Director, Strategic Insights
Grant Shorten

Five ways to grow your business this year

# The pillars of asset gathering

**During the challenging markets of the last two years, advisors have been preoccupied with managing emotions, restructuring portfolios and maintaining existing relationships. But with the sting of 2008 fading into the past, more and more advisors are ready to focus on gathering new assets.**

In my ongoing work with investment advisors and financial planners, I am struck by how often we tend to complicate the subject of "asset gathering". I have witnessed countless scenarios where advisors fail to make decisions around their asset gathering campaigns, simply because they are overwhelmed by the perceived number of available options.

Let's simplify the decision-making process right now. There are essentially five pillars of asset gathering available to you, and here they are:

## I
## Referrals

Statistics show that the majority of established advisors gather most of their new business from referrals. Interestingly, the referral method is the only approach that's primarily reactive. Although you can choose to be more or less proactive in asking for referrals, the most common approach is simply to wait for the telephone to ring, or for a warm introduction to be made.

The referral category can be further expanded to include "cross-referral" partnerships or strategic alliances. These mutually beneficial relationships can be with a wide variety of people, from the typical bankers, accountants and lawyers to seemingly less-likely connections at a sports club or construction business.

Regardless of whether your referrals come from existing clients or from cross-referral networking activities, gathering assets employing this modality can be a consistent source of new business. The most important first step is to ensure that providing referrals is easy for your clients to do. Let your clients know that you are ready and open to receive introductions, but be targeted in who you approach, and be direct on your desired outcome.

## II
### Seminars

Over the last decade, I have had the pleasure of acting as the keynote speaker at hundreds of high net worth seminars, and have coached countless advisors on how to conduct successful client events. Although there may be some degree of "cyclicality" to the effectiveness of seminars as a prospecting method, I still believe that they remain one of the most powerful asset-gathering tools at our disposal. Profitable seminars may be conducted in a wide variety of venues such as hotel meeting rooms, restaurant private function rooms, conference centres, office boardrooms, banquet halls and private clubs.

In my experience, there are four fundamental requirements for a seminar to generate substantial new business:

- All attendees must be properly qualified
- You must connect personally with the audience at the seminar
- You must follow-up with attendees within 24-72 hours
- The seminar topic must address the investor question, "What's in it for me?"

When an advisor fails to generate new business from a high net worth seminar, I can virtually always demonstrate that one (or more) of those four requirements was missing. If you want to make sure you do things right, please ask your Renaissance Investments representative for tools and ideas that can help.

## III
### Cold calling and warm calling

Cold calling requires very little explanation, but I think it's safe to say that most advisors (and most of us on the planet) have an innate aversion to picking up the telephone and "pitching" strangers. I know only a handful of advisors who still engage in the practice of cold calling themselves, but a larger number who delegate the cold-calling duties to other members of their advisory teams. Those who have found this successful have typically supplied a detailed script and hands-on coaching to the caller.

The most common cold call topics are:

- To offer a complimentary portfolio review
- An invitation to an investment seminar
- To present a unique investment or product idea
- An explanation of "how I work with my clients" – with an offer to meet in person

Warm calls are those that are made to prospective clients who are already recorded in the advisor's contact management system, and with whom there has been some prior communication. The adoption of a proactive, tactical approach to warm-calls will most certainly result in closing more business and increased revenues.

## IV
### Networking

Networking can be an extremely effective method of growing an advisory practice. This is especially true for advisors who are more extroverted by nature and who enjoy meeting new people in a wide array of settings. Strategically seek out clubs, social groups, associations and organizations that provide the opportunity to interact with individuals who have a high likelihood of meeting your "ideal client" profile.

They engage the "law of scarcity" to increase their perceived value. The expert networker will strategically frame their service offering in terms that denote scarcity, with an implied status-requirement.

Advisors who become "expert networkers" typically embody the following characteristics:

- **They have mastered rapport-building skills.** Top networkers understand the importance of making a solid first impression. They consistently employ rapport-building tools such as identifying and aligning, mirroring, matching, pacing and leading.


- **They unleash a powerful "30-second commercial" when prompted.** In the first few seconds of being asked the question, a skilled networker will be able to explain what he or she "does for a living" in such a way as to captivate the listener, and pique their interest to learn more.

- **They possess an unwavering advisory identity.** Strong networkers know who they are as advisors. They know what they believe, and they know why they believe those things. Their values, beliefs, vision, mission and communication style are all completely aligned and are moving in the same direction.

- **They engage the "law of scarcity" to increase their perceived value.** The expert networker will strategically frame their service offering in terms that denote scarcity, with an implied status-requirement. By establishing the "elite" nature of their scarce resource, the perceived value of the advisor's practice is immediately and substantially elevated. For more on this topic, ask your Renaissance Investments representative for a copy of the article entitled "*The Law of Scarcity*."

## V
## Advertising and mailings

Advertising is often the most expensive and least effective way to gather assets. On the few occasions when I have seen advertising generate meaningful business, it was usually due to one or more of the following factors:

The advertisement…

- contained a very direct, focused message
- was geared towards a specific target audience, such as doctors.
- offered something truly extraordinary, such as a higher-than-average yield
- included a specific call to action

When it comes to mailings, most advisors will discover that direct, personalized mail pieces will command substantially more attention than bulk mailings. More expensive, wedding-style invitations are opened by a larger number of recipients and will also result in the highest response rate. This type of mailing works best when the campaign is intended to invite targeted prospects to an upcoming event.

Once you categorize the five main approaches to winning new clients, it makes it easier to decide which tactics you wish to implement as you venture back into prospecting mode. When evaluating the options available to you, I urge you to be mindful of choosing the approaches that inspire you, empower you and ultimately reinforce your nature. ■

*To discuss the Five Pillars of Asset Gathering in more detail, I encourage you to contact your Renaissance Investments representative, who is well-versed in each of the topics mentioned in this article. I wish you continued success and a record-breaking year in 2011!*