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LEARNING

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## Momentum

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The lifeblood of a healthy and growing financial services practice is the acquisition of new affluent households with assets over \$250,000. The good news for financial advisors is the number of affluent and super-affluent (over \$1million) households have never been higher. According to a study conducted by Russell Prince of super-affluent investors, every year 14% plan to change financial advisors. This is not good news for the advisors that will lose these clients, but is a good indicator of the potential for millionaire acquisition.

The irony of this acquisition opportunity is that although financial advisors recognize the importance of affluent client acquisition, the number of new affluent clients that many advisors acquire every year is anemic. Our experience with many financial advisors is that the majority of them acquire fewer than four new affluent relationships a year. When the losses of affluent clients are subtracted the net new number can be two new clients, or less.

The million dollar question is why is there a disconnect between the desire, the opportunity, and the results. I believe momentum is the answer. In order to reach early success the majority of advisors had to prospect to build the foundation of their practice. However, they become a victim of their own success as a result of servicing their clients, leaving little time to continue prospecting.

The other factor that affects many advisors is that as their success increases so does their comfort level. As an advisor reaches a certain level of success the need for new clients moves from survival to a less urgent priority. As a result, many advisors quit spending time prospecting and lost their momentum. Building momentum is much more difficult than sustaining it.

The challenge that most experienced advisors face in acquiring new affluent households is adding marketing momentum back into their practice. The good news is that in this case reality is easier than perception. Experienced advisors now have something they didn't have when they started: satisfied clients that can and will help them. Marketing through clients is a much easier process and can actually be fun, much different than many advisors' early memories of prospecting.

The first step in building marketing momentum is recognizing the marketing leverage that clients can provide. The next step is to build processes in the advisor's practice to capitalize on that client leverage. There are five primary marketing techniques through leveraging current clients that can add at least ten new affluent clients a year, and in many cases much more. The concept behind each of the following marketing techniques is helping clients to help their advisor.

### Client Referrals:

Develop a proactive process for asking clients for referrals. The technique we recommend is making that process part of the quarterly or annual review. The objective is to ask each significant client at least once a year for a referral and to tie client events into the process. The results will be much better when asking for the referral if the advisor is very specific about what kind of prospect they are looking for. As an example, an advisor can suggest that s/he is looking for new prospects going through a change of circumstance in their life, such as retirement, divorce, loss of spouse, or relocation.

### Influencer Network:

Develop a network of at least six CPA's and estate attorneys (combination) that refer one or more affluent prospect to the advisor each year. The best place to build this influencer network is through the advisors clients own CPA's and attorneys. Asking each client for a favorable introduction to their CPA and estate attorney is the first step. CPA's and attorneys will in most all cases accept an appointment with the advisor if their client provides the introduction. The advisor should understand the influencer's practice and over time build a good relationship with the influencer by becoming an important resource. The influencer should be treated the same as any prospect in the advisor's marketing pipeline.

### Client Events:

Host educational and fun events around your existing client's interests. The advisor should position client events in advance during the referral process. The advisor would tell the client they intend to invite them to educational and fun events during the year, and would appreciate if the client could think of potential clients they know that could join them at these events. This is an easy way for clients to make favorable introductions to the advisor.

### Speaking Opportunities

Advisors can talk to ready-made audiences of affluent investors by speaking at organizations that clients belong to. This should be positioned with clients as a public service. The next step is to ask the client to introduce them to the person in the organization responsible for programming. The advisor can offer to speak on a investment-related topic. Examples of these organizations could include: Rotary clubs, religious organizations, business clubs, investment clubs, and retiree organizations. If the advisor participates in one speaking engagement a month, they could get in front of at least 200 prospects annually.

It is important to follow up with attendees after each speaking engagement. The best way to do that is through passing out response cards before the seminar and following up on requests for information after collecting the response cards at the end.

### **Natural Market:**

Analyze your practice to determine the most popular occupations among your clients. The advisor should ask those clients to be part of a marketing board of directors. These clients should be asked to share marketing ideas that would be effective within their occupation, as well as sharing with the advisor affluent individuals that they work with or know that are going through a change of circumstance that involve the movement of money.

Once the advisor has recommitted to marketing through clients and has built processes to execute these new strategies, the next step is to build an organized follow-up process to convert their now healthy prospect pipeline into clients. The final step is to dedicate at least an hour a day to executing these marketing techniques. Once momentum is reintroduced the desired results will follow.