make sure they can get the best possible price for the business.

So we work with business brokers, we work with CPAs, we work with attorneys. All these different components that they need to have in order to exit their business. And that's if it's a planned exit. And if it's an unplanned exit then we're back to the other issue.

MIKE ERICKSON: Well let's talk about your new clients; those who are coming to you for the first time. Do they typically come to you with a certain set of circumstances or a situation that is typical of most new clients?

DIANNE KELLEY: Absolutely, well I'll use a recent situation. I had a gentleman get in touch with us, he happens to be a private investigator and somebody in his circle, in the private investigative realm got disabled. I don't know what the story was, if it was a cancer, or an accident or what, but his buddy had to shut down his business. And this man has several employees. Has an active business and he had no disability coverage. So he did come because he was made aware of that by somebody else. Now the sadder part is when when we have somebody come to us and they're the ones who are affected by a sickness or an illness or death and he didn't have the proper planning. Then it's a little bit harder. It's kind of like covering the accident after it already happened, right? It really is important to do the pre-planning and that's why I really wanted to do presentation. To get the word out there because people don't know what they don't know. And by thinking these things through and going, 'oh my goodness.' They may have the ah-ha before they actually get in a situation.

I had a contractor, roofing contractor. No, he was HVAC, HVAC contractor years ago who was up on his own roof to fix his own AC, fell off the roof. He is the only person there. Crawls to his truck. Got himself, somehow, I don't know how, to the hospital. Broke both legs and he almost lost his business. He was in surgery for the entire year, rehab, therapy, the whole bit. And he almost lost that business. He didn't quite lose it but it never recovered to where it was before. So I've seen these stories over the years.

There's another contractor, and contractors seem to be really vulnerable. But there's another contractor in our town where the owner actually died. And the only reason that company in exist today is because a year prior to that, he had taken out a million-dollar life insurance policy and that's what his family used to get somebody else contracted and keep that company running. And that company is still here 40 years later.

MIKE ERICKSON: Dianne would you share how a new client a new small business or medium-sized business owner gets started in the process of getting with you and finding out where they need to go from here?

DIANNE KELLEY: That's a really good question. I'm happy to do a complimentary 15-minute phone call and just ask some of these leading questions, get some input from you what keeps you awake at night. What type of concerns do you have? What's going on in your company that is a problem? And that way we usually uncover the most immediate issues for that business owner and their priorities might be very obvious and it may not be quite as obvious but again having that conversation usually open up that door.

And like I said I've done presentations at breakfast meetings and other meetings and just asking these leading questions and people in the audience will come up and say, 'oh my goodness I never thought about that' or 'yes we have this issue and I'd like some help with it.'

So it takes about a 15-minute conversation to uncover anything. And if we find some areas where we can be a service then we can go ahead and sign up for the consulting service.

We also have a business valuation. How many times do you talk to a business owner tells you that their business is their retirement plan? And the next question is, how much is your business worth? And they either pull something out of the blue sky that has no basis in reality or they look like a deer caught in headlights. And we can also do a business valuation for them. It's a soft valuation. It's not a market analysis of how much they can sell for. But it is a starting point for them to know what is my business actually worth today and that's a great start to.

MIKE ERICKSON: So Dianne, how can our listeners find you and connect with you?

DIANNE KELLEY: We have an office located on North Oracle Road, just north of River Road, nice little office there. Easy to get to regardless what side of town you're on. If you're a business owner and it's hard for you to get away during the day, I'm happy to come to you. Again, a phone conversation. We're all over social media. Got Facebook pages, I've got LinkedIn. I'm all over the place. We're members of the Tucson Metro Chamber, Marana Chamber, Better Business Bureau. So we're very very visible and anybody who would like to have a conversation I'm totally open for that 15-minutes phone call. And if we decide to go further than we can certainly discuss what your priorities are.

MIKE ERICKSON: Dianne, what is the best phone number to reach you at?

DIANNE KELLEY: The best phone number would be our main line which is 520-888-9649 and if you hit, dial number one you'll get my assistant Patty. Patty is awesome and she can get you on the calendar, she can answer some general questions, and she can schedule an appointment.

We also have our website which is sandbrookgroup.com and there's actually a scheduler on there along with the form that you can complete with your contact information and then we'll get back to you. So we have a lot of ways for you to get in touch with us.

MIKE ERICKSON: That about wraps it up for this episode. I want to thank you Dianne for generously sharing your time and expertise on the show. To learn more about Dianne and Sandbrook Group visit MichaelsDirectory.com and type Dianne Kelley that's Dianne Kelley in the search bar and her show notes will pop right up.

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MIKE ERICKSON: Thank you for tuning in. I hope you enjoyed the show and found it to be a valuable way to know who to turn to for professional services in Southern Arizona. If you'd like me to introduce you to Southern Arizona, visit MichaelsDirectory.com and click on the blue Contact Me button. I look forward to hearing from you. Have a great day.

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