

SENIOR CONSULTANT

The Voice of the Investment Management Consultant

Differentiate Yourself With D.O.S.

Dan Sullivan

Have you ever been a customer in a sales situation and been aware that the person was completely focused on selling you their product or service, and not on you? It's not much fun to be on the other side of a "pitch." The salesperson's concentration is on overwhelming your resistance so they can sell you more stuff, which is inherently distasteful. They say that the best way to put someone at ease is to talk about them, and it's the same in sales situations: *People come to you to talk about themselves, not about you.*

It's not about products and services. Why, then, do so many salespeople insist on approaching clients, customers and prospects, and pitching their products and services? Because they believe that's all they have to offer. They're thinking like their industry thinks, and the biggest flaw in this technique is that most client and customer relationships are with people outside your industry. Clients and customers don't care about the brands, rules, and restrictions of your industry – what they care about is how you're going to solve the problems they had before they ever met you.

Focusing on products and services is dangerous, not only because no one likes being sold to, but because it puts you in competition with a large marketplace full of others who are selling similar products and services. There's nothing to distinguish you from them, unless you're competing for the lowest price, which isn't a terribly rewarding goal or a safe position to put yourself in.

But, there is a better way. Emotion is what moves people to do business with you. Human beings are emotional creatures who justify our emotions with reason. When someone comes to you, it's because there's a particular opportunity they want to capture or a problem they want to resolve, and they imagine you as the solution to this situation. Transforming fear, excitement and confidence is what gets prospects to

commit to a business relationship with you. Understanding the sources of people's greatest fears and what they're most excited about gives you the best possible insight into how to create value for them, because you'll be able to tailor your approach to what really matters to them. If you can show them how you can help them to eliminate their dangers, capture their biggest opportunities, and support and leverage their existing strengths, they won't feel that uneasiness that comes with a sales pitch. Rather, they'll see you as a partner in their efforts to improve their quality of life. Being a bridge to the future that your clients most desire completely distinguishes you from the others in your industry who are trading in products and services.

D.O.S. Conversation™

Many of our clients have learned how to achieve this level of relationship remarkably quickly with their prospects and clients through a special kind of conversation: D.O.S. Conversation™. It consists of two parts.

The R-Factor Question™

The D.O.S. Conversation begins with The R-Factor Question. Asking someone a question is an enormously powerful thing to do because questions open up new possibilities in a person's mind. When you ask a question, a person may choose not to answer it, but they can't

ignore it.

The R-Factor Question goes like this: "If we were meeting here three years from today, looking back, what would have happened over that 3-year period, both personally and professionally, for you to feel satisfied with your progress?" This question may be short, but it can provide you with a wealth of useful information. The *R* in R-Factor Question stands for "relationship" because each part of this question is

**FOCUSING ON
PRODUCTS AND
SERVICES IS
DANGEROUS, NOT ONLY
BECAUSE NO ONE
LIKES BEING SOLD TO,
BUT BECAUSE IT PUTS
YOU IN COMPETITION
WITH A LARGE
MARKETPLACE FULL OF
OTHERS WHO ARE
SELLING SIMILAR
PRODUCTS AND
SERVICES**





intended to draw out specific insights about the potential future of this relationship.

What does an answer to The R-Factor Question tell you? The first thing an answer to this question tells you is whether this person can imagine meeting with you in three years time, i.e., whether they accept the relationship in the first place. If they don't accept the relationship, they certainly won't accept any products or services that go with it.

It also tells you whether this person has the capacity to visualize the future. All your best prospects will have a big future. The future is what you care about because today is already paid for. Any money you're going to make from this relationship will be made in the future.

Three years is a reasonable amount of time to project ahead because it's close enough to picture clearly, yet far enough away that most people will imagine having handled all their immediate concerns and moved on to longer-term goals.

The last part of the answer tells you what would make this person happy. They're the expert on this subject. The modern world is full of forces that want to foist things on us; in very few relationships does someone take the time to actually ask what we want. In asking this question, you may be bringing this person some clarity, a breakthrough about goals and values they might never have had on their own. This is value creation beyond measure.

Even if someone refuses to answer The R-Factor Question, they're giving you useful information: They've made it clear that they're not willing to entertain the prospect of a long-term relationship with you, which is what you wanted to know. You'll never again waste a second, third or fourth meeting with someone you shouldn't have met with in the first place. All that remains is to end the meeting politely and wish them well.

If you think this person's future is one you'd like to be a part of, you can proceed to the next part of the conversation.

The D.O.S. Worksheet™

D.O.S. stands for "dangers, opportunities and strengths." Simply allowing a client or prospect to focus on and articulate their biggest

dangers, opportunities and strengths will create tremendous clarity and value – for you and for themselves.

Dangers. When they think about the future that they described, what are they most *afraid* of? Fear always involves an element of loss – loss of security, loss of love, loss of status and, ultimately, loss of life itself. What are the *dangers* they'd like to see eliminated over the next three years?

Opportunities. What do they stand to gain in this future? Thinking about this gain will create a feeling of *excitement*. What *opportunities* do they have that they want to capture in the next three years?

Strengths. When looking at this future, what specifically do they feel *confident* about? This could be advantages, capabilities, knowl-

you've done them a great service by providing clarity, insight and an opportunity for them to think about their future in a way they probably haven't before. They now understand – from their own perspective, not yours – what would make them happy, what they're afraid of losing, what opportunities they care most about and what they feel most confident about. The conversation you've had so far is an uncommon one, and one they won't soon forget. You're now ready to start matching up your products and services with their future, creating a plan that is uniquely tailored to their emotional needs.

The Value of Relationship

At this point, it should be very clear whether or not there's a fit between your two futures. If there's the remotest chance that this person has the types of problems you, as an advisor, can solve, they will almost surely choose to work with you. Why? Ironically, because you weren't trying to sell them. What this whole conversation has been about is creating a long-term relationship in which you are a partner who provides solutions.

People spend vast amounts of money on things they believe will make them happy. If you can provide real solutions that actually bring them what they want and provide them with a plan and a path to achieve their most important long-term goals, your role in their life will be treasured and unquestioned. Hundreds of times over, our clients have confirmed that they sell more products and services as a by-product of a relationship like this than in one where the focus is on selling.

Creative Destruction

In the 1930s, an economist named Joseph Schumpeter noticed a trend in the capitalist markets of the world. When an economic form ceases to produce value for the marketplace, it's soon replaced by a new, more productive form. This process he called "creative destruction."

Creative destruction is at work in all industries, and financial services is certainly no exception. Increasing regulation, compliance

**WHAT THIS WHOLE
CONVERSATION HAS BEEN
ABOUT IS CREATING A
LONG-TERM RELATIONSHIP IN
WHICH YOU ARE A PARTNER
WHO PROVIDES SOLUTIONS**

edge – anything that results in the feeling that they already have a strong foundation on which to build the future they want. What strengths do they have that they want to maximize and reinforce over the next three years?

What you'll notice as you look at these questions is that you are asking this person about them, not talking about financial services. There will be time for that in the process, but this isn't it. Tempting as it might be to take the discussion in that direction, the power of this exercise is in illuminating the issues they care about, from their point of view. Only they can tell you the truth about what's most important to them.

Bringing It All Together

Up until now you've said nothing about your products and services. By focusing the conversation completely on this person and their needs, you've honored them and built trust. If this relationship goes no further,

requirements and bureaucracy are significant issues. These are coupled with a decrease in the value being provided, both to investors and to advisors by financial services firms. All are signs of an industry whose structures are fighting for survival.

Within the current climate in the industry, advisors have very little room to innovate in how they create value for their clients and how they market to prospects. An ever-increasing deluge of restrictions and rules make it more and more difficult to differentiate yourself from the multitude of other sources of financial products and services available to investors. At the same time, commissions and fees are decreasing. If you see yourself only as a deliverer of products and services, you are increasingly at-risk of becoming a commodity yourself.

For years, I've been encouraging advisors to protect themselves from becoming trapped by these forces by seeing themselves as entrepreneurs with a specialty in financial services. As an entrepreneur, your business is to create value for your clients. Seeing yourself in this

way frees you up to discover new ways to seek opportunity and thrive, rather than being caught in the downward spiral of forces within the industry.

The one place where significant new value is still being created in the financial services industry on a daily basis is in the direct relationships between advisors and their clients. The D.O.S. Conversation™ enables you to inject even more value into that relationship and to see new areas where your wisdom, skills and capabilities can be used creatively to solve real client problems. It also enables you to identify very quickly those relationships where you can create the most value and therefore expect to reap the greatest rewards. In an industry environment where conditions erode advisors' confidence at every turn, a tool like this can help you rebuild a sense of freedom and confidence about the future. ■

For more information on D.O.S. Conversation™ and a toolkit that will give you everything you need to incorporate this tool into your sales process, visit www.strategiccoach.com, or call Dan at 800-387-3206.

Notes

SENIOR CONSULTANT

THE VOICE OF THE INVESTMENT
MANAGEMENT CONSULTANT

JAMES P. OWEN
Co-Founder

STEPHEN C. WINKS
Co-Founder, Publisher & Editor-in-Chief

SYDNEY LEBLANC
Consulting Editor

MAMIE WOO MCNEAL
Production Editor

EDDIE BRYANT
Marketing Consultant



Advisory Board

JERRY BOTT
Bott Anderson

JOHN BROCK
Brock-Hazzard/Wachovia Securities

DICK CHARLTON
New England Pension Consultants

BOB CLUCK
Canterbury Capital

HAROLD EVENSKY
Evensky Brown & Katz

JEFF FRUM
Wells Fargo

RICH GLEASON
Salomon Smith Barney

KATHLEEN E. HEGENBART
Salomon Smith Barney

BRIAN HUNTER
Prudential Securities

GREG HUNTER
Merrill Lynch

BILL JOHNSON
CapTrust

JOHN KELSEY
Salomon Smith Barney

KEITH PHILLIPS
Morgan Stanley Dean Witter

BOB ROWE
Morgan Stanley Dean Witter

DICK SMITH
Capital Advisory Group

JIM YANNI
Yanni Partners

SENIOR CONSULTANT

1457 Crystal Springs Lane
Richmond, Virginia 23231

Ph 804-643-1075 ■ Fax 804-643-1544

WWW.SRCONSULTANT.COM