

Why Advisors Fail to Win New Business

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FundFire

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Since the financial meltdown is now nearly two years behind us, executives, product sellers and pundits are asking why are many advisors still falling short in their marketing efforts and not building up new client lists like they should be.

Many reasons are tendered, most of which are excuses. You will hear, “Advisors are stuck on start;” or “People are waiting until they get made whole before they move their account.” Then there's “Advisors are still in defense mode,” and “There is fear of what the new regulations will mean.” On and on they go.

Here is the truth. High-net-worth investors have had a true metamorphosis. They want advisors to approach them differently. These investors increasingly demand that advisors take the time to get to know them and what their passions are. They don't want “good” service; they want structured, clear communication plans that educate and keep them informed. After the debacle of 2008, high-net-worth investors realized that they need relevant information and a very clear sense of direction from their advisors. This sense of direction needs to be founded on a plan of action that is executed brilliantly and completely addresses their goals, dreams and aspirations. Anything short of that will not cut it.

So why do advisors have difficulty executing against these growing demands, and therefore fail to grow their client list? Here are several reasons:

- The bull market covered a multitude of marketing acumen shortfalls even among top advisors. This gave advisors false confidence that they were effective marketers, when, in many cases, they were not.
- The advisor's marketing muscle has wasted away in the bear market and the tepid recovery, and now many advisors and firms don't know how exactly to right the ship.
- The emphasis on “let's get back to what we did before and grow” is meaningless in view of what the target prospect requires. There are tens of thousands of advisors attempting to grow their business with old methods. They happen to be using these stale marketing approaches in a new marketing world. It is as though the industry is using analog phones when everyone has an iPhone 4.
- Firms are stimulating growth of accounts without giving educational support on the right ways to market to the new high-net-worth demand. For example, most advisors are told to be different without any education on what that difference really means or should be. Additionally, there is essentially no clarity by advisors as to what their personal, unique value proposition is, or even how to utilize it. You also find that the psychological needs which already drive decisions by the high-net-worth investor are neither explained nor taught to advisors. Meanwhile, coaching, if it is available, is

usually around team dynamics, functionality and other topics. These initiatives are all important, but a team usually comes apart around issues of growth and subsequent compensation. In this market, it is unfortunate, with so many prospects willing to move, that we have the world's best advisors all trained up but no one to coach and counsel them on how to even get in the game, let alone win new clients.

Finally, there is no argument that advisors must stop relying on their firm to educate and provide marketing education and support at zero cost to the advisors. At the same time, if firms really want to grow, they need to start providing marketing education and support that is based on today's consumer desires, instead of what worked in the past.

The tendency today is to blame the advisor for lack of growth. Advisors in turn blame the firm, the government, or the media, or whoever else is handy. Isn't it time that this great divide be closed once and for all? Firms and advisors need to see each other as partners and act together. Get educated, coached and counseled so that together you can market the best financial expertise anywhere in the world market. How? It's accomplished through the right motives, messages and methods.