

Investment News

An opening is a grand opportunity

Launching or moving your practice? An advisory board can help you from the very start

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Opening or moving a financial services practice provides advisers with an excellent marketing opportunity — if they are ready to make the most of it.

In terms of marketing, most how-to manuals on opening an advisory firm don't cover much more than how to get a logo designed and business cards printed.

While corporate identity is important as part of an adviser's long-term strategy, most advisers with a new practice are more concerned about bringing referrals and prospects through the doors as quickly as possible, and that requires a series of well-coordinated marketing activities.

In my last column, I wrote about the importance of an advisory board to provide counsel and support. This board can play a crucial role in helping an adviser launch a business — starting with the opening events.

Many advisers host an open house to launch their practice. While this is fine, there are ways to make these events more effective. One option is asking your advisory board to host the event.

Asking board members to serve in this role has many advantages: It showcases the board's support for the adviser, positions the adviser as the honoree of the celebration, frees the adviser from having to act as the host so there is more time to spend with guests and encourages the board to invite friends and colleagues who could be potential clients.

With the board as host, the purpose of the gathering becomes celebrating an important step taken by the adviser, not simply to showing off new digs. If the new office will not impress, a board member may have a better location. If not, an alternative place such as a museum, wine or book store, or garden can be used.

Rather than one large event, consider several small events; that will give the adviser more time to spend with each guest. Each board member may be willing to host a small cocktail party or breakfast. The guests could be a mix of their friends, clients and colleagues from the adviser's professional network.

A communications plan for the move is crucial to insure that all clients know what to expect. The communications calendar should include the format for the communication — letter, e-mail, phone call, etc. — and the content.

While clients don't need to know the negatives that may have prompted the move, advisers should be prepared to fill them in on the when, where and what can be anticipated, and how the move will benefit clients.

Assuming that you are moving accounts, people will need to know if there could be a period during which they will not have access to their money. John Jenkins, president and chief executive of Asset Preservation Strategies Inc., learned this firsthand when his firm changed broker-dealers.

“Once the transfer paperwork was sent in, we couldn't transact in accounts,” he said. “It was only for two or three days, but when the market was moving 800 points in a day, it certainly felt longer.”

While an adviser has his clients' attention, as well as the good will that goes along with a new venture, it's the perfect time to ask for referrals. After a move, it makes sense for an adviser to call clients and insure that the transitions have gone well. Advisers should also take the opportunity to make sure they have clients' current contact information, including e-mail, and preferred method of communication.

At the conclusion of the call, the adviser can add that one of the reasons for the move was to expand his or her practice and that he or she would appreciate any referrals to colleagues or friends that the client could provide.

Two keys to a successful “ask”: first, advisers should be as specific as possible about whom they would like to meet. For example, they could ask about meeting other executives who work at a client's company who might need assistance with their retirement plan.

Second, advisers should let the clients know what they will say to the referral. This should be something as simple as, “Joe Black suggested I call you. I help Joe with his retirement planning. I'm familiar with the retirement plans at your firm and would welcome the chance to speak with you about yours.”

Advisers also must remember that new beginnings have an expiration date. Make the most of this marketing opportunity while you can.