Bill Good MARKETING

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CLIENT MARKETING THE "GOOD WAY"

HOW THE BEST FAs RETAIN, ENGAGE, AND BECOME SOLE PROVIDER FOR ALL THEIR CLIENTS

THE **BILL GOOD MARKETING SYSTEM®** IS FIRST AND FOREMOST A SYSTEM.

THAT MEANS IT COMBINES MANY ELEMENTS INTO A SINGLE UNIT.

WE DEFINE THE SYSTEM AS

A COMPUTER-BASED, CLIENT MARKETING, PROSPECTING, AND **PRACTICE MANAGEMENT** SYSTEM.

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THE CHALLENGE

These days, advisors like you face a number of challenges. For instance:

- You want to grow your business, but doing so is more difficult than ever.
- You want your clients to make greater use of your services and entrust you with more of their assets, but it's difficult to get them to take action.
- Competitors, new regulations, and the ever-present threat of market volatility means you need to *protect* your existing business from going away—but you aren't sure how to do it.

THE SOLUTION

The good news is that these challenges—and many others like them—have the same solution: *improving your client marketing*. By upgrading and/or refining how you market to your existing clients, you can strengthen your practices in a variety of ways.

To prove it, think of your own experience with different types of professionals or companies. How often, when you buy a product or hire someone to perform a service, do you have a truly great experience? It's probably not very often. Yet when it happens, you *remember* it—and you probably reward whoever provided that wonderful experience with more loyalty, more business, and more referrals.

THE BENEFITS

By enhancing your client marketing, you can provide a truly wonderful experience to your own clients. The result is:

- Greater client retention and loyalty. Clients will be happy with you and what you do for them, meaning they never have cause to leave.
- More assets. Clients who are truly happy with their advisor tend to entrust more of their assets to that advisor.
- More referrals. Clients who have a wonderful experience talk about it with their friends and family. You know this is true because you do it, too.

In short, improving your client marketing is perhaps the best way to **protect** your business *and* to **grow** your business.

So how do you do it? How do you improve your client marketing?

This guide will show you how.

WHAT IS CLIENT MARKETING?

Client marketing. You've heard the term many times before. But what does it mean, exactly?

Well, the standard definition goes something like this:

> **Marketing**
>
> (noun)
>
> The action or business of promoting and selling products or services, including market research and advertising.

That's fine, so far as it goes, but I would argue that it's not very helpful for advisors like you. It's not actionable. So here's my definition:

Client marketing is the sum of all activities that:

1. *ensure every client continues to do business with you until they die, and*
2. *enable you to become Sole Provider for all clients who are decent people and follow advice.*

Written that way, you can see both the benefits and the objective of client marketing.

Now you know what client marketing is. But why is it so important? To understand that, you must first understand:

THE #1 RULE ALL FINANCIAL ADVISORS MUST FOLLOW

Whether you're a young financial advisor with just a few years of experience or a seasoned pro looking to take your business to the next level, there is one rule you must follow:

ALWAYS, ALWAYS, ALWAYS KEEP WHAT YOU'VE GOT

What does that mean? It means you must do everything in your power to retain your existing clients.

Consider the following facts:

1. 65% of the average company's business comes from its present, satisfied clients.
2. It costs FIVE TIMES as much to acquire a new client as it does to service an existing client.
3. A business which loses one customer every day for one year, who customarily spends $50 a week, will suffer a sales decline of **$1,000,000** the next year.
4. 91% of unhappy customers will never again buy from a company that has failed to satisfy them, and will communicate their dissatisfaction to at least 16 other people.
5. Increasing client retention rates by as little as 5% increases profits by 25–95%.

Even if these figures are only partly true, they should surely command attention. If they are completely true, they demand it.

If anything, these stats are now more critical to your practice than ever. A few decades ago, most advisors only had to worry about losing their clients to that super-aggressive cold caller in the big steel-and-glass skyscraper downtown. And of course, there was always the possibility of hearing a big client say, "You know, my brother in law is a broker and he says I should put all my money in this new tech stock. I think I'll go with him for a while."

But these days, there are a lot more fish nibbling at your book, trying to break off a piece for themselves. Robo-advisers, discounters, e-traders, banks … even skeptical investors who think they don't need an advisor.

And, of course, there's the new DOL Fiduciary Rule.

CLIENT MARKETING IN THE DOL ERA

It goes without saying that the new DOL regulations are turning the financial services industry on its head. Because of the new Fiduciary Rule, many advisors are under more pressure than ever to

a. prove they are working in their clients' best interests;

b. educate their clients on exactly what they do and why; and

c. market their own expertise.

Frankly, this is all true whether you are an RIA, an independent, or with a wirehouse. Public awareness of how the financial services industry works is on the rise, meaning you must be proactive in branding yourself in the minds of your clients. Furthermore, there are certainly advisors out there who are looking to use the new DOL regulations to their advantage, scouring the land for weaker competitors who may not be marketing to their own clients effectively.

As you can see, client marketing is critical in this day and age, because your business is always under attack from many different threats.

But there's another reason why you should always strive to keep what you've got.

YOUR EXISTING BOOK IS YOUR BEST SOURCE OF FUTURE GROWTH

Here at Bill Good Marketing, we ask every advisor we work with, "On average, what percentage of your clients' assets do you think you hold?"

The answer varies, but it's usually around 75%.

Sounds reasonable, right? Especially if you've been in the business for a long time.

But one of the first things we have advisors do is run what I call **The Find Money Campaign**. It's a special marketing campaign designed to uncover additional assets they may not have known about.

Here's what we usually find:

On average, advisors control only 40–50% of their client's assets.

Is this anecdotal? Yes. But it's something we've seen over and over again, with thousands of advisors over the course of decades.

Here's how one advisor put it in a recent email:

> I just got out of the hospital. While I was there, my staff ran the "Find the Money" campaign. Even during all this, I still found an additional $2.5 million in assets from my hospital bed!
>
> There are lots of advisors who like to claim that there's no more money out there, that they already have everything and there's nothing to find. My response? If I can find over 2 million when I couldn't walk and couldn't talk, other advisors shouldn't have any excuse!

So add this to your list of reasons why client marketing is so important: if you want to grow your business, look to your current clients first.

In short, the importance of client marketing can be summed up this way:

If you want to **protect** *your business, you must have excellent client marketing.*

If you want to **grow** *your business, you must have excellent client marketing.*

If you want to **succeed** *in business, you must have excellent client marketing.*

Of course, it's one thing to understand the importance of marketing to your clients. But how do you actually do it? What are the actual components of good client marketing? What should you actually do to keep what you've got?

To answer that, let's first look at why clients leave their advisor in the first place.

WHAT MAKES CLIENTS LEAVE THEIR ADVISOR?

According to a study by Vanguard-Spectrem, there are four main reasons clients leave their advisors:

1. long-term portfolio losses;
2. not being proactive in contacting the client;
3. not providing the client with good ideas/advice; and
4. not returning phone calls/emails in a timely manner.

Now, there's nothing client marketing can do about the first reason. The best marketing in the world can't replace poor investment management. That said, consistent client marketing can make clients more patient when dealing with portfolio losses. We saw proof of this back in 2008. Most advisors had to explain to clients why their retirement savings were taking hit after hit—but for advisors who nailed client marketing, the discussion was a lot easier.

The good news is that marketing can help with the other three reasons. To show you how, I'm going to share with you something very special. I call it my **Client Retention Formula**.

THE CLIENT RETENTION FORMULA

First, a little bit of background.

Back in the late 1980s, the world of financial services was a very different place. Looking back, I can only describe it as a kind of "wild west" for brokers. But instead of gunslingers, you had transaction-slingers. You could often open an account for 100 shares of a $10 stock. Many advisors were opening one new client relationship a day.

It was an exciting time, but it posed a problem: how were advisors supposed to keep all these people? (Remember, the #1 rule is to keep what you've got.)

I mulled the answer over. Before long, I came across a survey in the Wall Street Journal. It asked investors who had changed brokers, "Why did you leave?"

Here were the reasons: bad investment advice, bad service, and not hearing enough from their advisor. Sounds similar, doesn't it? In fact, it's almost identical to the four reasons mentioned above. (Proof that the more things change, the more they stay the same.)

As I read the survey, I thought, "If these are in fact the reasons clients leave, then advisors must take certain steps that address each reason."

After a lot of thought and even more testing, I created something that thousands of advisors have been using ever since: **The Client Retention Formula**. It contains six steps that will prevent your clients from ever having a reason to leave. Six steps to help you to keep what you've got.

Here are the steps:

STEP 1: PROVIDE GOOD INVESTMENT ADVICE

As both the Vanguard study and the Wall Street Journal survey have proved, bad investment advice is the single biggest reason clients leave. Obviously, this is not something I can help with. I'm in marketing, not finance. I can't tell you what investments to recommend or what methodology to use.

That said, I do have a few thoughts on what constitutes "good" investment advice, regardless of your personal philosophy or style.

- You need to have an investment strategy that will protect your clients from another 2000 or 2008. If you don't, the next market meltdown will likely erode your clients' retirement savings and set your own practice back years.
- You need to be able to explain your investment strategy in a concise and conversational way. Why? Because if your clients can't understand it, it's unlikely they will fully trust it.
- Your investment strategy should be based on the ethos of "putting clients' best interests first." Not only does this DOL era demand it, but increasingly savvy investors expect nothing less.

A bad investment can destroy client relationships. But as we've already seen, sound investment advice is not enough to retain clients. Hence, the next step:

STEP 2: PROVIDE GREAT SERVICE

The subject of great service is so vast, I could write an entire book on it. But here are the basics:

- Great service is fast.
- Great service solves the right problem correctly.
- Great service is meticulous in follow-up.
- Great service is friendly.
- Great service is delivered by a service professional.

Here's the problem: you're an investment professional, not a service professional. You didn't come into the industry to do service. You don't get compensated directly for it. Nor are you likely to have the time to personally deliver fast, friendly, and meticulous service.

The solution, then, is obvious: you must have a team. Furthermore, at least one member of your team should be a dedicated Service Assistant who answers the phones, manages your calendar, handles paperwork, and fulfills client requests. Someone who can return phone calls and emails in a timely manner.

STEP 3: SEND EVERY CLIENT A LETTER EVERY MONTH ABOUT SOMETHING THE CLIENT IS INTERESTED IN

Clients want to hear from their advisor. They want to know what's going on in the markets. They want to know about upcoming financial decisions they need to make. They want to know more about retirement planning, estate planning, you name it.

That's why you should send letters. It's the quickest, most efficient way to provide financial education.

But clients also want to know their advisor is about more than just numbers. They want an advisor who is warm, caring, and trustworthy. That's why your letters should be a blend of financial and feel-good topics (major holidays are great for this).

The only way to *consistently* provide these things is by sending frequent, written communications. I know you're probably thinking: will a newsletter do the job? No, it won't. It's better than nothing, but too many of the newsletters I've seen are overly cute, slick, and canned. There's nothing personal about it. Nothing specific to each client's interests.

What about email? It's a useful tool, and I certainly recommend using it. But it should be used *in conjunction* with printed letters, not instead of.

I recommend a two-pronged approach. A short, conversational email every 1–2 weeks, and a longer letter once a month. It keeps your name in front of them, it educates them, it makes them feel good, and it *forces you to be proactive about contacting your clients*.

Speaking of proactive contact …

STEP 4: ENSURE EVERY CLIENT RECEIVES A PHONE CALL AT LEAST 4 TIMES A YEAR (EVERY 90 DAYS) FROM SOMEONE IN YOUR OFFICE

Letters are great, but they're not enough. Clients need to hear directly from you—or at least from your team. That's why you should task an assistant to call every client at least once every 90 days. (Make sure you track who has been contacted and who hasn't!)

What should your assistant talk about on these calls? Here are a few suggestions:

- Find out if anything has changed in the client's life.
- Find out how the client is feeling about the markets, and if they have any questions.
- Ask "Find the Money" questions to uncover any out-of-house assets (remember, you likely control only 40-50% of the client's assets).
- Promote (don't ask for) referrals.

STEP 5: SEND LOTS OF ETIQUETTE AND GOODWILL MESSAGES

Most of what our parents told us was for our own good. "Eat your veggies. Don't slouch. If you keep that up, your face will stick like that."

And of course, "Mind your manners."

With competition as fierce as it is in this industry, you must seize every chance to be polite. That's why you should always:

- Send congratulations whenever something good happens in a client's life.
- Send get well messages whenever they're sick.
- Send condolence messages whenever they're grieving.
- Send "thank you" messages whenever they come in for an appointment, provide a referral, or give you more of their business.

STEP 6: PARTICIPATE IN FAMILY CELEBRATIONS

The more personal a relationship you have with a client, the more they will value that relationship … and the less likely they will want to leave. I've found that participating in family celebrations is one of the best ways to create that kind of personal relationship.

What are family celebrations? Think:

- birthdays,
- wedding anniversaries,
- retirement dates,
- personal milestones, and
- major holidays, like Memorial Day/Remembrance Day, Independence Day/Canada Day, Thanksgiving, and Christmas/Chanukah.

Send letters on these dates. Make personal phone calls on these dates. Above all, make yourself a fixture whenever these dates roll around so that your clients think, “My advisor really cares about me.”

If you *consistently* follow these steps, you will address the main reasons your clients might have for leaving. You will also create stronger relationships and more “top of mind awareness” with each client.

Most of all, you will KEEP WHAT YOU’VE GOT.

But there’s more to client marketing then simple retention.

THE CLIENT ENGAGEMENT FORMULA

Let's go back to the definition of client marketing that we settled on earlier.

Client marketing is the sum of all activities that:

1. *ensure every client continues to do business with you until they die, and*
2. *enable you to become Sole Provider for all clients who are decent people and follow advice.*

If you think about it, there are really two phases to client marketing, aren't there?

As we've already discussed, the first phase is about keeping what you've got. We call this client retention.

The second phase is about *growing your business*. You want all your clients' assets. Not just 40–50%. Not even 75%. All.

You want to become their Sole Provider.

This phase is all about **client engagement**—and we have a formula for this, too. This formula contains five steps that will take your clients from being merely satisfied to becoming *engaged* … which in turn means more assets, more referrals, more everything.

STEP 1: PROVIDE EACH CLIENT WITH A WRITTEN FINANCIAL PLAN

According to a study by Julia Littlechild, engaged clients are more likely to have a written financial plan in place. In fact, 64% of engaged clients have a plan, compared to only 44% for merely contented clients.

Now, a financial plan does not have to be an elaborate document taking out entire forests. Nor do you necessarily need to be a CFP to provide a financial plan. It can be as simple as stating the client's goals and needs, and the basic steps you will take to satisfy them.

STEP 2: INVITE EVERY CLIENT TO A PERIODIC REVIEW

According to the same study mentioned above, engaged clients both expect and receive more direct contact. 68% of engaged clients say they expect three or more plan or portfolio reviews every year, compared to 50% of merely contented clients.

STEP 3: AT LEAST ONCE A YEAR, INVITE EVERY CLIENT TO A CLIENT EDUCATIONAL EVENT

Many studies show that clients expect their advisors to provide education. The single best way to provide that education is by sending monthly educational letters (see Step 3 of the Client Retention Formula above). But hosting annual educational events is also very helpful. And if you encourage your clients to bring guests, you can potentially generate some great new prospects.

STEP 4: AT LEAST ONCE A YEAR, INVITE EVERY CLIENT TO A CLIENT APPRECIATION EVENT

There are few things as powerful as appreciation events when it comes to client engagement. Whether you're hosting a wine tasting, summer BBQ, movie night, or anything else you can think of, taking the time to personally show your clients how grateful you are for their business is a phenomenal way to turn them into raving fans.

Just imagine this sort of conversation:

> "Hey, Bob, how was your weekend?"
>
> "It was great. My financial advisor hosted a golf outing with a local golf pro. It was a ton of fun."
>
> "Wow. My advisor doesn't do that."

STEP 5: INVITE WELL-CONNECTED CLIENTS TO A BIRTHDAY LUNCH OR DINNER

Taking your best clients out on their birthday creates tremendous loyalty and appreciation. These types of events are also an unbeatable way to meet your client's closest friends and family members.

If you consistently follow these steps, you will take your client relationships to a higher level than you've ever enjoyed before. You will create client engagement, a necessary ingredient to becoming sole provider for all your clients.

THE ONE THING YOU SHOULD NEVER DO

Whew! Take a breath, because we just covered a lot of ground. We're almost done, but there's still one more thing about client marketing you need to know.

Never, ever, *ever* give up a client.

(unless the client is a jerk)

It's one of the single greatest mistakes advisors can make, and it's the one thing you should *never* do.

For decades, advisors have been taught to "prune" their book of smaller accounts.

For decades, I've been fighting against this odious practice.

There are MANY reasons why you should not participate in book pruning—far too many for me to cover here. So, let's just focus on the one reason you need to know right now:

Book pruning harms your own client marketing.

To explain why, consider the famous 80–20 rule. The rule, as I'm sure you know, simply says that 80 percent of an advisor's business comes from 20 percent of his or her book.

But the interpretation often goes like this: Since much more than 20 percent of our time is spent on the 80 percent that produces just 20 percent of our business, then production should go up if we just eliminate the bottom part of our book. Over time, various trainers have recommended this, various firms have institutionalized book pruning, and countless FAs have practiced it on their own.

There are two reasons why this interpretation actually harms your own client marketing efforts. The first reason is that it restricts your potential for growth.

We've already covered how your existing book is perhaps your best source for future growth. So why would you want to prune that? Even if we accept that 80% of your business comes from 20% of your book, *you never know where next year's 80% is coming from.*

I owe this insight to my friend, Bill Tennison.

Some years ago, I asked all the seven-figure producers I knew to tell me their experience with the 80-20 rule, because there was something about it I still didn't understand. One day, I asked Bill T.

> **BG**: *Tell me, Bill, does the 80-20 rule work for you?*
>
> **BT**: *Absolutely. In fact, for me it's more like 90-10. But I never, ever throw away a client because I never know where next year's top 20 percent is coming from.*

Consider the source of next year's top 20 percent:

1. This year's top 20 percent. You can absolutely count on some repeaters.
2. Referrals from this year's top 20 percent.
3. New clients from prospecting campaigns.
4. Bottom 80 percent clients who either had money stashed somewhere or got more.
5. Referrals from bottom 80 percent.

Bill T. told me about an elderly client of his who did a very modest amount of business. One day, her sister, Velda Oldebucks, called. One thing led to another, and before long, Bill had one of his top 10 accounts.

Thousands of other advisors have experienced a similar phenomenon. Take this email I received from a client recently:

Bill

There was a client with a small account here and no one had been calling on her. I took over the account and began calling her semi-annually. Last year around mid-year I called her and she thanked me and mentioned that she and her husband would be retiring at year end. I suggested we meet and discuss formulating a financial plan. They brought their 401(k) and pension statements with them. Total assets would be $2.3 million. We met twice more after the initial meeting to finalize the plan. The clients called me this past Thursday after spending a month in Key West and informed me they had requested the rollover of the funds and would call when they received them in the mail.

This will be my second largest household.

By neglecting or pruning your bottom 80 percent, you cut off two out of five feeder lines into next year's top 20 percent. And that's just plain dumb.

The second reason book pruning harms your client marketing is that it's just a crummy thing to do. It certainly makes the client feel crummy! And if you do it too often, word will start to get around. I once had an advisor email me to say he was afraid to go to the local grocery store, worried he would run into a former client, or friend of a former client, who would recognize him and chew him out.

Remember, one of the goals of client marketing is to brand yourself as a trustworthy, caring individual. Do you really want to risk that brand?

So, as you go about mastering your own client marketing, remember: *never, ever, ever give up a client.*

It will undo all the good work you've done.

SUMMARY

Write this down. Post it somewhere in your office where all your team can see.

Client marketing is the sum of all activities that:

1. *ensure every client continues to do business with you until they die, and*
2. *enable you to become Sole Provider for all clients who are decent people and follow advice.*

Then, start following steps listed above to strengthen your client retention, create client engagement, and grow your business through your existing book.

Now, permit me a short little advertisement.

Make no mistake, client marketing can be a lot of work. But the Bill Good Marketing System® is designed to make it quicker, easier, and more organized. Here's just a glimpse of what we offer:

- access to our Letters Library, which contains over 4,000 educational, feel-good, etiquette, and birthday letters;
- 5 different client marketing campaigns, designed to help you stay in front of your clients, educate clients, and find additional client assets;
- dozens of processes, procedures, checklists, and strategies to help you take client relationships to the next level; and
- customized coaching to help you deploy all these amazing resources.

In short, we offer everything you need to implement the Client Retention and Engagement formulas ... and much more!

For more information, just call:

ADDITIONAL INFORMATION

If you enjoyed the information in this guide, we have many more resources for you to check out! Here are just a few of the other free guides we offer:

Best Practices for the Thriving Financial Advisor

Six best practices every financial advisor should know.

9 Prospecting Strategies to Grow Your Business

What the best FAs are doing to grow their business through prospecting.

How to Get Referrals Without Asking

Stop asking for referrals. There's a better way to get them. This guide shows you how.

The Seminar Success Zone

Seminars are still one of the best ways to grow your business … but you must master these seven statistics to make them profitable.

The Good Way to Sell

Improve your closing ratio by learning about the special sales process I have developed specifically for financial advisors.

Surefire Team Development

Building a team is one of the best ways to improve your client marketing. This guide will show you how to get started.

The Case Against Book Pruning

More info on why book pruning is the one thing you should never do

"I designed MY SYSTEM **to help you** double **YOUR PRODUCTION OR WORK HALF** as much. Over the years, thousands of financial advisors have accomplished more in less time because they have followed MY TIME-TESTED, FIELD-PROVEN SYSTEM.

THE SYSTEM WORKS IF YOU DO."

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