

Transcript

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Mini Series Episode 8 – Start selling through clients; Part 8 of Building an effective practice

Steve Moore - There's a way to do it in a way more effective way. And it's what I would call viral marketing. Working with your very best clients in a very special way so they want to go out and talk about you to their friends and their colleagues.

Ben Jones - Welcome to Better conversations. Better outcomes. presented by BMO Global Asset Management. I'm Ben Jones.

Matt Smith - And I'm Matt Smith. In each episode we'll explore topics relevant to today's trusted advisors, interviewing experts and investigating the world of wealth advising from every angle. We'll also provide actionable ideas designed to improve outcomes for advisors and their clients.

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Ben Jones - Today's eighth and final installment of our building an effective practice mini series we've embedded here in season one of the podcast. During this mini series, my co-host Matt Smith has been interviewing Steve Moore about his advisor coaching program and book, *Ineffective Habits of Financial Advisors and the Disciplines to Break Them*. This episode is all about marketing your services which we've heard Steve mention a little bit in previous episodes. But there's a specific reason why this is the last chapter of his book.

Steve Moore - People often times, when they come to an event or they want to read a book, they always start with what's the value proposition, what's the elevator pitch, how am I going to sell more. And this is, by design, at the end of the book because people forget that to sell something you actually have to have something to sell. And so we start with the service model, we start with having created a great team. We start with how to build a great business, and then you move on to how can I market it now. So that's why we finish with this particular topic. And selling to prospects is how this industry was built. That's where -- you don't sell to family and friends and then reach out from there to actually sell to anybody who can fog a mirror. And the problem with that is that you catch a lot of slugs and garfish and you just catch a bunch of sucker clients. Typically what I find with that approach is that an advisor is able to

attract somewhere between one and three high net worth clients per year with that approach. It's the law of large numbers. And one to three just ain't going to get it done. There's a way to do it in a way more effective way, and it's what I would call viral marketing. Working with your very best clients in a very special way so they want to go out and talk about you to their friends and their colleagues. The typical high net worth client is attracted by -- in this model. It looks like this. You have a client who's at work and one of his colleagues mentions a problem that they're having. And your client says gee, you should be working with my guy, this is what he does for me. That's how high net worth books of businesses are built.

Matt Smith - I think it's important that Steve really hits this point home. You simply have to deliver first class service and one where the entire team is performing at the best of their abilities before you can start marketing that service.

Ben Jones - It would really be putting the cart before the horse if you started marketing yourself before your service model has been refined. But also, Steve has mentioned this before. If you're offering these high end services, you hopefully won't have to do as much marketing because your clients will be doing this for you.

Matt Smith - You talk about in order for this viral marketing to happen, you need to engage clients. So what's your definition of an engaged client?

Steve Moore - My definition of an engaged client is somebody who has a financial vision document, a roadmap, and are participating in quarterly reviews. Not all those need to be face-to-face, in fact as many as three out of the four could be on GoToMeeting or online some way.

Matt Smith - The word value proposition is often times it's used inappropriately or inaccurately. Can you tell our listeners what is your definition of a value proposition?

Steve Moore - If your statement of value that you're going to provide to the market place.

Matt Smith - You've mentioned a couple of times something that you are hoping that your clients can repeat to the market place to their friends. Can you tell me what is the difference between a sound bite and a value proposition?

Steve Moore - A sound bite is just a quick statement that differentiates the advisor and it's delivered by way of the client. So let me give an example, it's a better way of understanding it. At the time I was doing a lot of consulting up at Microsoft and I was working with Xbox. And they had four organizations that were in a meeting with me, the biz dev group, the marketing group, a group that built the games, and a group that built the box. And the guy who was actually who had the organization that was building the box was Jay Allard. And at the end of the meeting he asked if we could meet for lunch the next day and I met him on campus for lunch and we had lunch and we were talking about career opportunities inside of Microsoft. And at the end Jay asked where are you headed, I said I'm going down the Russell Investment Group. He said what do you do for them, I said I work with some of their high net worth

advisors. He said I need one of those and then out of my mouth came, oh of the top 25 wealth managers in the US, there's only one located here in Seattle, and they're friends of mine. And he said can you introduce me. I said I'll do it tonight over e-mail. And he became a client. And that's a sound bite. I was empowered with language that was compelling that caused Jay wanted to be connected to the advisor.

Matt Smith - So to be clear, that piece there of --

Steve Moore - Of the top 25 wealth managers in the US, there's only one located here in Seattle, that's a sound bite.

Matt Smith - And that advisor had given you that sound bite.

Steve Moore - And I didn't even know how it came out of my mouth.

Matt Smith - Yeah, okay.

Steve Moore - So the sound bite -- the most powerful sound bites are what I would call proof points. Those are facts that would support that I could actually do special things for you. So of the top 25 wealth managers in the US, there's only one located here in Seattle. That was a fact that was in a magazine -- *Worth Magazine*. And so you could tell him that fact. The great thing about sound bites is they are in fact sound bites. And so they don't need to be written down. And so I wouldn't council you to go through all the market research to actually validate it. But instead, you have to be able to say it with integrity. Now Matt, I may not be the best consultant in the United States. I may not be the greatest consultant, most impactful consultant in western United States or here in Seattle. But I can absolutely guarantee you I am the best business consultant sitting at this table. So I can create a sound bite that I can say truthfully. That I don't necessarily have to have market research support it. But I do have to be able to say it with integrity. And there are things like the most experienced wealth manager in a geography. Now that's a whole bunch better than saying you're working with the oldest advisor in a particular area, the most experienced. Or you might be able to say the fastest growing wealth manager in a geography. One of the early ones I worked with, there was a gal that wanted to be recognized as the most recognized retirement specialist in New Orleans. And she would just drip it and drip it and drip it on her clients. To the point where her clients leave her meetings and they're out and about either playing golf with a buddy or back at work or playing bridge with friends and somebody mentions an issue they're having, and they said you should be working with my gal. She's the most recognized retirement specialist in New Orleans.

Matt Smith - Do you have any guidelines as to how much is too much? Or an ideal number of times to repeat yourself.

Steve Moore - Honestly I don't think you can say it too many times. Early when I was practicing this with people, I had a group that was going to have a meeting of their best of kind team of suppliers, and they wanted to practice it with their best of kind team of suppliers. And so they

said that they were going to just spot it in. It turned out that they said it 25 times in the one hour meeting, and nobody said gee, I've heard that before. It just filtered in, filtered in, filtered in, and it didn't feel to them that it was too many times.

Matt Smith - Deliver valuable service to your clients, provide them with the sound bite, and if they're a satisfied customer and they have that sound bite, it will come out naturally in their conversations when there are other people that could be potential clients, it'll come out.

Ben Jones - The sound bite is such a valuable component for you and the people around you talking about your business. Now that you know what an engaged client is and how the sound bite works, it's time to get to the nitty gritty of just how the referral process would work, and how to work effectively with centers of influence.

Matt Smith - Do you ever give advice to advisors about asking for referrals or do you just skip that?

Steve Moore - I do give advice about asking referrals, and the advice I give is don't do it. 83% of clients say that they are made uncomfortable when you ask for a referral. How would I make 83% of my clients uncomfortable, it makes no sense. Now there is an easy work around on that particular one, and it's what I call story time. When a client comes in in the meet and greet period where you're bullshitting with them a little bit how are things going and they say a little bit, they finally get around to you. And you say how are things going for you, you say good, thanks for asking. Just the other day, another one of our good clients referred a colleague of theirs to us and you describe the problem you fixed. And it has to be a truthful story, but if you change that story, a new referral that you reference` every quarter, every time that client comes in, you're expanding their knowledge about the type of problems that you are fixing and you've communicated that you get business from referrals. And so that's how I would deal with that. I would not ask for referrals, instead I would use what I call story time.

Matt Smith - Well what about marketing through centers of influence? I know this has been a big topic over the last decade or so. So if we've not asking our clients explicitly for referrals, what about centers of influence marketing, does that work? And what's your advice around using centers of influence to grow your practice.

Steve Moore - Well it's situational and for some people it is in fact fantastic. I think it is a good secondary lead source. First of course being referrals from existing clients, and then centers of influence. So I do not think it should be ignored, I think people should do center of influence marketing. And the way I suggest that they do it is you look at the clients that you have today and you look at the other third parties that are working with them, the estate planning attorney, a high end accountant, whoever it might be, and you go to those people with what I call a one pager. And the one pager on one side at the top has a value proposition which is the statement of value that you bring to the market place, followed by proof points which are facts that would support that you can in fact deliver that value, followed by differentiators which are how you do your work differently than other people in the market place. And then followed by your target

market. You go to that center of influence, just say suggest that you bring over a boxed lunch or take them to lunch and say looks like we're working with many of the same clients, I thought it might be time for us to get together. And listen to them about their business and at a certain point they'll get tired of talking about their business and they'll ask well what's up with you guys, and bring out your one pager. And on that one side you review your value proposition and your proof points and your differentiators and your target market. And on the other side you have a sample financial vision document and the sample plan engagement road map. Say this is what we're up to. And you just walk him through that document. And the next time one of your clients is in getting their taxes done, that accountant is going to say you know Steve was in here the other day, what kind of a job is he doing for you?. And if that client says you cannot believe what he's doing for me, he talks about the vision document and road map and quarterly reviews and the value that the advisors bring in, then you have a reasonable chance of developing that center of influence as a lead source.

Matt Smith - So a bit of digression, earlier we talked about this holistic Wealth Management approach. And part of that approach is in areas that your client needs help whether it's estate planning or taxes, some of these things that you just mentioned. What's your advice to advisors on having arrangements with these other providers to send referrals their way? Is it do you have a favorite estate attorney that you send your clients to, or do you suggest always giving three so it doesn't look like your funneling all your business. What is your advice around that going the other way? And the reason I'm asking, it has to do with the centers of influence marketing because I can see going down this path where an estate attorney whether -- I'm just using that as an example, it could be an accountant or tax person, whomever -- is thinking well I can send business your way if you send business my way, which is not what we're trying to accomplish. So what is your advice on having those teams of providers to refer your clients to?

Steve Moore - Who's on your best of kind team of suppliers is what's absolutely best for clients. Mutual referrals should have nothing to do with it. Now inevitably if you have the best of kind team of suppliers on your team that it's likely that they will be sending some of their clients your way. But I would not do it for that reason, I think that's unethical. The best kind team of supplier should be the best that you can select for your clients. And if you've selected the right kind of people, what should be going through their minds is I'm only going to refer the wealth manager if that's the absolute best for my client. So I would not overwork center of influence marketing. I would let it happen naturally, and if it's not exactly right client for you then you shouldn't get them. And I don't believe in trading leads.

Matt Smith - I appreciate the point you made earlier which is if somebody looks at your book and the intention of reading your book is to grow their practice and they're flipping through it and they see well he doesn't even get to the selling and the marketing part until the very end of the book. And it makes total sense now that you've explained it. But this is a big point where growing your practice by bringing in new, high quality clients, you're saying that you're going to have to trust this process of delivering the valuable service, providing that it's consistent with your value proposition, providing the sound bite, telling stories about how you've worked with

other clients, and then let that work. You're putting a lot of trust in that system.

Steve Moore - And in fact there is some trust, but this work is no longer theoretical. It's not like if you do this stuff, you may get results. We now have other 2,000 teams that have been through my high speed strategic planning. And those that actually do the work don't get good results, they get spectacular results. Instead of one to three high net worth clients per year, they begin to bring in five and then seven and then ten. It's not theoretical Matt. They do this work, they do get special results.

Matt Smith - Steve thank you for taking time with me to talk about this today.

Steve Moore - Matt, in fact our time together has been really enjoyable, thank you.

Ben Jones - Referrals and marketing can be a sticky part of this business. And knowing how to navigate it can be difficult. The best thing that you can do is provide stellar service to your clients. That gives people a reason to talk about you and spread the word. Like Steve says, if you do the hard work, you'll get spectacular results.

Matt Smith - We hope you've been learning from this mini series on building an effective practice as well as from other episodes of this Better conversations podcast series so far. We'd love to hear from you. Tell us what you think about this mini series. E-mail us at betterconversations@bmo.com. And thanks so much for listening and participating. A huge thanks also to Steve Moore for his time and insight with this mini series. Our production team includes Pat Bordak, Gayle Gibson, Matt Perry and the team at Freedom Podcasting.

Ben Jones - Thanks for listening to Better conversations. Better outcomes. This podcast is presented by BMO Global Asset Management. To learn more about what BMO can do for you, go to bmogam.com/betterconversations.

Matt Smith - We hope you found something of value in today's episode, and if you did we encourage you to subscribe to the show and leave us a rating and review on iTunes. And of course the greatest compliment of all is if you tell your friends and co-workers to tune in. Until next time, I'm Matt Smith.

Ben Jones - And I'm Ben Jones. From all of us at BMO Global Asset Management, hoping you have a productive and wonderful week.

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