THE VALUE CREATOR:

THE NEW ERA OF PROSPECTING IN WEALTH MANAGEMENT
INTRODUCTION

The job of a private wealth advisor can be one of the most rewarding in our economy. You get to follow the markets, help people reach their financial and personal goals, and make a decent living while doing it. From our experience, the best advisors really aren’t financial professionals at all. They’re coaches. They care about people, and like a metal detector on the beach, they’re constantly looking for solutions to their clients’ problems. If it’s not a portfolio strategy, it’s a better way to manage the talent in their business or to figure out how to transfer their wealth to the next generation equitably.

But the recent apprehension about the global economy and a lingering skepticism of Wall Street has advisors working harder than ever to sell the distinction of their firm’s capability. While client portfolios have shown signs of growth as the US economy moves into its next stage of recovery, clients are still leery of what lurks around the corner for their investments, for their families and for their legacies.

For those selling wealth management solutions, commitment from high net worth prospects is tough to come by—but it’s not all bad news. Competing Wealth Management firms have refined their capabilities, adopted a laser beam focus on a shorter and more targeted list of client types and have trained their people in the latest selling skills. But prospects continue to articulate that they want counsel and advice on new solutions, but they are not getting it in the way they want it. Most advisors don’t want to appear too pushy or salesy but what’s happening is more procrastination on the part of prospects because they can’t recognize themselves in the new firm with new solutions. They don’t know what to respond to when introductions and meetings are subtle around capabilities and overall next steps.

It is important to note that for private client advisors - any prospect worth contacting is likely working with another firm. So part of your outreach strategy has to be about mitigating a natural aversion to change. Managing this well is a key factor in avoiding prospect procrastination.
But to know where we’re going we need to know where we’ve been. Over the past 40 years there have been four seismic shifts in the client interaction. In the 1970s, it was about continuing to sell stocks and personalized portfolios. Sales were simply about “relationships” and if you didn’t have them, you were out. The job was very social, and connections-based.

As the capabilities of firms grew to include banking products and more sophisticated trust services, the 80s were all about the features & benefits sale – and whose list was longer. The pendulum swung the other way in the 90s on the heels of consultative selling and the Internet. With more information available, prospects were armed with more information and were more in touch with their needs. Consultative selling approaches (those typically featuring lists of questions) became less effective because more time was being spent educating the advisor vs. addressing a client need.

CHANGE IS COMING

The last 10 years brought us as sellers to a better place in that the dialogue became focused more on solutions vs. product. Competing firms did a better job of aligning their capability around a central theme and did a better job of communicating the “why” behind their approach. But as we progress through the second decade of the new millennium a new trend is evolving.

A NEW TREND
Enter the Era of the Value Creator

So in response to prospect expectations, high-performing advisors are acting as true resource orchestrators for their clients—almost like modern-day rail yard bosses, directing the right train to the right track at the right time. These advisors see value in not only getting to know their prospects, but the subject matter experts in their own firm. They know that prospects and clients pay attention to the regard advisors have for their colleagues and the manner in which they can speak to their value (individual and firm). Internal training departments and platform teams have stepped up their efforts to support external/internal teams and distribution leadership has done a better job of setting strategy that includes distinct prospect segmentation and capability.
THE NEW ERA OF VALUE CREATION: GROWTH THROUGH "ISSUE FLUENCY"

So while the era of solution selling was a productive one, there is still more work to be done. Clients and prospects have more information than ever at their disposal and they likely have several solutions lined up to address their unique needs. And they don't need to change firms. What’s needed today in prospect outreach is not so much the right solution, but help with the right decision. Thus in addition to the role of resource orchestrator, advisors should take on the role of thinking partner in the value creation era.

The thinking partner is one who is steeped in the issues of specific client types, well versed in their issues, and has a point of view and passion about the challenges within it. Thinking partners share “what they are seeing” in terms of trends and best practices and work with clients to self-select best fit options. Thus client decisions are being made with high levels of comfort that all stones have been unturned around a client-type problem or opportunity.

There is however a challenge to the value creation approach. From a prospecting point of view not all wealth advisors feel they possess the level of skill or experience that matches that of the prospect AND they feel they don't have the time to obtain it.

The good news – they don't have to.

What they do need is a different energy – a discipline to decide on 4-5 client types they have an interest in and a connection to. With time dedicated to targeted sleuthing, issue identification and connection to firm capability, private wealth advisors can get themselves to equal prospect stature. Value then comes from the insights exchange created by this level of planning – not the pure knowledge itself. Translation: the new Private Client Advisor is “issue fluent”.

In the value creation era, prospecting needs to be more than dialing for dollars and a reliance on casual referrals. The competition does this. Rather it’s an intentional process that reflects targeted outreach toward a client type, with a hypothesis or insight in mind that your network would potentially find valuable. In a way it’s about knowing more to mean more – a process that leverages insights and their meaning to reach a prospect through a syncopated series of touches. Touches today can include email, but often there is greater impact in hand-written notes, targeted compliance-approved thought pieces, and/or invitations to special educational events.

Hard work yes, but really the only way to gain entry with distinction for you and your firm.
“IDEAL” PROSPECTING IN THE VALUE CREATION ERA:

The most successful wealth managers do three things well in their prospecting.

1. See the value in doing it and commit to a specific routine
2. Get clear on who's ideal for them and the firm
3. Align messaging that leads to meetings and stimulates an insights exchange
At Bill Walton Sales Training, we’ve created a model to help advisors to be more "issue fluent". We use a format we call CPS™ (client type/problem/solution). CPS™ acts as the core of any targeting activity and shapes an entire outreach process. CPS™ maps the problems or aspirations that certain client types encounter with their specific situation. The prospecting effort is thus a hurt-and-rescue mission - your research informs you about the client type and the hurt he or she is experiencing. The rescue is the conversation and wealth management solution that matches up best (the problem of the prospect in this case). **NOTE**: problem is not to be taken in the negative sense here. Think of “problem” as a need not yet met.
CPS™ AND A
VALUE CREATING
PROSPECTING EFFORT

LET’S LOOK AT CPS™ IN MORE DETAIL.

C = Client Type

The “C” in CPS™ is a targeted opening based on a specific client type your prospect falls into, a retired CFO, for example. This opening should also speak to what you discovered in your preparation or what your last interaction revealed about what’s important to this person and those like him or her.

P = Problem

The “P” is about the problems or uniqueness of a prospect situation. While every prospect’s situation is different, there are identifiable patterns of interest based on what the affluent do and how they interact with their wealth. By acknowledging the prospect’s relevant issues or aspirations and by getting him or her to open up about them, it serves to drive greater engagement and to minimize procrastination. Why? Your eventual recommendation will be based on the prospect’s spoken words about these problems. NOTE: Rushing too soon to a solution while not addressing the prospect’s problem is the number-one factor in prospect procrastination.

S = Solution

The “S” is about using the prospect’s spoken words to offer several solution options. In this case it’s never just one solution, but a series of two to three intelligent recommendations based on your firm’s history with this client type and what your pre call research revealed. Why more than one? Our experience suggests that a focus on only one solution may lead prospects to think, “That’s it? That’s my only choice?” In a way, one potential solution at this stage can be too limiting, and your opportunity can stall.

Successful prospecting also leverages client type messaging that particular prospects can identify with; messaging that sounds different than the other advisors calling on them. In our research into new business development, we learned that most advisors look at prospects too generically. Experience shows that, with a little introspection and research, you can come up with a sketch view of an ideal prospect as well as where you might find more of them. This is the essence of the value creation approach.

So probe broadly and commit to being knowledgeable on all of your capabilities, not just some. Your business will increase exponentially by doing this because prospects will hear value in your voice sooner.
WHERE SUCCESS STARTS IN PROSPECTING:
CLIENT TYPE “SLEUTHING”

Best selling author and Bill Walton Sales Training coach John Orvos (The Four Faces of Sales) says, “The goal in the first part of prospecting [sleuthing, as he calls it] is to come so prepared to the prospecting table that you actually have a hypothesis on how you can help. The goal in discovery then becomes a quest for more of an exchange of privileged insights to prove that hypothesis.” You may find the need to rapidly pivot if your hypothesis is incorrect. But being issue fluent with the particular client type should give you the agility needed to react credibly and keep the prospect engaged.

“Sleuthing” is a term John and Bill Walton Sales Training use to describe the process of researching a prospect. We like to start with his or her client type (corporate exec, business owner, philanthropic organization), to shape a hypothesis on how you can help. When you can identify the client type (C of CPS™), you can start connecting the issues facing these individuals and start aligning potential solutions at a high level, which supports you well in discovery.
Hi Doctor Sauer, this is Jane Easton from SoundView Financial. Emily Brown had given me your name. We were speaking about the challenges of Physician practices in hyper growth mode and she thought we would have a spirited conversation. With all the other factors around creating scale, what often gets forgotten is the equity compensation and retirement plan structure for their entire enterprise. I've worked with other groups and learned a lot about how to balance practice growth with seeing patients, all while ensuring the principals benefit in the end. Perhaps we can connect after your rounds next Wednesday or before your office day starts on Friday.

So you might be thinking about how much sleuthing is enough. We like to say that, once you can assess what's changing in a prospect's environment and what his or her self-interests likely are, you're probably in a good place to request a meeting. Here is some sample messaging to use when requesting meetings that aligns with specific client type related issues:

Sample language to use when requesting meetings:

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MOMENTUM FOR VALUE-BASED PROSPECTING: MESSAGING

From Bill Walton Sales Training’s research in 2010, we found that two things were holding advisors back as it related to their prospecting - they were not confident in the direction of their story and they had only a sketch view of their ideal client and where to find them.

The best advisors we work with reverse-engineer that paradigm to focus on crisp messaging for both prospects and their COIs. Best practice shows that the best messaging conveys three important things:

1. **Who they are, where they’re from, and why that’s special**
   - **Part one** is pretty intuitive, but parts two and three deserve a little explanation because this is where success in prospecting often lies. Feel free to share relevant parts of your background here.

2. **What other clients say about the value of their involvement and of the firm**
   - **Part two** is really the credibility step in messaging. It’s important to convey to prospects what you do (your brand of advisement) and what others value in your involvement. You need this insight because this is what you will trade on. This part drives credibility for you and begins to create a picture for the prospect of what it would be like to work with you.

3. **Why you thought this prospect would be interested in learning more**
   - **Part three** is where your message hits home for the prospect. Your ‘you’ statement is where you acknowledge what prospects like them are typically frustrated with, energized by, or motivated about. This part also speaks to the problems associated with their client type and your unique ability to help.

**Goal: get prospects to feel you’re fluent in the issues associated with his or her situation.**

We often say in workshop “**Everyone wants to hear his or her name in lights.**” (Note the play on words.) So in Part 3 your YOU portion of your messaging reflects what you know about prospects of this type. The YOU statement always reflects that you’ve researched your prospect and have a few early ideas on how you might be able to help. Push yourself to arrive at what solutions might be right for this prospect. When you have this, you’ll actually look forward to reaching out and be more genuine in the way you explore reasons to meet.
In the discovery component of prospecting, time tested selling disciplines need to mesh with a new world of social media and relationship building. Today it’s not about launching into a detailed capability pitch or a laundry list of questions. Rather it’s about a balanced conversation that’s part exploration, part validation. In your first meetings with prospects, there has to be some value in it for both of you – some asset that gets created in the conversation that earns you the right to learn more and stimulates enough interest for the prospect to take a second meeting. So think of your approach in these terms: you are moving from showing your capability to sharing insights. Said another way, the value creator moves on from what they’ve got in their brochure, to what they are “seeing” in the marketplace with a specific client type.

So here are some strategic prospecting best practices for private wealth managers and those that collaborate with them as you prepare for value-creating prospect meetings:

**Solicit feedback on an agenda for every meeting you set:**

Too many meetings lack purpose and intent. Text an agenda if you have to and ask the prospect to add to it or subtract from it. If you can’t figure out an mutually benefitting agenda, don’t do the meeting!

**Do your sleuthing:**

Roll up your notes from your prep and find the common elements. Come with a commitment objective for every meeting and be dogged about it. Work it into your opening statement so it benefits both of you. Chart out in your mind how you want the call to go.

**Script and rehearse a great opening:**

Your opening in discovery is everything. Exchange pleasantries for sure but forget humorous openings and innocuous comments about the weather. These most often yield vanilla responses that don’t help you shape a good meeting. Rather, prime conversations by opening on the client type discussion you had during your prospecting call and state what insights you’re prepared to share about the topic. If the prospect wants to focus on something else – you’re in great shape. This means they’re engaged.

**Start with “client type” discovery questions:**

Show your understanding of the issues that matter most and get some input. Let the prospect to state the relative benefit of addressing their issues. For initial coffee talk meetings, discovery questions should focus on the prospect’s journey: *where they’ve been, where they are and where they’re going*. This input will be part of your solution recommendation later.
Listen for four major themes:

You can't listen when you're head's down scribbling. Typically three to four action items come from your prospect meetings so look for those. Try this - draw four boxes on a notepad and fill them with the nuggets that fall out of the dialogue with the prospect. Your closing comments will dovetail with those four points.

Offer multiple solutions and explain why:

The goal is to position yourself to make an intelligent recommendation. Give a prospect the choice between something and nothing and it’s too easy to choose nothing. Choose 2-3 solutions to the problems you identified in your “Hurt and Rescue” discussions and tell them the “why” behind your recommendations.

Don’t fear the reaper:

Get some feedback and welcome objections. Respond to objections accordingly and be wary of indifference. If you selected the right agenda and “client type”, most likely the prospect’s objection will take the form of a realistic misconception or healthy skepticism. Explore it. Let your genuine concern override any personal need to move on to the next topic. By this stage it’s also ok to be a bit challenging so don’t be afraid to push the prospect to think more critically.

Ask:

By this time in the meeting you've earned the right. If you've kept up a healthy level of genuine curiosity for the prospect's situation, you're in good shape. Review the progress of the meeting and request some form of action – a commitment to learn more about the tax implication of generational wealth transfer, a commitment to present your credit solution to their board, or a commitment to introduce your firm’s premier business valuation expert. The key is to get something tangible from every conversation.
So what will this 5th decade of selling look like for wealth advisors? With constant pressure on results, distribution organizations will continue to look for greater production from their field force investments. Wealth management firms have enhanced their offerings and created client-centered growth cultures. At the same time affluent individuals are seeking more comprehensive solutions to complex estate and tax reduction needs in preparation for one of the biggest transfers of wealth in our country’s history. Traditional growth strategies for businesses are being challenged and most owners are looking for the most effective ways to deploy capital.

If you’re doing value creation right, you’re asking the right prospects to stretch, to see opportunity in a different light, and to consider different options for their client-type problems. Remember, every meeting you take with to a prospect is your time too. There’s nothing wrong in asking for what you want. With the right level of sleuthing and prospect engagement, it’s probably the right thing for the prospect to do.
Bill Walton Sales Training, a division of ProDirect LLC is a sales training company dedicated to helping Financial Services organizations un-blur the lines of differentiation among their fiercest competitors. Our Value Creation methodology is used among the most noted firms on Wall Street. Founded in 1999, the firm’s unique knowledge of the Wealth Management space has produced results for institutional selling teams as well as the advisors that partner with them. Based in Princeton, NJ. Bill Walton Sales Training serves clients in the Fortune 500. Visit us on the web at billwaltonsaletraining.com.