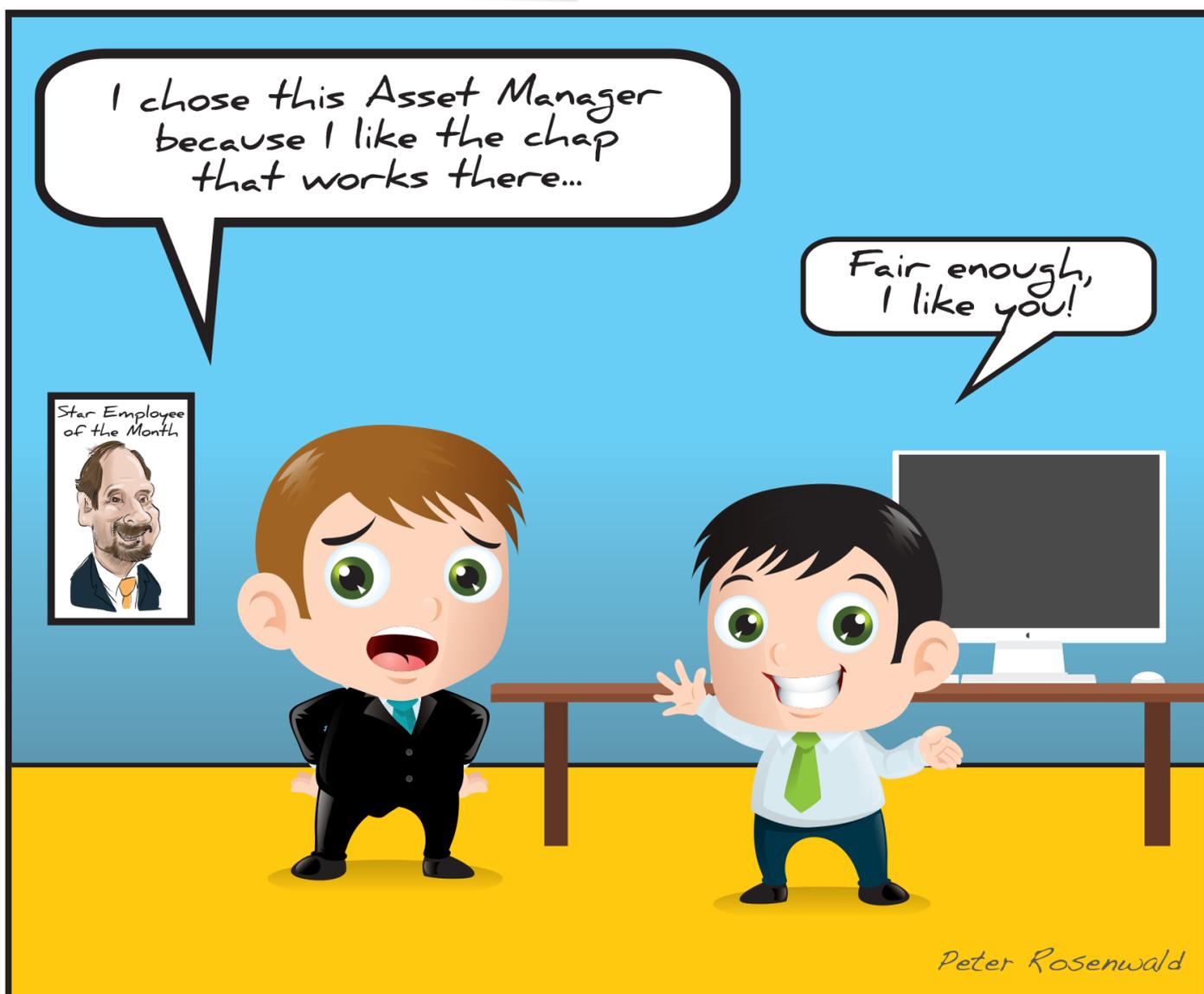


'TO MEET, OR NOT TO MEET?' THAT IS THE QUESTION...

What the IFA didn't tell the client...



POST RDR YOUR IFA CLIENTS HAVE WORKED HARDER THAN EVER BUILDING TRUST AND RAPPORT WITH THEIR HIGHER VALUE CLIENTS AND PROSPECTS. SHOULD YOU BE DOING THE SAME WITH THEM?

A recent Personal Finance Society survey showed that confidence among customers who use an adviser, increased from 43 per cent in 2013 to 60 per cent in 2016.

How has this been achieved in a post RDR world, where clients have become aware of the real cost of their advice, and questioning the real value of what they are paying for?

The answer of course is that IFAs have allocated more focus, effort and time to becoming more advisory and client facing than ever before.

In plain English, they have concentrated more on building stronger relationships and increasing their rapport with clients and potential clients. Perhaps more importantly, by spending more time with their clients, they have been able to more effectively communicate and educate them regarding the “value” their services provide.

In better understanding the value of their advice, combined with the increased transparency regarding the true cost of advice, clients confidence and trust in their adviser has of course increased.

HOW HAVE PROVIDERS OF SERVICES AND PRODUCTS TO IFAS FARED IN A POST RDR WORLD? HAS CONFIDENCE INCREASED OR DECREASED? HOW DO YOU BUILD TRUST AND RAPPORT WITH YOUR IFA CLIENTS AND PROSPECTS?

These are difficult questions and the answers are anecdotal and subjective at best. We recently conducted a post tender survey of prospects for an asset manager with an outsource investment proposition, where they had lost tenders to their competitors.

The purpose of the survey was to obtain feedback on their proposition and presentation, what the prospects liked and didn't like, and ultimately to discover why they had lost out to their competitors?

Whilst there were of course some differences in the competing propositions, the offerings were ultimately very similar, but this is where it gets interesting. The majority of the decision makers stated that one of the overriding factors in their decision making, was how well they knew and trusted the winning competitor.

One of the prospects actually went as far as to say *“in hindsight we made the wrong decision, it was just that we knew them (the competition) better”*. The importance of developing rapport and trust with your prospects has never been more important.

Even if they are not currently looking to make any changes, there is real value in developing relationships, rapport and trust with prospects ahead of a buy cycle. If you have stronger relationships and know your prospects better than your competitors, ahead of prospects entering a buy cycle, then you ultimately hold a competitive advantage.

HOW DO YOU GAIN THIS COMPETITIVE ADVANTAGE?

- Segment the market and focus
- Start a conversation
- Meet them
- Nurture them

Segment your market

How well do you really know your IFA clients and prospects? Do you know what their investment process is? Do they outsource or manage in-house?. What platforms do they use? What does their client base look like (Mass Affluent, High Net Worth, Very High Net Worth, Ultra-High Net Worth?) In short do you know if they have any propensity to use your services or products?

THERE ARE OVER 8,000 FIRMS OF IFAS IN THE UK

There is no point chasing prospects who are the wrong size and shape for your services and products as you will be spending good marketing money on bad prospects. The better you can segment your market initially, the better the outcomes and ROI will be for your marketing spend.

The solution is to source good quality data and then if necessary, conduct data cleansing or a survey of your prospects.

We undertook a market segmentation exercise for a large national insurer in the lead up to RDR as they wanted to know which clients and prospects to engage with face 2 face, which were to be proactively managed by an outbound phone based team and which were to be left to digital/email marketing and an inbound support desk.

The results enabled the insurer to build a profile of their clients and prospects and intelligently segment their market. Of course not everyone has a budget to survey every IFA in the UK, in which case it is best to segment your market by sourcing the best off the shelf data available and then gather intelligence on your prospects by directly engaging with them as part of an ongoing nurturing process.

Engage your prospects in conversation

It might sound obvious, but the best way to build rapport and trust with your prospects of course is to engage them in an ongoing conversation. By all means build your brand through digital marketing and media advertising etc., however you really do need to be talking to them. If you aren't, your competitors most certainly are.

If your sales team don't have the time to regularly speak with your target prospects, you could consider outsourcing the initial engagement with a reputable telemarketing firm.

$$\text{TRUST} = \frac{\text{RAPPORT} + \text{CREDIBILITY}}{\text{RISK}}$$

Make the conversations you have as relevant and resonant to the prospect as possible.

I always remember one of our US investment management clients talking about the 'You gets' that a prospect will gain from meeting with them. I cringe a bit when I use the term, but I have yet to hear anything that more concisely describes what your prospect conversations need to achieve.

The stronger the 'You gets', the more value you add to your prospects, the stronger the relationships you build.

MEET THEM (FACE 2 FACE/WEBEX/VIDEO CONFERENCE)

Face 2 Face
Video Conference
Email only

There is no substitute for meeting prospects face 2 face, shaking them by the hand, looking them in the eye, building that much needed rapport and trust.

Don't have the resource or time to meet them all?

Again, the answer is to segment your market and meet your higher priority prospects face 2 face. But don't ignore the others. You still need to talk to them, either via video conference or the phone, or via an outsource provider.

At the very least you need to be engaging with them digitally. Some of them will be your future high priority prospects as they grow and/or their careers progress moving between IFA firms. Remember, it is all about building relationships.

CLIENTS FOLLOW THE ADVISOR AND THE ADVISOR FOLLOWS THE ASSET
MANAGER

Meet them again (and again and again)

Some IFAs will change providers after the 1st meeting, but most won't. Anecdotal evidence would suggest that the majority of IFAs won't "buy" from you until after the 3rd or 4th meeting.

There are many triggers to an IFA entering a buy cycle, poor fund performance, poor service resulting in a lost client, to name but a few. The more frequently you engage directly with them, the greater the chance that your contact will be timely. Of course, having previously built that rapport and trust ahead of their buy cycle, you have the advantage over your competitors haven't you?

If there is little difference between 2 competing propositions, it is human nature to choose the one you like and trust, and the one who has previously demonstrated a keen interest to win your business over the years.

Again, if you don't have time to keep in regular contact with all the prospects you have met, segment them, keep the higher priority ones, and pass the others onto your outsourced telemarketing firm to continue to nurture them and if appropriate set up your 2nd, 3rd, 4th meetings.

CONCLUSION

Through the net IFAs are well informed. Your only true differentiators are your people. They are unique and are best appreciated face 2 face. When they choose between product A or product A plus relationship who do you think wins?

'To meet or not to meet?'. That is the question on your clients mind...

Please email rohan@chartdev.co.uk or call on 01392 247 135 or 07807 100984

Rohan Hardeman – Head of Corporate Development

Graduating from the University of Western Australia with a Bachelor of Economics, Rohan went on to work in commercial relationship management & underwriting roles for large banks, gaining extensive experience and achieving high sales performance both in Australia and the UK.

Skilled at generating new business, both direct and introduced, Rohan uses his depth of knowledge to great effect in helping new clients to tailor marketing campaigns and grow their business.

If you would like to know more about how Chartered Developments could help your business then please contact Rohan Hardeman today.



8 Kew Court, Pynes Hill,
Rydon Lane,
Exeter EX2 5AZ



01392 247135



rohan@chartdev.co.uk