




# Marketing Integrity: A Lasting Competitive Advantage

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This article is a culmination of industry experience, observations and beliefs. The concept of Marketing Integrity is the foundation for all of the concepts, actions, ideas and services at Pareto Systems. It answers where the financial planning industry's marketing has been, where it is now and where it is going. Consider the Internet! Consider technology! Consider the accelerated evolution of sales and marketing, and practice management, and where it ultimately takes us. Most importantly this article clarifies the great new opportunity of **MARKETING INTEGRITY** and how those that embrace this concept will have unheard of prosperity and security.

We are at the dawn of the new millennium, the age of the "new economy". How can you as a financial advisor SURVIVE and THRIVE? How can you grow your clientele exponentially and at the same time eliminate ALL your marketing activities? How can you train your clients to give enthusiastic recommendations, rather than just the occasional referral? How can you have more freedom and personal time-and dramatically and effortlessly increase your income? How can you separate yourself from your business, and have it thrive and survive as an entity unto itself? And, how can you double or perhaps triple the resale value of your business-your financial planning practice?

You want **All Of This Right Now**. The answers begin here.

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**Discuss it. Critique it. Send us your criticisms, your comments-your ideas.**

**Use this article as your starting point to create the blue print, the roadmap-the business plan you need to ensure your success and maximize this historical opportunity.**

## In the beginning...

In order to understand where you are going it has always been essential to understand your history..

Over 80 years ago W. Clement Stone went door-to-door selling life insurance policies and building a multi-million dollar insurance empire. He had a system, which worked for him and continued to work for others for decades. He would collect a small premium from individuals on a monthly basis and insure them against specific accidents and their consequences. His primary method of marketing and contacting clients was one of Interruptive Marketing. Most salespeople recognize this as cold calling. Through his persistence and hard work he was able to prevail, and ultimately, become a legend in his own time. We all agree that this system would be archaic in our world today-or would it?

When I started with a large mutual funds dealer 20 years ago their primary method of training was to take a new “advisor” (salesperson) to the largest high-rise available and “teach” them to knock-on-doors for a living. It wasn’t that long ago that the last of the “debit” companies (some very respectable life companies) ceased operating with the very system that Stone created. Interruptive Marketing -cold calling-is still relied on by the vast majority of financial advisors. Whenever I do a workshop with financial advisors I ask how many rely on some form of interruptive marketing. The results are incredible!

Whether you advertise on television or radio, advertise in the newspaper, send a letter to a specific demographic group, send a personal letter of introduction, send “junk mail”, make a phone call, invite individuals to a workshop or simply knock on their door, it is all recognized as a form of Interruptive Marketing or cold calling. In other words, you have to “interrupt the prospective client” and “get their attention” in order to further your relationship. The effectiveness of all these forms of self-promotion is declining dramatically. Draw on your own experience and ask yourself: “Do I ever mute the television when there is a commercial? Do I read all the “junk mail” I receive? Do I listen to every telephone solicitation?”

Of course you don’t. None of us do. And yet the majority of financial advisors choose to rely on similar activities to drive their business and determine their income. It has worked in the past and for some it has continued to work to some degree. How much longer will Interruptive Marketing-Cold Calling-have any effect at all? Is there a future without traditional advertising? -without the interruptions? -with valuable information about products and services that allow the consumer to make their own decisions based on informative, rational research and understanding? Have we become too “insulated” from the dull roar of day-to-day life to notice anything new at all?

Many advisors are secretly terrified by the prospect of such a world. After all, although interruptive marketing has become increasingly more difficult, it is the world we know. It is our industry’s heritage. Our origins, our beginnings were as “salespeople”. We are by design survivors- frontiersmen/women. We are “cold callers”-aggressive and sometimes arrogant “closers”.

We were trained and mentored by the elder salesperson who braved the elements and survived the odds. We admired the old curmudgeons who, little did we know, smugly viewed each new sales rep and coveted their potential orphan accounts. We began to worship the ratio and magic of 10-3-1. Quantity was all important-quality was irrelevant. The instinct to collect and hoard clients regardless of their quality or potential, the reluctance to let go of the clients that waste 80% of our time for 20% of our income, lingers on. Regardless of the evidence many advisors have stuck to what has worked in the past and like anything that doesn't adapt and evolve they risk extinction.

### The Evolution...Early Roots


The innovative always find better ways to survive and prosper. Individual sales people looked for ways to progress from Interruptive Marketing to Permission Marketing. Permission Marketing (described in detail by Seth Godin in his book, *Permission Marketing*), in its simplest form, is getting someone's permission to market to them. Usually this involves providing some information for free in exchange for their permission to talk to them.

Referrals, a form of permission marketing, has long been considered the "holy grail" of sales. The existing client approaches their acquaintance and "asks permission" to provide you, the advisor, with their name and phone number. There have been innumerable modifications to this process over the years. Many of them have been steps created by a head office that thought they knew better than the experienced sales force. Some of these were convoluted and, as a result, ineffective.

Again, when I do workshops with advisors I ask them their success with "getting referrals". Less than 10% say they receive enough referrals to be their only source of new business. Doesn't it alarm you that such an important, integral part of growing someone's successful financial planning practice has been so neglected and poorly developed?

Most advisors leave it up to their clients to decide when they are going to recommend their services. When they make this decision it is directly related to the degree of **TRUST** you have created. Each advisor has their own **TRUST** building timeline-some do it much quicker than others. Typically I have found that advisors take from 3 to 8 years to build the **TRUST** required to start eliciting referrals from their existing clients. Wouldn't it be nice if you could shrink this timeline to 1 year, 6 months or, perhaps, one appointment? How would this accelerate the exponential growth of quality clients in your practice? How would this impact every aspect of your business-and your life?

Until the early to mid '80s, the only way to build your business was by using Interruptive Marketing (in all its forms and derivations) and to "ask" for referrals from existing clients. Around this time some innovative individuals began experimenting with seminars. Over several years the process became perfected. These, typically, were large, expensive events designed to attract prospective clients to hear a guest speaker rant and rave about the endless prosperity that they would experience if they adopted the services of a particular advisor.



These events worked-they worked amazingly well! Many advisors were able to build enormous books of business exclusively with this approach. The initial advertising was interruptive but many attendees gave the advisor permission to contact them and further the relationship. From the permission that they received the advisor was able to secure a large number of new, qualified, quality clients. The results peaked in the mid '90's, and then began a slow and steady decline. Today the results usually can't justify the expense. The consumer gradually ignored the interruptions from the radio and newspaper advertising, and the messages being delivered at the seminar got old and tiresome. Once again the prospective client became "immune" to the barrage of advertising and interruptions. This period was truly the golden age of client accumulation. Those that were fortunate enough to have taken advantage of this window of opportunity had accumulated assets under management beyond their wildest dreams. Unfortunately this cycle is over and new ways have to be found.

In the late '90s I developed the concept of Internal Marketing. This was a process of marketing to your existing clientele, using small intimate workshops, usually held in the advisors office and boardroom. Marketing to your existing clientele you always have "permission" to approach them with new and interesting ideas. The clients were asked to bring a guest giving them an opportunity to get to know the advisor, and the advisor being able to get to know the guest. There were a number of peripheral processes that I encouraged advisors to integrate into their workshop strategies. The small workshop, Internal Marketing concept, had varying degrees of success. Some advisors were able accelerate their growth to unbelievable rates while others had difficulty in organizing the first session and stalled out entirely. I began studying exactly what each advisor was doing and exactly how they were doing it. Through this process we were gradually able to develop the concepts that make up the next phase of marketing - **MARKETING INTEGRITY**.

### **The Great Convergence**

At the same time advisors struggled to discover the next magic formula to marketing success they found themselves being transformed from a sales organization to a professional practice. Working with their existing organization and structure, many advisors found that they had lost the quality of life that they were working so hard to achieve. They were coping with longer hours, less productivity and more fires and headaches. Most professional financial advisors today realize that they require greater organization and structure. They require some form of overall Practice Management.

### **And in order to survive, they need it now!**

Thus, the great convergence-the need for an entirely new approach to marketing and, at the same time, the need for professionally managing your financial planning practice. Both requirements are essential. What is both astounding and exciting is that both can be fulfilled by exactly the same actions.

I discovered that the advisors who were most successful in using our Internal Marketing concept of small workshops with existing clients had all followed similar strategies. They had created **INTEGRITY** in their financial planning practices. They had done this by implementing the following:

1. Creating a complete inventory of their current operations, procedures and processes.
2. Classifying their clients and identifying the core or nucleus clientele (those generating 80% of their income and assets-usually not more than 25% of the total clients).
3. They made a commitment to spend 80% of their time with the clients that generate 80% of their income.
4. Strict criteria was established for new clients-and adhered to.
5. Client service schedules were established for each class of client.
6. Every action involving a client was structured with complete standard processes and procedures. These were strictly followed and adhered to.
7. Scripting was created for introductions to new clients, existing clients and workshops, service calls, referral calls, confirming and booking appointments, and follow-up calls.
8. Templates were established for material that were regularly required such as introductory kits, letters and forms, invitations and emails.
9. The steps for an existing client to follow in recommending a new client were established. This was integrated into all aspects of regular communications with the existing clients. The referral process was not treated as an isolated event.
10. Clients were given the opportunity to recommend new clients, introduce them to the advisor and book their introductory sessions with the advisor.
11. All materials, the office, client and public contacts were reviewed for consistency and congruency to ensure a cohesive brand.
12. A web presence was established which was consistent with the branding that had been created. The web presence was designed to appeal to existing clients and referrals.
13. Client Emails were collected and used often for increased efficiency.
14. Systems were established for every aspect of the financial planning practice.
15. All the systems and processes were recorded in a procedure manual. They were available as a reference for all staff members and regularly updated. Every person within the practice was responsible for knowing exactly what had to be done, how it was to be done and when it was to be done.
16. As many of the processes as possible were automated.
17. Lastly, the advisors had a commitment to consistency, innovation and constant re-evaluation.

## Why does this work?

Most advisors immediately realize the advantages of systematizing their practices and the impact it will have on their lives. Only a few, however, grasp the full impact it has on their referral program. Why does implementing a structured plan such as this generate a flood of quality, qualified referrals? It's really very simple-you create "educated, enthusiastic, dedicated fans". These "fans" come to your business because you have successfully satisfied certain basic human criteria for long-term relationships that are built on **TRUST**. You have created what is lacking in every aspect of our lives-**INTEGRITY**. And as it turns out, **TRUST** isn't everything...it's the **ONLY THING!**

People crave consistency, familiarity and repetition. It allows us to make sense of our world. We want to know what we can expect, when we can expect it and how it will be delivered.

Successful systems create a set of rules that associates, assistants, clients and prospective clients can and will follow. People love to follow the "rules". Often you just have to tell them exactly what the rules are.

People subconsciously resist change and avoid confusing or irregular behavior. People are constantly subconsciously "connecting the dots" of your current system-whether you know it or not.

If you don't consciously create systems individuals will create a system for you. It may not be the system that you want or the system that they want.

Successful systems build **TRUST** and attract clients.

When you provide successful systems such as this, people are so relieved that they can't help themselves. They have to tell others about their experience and if you have provided them the appropriate set of "rules" they will do exactly as you have requested. Whether this is inviting a guest to a workshop or calling to arrange an appointment for a recommended new client. You can determine exactly what it is that you want your clients to do and when. You have created a totally integrated system of service and management based upon **TRUST**.

You have gone beyond Practice Management, beyond Interruptive Marketing and beyond Permission Marketing. You have optimized every aspect of your financial planning practice. **MARKETING INTEGRITY** becomes the life-blood of your financial planning practice. Your core or nucleus clients are now employed as your primary marketing resource, they're actively engaged in spreading the word about your financial planning practice, and, perhaps, booking your initial meetings with prospective clients.

Perhaps you are thinking that your clients won't change or don't want you to change. Existing clients do resist change but once they see the positive impact your new program has on your service and performance, they will embrace it and become your biggest "fans". Your new clients, those recommended to you by your existing clients, will expect the high level of standards that you have established. They'll also assume this is how things were always done and demand any of their referrals to follow the same set of rules that they follow. Your referral time-line shrinks to a few months,

perhaps weeks, days, or even hours. The cycle is complete and the process continues...

If you are thinking that this won't work. **THINK AGAIN!** It does work and is working. There are advisors out there right now doing exactly this-implementing this very program. They may be your competitors!



### **Evolve now or become extinct!**

The benefits of **MARKETING INTEGRITY** are obvious.

1. You gain control of your financial planning practice and recapture your Life!
2. Productivity escalates.
3. Marketing is eliminated. You are able to concentrate exclusively on your core competence-consulting with clients.
4. Profitability skyrockets. You are flooded with quality, qualified recommendations to prospective clients.
5. You have created a **BUSINESS!** Not a book of business but a **BUSINESS!** One that has real value. Your asset has tripled! Can you think of a better investment?
6. This is a powerful model for success. It encapsulates all aspects of practice management and takes it to a new level of **PRACTICE OPTIMIZATION**.

It eliminates old, traditional models of marketing and re-configures your business for **MARKETING INTEGRITY**.

It refocuses and reframes your thinking. It allows you to become the financial planning professional that you aspire to.

Most importantly, **MARKETING INTEGRITY** will **change your Life!**