

SENIOR CONSULTANT

The Voice of the Investment Management Consultant

Whose Message Is It? Yours or Your Firm's?

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If you're working for a larger firm, a big brokerage house or maybe a good-size regional firm, what's one of the first items you send prospective and existing clients? Your firm's brochure. You stick it in the mail along with a research report; you send it to a new client or prospect, to anyone you would like to know about the firm supporting you. Your firm's brochure says something like, "Each of our services is highly specialized, demanding in-depth knowledge and expertise. And XYZ's professionals are leading experts in their various disciplines," and "We often provide investment management and financial counsel to multiple generations of the same family and to our institutional clients over many decades. Even today, in our highly mobile society, XYZ employees tend to stay with the company, providing continuity of service and building lasting relationships with our clients." (Apologies if this is close to what your firm may be actually saying.)

It's a good spiel, isn't it? The language has enticing elements, and the marketing piece is visually very attractive and well done. It's a high quality, professional-looking piece, just as it should be. So what's the caveat? Every firm wants clients to know its professionals have knowledge and in-depth experience, that they're experts in their disciplines and that those disciplines are varied. In other words, there's in-depth expertise that the advisor can draw upon in providing counsel to their clients. But the question is: How does the client use this brochure? How is the client who reads this great-looking, professional piece to know whether a particular advisor is adept at utilizing these resources? Is it not the responsibility of each individual advisor to differentiate themselves from all the other advisors within their firm and industry? How are clients to choose from the vast number of professionals available at this firm – the one person who will care for their needs the way they need them to be cared for? How are they supposed to have an understanding of your particular interests, expertise, experience and philosophy toward client service? You are delivering your supporting firm's products and services; and in doing so, are you not determining the range of invest-

ment and administrative values being addressed and managed? You, the advisor, are a greater determinant of the value being added for your clients than your firm. So where is your brochure?

As the investment industry attempts to turn itself around – to focus on the client (fee-based business) instead of selling product (transaction-based business) – the mark is being missed in the area of marketing collateral. Brochures and other written materials still focus on the firm's expertise and its specialties, not the advisor or the client. Granted, some significant changes have been made, but the changes are not homogeneous as each advisor must choose their own path. The material your clients read is not written by marketing people with experience in engaging their professional investment and administrative counsel for an on-going advisory fee, nor is your firm necessarily desirous such material because not all advisors are capable of adding value. Your marketing material is written by large, national, big-budget advertising agencies hired to help large, big-budget firms sell everything from laundry detergent to roll-over cell phone minutes.

Recently a prominent national advertising agency presented a session at a major industry conference where it showed various ways to market financial services. Several things struck me about that presentation. It consisted primarily of advertisements with catchy tag lines, along with examples of the firm's expertise in establishing the brands of major investment firms, a major auto maker, a major fashion merchandiser and a major coffee shop chain. Not that this prominent firm is not absolutely incredible at the specific thing it does, i.e., building name recognition and brand, but they simply did not understand how financial advisors develop client relationships or how advisors add value through the engagement of their professional investment and administrative counsel. In most national advertising campaigns there is rarely any mention of your specific value and expertise in addressing and managing a broad range of investment and administrative values, much less your fulfilling your fiduciary responsibility or offering continuous

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comprehensive counsel as required by regulatory mandate.

A Better Way

Now, imagine the power and effectiveness of a brochure that's not only about your expertise and experience but one that focuses on what prospective clients really want to know about *you* and what you do. What are clients looking for today? They're looking for someone who's knowledgeable, credentialed and experienced; someone who will really listen to their needs, concerns and objectives for the future; someone who can actually act accordingly to fulfill their fiduciary responsibility. These are things that deeply affect people's lives. They are things that cannot be compared to an automobile or coffee brand. Can marketing brochures really be effective for advisors if they are based on empty promises, style but no substance, feel-good hyperbole that promotes a brand but not the advisor?

Now let's get down to the nitty gritty about creating a brochure that's really going to work for you as a skilled, knowledgeable practitioner going forward. There are some particular requirements for creating an effective, personalized brochure. In a nutshell, you must:

1. Have a business plan with a well-thought out, strategic marketing plan as a component.
2. Have identified your target markets.
3. Know your target markets – having the knowledge, resources and infrastructure within your practice to address the specific needs of each market segment you wish to serve.
4. Know specifically how your credentials match up with those needs.
5. Know how to appropriately and effectively communicate that match-up to your target market.
6. Be focused on the needs of your target market, not just on your ability to address them, because an effective marketing brochure is about the client, not about you.

At this point, you may be thinking primarily about the first five items on this list, but the most important one – and the one most taken for granted – is item No. 6. Most advisors think that their business is “focused on the needs of

the client;” but they distribute marketing materials written for the firm and hand out bios written about them. What do they hand out that's written about the client? True, matching your expertise to the needs of the client is important, but it is second in importance. Only when a marketing piece is written from the viewpoint of the client will it create the desired effect of inspiring that client to seek you out. Getting to that point is difficult and may be best and most efficiently accomplished with outside help because you have to go through the first five items to create an effective marketing piece that speaks to the client. There is a process that an experienced and credentialed outsource marketing firm goes through to help you realize this goal.

It begins with your taking a look at the marketplace. You sense its changing, monu-

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mentally and quickly. Banks are buying investment arms of firms; both banks and investment firms are trying to focus on the consulting side of the business. But coming from such an embedded emphasis on product and transactions, they've got a long road ahead. And, then there's the on-going search for a comparable profit margin in the new advice business model that will supplant the old commission sales model that is fast becoming outdated. (Though the profit margins of fee-based counsel are extraordinary for the advisor, that is not necessarily the case for your supporting firms.)

At the same time, clients are looking for a new direction – especially since the transparency of the internet in concert with the bear market have humbled self-directed investors and advisors alike. Investors are tired of getting inundated with the latest new product, even if it's a separately managed account “product.” They are confused by all the choices and by all

the “different” firms that actually all say the same thing. Which one is genuine? Which one is right for their needs? And after they do choose a firm, who in that firm is the right advisor for them? They want someone who will listen to them with no agenda, no product, no service in mind. They want non-conflicted advice that will focus on their needs; they want help selecting the best services and products, regardless of their origin, that will best fill their needs effectively and efficiently, and most importantly they want accountability.

So how do you, as a top level advisor/consultant, position yourself in this type of environment? What do you need to market yourself appropriately and to get the message out that prospective clients want to hear?

Marketing financial services or managing investment and administrative values is an activity that very few financial services firms have experience in doing. Industry dynamics have not been conducive to addressing and managing a broad range of investment and administrative values required by regulatory mandate nor do the firms offering the processes and technology necessarily add value. This is partly attributable to our supporting firms trying to avoid fiduciary responsibility and accountability, and partly attributable to the skill of the advisor and access to the enabling processes and technology necessary to add value. But, with the transparency of the internet, the time is ripe for that to change. The process and technology necessary to add value are now accessible. Here's how you can change the industry's conventional approach to marketing.

In order to effectively market and to send your message to prospective clients as well as existing clients, you need the following promotional materials. The objective is to not only attract new business but to continuously upgrade your account minimums, value proposition and market segments served. An ideal list includes:

- A personal brochure designed to attract clients in each market segment you serve.
- A well-written biography of your expertise, credentials and experience. These are things that will give readers an understanding that you have the specific skills and interests to give them what they need.



- An institutional quality presentation that resonates on an emotional level with each market segment you wish to serve.
- Trade magazine articles. These further establish your authoritative expertise.
- Research and educational materials. These do two things: they maintain and improve your standing as an expert, and they help you transform your clients into advocates.
- Books. Books are an incredible way to accomplish a plethora of marketing goals in one initiative and to make the most of all the other marketing activities you do.

This list is too much to cover in one article, so a better approach is to examine one of these marketing activities at a time. Today, the focus is on your personal brochure.

Creating A Message Investors Want to Hear

Of course, it's important for clients to see your credentials, hear your message and feel confident in your expertise. However, inviting them to find those things out about you is the principal focus of a brochure, not getting those

things "out" to them. The first step in creating such a brochure is to work with a qualified outsourced professional who really knows what clients are looking for – someone who has spent time in the same trenches in which you live and work every day, someone who has the same credentials you have. This person or firm will be able to understand and articulate your skill, natural abilities and hard-earned credentials, and align them with the message that high net worth investors are hungry to hear. If you become what your targeted clients want you to be, they will actively seek out your services.

The best long-term marketing strategy doesn't try to create a market for the services or products that are available or "hot" at the time. You are not only sending the wrong message (for you are the value added, not the product) but, by definition, hot products invariably get the client into the market at precisely the wrong time. So the best place to begin is by targeting the market segments (high net worth, foundations and endowments, defined contribution, etc.) that complement your particular expertise and establish goals for developing these busi-

nesses. This assumes, of course, that you understand your strengths, can articulate your value proposition, have developed a business plan and an understand how you are going to achieve those goals by developing a well-conceived marketing plan. Advisors often create business plans that are incomplete, that include no marketing plan. It's pretty difficult to develop an effective brochure if you haven't done the required preparatory work.

Once the business plan and marketing plan have been fully developed, the appropriate focus for your brochure will be much easier to discover. An advisor profile is essential in the development of an effective brochure. Working with an outsourced marketing firm you may create an advisor profile something like this: John helps clients achieve their long-term objectives and establishes a sense of well-being by helping clients manage their financial assets as well as their human, intellectual, and spiritual capital. John has identified his primary target market as successful executives of software firms with \$500,000 in investable assets. Software executives have specific common experiences, needs and problems. John has a

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particular fascination with software and how it's developed. He has followed software companies for most of his career. These executives certainly experienced the bear market, but they experienced it in a starkly different way than the general investing public. John knew that they were looking for an investment advisor who knew the ups and downs of the software industry, was familiar with the competitive forces of their industry, and who could help them protect and make the best use of all of their assets during tough environments. John has difficulty translating the message he wants to send to these executives with the message he knew they wanted to hear. He understands the market but is having difficulty with the discipline, processes and technology necessary to address and manage the broad range of investment and administrative values required.

By working with a marketing consultant, John adjusts his business plan to align his vision of the counsel he wishes to provide to the processes, technology and professional disciplines necessary to add value. The marketing consultant helps John to develop a process and the division of labor in his practice that is necessary to consistently deliver the value proposition he envisions. From this value proposition, the marketing consultant creates a professional brochure for the advisor that is all about the client – not the advisor. It is brief, to the point, and inviting. It “grabs” its readers and invites them to find out more about John and how he becomes the value added in helping them accomplish their individual objectives and achieve a sense of financial well-being.

What Works

Obviously, an advisor's marketing brochure is not an end unto itself, but it does open the door for the advisor to begin the process of earning the client's trust and ultimately their business. A well-conceived, outsourced

marketing brochure will generate interest from its targeted market audience, but a brochure that is focused on a particular market segment cannot spur action from all market segments. And of course, that is the point. The right kind of attention from the right kind of prospective client, requires the right kind of message from the right kind of advisor. This is why you must know your market. Become what your clients want you to be, and they will actively seek your services.

Every marketing activity, whether written or otherwise, should be integrated and aligned with your marketing plan, and your marketing plan should be thoroughly integrated with your business plan. If you keep doing what you are doing, you will get more of what you've got. Whether you should engage outsourced marketing assistance and counsel depends upon your time, talents and internal resources. As a rule, as in most things in life, you are rarely your own best counsel. That's why investors engage your services.

With costs continuing to rise, the need for effective, efficient marketing is greater than ever. Even though your firm's multi-million dollar marketing budget is not likely to be redeployed in helping you create your own personal marketing brochure, a well-written personal marketing brochure is an essential step in marketing yourself and your business, and in your achieving your personal goals. If you need assistance, I would encourage you to engage qualified outside marketing/management consulting counsel.

About the Author

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