

SENIOR CONSULTANT

The Voice of the Investment Management Consultant



Your Marketing Plan: Your Most Important Ally

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One of the most misunderstood concepts in investment management consulting is the effective marketing of consultant services. Pre-conceived notions of marketing are deeply embedded in the advisory psyche and these notions are difficult to dislodge. With that in mind, consider this article an invitation to think out of the box and discover the concept of marketing from a fresh, new perspective. Wipe your brains clean and read on!

As stated in a previous article, "[Advertising, Marketing and Sales: Are You Covering All the Bases?](#)" (*Senior Consultant*, October 2003, <http://www.SrConsultant.com/Articles/2003-10-Gray-Covering-All-Bases.pdf>), marketing is an entirely different animal from sales. As a reminder, sales involves convincing; marketing involves attracting. Practitioners are probably familiar with the concept of attracting but have they really taken time to fully understand (1) what attracting really means and (2) what attracting means to their individual practices?

Many practitioners think that marketing consists of a brochure and/or other written information about their company or their team within the firm in which it is housed. Viewing marketing from the standpoint of the materials written is like buying a stock for a client with absolutely no consideration for the client's investment objectives, risk parameters or existing asset allocation. The trade may turn out alright, but the odds for a successful overall outcome are not favorable. More importantly, executing such a trade goes against every aspect of the consulting process.

A marketing plan is every bit as important to practitioners as an investment policy statement (IPS) is to a client. The two documents serve the same purpose. The IPS serves as a guideline for investing clients' assets in a way that will most likely achieve their investment objectives. The marketing plan serves as a guideline for implementing the business plan (investing the practitioner's assets) in the manner most likely to achieve his or her business and personal objectives.

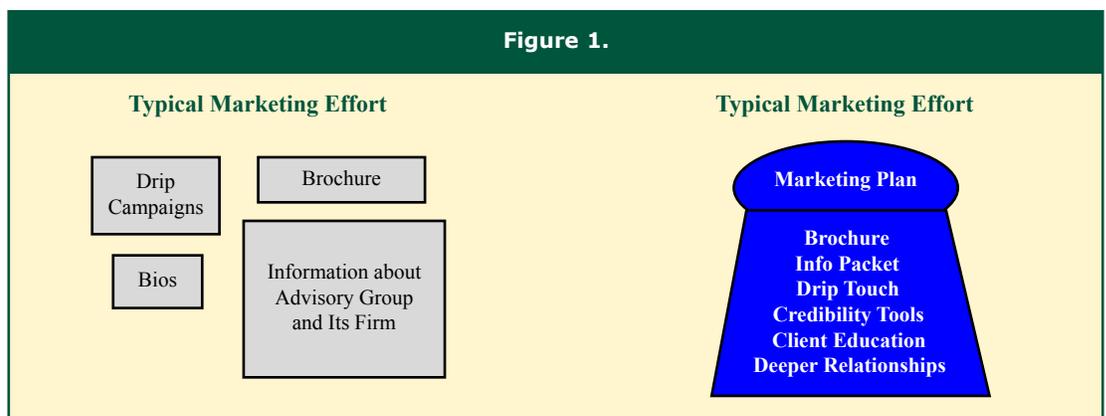
This may seem like college freshman level stuff, but those who view this simple explanation in such a manner are missing a vital point: *the simplest things are often the most overlooked and/or misunderstood.* Realizing that marketing is much, much more than meets the eye in the form of a brochure, presentation, or information packet, let's examine the inner workings and purposes of a marketing plan.

The Power of a Well-Designed Marketing Plan

A marketing plan is designed to implement your business plan, which implies that your business plan is well-constructed to begin with. So many advisors list administrative policies and functions along with their business growth goals and objectives and think they have a business plan. Any on-line business plan tool will easily correct that misconception. The point here is that a well-designed marketing plan is impossible to construct without a well-designed, well-thought out business plan.

There is also an important but rarely recognized difference between a business plan and a marketing plan.

Figure 1.





The business plan is focused on the advisory or consulting team; the marketing plan is focused solely on the client. Given these truths have been recognized and incorporated properly, the marketing plan becomes a necessary companion to the business plan by taking the stated objectives and laying out the steps to place the business plan's ideas into action.



The first step in designing a marketing plan is to know your markets. The days of mass attraction are long past, just as the days of the “sale” are over. Investors want to work with people who are knowledgeable about their needs, who are first and foremost concerned with providing solutions to those needs rather than finding people who will listen to a presentation about a practitioner’s predefined services, who have the credentials and experience to offer them viable solutions, and whose actions build a long-lasting trust relationships.

The only way to shorten the turnaround cycle from first meeting to “signatures on dotted-lines” is to discover clients’ needs and provide solutions custom-tailored for those needs. There’s absolutely nothing wrong with an advisor or consultant defining what he or she is willing to offer the marketplace before addressing it. In fact, that exercise is highly advisable. Where advisors and consultants miss the mark is in focusing on those offerings and then trying to find clients who will sit through a presentation about them. The right approach involves identifying core competencies and the services that practitioners wish to offer clients, then uncovering clients’ needs and determining the right solution for that client based on the services the practitioner offers. What’s the difference in these two? Plenty. The first approach

concentrates on the practitioner; the second on the client’s needs. Here’s an example:

Sam’s advisory team offers customized money management by managing the portfolios in-house. It only manages one type of portfolio and uses a specific type of research in implementing its investment philosophies. It also provides other investment products such as mutual funds, fixed income and other traditional investments, but the niche that Sam’s team has built is in managing this one type of portfolio. Sam and his team obviously think that the best thing they can do is to market their niche. The team used to win lots of clients by showing a presentation centered around its in-house portfolio management philosophies and methodology. But Sam and his team have noticed over the past couple of years that the sales cycle has lengthened from 4-6 weeks to 3-6 months. Sam wants to get the cycle back to the 4-6 week turnaround timeframe in order to catapult the business during the next 12 months. He wants to create a brochure, a couple of drip marketing programs and possibly a simplified presentation so that people can understand it better.

Sam hired a consultant to come in and evaluate the practice and what the team was doing. The consultant did an excellent assessment and evaluation, and recommended actions that would best serve Sam and his team in the long run. But Sam wanted results NOW. He didn’t want to spend the time or money to create a well-designed marketing plan; he just wanted to reinstate his quick turnaround sales cycle.

Sam didn’t understand the marketplace. He and his team were stuck in their own solutions, which were not working anymore, and were wanting the consultant to simply provide the materials Sam and his team had already decided they needed, rather than allow the consultant to guide them in marketing the team and their unique niche in a way that would not only attract new and better clients, but also create advocates from those clients.

So Sam and his team had the brochure and drip programs created. They also revised their presentation somewhat, but it still focused on their management philosophies, not on providing solutions to clients. Twelve months later, the sales cycle was still 6-9 months, and Sam and his team were frustrated. The business had grown because the market had gotten better and

people were feeling good about investing again. But the team hadn’t come anywhere close to its goals for the year, and the assets they brought in were at the lower end of the range they were targeting.

What would have made the difference in Sam’s results? What makes the difference in an investor’s investment results? A well-designed plan that takes into consideration attitudes, personalities, unique talents and abilities, available resources, business goals and target markets; a plan that creates pragmatic, effective steps to use all of these elements to reach the objectives set within the targeted timeframe.

With that backdrop, let’s look at how a well-designed marketing plan is constructed.

Designing the Marketing Plan

The first step in the marketing plan is to determine the goals for creating the plan, which will be similar to but different from the goals of the business plan. The target markets are defined and the resources available for implementing the business plan are identified and listed. Establishing target markets is vital. Everybody’s heard that before, but the term target market means different things to different people. A target market can be investors with assets between \$500,000 and \$5 million. It can be business entrepreneurs. It can be families with a family-owned business. It can be airline pilots, lawyers, accountants, doctors, etc.; or it can be investors looking for a specific style of portfolio management. Whatever the target market, it must be defined and its parameters must be clearly understood.

For example, what characteristics do business entrepreneurs have in common? What things do they worry about? What are common goals that they have? Common obstacles to overcome? Which and how many of the solutions to the challenges faced by business entrepreneurs are you willing to provide? If you’re not willing to provide more than one or two of them, then business entrepreneurs may not be an ideal market for you. There are many considerations in determining a target market, and they are well worth defining. After all, you will be spending a lot of time with these people and a lot of effort and financial investment working to attract them. It’s a smart idea to do your homework first so that your investments

in yourself and your business will give you a good, long-term return.

To make all this a little clearer, here are some basic steps for creating a well-designed marketing plan:

1. Identify business goals.
2. Assess your current clientele and your present efforts to attract them. How well are your efforts translating into new or increased business for you?
3. Define target markets and what appeals to them.
4. Identify resources available in all forms of team capital.
5. Identify team talents and how they affect each other's productivity.
6. Find out what each team member enjoys doing the most – this will assure that they do the best job they are capable of.
7. Include ways to measure effectiveness and progress, and ways to foster creative idea production.

Obstacles to Creating an Effective Marketing Plan

Some of the biggest obstacles to advisors' and consultants' success today include the practitioner(s):

- Not knowing today's investor marketplace
- Not knowing or properly defining target markets
- Improperly assessing team talent and the best ways to use it
- Thinking that being a good salesperson or a good consultant automatically makes you a marketing expert
- Not being willing to let go of pre-conceived ideas and ways of doing business.

Readers may take issue with the above points, but if they are honest with themselves, many of these points will hit home. Hiring a good, experienced marketing consultant can

help, but only if you are willing to use the consultant as a coach, much like you would use coaches like Dan Sullivan, Burt Bacharach, Steve Saenz, Leo Pusateri or others. You subscribe to these people's programs and invest the money required to obtain access to them for the purpose of allowing them to guide you in accomplishing your business goals. You should approach hiring a marketing consultant in the same way. If you hire someone to help you design an effective marketing program, do so realizing that you are hiring an expert in a field that is not your bailiwick. A good marketing consultant will take what you've incorporated from coaching programs or other business tenets you've adopted, the particular aspects of your team and its abilities (some that you may not even be aware of) and the resources you have available; and will make those programs and resources work even better for you based on the unique elements of your particular practice.

A well-designed marketing plan is your greatest ally for accomplishing your business and personal objectives. Marketing is not just creating brochures and other items for you to put in prospective clients' hands. It is the creation of a particular top soil your practice needs to grow into the business of which you have always dreamed. ■

About the Author

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