
ZERO IN

GROW YOUR INCOME,
SERVE YOUR CLIENTS BETTER
AND HAVE MORE FUN
THROUGH SPECIALIZATION

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Zero In: Grow Your Income, Serve Your Clients Better and Have More Fun Through Specialization

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Introduction

DO YOU REMEMBER WHEN YOU WERE A BRAND-NEW FINANCIAL ADVISOR? IF YOU WERE LIKE MOST NEW ADVISORS, YOU WERE HAPPY TO WORK WITH ANY PROSPECTIVE CLIENT WHO WALKED IN THE DOOR. YOU WERE SO HUNGRY FOR BUSINESS THAT IT NEVER OCCURRED TO YOU TO TURN DOWN A CLIENT. YOUR FILTERS FOR SUITABLE CLIENTS INCLUDED VIRTUALLY EVERYONE.

As you have built your practice and your client base, you worry less about acquiring new clients. You may have instituted account minimums to help ensure that you remain profitable. You may even have begun to focus your marketing efforts to attract a particular type of client with whom you enjoy working.

But one thing may not have changed: You may still be trying to be everything to everyone. By working with many different types of clients, each with different financial situations and goals, you need multiple service models. Some clients may receive different and better (or worse) service than others. Juggling the many disparate needs of your clients may have you feeling stressed, overworked and burned out.

It does not have to be this way. To move your practice to a substantially higher level, you have to be very intentional about which clients you serve, how you attract them and how you help them. Working with exactly the right type of client will enable you to accelerate your success in a way that working with every type of client never can.

How can we be so sure? Because we have seen the impact client specialization has had on the practices of hundreds of the top financial advisors we have had the privilege of coaching over the last 15 years. For many, the choice to specialize was the single most important factor in vaulting their practices into the ranks of the elite. And our experience in working with the leading financial advisors is backed up by our ongoing industry research.

In this report, we will spell out exactly how you and your clients will benefit when you choose to specialize in serving a select community of clients. We will impart proven strategies for identifying the optimal niche, uncovering its challenges, establishing yourself as an expert in your niche and, finally, for building relationships with key strategic partners in the niche that will enable you to serve your clients even better.

Along the way, we will share our research on financial advisors who have chosen to specialize in serving particular client niches. We will see what is working for them and what they could be doing to attract and serve their clients even more effectively.

By the end, you will see that client specialization is about much more than simply working with one type of client. It is a path that will lead to an invigorated, focused practice that is more profitable, that provides consistently superior client service and that is simply more enjoyable for you and your team.

About our research

We gathered our data on client specialization in March 2015 from an online survey of 2,104 financial advisors. Research participants included financial advisors from across the United States as well as members of CEG Worldwide's Elite Advisor Panel.

Strategy One: Specialize

OUR INITIAL RECOMMENDATION SETS THE FOUNDATION FOR EVERYTHING ELSE: MAKE THE DECISION TO SPECIALIZE IN SERVING ONE PARTICULAR NICHE OR COMMUNITY OF CLIENTS. COMMIT TO IDENTIFYING THE OPTIMAL CLIENTS FOR YOUR PRACTICE, AND THEN BECOME THE FINANCIAL ADVISOR WHO SERVES THEM BETTER THAN ALL THE REST.

We know that the concept of focusing on just one type of client to the exclusion of all others is foreign to most financial advisors. However, you will soon see the tremendous advantages—to both you and your clients—of specializing in one market niche.

What it means to specialize

First, what precisely do we mean by specialization? We believe that any viable client specialty area must fulfill several important requirements:

- **Distinct market defined by shared client characteristics.** Client specialty areas should be clear, distinct markets made up of prospective clients who share one or more important characteristics. For example, they may have the same profession, the same employer or the same hobby, or be in the same stage of life. Typically, but not always, the prospective clients will also live or work in the same geographic area.
- **Ability to address financial challenges.** The people in the specialty should have specific financial challenges and issues that you are qualified

(or can become qualified) to address effectively. And not only must you be qualified to address the unique financial needs of these prospective clients, your qualifications and client service should exceed those of any other financial advisor who attempts to serve that client specialty.

- **Potential for growth.** The specialty area should be big enough to offer plenty of potential clients that you can serve well. You want abundant opportunities to grow your practice to exactly the size you wish.
- **Potential for higher income and profit.** To remain in business and continue to serve your clients, you must at a minimum be profitable. To enhance your quality of life, you likely need to grow your net income and practice equity. In nearly every case, this means that the specialty area must be made up of affluent individuals or families who have the ability to pay for the high level of service they will receive from you.
- **Enjoyable.** The client specialty area should be aligned with your own interests. You should be challenged and engaged by the financial issues you are addressing. But even more important, your specialty should be made up of people you genuinely like working with. You should enjoy your clients as people, look forward to spending time with them and be happy to become an important part of their lives.

In our coaching programs, we work with financial advisors to help them identify and serve the client niches best suited to them and their practices. Below are just a few examples of client niches that these advisors have chosen to serve. In every case, these niches have proven to be highly profitable and enjoyable.

- Executives in the oil and gas industry in the Houston area
- The yachting community in and around Newport, Rhode Island
- Female executives approaching retirement age in Silicon Valley

- Radiologists practicing in South Florida
- Women in transition—widows, divorcees and inheritors of unexpected wealth—in Asheville, North Carolina
- Physicians in private medical practice in Boston
- Family business owners in New York City
- Successful retirees in southern Utah
- Affluent individuals transitioning from work to retirement in Northwest Ohio
- Self-employed entrepreneurs in Winnipeg, Manitoba
- Affluent heads of households in the Phoenix area whose top priority is caring for their families' financial security and long-term legacies
- Airline pilots and airline executives in the Houston area

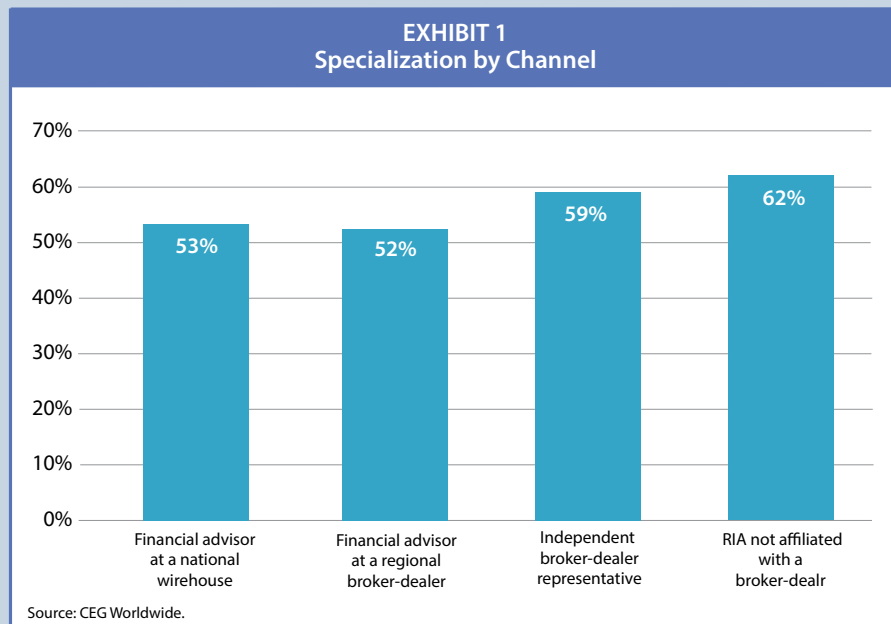
As you begin to consider what specialization may mean for your practice, keep in mind that this is about much more than “niche marketing”—which has become something of a catchphrase in our industry.

Niche marketing is certainly worthwhile for focusing your client attraction efforts on a distinct set of potential clients—and we will recommend elements of niche marketing to you—but specialization goes further. It is a complete approach to understanding the best clients for you and your practice, using the most effective methods to attract them and then, most important of all, serving them extremely well.

Who is specializing

Our study found that the majority (56.4 percent) of financial advisors we surveyed specialized in one or more niches.

As Exhibit 1 shows, this level of specialization varies little across channels. Although advisors with national wirehouses and advisors with regional broker-dealers specialize somewhat less (53 percent and 52 percent, respectively) than do independent broker-dealer representatives (59 percent) and RIAs not affiliated with a broker-dealer (62 percent), the differences are modest.



The case for specialization

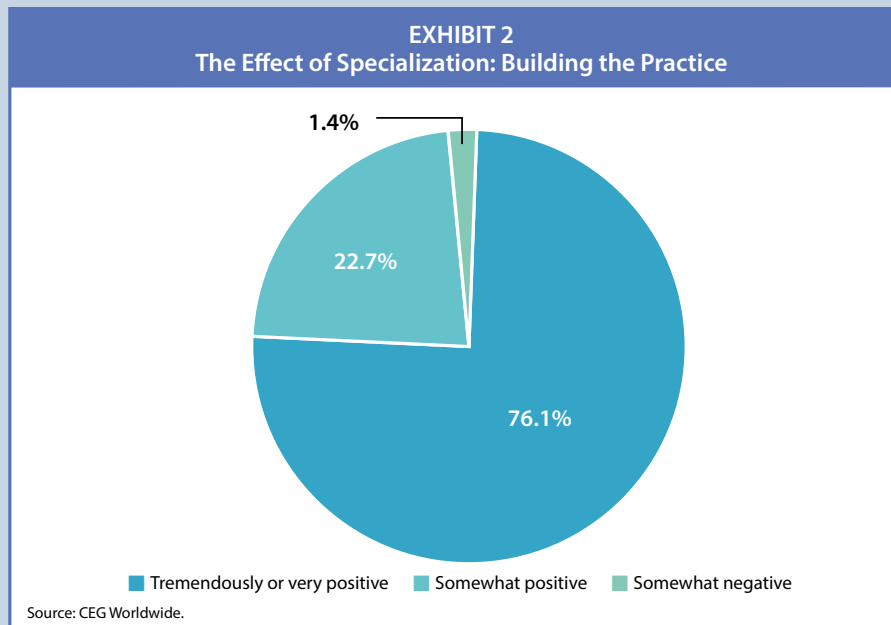
Specialization enables financial advisors to more easily, efficiently and consistently provide a superior client experience. When they focus on one select community of clients with similar needs, they are able to create a single, high-quality, streamlined service model, and then customize it as needed to meet the specific needs of each client. They realize the benefits of scale while still providing the personalized service that each affluent client requires.

Advisors who specialize are also able to develop deeper expertise in addressing their specific clients' needs. It is simply not possible to become an expert at

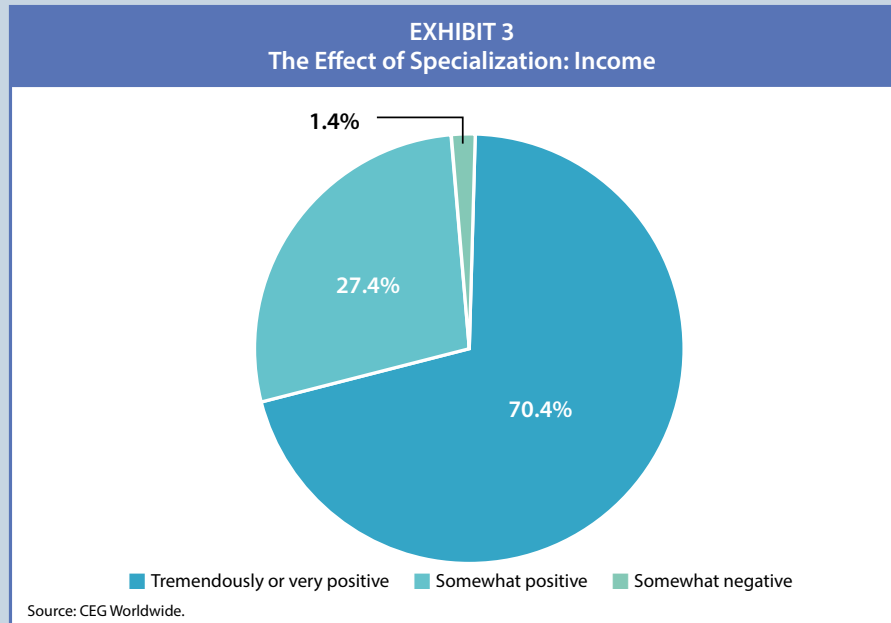
solving all types of financial challenges, nor is it credible to claim expertise in all areas. It is entirely possible, however, to be fully proficient in addressing the needs of one type of client. When advisors focus on one client type, they can become the authority those clients seek.

When clients consistently receive excellent service backed up by the expertise they need for solving their challenges, they generally become more satisfied and loyal. This in turn tends to lead them to provide both additional assets to manage and introductions to qualified prospective clients.

Our research shows that advisors who specialize realize clear economic benefits from doing so. Among the advisors we surveyed, more than three-quarters (76.1 percent) of those who specialize reported that doing so has been either tremendously or very positive in helping them build their practices. Nearly all the rest—22.7 percent—said that specializing has had a somewhat positive effect. (See Exhibit 2.)



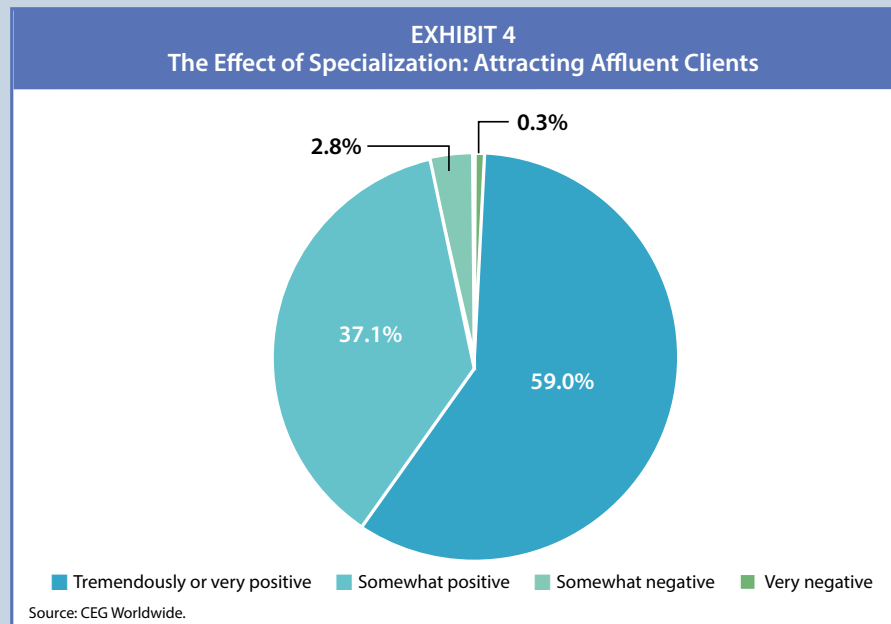
Specialization has likewise had a significant positive effect on these advisors' incomes. As Exhibit 3 illustrates, seven out of ten surveyed advisors who specialize say the effect on their incomes has been either tremendously or very positive, while 27.4 percent said it has been somewhat positive.



Specialization also positions advisors to more effectively attract affluent individuals and families. By narrowing their focus to a single type of client, they no longer need to spend money and time attempting to reach large numbers of individuals in the hope that a few will respond to their offer. Their marketing budgets shrink yet their marketing becomes more effective because it is so focused. By establishing themselves as the expert in one niche community, they cannot help but become well-known within that community.

The great majority of advisors in our survey who specialize said that doing so is helpful in attracting affluent clients. Nearly six in ten (59.0 percent) said

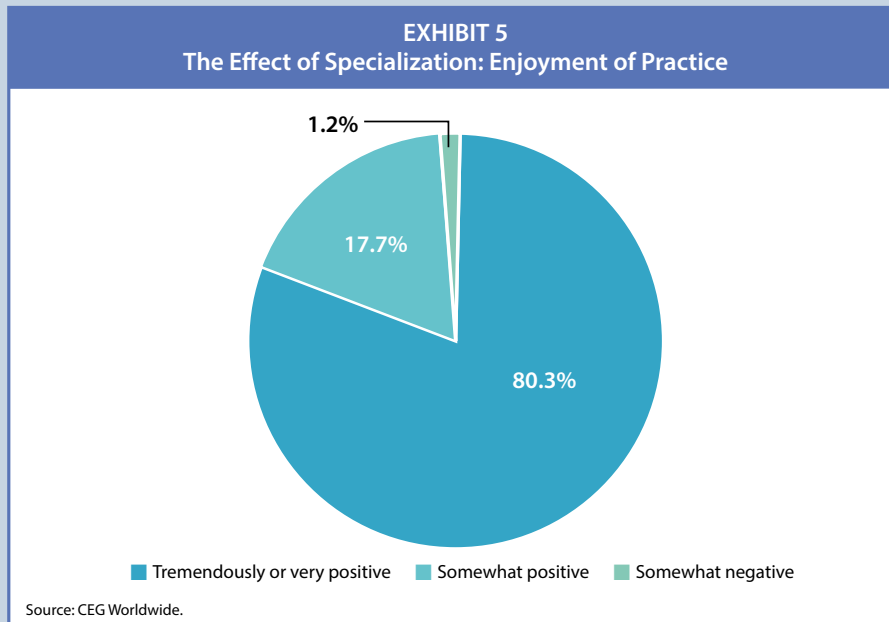
specializing has been tremendously or very positive in helping them attract affluent clients, while 37.1 percent reported it has been somewhat positive. Just 3.1 percent said it has had a negative impact. (See Exhibit 4.)



The benefits of specialization extend even into how much financial advisors enjoy their work. We have found that advisors who choose to work with a particular type of client that they truly enjoy have more fun at work. This is not just a “feel good” benefit, but a true business benefit as well: These advisors are less likely to burn out, so they are happy to remain in business for many years.



This is evident in our research, which shows that eight out of ten surveyed advisors who specialize say that doing so has had a tremendous or very positive effect on their enjoyment of their practices. Nearly all the remainder said it has had a somewhat positive effect on their enjoyment. (See Exhibit 5.)

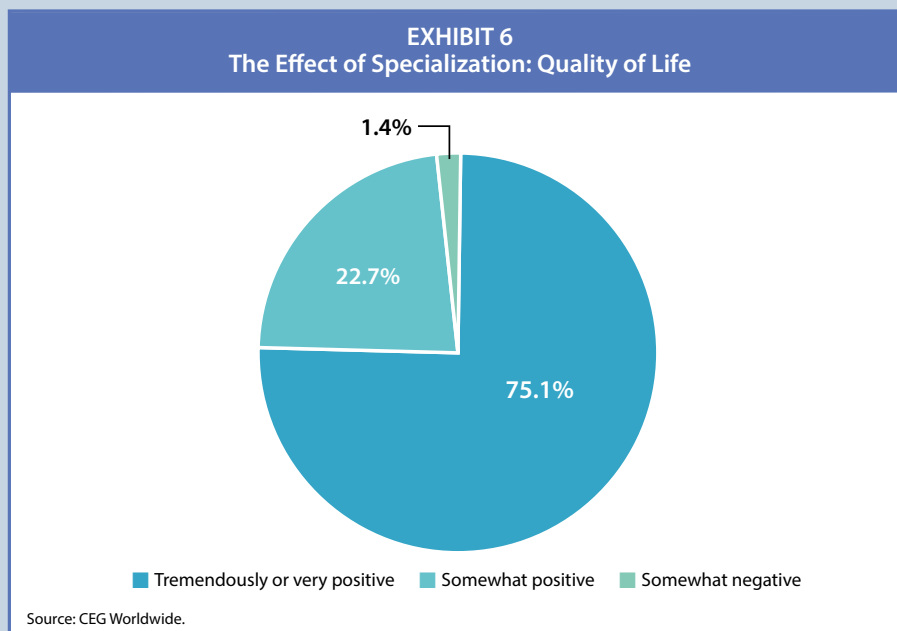


Specialization also has a positive effect on financial advisors' overall quality of life. We have already seen that specialization positively affects work enjoyment and income—two important aspects of quality of life—but it also contributes to quality of life.



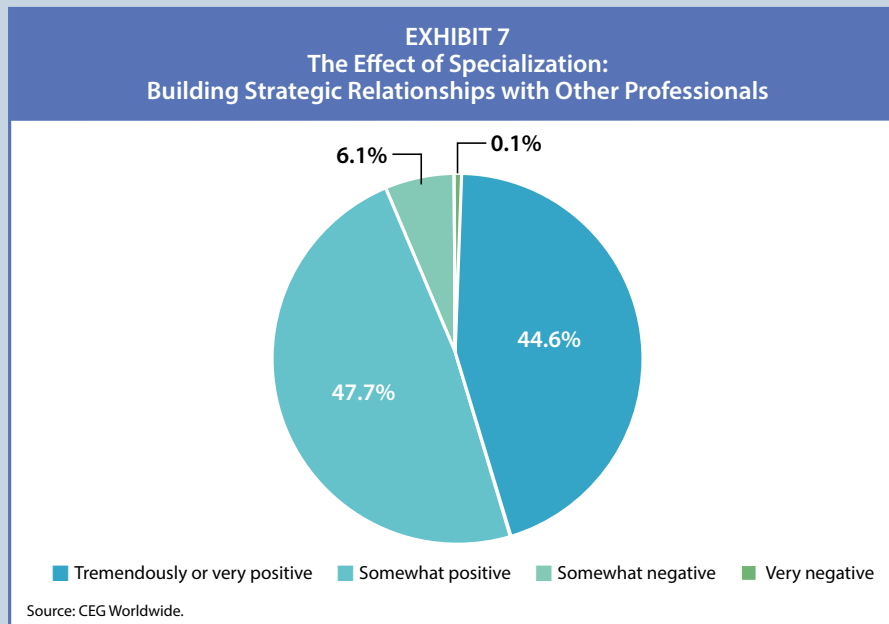


This is borne out in Exhibit 6, which shows that fully three-quarters (75.1 percent) of surveyed advisors who specialize said it has been tremendously or very positive for their quality of life. That effect may come through the creation of a better work-life balance: With more streamlined practices that focus on just one type of client, advisors may find they are able to take more time off while still serving their clients well.





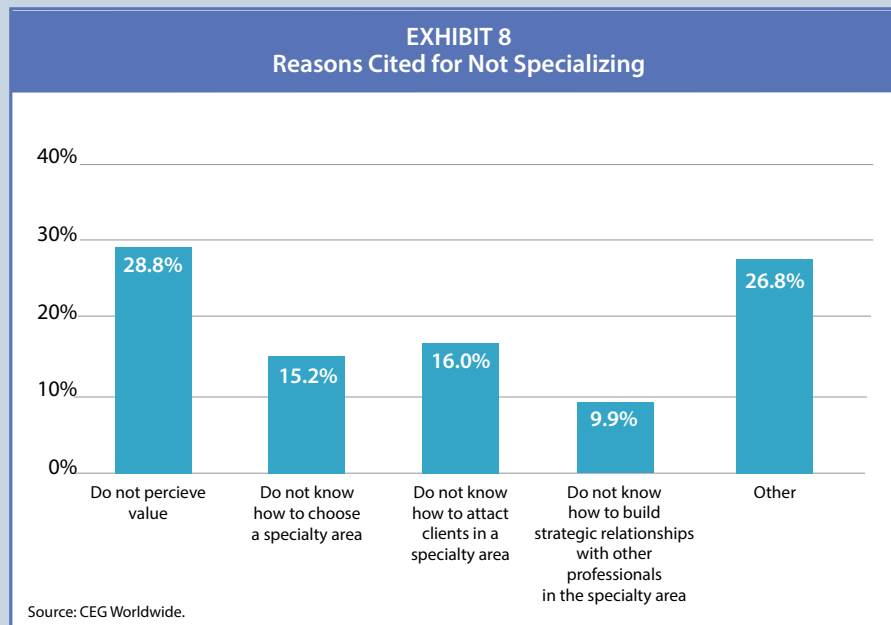
Finally, specialization has helped many financial advisors build strategic alliances with other professionals, with 44.6 percent citing a tremendous or very positive impact and 47.7 percent a somewhat positive impact. (See Exhibit 7.)



As we will see later in this report, these strategic relationships are crucial not only for serving clients in your specialty area but also for attracting additional clients to your practice.

Reasons for not specializing

What of the 43.6 percent of advisors in our survey who choose not to specialize? As Exhibit 8 demonstrates, more than one in four (28.8 percent) stated that they do not specialize because they do not perceive the value in doing so.



Other reasons cited for not specializing include not knowing how to attract clients in a specialty area (16.0 percent), not knowing how to choose a specialty area (15.2 percent) and not knowing how to build strategic relationships with other professionals in the specialty area (9.9 percent). We will address all of these obstacles in the following sections of this report, beginning with how to choose a specialty area wisely.

Among the advisors who chose “other,” many said they elect not to specialize because they believe that everyone deserves the assistance of a financial advisor. We agree wholeheartedly with this, but would go further and say that everyone deserves the assistance of a financial advisor *who is optimally qualified to address each client’s specific financial challenges*. Financial advisors simply cannot be everything to every client—particularly clients who have complex financial situations, as affluent clients nearly always do.

Once you commit to specializing in serving one particular type of client, you should choose those clients carefully. We discuss that next.

Strategy Two: Choose Deliberately

IT IS VERY LIKELY THAT THERE ARE DOZENS OR EVEN HUNDREDS OF CLIENT NICHEs TO CHOOSE FROM IN YOUR GEOGRAPHIC REGION. MOST OF THEM WILL NOT BE OPTIMAL FOR YOU AND YOUR PRACTICE. THEREFORE, YOU NEED TO BE THOUGHTFUL, DELIBERATE AND STRATEGIC WHEN YOU DECIDE WHERE TO FOCUS.

Where advisors specialize

Let's look first at where the financial advisors in our study choose to specialize. As Exhibit 9 shows, retirees are far and away the most popular area of specialty,

EXHIBIT 9 Areas of Specialty	
Retirees	44.2%
Pre-retirees	34.7%
Small business owners	32.3%
Private business owners	16.7%
Baby boomers	15.4%
Physicians	13.5%
Corporate executives	11.7%
Professionals outside of medicine and dentistry, such as attorneys, architects or accountants	10.7%
Individuals in a particular geographic area	9.5%
Widows/widowers	9.4%
Mid-sized or large business owners	8.4%
People with inherited wealth	6.4%
Dentists	4.8%
Educators	3.7%
Individuals with a particular hobby, interest or sport	2.5%
Professional athletes or retired professional athletes	2.0%
Entertainment professionals	1.1%
Other	15.2%

Percentages total more than 100 because some financial advisors specialize in more than one client group.
Source: CEG Worldwide.

with 44.2 percent focusing on serving them. Pre-retirees are not far behind at 34.7 percent. Given the accumulated wealth held by many retired and soon-to-be retired individuals, advisors' decisions to specialize in these groups can make good sense.



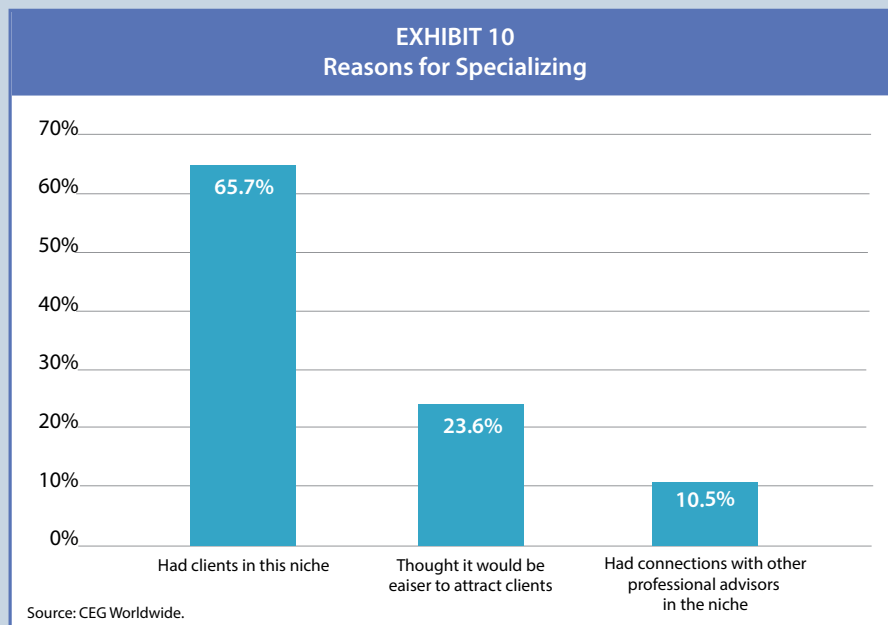
Business owners are also an important focus area, with 32.3 percent specializing in small business owners, 16.7 percent in private business owners and 8.4 percent in midsize or large business owners. Previous research by CEG Worldwide (*The State of the Affluent 2014*) found high rates of business ownership among affluent individuals. According to our data, one-third of individuals with \$1 million to \$5 million in investable assets own businesses, while 74.5 percent of those with \$5 million to \$25 million in investable assets are business owners. Among the ultra-affluent—those with more than \$25 million in investable assets—the rate of business ownership is even higher: 89.8 percent. Clearly there is a high concentration of business owners among the affluent, making them a good choice for many advisors.

It is notable that professionals such as physicians, corporate executives, non-medical professionals, dentists and educators do not dominate this list. This speaks to the relative difficulty in accumulating wealth solely on employment income, particularly in comparison to owning a successful business.

How advisors choose their specialty areas

While Exhibit 9 suggests a relatively strategic approach to niche selection among many advisors—they generally focus on client groups that tend to be affluent—a closer analysis of our data shows that most advisors, in fact, are not strategic when choosing their client specialty.

The reasons advisors cited for choosing to specialize shed light on their decision-making. For two out of three (65.7 percent), it was because they already had clients in the niche, while 10.5 percent chose to specialize because they had connections with other professional advisors in the niche. (See Exhibit 10.)

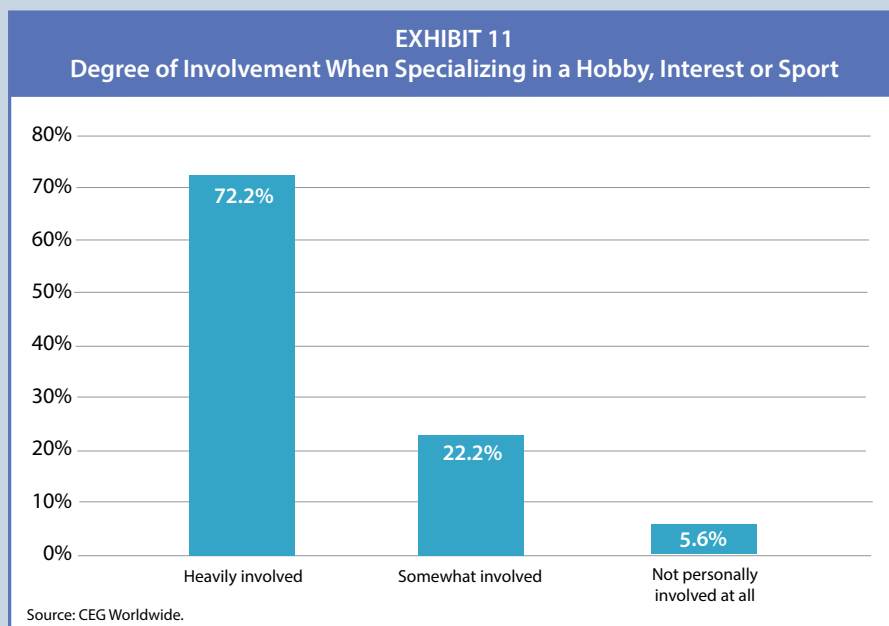


This strongly suggests that these advisors are being opportunistic rather than strategic. Rather than proactively seeking out the optimal client niche, they choose their niche because they happen to already have clients or professional connections in the niche. While some of these advisors may have stumbled into

their ideal niche in this way, it would have been through sheer chance rather than a strategic approach.

Certainly it can be quite advantageous to have clients and connections to other professionals in any niche you consider. It should not, however, be the only reason you choose a particular client specialty.

Other data gleaned from our study point to an opportunistic approach to niche selection. Exhibit 11 shows the level of involvement in a hobby, interest or sport of advisors who choose to specialize in serving clients also involved in that hobby, interest or sport. Nearly three-quarters (72.2 percent) of these advisors report heavy involvement.

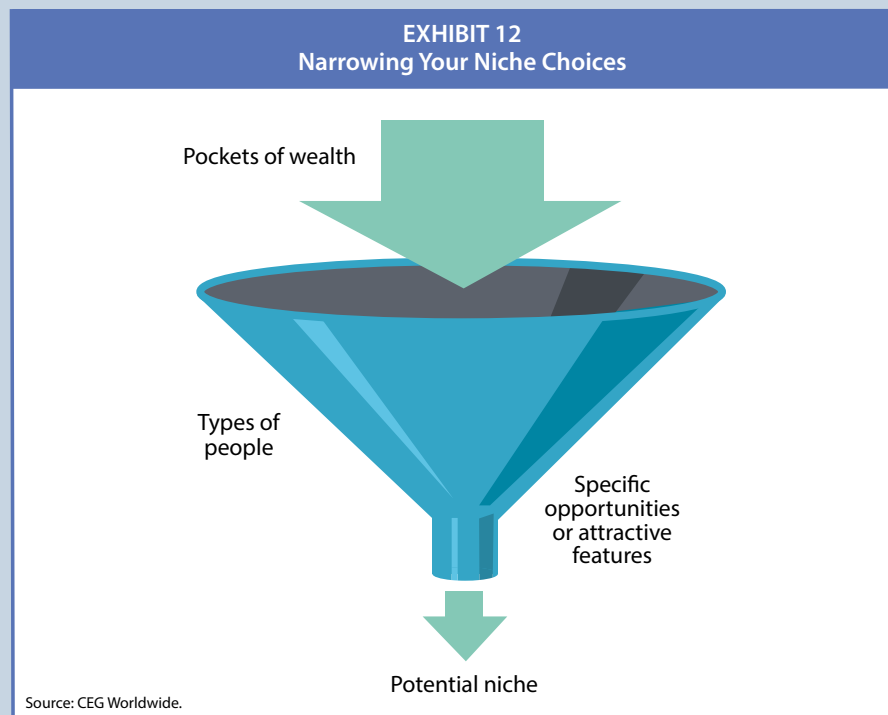


We have coached a number of very successful advisors who have chosen to specialize in serving clients with whom they share a passion for a particular sport or hobby. In every case, however, this shared interest was only one of many reasons

for their choice of niche. Participating in a particular sport or hobby is not by itself sufficient reason to devote your business to serving other enthusiasts of that sport or hobby.

Taking a strategic approach to niche selection

What, then, is the most effective approach for choosing the optimal client specialty area for your practice? You have abundant opportunities; your goal is to narrow down the choices to the one or two that are most suited to you. We recommend asking the three key questions below. These questions will act as a funnel to help you identify ideal niches while excluding the less optimal choices. (See Exhibit 12.)



Question 1. Where are the pockets of wealth in your community?

Look around your local area to identify the concentrations of wealth. These are typically specific communities, industries, companies, demographics, and trade or professional organizations. Identify at least five pockets of wealth in your community. Depending on where you live, you could identify many more.

Example: You live in Minneapolis, where many publicly traded companies are headquartered. These all represent pockets of wealth. In addition, there are pockets of wealth in the many medical and technology companies based in the Minneapolis area.

Question 2. Which people in the pockets of wealth could you serve well and profitably?

Now think about the people in these pockets of wealth. What types of people in each pocket of wealth could you serve well and profitably? Do not be overly concerned at this point if you lack specific expertise in serving these people—you can acquire that. Instead, identify the people you would be committed to serving extremely well and who would be willing to pay you for your high level of service. Identify at least three types of people within the pockets of wealth you identified in Question 1.

Example: Among the pockets of wealth in Minneapolis that you have already identified—publicly traded companies, and medical and technology firms—which could you serve? A few choices could include executives with publicly traded companies who hold significant stock options; senior executives at technology firms; or senior executives at medical firms who are nearing retirement and hold significant retirement accounts. You undoubtedly could think of additional examples.

Question 3: What makes one niche better than the others?

Among the three or so niches you have identified so far, what makes one more attractive than the others? Answer this question to land in one niche (or at most, two niches) that you believe would be right for you.

Example: Among the niches in Minneapolis you have identified so far, what draws you more toward one niche over the others? It could be geographic location (for example, its offices are near yours) or the types of people who work there (for instance, you especially enjoy working with data-driven people, such as those at technology firms) or an upcoming event that will create opportunities for you (such as a merger or an acquisition). It also could be that you already have clients in this niche, or that you have relationships with other professional advisors who serve the niche. As we mentioned, this can be an advantage if you choose to move forward to serve that niche.

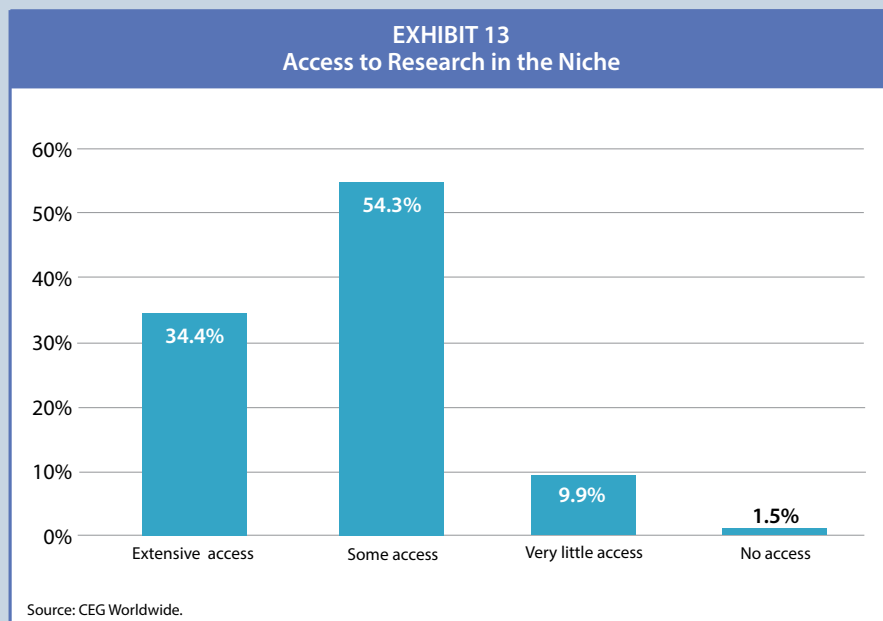
By the time you have thoughtfully deliberated these three questions, you will have greatly reduced your many potential niche opportunities to just one or two. The next step is to conduct research on your potential specialty (or specialties, if you have identified more than one) to confirm whether you should focus there. We discuss how to do that next.

Strategy Three: Do Your Research

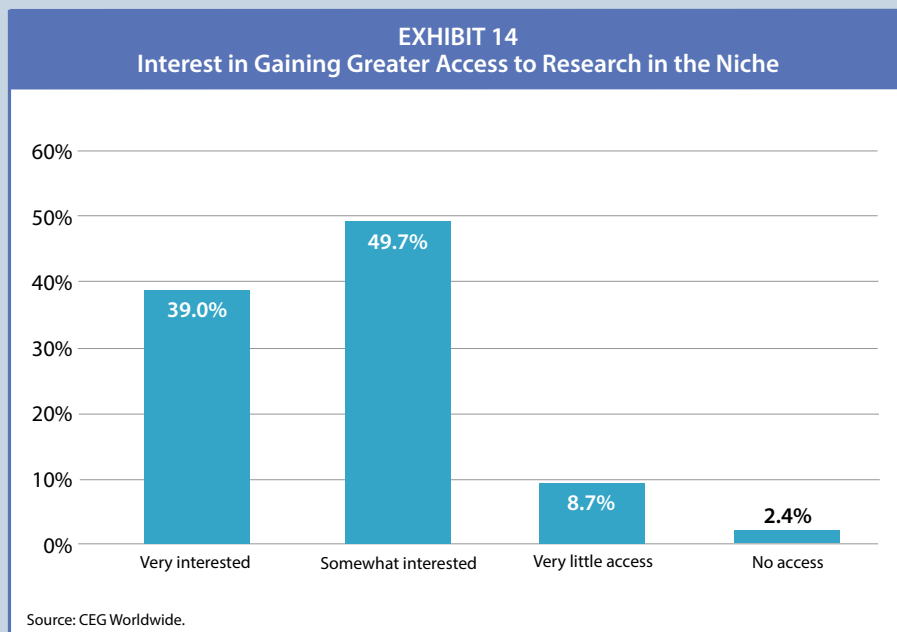
BEFORE YOU COMMIT TO A CLIENT SPECIALTY, WE RECOMMEND THAT YOU UNDERTAKE SYSTEMATIC RESEARCH TO CONFIRM THAT IT'S THE OPTIMAL CLIENT NICHE FOR YOU, AS WELL AS TO HELP YOU CLEARLY UNDERSTAND THE KEY ISSUES AND CHALLENGES OF THE NICHE COMMUNITY.

This research will also reveal many of the opportunities the niche offers. By the time you have completed your research, you will be ready to focus your client attraction and service efforts on a single affluent niche.

Most of the financial advisors in our study already have access to research on their client specialty area, with 34.4 percent reporting extensive access and 54.3 percent reporting some access. (See Exhibit 13.)



Despite this generally good access to niche research, most advisors want even more. As Exhibit 14 demonstrates, nearly four in ten advisors (39.0 percent) said they were very interested in gaining greater access to research in their niche, while half (49.7 percent) said they were somewhat interested.



If you are among the majority of financial advisors who want greater access to research on your client specialty area, the first place to turn would be your firm (assuming you work with a wirehouse or independent broker-dealer), which may conduct its own research or work with firms like CEG Worldwide to conduct research.

Regardless of your access to industry research, however, it will always be beneficial to you to conduct your own research. We recommend that you start with baseline research to establish your overall understanding of the niche. Then dig deeper by conducting focused interviews with key influencers in the niche you are considering.

Gather baseline intelligence

Use these techniques to conduct baseline research on a client specialty area:

- **Google your niche.** Many of us use Google every day without giving it a lot of thought. Do not overlook its value in finding out more about a client specialty.
- **Review the web sites of advisors serving the niche.** Visit the web sites of financial advisors who market to the niche. Take note of their positioning: What is their compelling value proposition? What do they offer that you do not? What can you learn about the financial challenges of niche members?
- **Subscribe to the newsletters of the niche's associations.** Virtually every association publishes a print or email newsletter. Perusing these on a regular basis will keep you current on trends in the niche as well as the association's activities, including upcoming events that you should attend.
- **Examine trade publications.** If your niche is based in an industry, subscribe to its trade publications. These can be easily located through Wikipedia.
- **Network at niche events.** Depending on your niche, conventions, conferences and even social events are all opportunities for you to interact with members of the niche community to make new contacts and gain additional perspective on the niche.



- **Obtain published research.** In almost every niche, one or more consulting firms make primary research reports available for a relatively nominal expense. Often these providers can be identified by searching “[Your niche] research reports.”

Once you confirm your choice of niche, use these techniques to help keep current on the happenings and trends in the community.

Go deeper with niche influencer interviews

With a basic knowledge about the specialty area in place, dig deeper. One of the best ways to fully understand the unique needs, challenges and concerns of people in your client specialty area is to interview its influencers. These are the “movers and shakers” of that niche—people who can provide you with key insights, who know the key professionals (such as attorneys or CPAs) with whom you might form strategic alliances, who are familiar with the niche’s trade press and who know the venues where you could offer invitation-only presentations. Most important, they are willing to share their information with you.

In our coaching programs, we provide a detailed process for identifying niche influencers and then conducting effective interviews with them. What follows is an overview of that process.

Step 1: Identify the influencers.

To identify the influencers in the niche, talk to any clients you may have who belong to that niche. Who are the most influential people in their group? Whom do they know personally? Whom would they be willing to introduce you to? Also contact the executive director of the local, regional, or national association or other organization of the niche group for recommendations about whom you should interview.



Step 2: Contact each influencer.

Tell them you are a financial advisor focused on serving their particular niche and that, to serve them better, you would like to interview them to more fully understand the challenges facing community members. If necessary, assure them that your one goal is to learn how to best serve members of the niche—not to sell anything. Ask to schedule a one-hour meeting for breakfast or lunch. In most cases, influencers will be willing to help you—especially if you make it clear that their help will in turn enable you to assist members of their groups.

Step 3: Conduct the interview.

Be prepared with a series of questions that will help you gain insight into your niche. These questions should be targeted in several areas:

- **The big challenges your niche faces.** (Examples: What are the most pressing issues, concerns and problems facing community members? What keeps them up at night?)

- **The best ways to market to your niche members.** (If you were me, how would you make people like yourself aware of the opportunity to solve their most pressing financial challenges?)
- **The outlets to which your niche members belong.** (Which social organizations do members of the community and their spouses typically belong to?)
- **Possible competitors within the niche.** (What other financial advisors do members of the community work with?)
- **Ways in which you can connect with niche members and build your credibility.** (What events do community members typically attend? Do you personally know any of the organizers of these events with whom I should talk?)

Step 4: Gain an ongoing commitment.

If the interview goes well and the influencer provides you with valuable insights, ask whether you can contact him or her again with additional questions. Once the interview is over, write and mail a thank-you letter right away.

Step 5: Summarize your findings.

With the interviews still fresh in your mind, organize the information you have collected. First create a list of all the concerns and challenges you heard. Then identify the top five that you are especially qualified to address. These represent your major opportunities as a financial advisor to this client group.

Step 6: Act on your new insight.

Write an article summarizing your research results and mail it to each influencer. Ask them to review it and provide you with comments. When the article is final,

send it back to each influencer along with your thanks for their assistance. You can do this either after it has been accepted for publication or as a prepublication release if it has not yet been accepted for publication. (We will provide detail on how to write this article later.)

By this point, you should have sufficient information to confirm that you have identified the optimal client specialty for your practice. Your research may have even turned up multiple opportunities within the niche that you can pursue immediately. If so, it's time to stake your claim on your niche. Commit to making it your own and becoming the financial advisor among all the others who is the best qualified and best positioned to serve that community.

With a clear commitment to serving a particular client group, your next step will be to establish your credibility within that community. We turn to that next.

Strategy Four: Be Seen as the Expert

THERE IS NO DOUBT THAT ONE OF THE MOST IMPORTANT ACTIONS YOU CAN TAKE TO SUCCEED IN SPECIALIZING IS TO ESTABLISH YOURSELF AS AN EXPERT IN THE EYES OF THE PEOPLE IN YOUR NICHE COMMUNITY. WE RECOMMEND THAT YOU TAKE SPECIFIC STEPS TO ESTABLISH YOUR CREDIBILITY AND YOUR EXPERTISE AS SOON AS YOU COMMIT TO SERVING YOUR PARTICULAR NICHE.

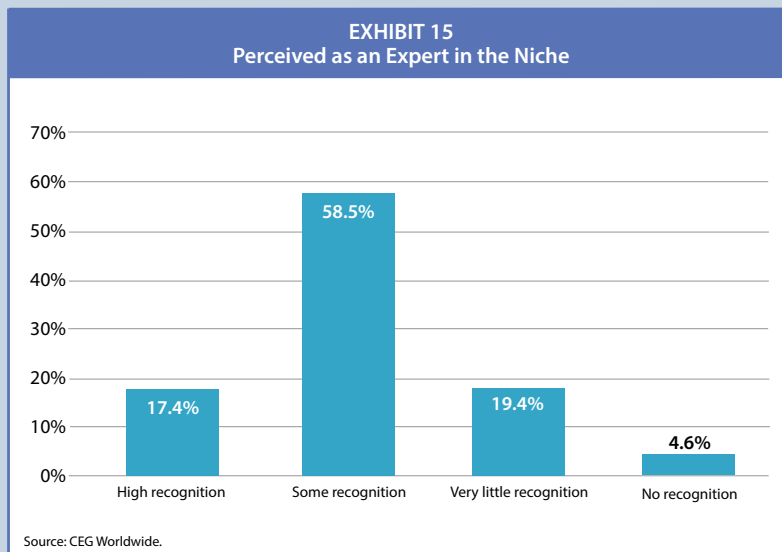
Doing so will open doors for you in a way that traditional marketing never can. When you are seen as the authority in your niche, prospective clients will seek you out. Rather than pushing people into considering working with you, you will pull them in through your reputation for addressing and solving their unique challenges.



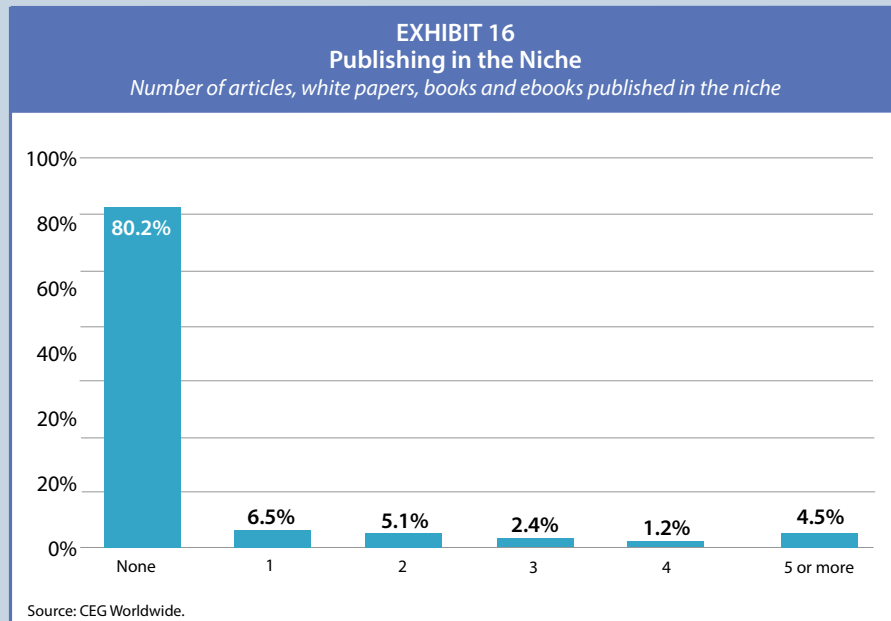


Actions matter more than perceptions

Exhibit 15 tells us that many financial advisors who choose to specialize believe that they have established their expertise in their niche to some degree. Nearly six in ten (58.5 percent) said they have some recognition as an expert in their niche, while 17.4 percent say they enjoy high recognition as an expert in their specialty area.



However, additional survey data cause us to question the extent to which many of these advisors are truly viewed as experts in their niche communities. When we asked about the extent of their publishing in their niche—one of the key ways to establish credibility—we found that very few had published anything. Fully eight out of ten advisors (80.2 percent) had not published articles, white papers, books or ebooks in their niche. A few (6.5 percent) had published one, while even fewer (5.1 percent) had published two. (See Exhibit 16.)



The lesson here? Simply *being* an expert in your niche is not enough; you need to be seen as an expert. You have to execute the actions that will solidify your thought leadership and enable you to claim expertise. We recommend three actions that we have seen make the greatest impact on advisors' credibility: enhancing your web presence, conducting private presentations and publishing in your niche.



Enhance your web presence

Virtually every financial advisor has a web site these days. Unfortunately, there is often very little to distinguish one advisor's site from tens of thousands of other advisors' sites. Nearly every prospective client and potential strategic partner will Google you prior to meeting you. If your web site does not quickly and thoroughly communicate your credibility and expertise in serving your niche, you will miss significant opportunities.

Above all, your web site should quickly convey your value promise—a brief, compelling statement of how you help members of your niche community address their challenges. You have only a few seconds to communicate to prospective clients viewing your site that you might be the expert they are looking for, so the statement of your value promise should be prominently displayed on the home page.

Next, your web site should provide a clear call to action. Say exactly what you want a prospective client to do to explore working with you. In most cases,

this will be to schedule a meeting for you to provide a second opinion on their finances. Make it easy for web site visitors to set up this meeting through a web form or phone number.

And of course, your web site should build your credibility by offering any articles, white papers or books you have written, along with any videos you have produced. All of your content should have a single goal: to communicate your expertise in addressing the unique financial challenges of clients in your specialty area.

In addition to your web site, do not neglect LinkedIn, which we consider to be by far the most effective social media channel for financial advisors. Make sure that your LinkedIn profile is complete and fully optimized and positions you as the authority in your client specialty. In particular, if you have published articles or books as a financial advisor, include descriptions of those with links to download them. Also, highlight your involvement in any organizations in your niche community.

Conduct private group presentations

Chances are that you have already offered seminars or workshops to the public with the hope of driving new business. However, if you are like many financial advisors, you advertise your presentations widely, practice and polish your delivery, and draw good attendance. Still, you have experienced disappointing results when it comes to actually enrolling new clients.

Why? It is more than likely because your presentations are aimed at a mass audience: anyone who responds to your advertising. As good as your presentation content may be, it does little to differentiate you from the many other advisors offering public seminars.

Instead, we recommend that you design your presentations for just one group: members of your niche community. And to ensure that you get the right attendees, your presentations should be private, invitation-only events. Take the following actions to further position yourself as an expert in your niche and draw in prospective clients from the niche.

Choose a topic compelling to your niche audience.

The subject should grab the attention of your clients and potential clients. In nearly every case, this will be something that helps address or solve one or more of their financial concerns so they are better positioned to achieve their most important goals. Do not choose your topic in a vacuum. Your interviews with niche influencers yielded valuable information about the key concerns of members of your niche—use it. You can also brainstorm ideas with partners, team members and others who are familiar with the particular concerns of people in your niche.

Present to the right audience.

You want the right people at each presentation. You are not looking for warm bodies to fill the seats; you want qualified prospective clients from your specialty area who will explore working with you.

- **Conduct presentations with strategic partners.** Present jointly with one or more strategic alliance partners. You will not only receive access to the partners' clients but also greatly enhance your credibility with those strategic partners as they see you making a highly compelling and professional presentation to their clients. We will discuss how to build these strategic relationships in the next section of this report.
- **Get an endorsement from within your niche.** Have your presentations endorsed by an individual or organization from within your niche or by another professional who works in your niche. If you make your

presentations in corporate settings, for example, get the endorsement of the director of human resources.

- **Get introductions from clients in your niche.** To the extent that you already have clients who are members of your niche community, ask them to invite friends and associates who are also part of the niche.
- **Leverage public relations in your niche.** Often, meeting with editors of your niche market's publications and walking them through your presentation can lead to articles that will create positive publicity. Typically, at a minimum, these publications will announce the program itself for free.
- **Deliver presentations to mastermind groups in your niche.** If your niche community has any mastermind groups, contact the leader and offer to make a presentation at their next meeting. If you specialize in serving executives within a particular industry, for example, a CEO group would likely be very interested in hosting you.

Include a call to action.

Offer attendees a complimentary second opinion on their finances. Provide a response sheet that allows attendees to indicate their interest in receiving a second opinion from you.

Follow up effectively.

Your follow-up will determine the success of your presentations. On the next business day following each presentation, reach out directly to schedule a meeting with every attendee who indicated interest in a second opinion.



Publish an article for your niche

Few things will highlight your expertise as much as an article directed specifically to clients in your specialty area that appears in a publication they read regularly.

Of course, you are probably not a professional writer and therefore might think it is challenging to write an article. Certainly you can hire a freelance writer to assist. However, writing an article is likely not as challenging as you may think. In our coaching programs, we provide article templates that enable advisors to quickly create a finished product for their niche audiences. Below is the structure we provide in our article templates. We suggest that you structure your own articles similarly to ensure they resonate with members of your client focus area.

- **Begin with a hook to engage the reader.** In one or two sentences, answer the question that every reader will have: “Why should I read this article?” Your hook will be the fact that your readers face several major and potentially overwhelming financial challenges that they know they must address to achieve their most important goals.

- **Highlight the fact that you are connected to the influencers in your niche.** Point out that you obtained your information through extensive discussions with leaders in the field and briefly describe their qualifications.
- **Summarize the top four or five challenges of niche members.** You uncovered these in your interviews with influencers. This shows readers that you are keenly aware of the big issues they face.
- **Provide actionable advice on what readers can do to address their main challenges.** Regardless of your audience, the advice will always be the same: Use a thoughtful, systematic approach to arrive at informed decisions. Without self-promotion, describe the process you use. Point out that readers should also use a thoughtful process themselves even if they choose not to work with a financial advisor.
- **End on a high note.** Close by reminding readers that although they face significant financial challenges, the right approach will allow them to address their biggest concerns and maximize the chances of achieving their most important goals.

When your article is complete and has been reviewed by your compliance professionals, offer it to appropriate publications. Your interviews with influencers should have turned up the titles of the publications read by members of your niche community; you may have even interviewed one or more editors of these publications.

If your article is published, obtain reprints and distribute them as widely as possible. Make them available for download from your LinkedIn profile and your web site, make them available at your group presentations and give them to prospective clients at your initial meetings. If your article is not published, you should still distribute it widely as a handout.

By this point, you will have executed several important strategies on your way to effectively serving one client specialty: making the commitment to specialize, identifying likely specialty areas, conducting research to confirm your choice of specialty and uncover its opportunities, and establishing yourself as an expert in serving those clients. You will now take one final step to maximize the benefits of specializing: establishing strategic relationships with other professional advisors who also focus on your clients.

Strategy Five: Build Strategic Relationships

OUR FIFTH AND FINAL STRATEGY FOR FULLY REALIZING ALL THE BENEFITS OF SPECIALIZATION—FOR BOTH YOU AND YOUR CLIENTS—IS TO BUILD EFFECTIVE STRATEGIC RELATIONSHIPS WITH OTHER PROFESSIONAL ADVISORS WHO SERVE THE CLIENTS IN YOUR SPECIALTY AREA. YOU WANT TO BE—AND TO BE SEEN AS—THE CENTER OF A WEB OF PROFESSIONALS WELL-QUALIFIED TO ASSIST YOU IN SERVING YOUR NICHE COMMUNITY.

Given the complexity of the finances of affluent individuals and families today, issues will frequently arise that lie outside your core competency of investment management. Generally, these will include issues of tax mitigation, wealth protection, wealth transfer and charitable giving. So regardless of how narrow your client specialty area is, you will still need the assistance of other professional advisors to address these specific areas.

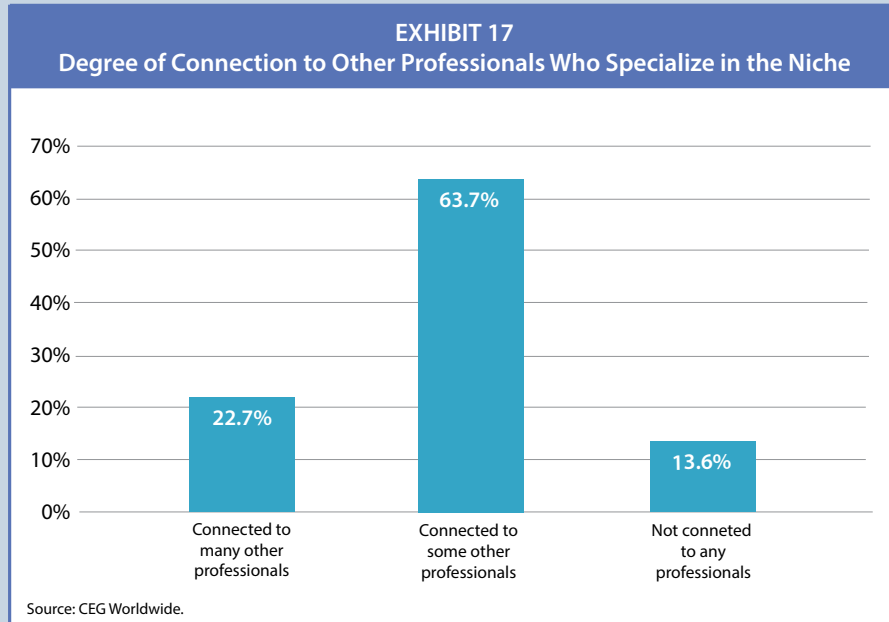
In addition to helping you serve your clients, your strategic relationships can help you grow your practice. As we will see, these relationships are more than just informal referral arrangements; they can produce real and substantial economic value for all strategic partners.



Advisors' experience in building strategic relationships

As important as strategic relationships are to advisors who specialize, our research found that most advisors have not built sufficient strategic relationships.

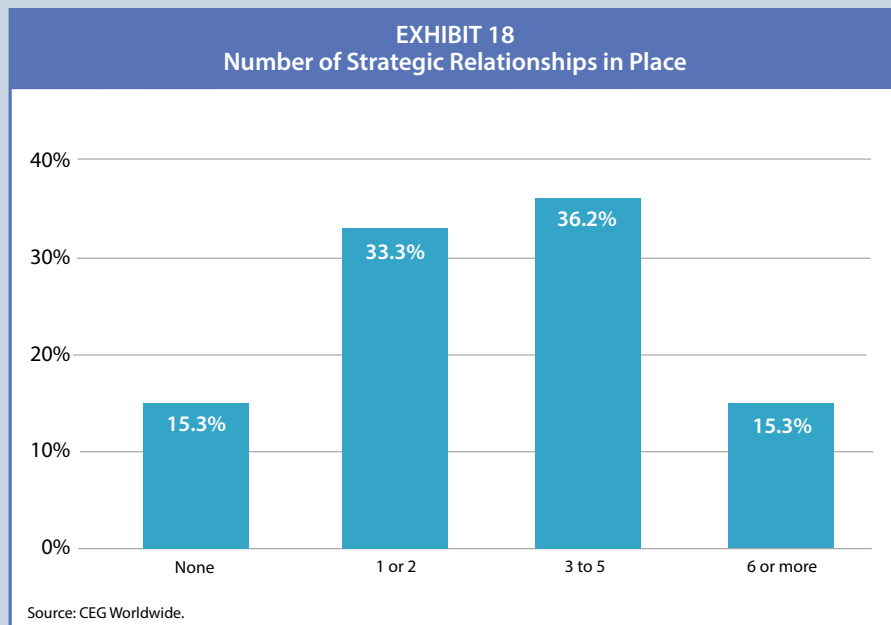
First, fewer than one-quarter (22.7 percent) of the advisors in our survey said they are connected to many other professionals who specialize in their niche. Nearly two-thirds (63.7 percent) are connected to some professionals, while 13.6 percent have no professional connections at all within their niche. (See Exhibit 17.)



A robust network of professional advisors is critical for advisors who specialize. These data tell us that more than three-quarters of those we surveyed have insufficient professional networks.

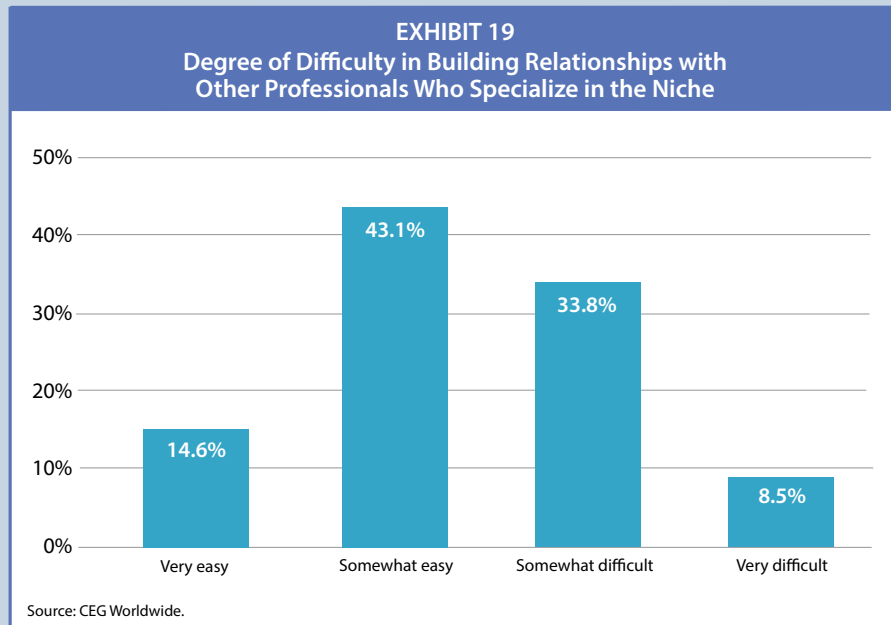


This is further supported by our data on the number of strategic relationships these advisors have in place. As shown in Exhibit 18, 15.3 percent of surveyed advisors have no strategic relationships at all, while one-third have only one or two. In our experience coaching financial advisors who serve affluent niches, successful networks contain at least six connections, and sometimes many more.



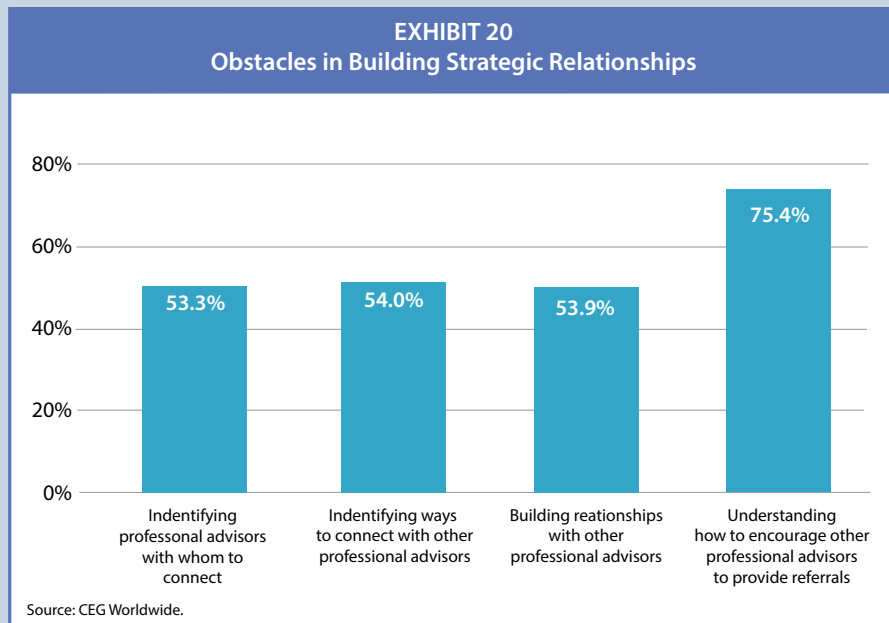


For many financial advisors, building these relationships is not easy. About one-third (33.8 percent) rated it as somewhat difficult, while 8.5 percent said it is very difficult. Only 14.6 percent find building strategic relationships to be very easy. (See Exhibit 19.)





Why does building strategic relationships prove challenging for so many advisors? As Exhibit 20 shows, somewhat over half of surveyed advisors (54.0 percent) saw identifying ways to connect with other professional advisors as an obstacle. About the same percentage said it was difficult to identify the specific professionals with whom to connect.



A similar number (53.9 percent) found difficulty in building the relationship itself. And perhaps most telling, three-quarters of advisors (75.4 percent) reported that they did not know how to encourage other professional advisors to provide referrals.

As you will recall from Exhibit 7, specialization itself has a positive impact on the ability of most financial advisors to build strategic alliances. But as evidenced by these obstacles, specialization alone is clearly not enough.

Three levels of professional connections

To overcome obstacles and build successful strategic relationships, it's useful to first recognize that many kinds of professional connections are helpful to you and your clients. We break them into three categories:

- **Your clients' other professional advisors.** You should be able to work collaboratively with your clients' other professional advisors, such as their accountants and attorneys, to help ensure that you share a clear understanding of each client's goals and that your efforts to achieve these goals are working in sync.
- **Your professional network.** You need the ability to call on trusted specialists who can address client needs beyond investment management on a case-by-case basis. Even better, you should have the ability to coordinate the work of these professionals so clients receive coherent, comprehensive assistance on their entire range of financial challenges.
- **Your strategic alliance partners.** These are professionals with whom you have formal agreements to assist one another in growing your practices while serving your mutual clients better. The most effective alliances include "economic glue"—typically, a sharing of revenue.

In our coaching programs, we provide detailed processes to systematically build connections at each of these three levels. Here we offer brief overviews of these processes to give you a starting point for building professional connections.



Building strategic relationships: your clients' other professional advisors

At a minimum, you should have good collaborative relationships with your clients' other professional advisors. You should at least ensure that you are not working at cross-purposes with the other advisors in addressing client issues; optimally, you will coordinate your work when possible to enhance your joint efforts.

Make these connections by first asking clients who their other professional advisors are, including their accountants, attorneys and insurance agents. Ask about their experiences, positive and negative, with each professional. Also ask for permission to contact these professionals. We recommend that you do this at your initial meeting with each prospective client when you conduct a comprehensive discovery interview.

Next, if the client is complimentary about the professional, reach out to the professional by email, and copy the client. Simply introduce yourself and offer to share your discovery notes on your mutual client. State that you would like to have a brief conversation—off the clock—to explore how you might work collaboratively to help the client reach his or her goals. Then say that you (or your assistant) will phone for an appointment.

In this way you will establish working relationships with your clients' key professional advisors that will help all of you serve your mutual clients better. Often, these relationships will open doors in the way of referrals and opportunities for other business development.

Building strategic relationships: your professional network

Next, you should build a network of professional advisors who are qualified to address the entire range of your clients' financial challenges beyond investments. The most successful networks we have seen consist of a core of four professionals: the financial advisor; an accountant; a private client lawyer who can address a range of tax, estate planning and legal needs; and a life insurance specialist. Together, the four members of this core group can effectively address the majority of affluent clients' needs.

Beyond the core group, you should have relationships in place with professional advisors whose assistance you may need only occasionally or for only a few of your clients. The specific advisors you will need depends on the specific financial challenges of your niche community, but may include a personal lines insurance specialist, an asset protection attorney, a credit specialist, an actuary, a derivatives specialist, an elder law attorney and many more.

We recommend these five steps for building an effective professional network:

- 1. Define the ideal network members.** Get a clear understanding of who the optimal professionals would be for your network, including their areas of expertise, the types of clients they have, their goals for their practice and how they view working with financial advisors.
- 2. Identify candidates.** Begin gathering the names of professionals who potentially match your ideal. Once you have these names, conduct a brief initial online vetting of each professional. You will then reach out to the best candidates to schedule meetings.
- 3. Conduct discovery meetings.** Here you will gather the information necessary to make an informed decision about the suitability of the candidate for your professional network. You will also establish trust and credibility as a financial advisor who is extremely well-positioned to meet the financial needs of your niche community.
- 4. Select the right professionals.** Based on what you learn at the discovery meeting, determine which professionals are the best fit for your network and the most capable of assisting your clients. Then invite them to join your network.
- 5. Conduct network meetings.** At these meetings, you will work together to identify, prioritize and document all opportunities for assisting each client in all areas beyond investment management.

Building strategic relationships: formal strategic alliances

The deepest level of strategic relationships are formal strategic alliances. In addition to being a potent business-building tool—one of the very best, in fact—strategic alliances will allow your clients to benefit from the specialized expertise of your alliance partners.

Many types of professional advisors can make excellent strategic alliance partners, but accountants and attorneys who serve your client specialty hold the greatest potential. To identify the optimal partners, we recommend that you create a profile of the ideal partner, as you did when identifying network members. Then identify top candidates (some may be part of your professional network) and reach out to gauge their interest.

From there, we recommend a systematic, consultative strategic alliance process that consists of a series of five meetings:

- **Exploratory meeting.** At this initial meeting, you interview the candidate, assess your personal and professional chemistry, and decide together whether to move forward in the process.
- **Key stakeholder meetings.** At these meetings, you interview any other key decision-makers in the partner's firm to gain deeper knowledge of the firm and uncover additional opportunities.
- **Strategic action plan development meeting.** Here you present your partner with your proposed plan for joint business development initiatives, gather input on the plan and make refinements.

- **Strategic action plan presentation meeting.** Here you present the refined plan to all key decision-makers at your partner's firm to ensure their buy-in and make any additional enhancements to the plan in response to their input.
- **Ongoing meetings.** You and your partner meet on a regular basis to discuss the progress of your initiatives, review the overall relationship and identify additional opportunities.

Summary: : Your Key Takeaways

WE HAVE COVERED A LOT OF TERRITORY IN THIS REPORT. CLIENT SPECIALIZATION WILL NOT HAPPEN OVERNIGHT, BUT YOU NOW HAVE A ROAD MAP THAT WILL GET YOU THERE. AS YOU MOVE FORWARD, KEEP OUR FIVE KEY RECOMMENDATIONS AT THE FOREFRONT.

- **If you do not yet specialize, consider starting.** As the financial advisors in our study told us, specialization offers an array of benefits: a boost to the practice, increased income, help attracting affluent clients, a higher quality of life and a more enjoyable practice. And your future clients will benefit, too, as you become the expert they need to help them address their unique financial challenges.
- **As you choose your specialty area, be strategic, not opportunistic.** Be very deliberate. Narrow your many choices by asking three key questions: What are the pockets of wealth in my community? Which people in those pockets of wealth could I serve well and profitably? What makes one client specialty area more attractive than all the others?
- **Conduct thoughtful research.** Confirm your choice of client specialty area and uncover its opportunities by first conducting baseline research. Then dig deeper by systematically interviewing the influencers in the niche community of your choice.
- **Establish yourself as the expert in your area.** Leverage the most effective methods for reaching members of your niche community to establish

your credibility: enhance your web presence, deliver private presentations to select qualified attendees and publish articles in your niche's trade press.

- **Build strategic relationships with other professional advisors.** Build your connections at three levels: with your clients' other professional advisors, with your professional network and with your strategic alliance partners.

Your clients and future clients need a financial advisor who is fully knowledgeable about their particular challenges and needs. You owe it to them to be that advisor. You also owe it to your partners and team to build the economic value of your practice, and to your family to provide the quality of life you all want. And you owe it to yourself to enjoy your work as much as possible. Specialization is fundamental to all of this. We wish you the best of success as you zero in on serving your ideal clients.

About CEG Worldwide

CEG Worldwide is the No. 1 coaching organization for the financial services industry. We coach financial advisors to achieve breakthrough results in their careers by substantially increasing assets under management, accelerating affluent client acquisition and growing personal net income—all while serving their clients well. We deliver insights garnered from empirical research on industry best practices and coach financial advisors to implement these practices in their businesses. The result: focused, energized and enriched financial advisors who build substantial economic value in their practices, deliver a world-class experience to their clients and ensure a high quality of life for themselves.

CEG Worldwide also works collaboratively with leaders of financial institutions to grow new net assets under management and the loyalty of their top financial advisors while attracting new top financial advisors. We provide insights, developed from empirical research, into what motivates top financial advisors, how to help them stay fully engaged and how to accelerate the achievement of their professional goals. Our services secure the long-term success and allegiance of top financial advisors who generate significant income for financial institutions.

About the Authors

John J. Bowen Jr.



CEO John Bowen founded CEG Worldwide in 2000, with the goal of bringing to bear the lessons he had learned during his career for the benefit of financial advisors and the institutions that work with advisors. His 26 years as a financial advisor and investment firm CEO had taught Bowen that many advisors lacked the high-quality empirical data and pragmatic business experience necessary to build hugely successful businesses. Bowen founded CEG Worldwide to fill that void, with the belief that providing financial advisors and institutions with research about the best practices of elite financial advisors—and the coaching to use these practices effectively—would help them achieve new levels of success while serving their clients extremely well.

CEG Worldwide represents the culmination of Bowen's unique financial services industry experience. That experience encompasses a career as a financial advisor, including eight years as CEO of Reinhardt Werba Bowen Advisory Services, where he was responsible for more than \$1.6 billion in assets. Bowen sold that company and subsequently became CEO of Assante Capital Management, where he served as a member of the senior team as the firm more than tripled assets under management to more than \$25 billion. Through these experiences, Bowen learned firsthand the best practices for substantial success. He also learned that the vast majority of financial advisors and institutions lacked a road map to build a simple and elegant practice—so he founded CEG Worldwide to provide other financial advisors and institutions the lessons his experience had taught him.

Bowen is widely recognized as a leader in the financial services industry. He writes a highly acclaimed monthly column for the leading U.S. financial services trade journal, *Financial Planning*. He is the author or co-author of several books, including *Breaking Through: Building a World-Class Wealth Management Business*, *The Prudent Investor's Guide to Beating Wall Street at Its Own Game* and *Creating Equity: How to Build a Hugely Successful Asset Management Business*.

Paul Brunswick



Paul Brunswick brings proven coaching and leadership skills to the CEG Worldwide team. He has extensive financial services experience and a proven track record working with both institutional and ultra-high-net-worth clients, as well as with financial advisors and branch managers. Brunswick has both field and corporate expertise in developing talent at all levels within a financial services organization.

Brunswick has had more than 20 years of success in the financial services industry. Most recently, he was the director of national business development for Smith Barney, where he provided strategic and tactical direction to the firm's entire private client distribution channel. He led campaigns designed to increase financial advisor net asset flow, grow fee-based revenue, and improve financial advisor competency in such key areas as investment and wealth management. He also had responsibility for internal communications, new product approval and the research strategy group.

Earlier, he worked at Smith Barney in a variety of management positions across the country. He started his financial career as a financial consultant for Merrill Lynch in St. Louis, Missouri.

Jeanne Hurlbert, PhD



Dr. Jeanne Hurlbert is CEG Worldwide’s director of research and an expert in survey research and social networks. She earned her Bachelor of Arts from the College of William and Mary, where she was elected to Phi Beta Kappa. After earning a master’s degree and doctorate at the University of North Carolina, she served on the faculty of Louisiana State University for more than 25 years, teaching hundreds of social science and marketing students how to read people’s minds with surveys.

Jonathan J. Powell



Jonathan Powell’s considerable expertise in developing top-performing financial advisors is a great asset to the clients he serves through CEG Worldwide. Working with many of the nation’s top financial firms, he enjoys helping financial advisors transform their professional and personal lives by using CEG Worldwide’s research-backed principles.

Powell has hired and coached hundreds of the industry’s top financial advisors—in multiple distribution channels—for more than 25 years. After starting his career as an independent financial planner in the San Francisco Bay Area, he went on to spend more than two decades with Citigroup before retiring to pursue his passion for training and coaching.

In his lengthy career, Powell has managed branches for Smith Barney and led Citibank’s West Coast brokerage business, overseeing 290 financial advisors and 20 managers. While at Citigroup, Powell was a sought-after speaker for national

and regional conferences on topics including time management, financial advisor strategies for success and effective recruiting.

Powell earned a BA in economics from Stanford University and holds the CFP® certification. He is a co-author of *Breaking Through: Building a World-Class Wealth Management Business*.

Can one phone call dramatically improve your future?

In a word, **yes.**

CEG Worldwide's Best Year Ever Consultation will help you **accelerate your success** by identifying precisely what to do to attract and serve the right affluent clients extremely well—and to do well by doing so.

The Best Year Ever Consultation is a two-call process that will first sharpen your vision for your future and then show you how to achieve it.

SIGN UP NOW FOR YOUR COMPLIMENTARY BEST YEAR EVER CONSULTATION

Total Advisor Profile

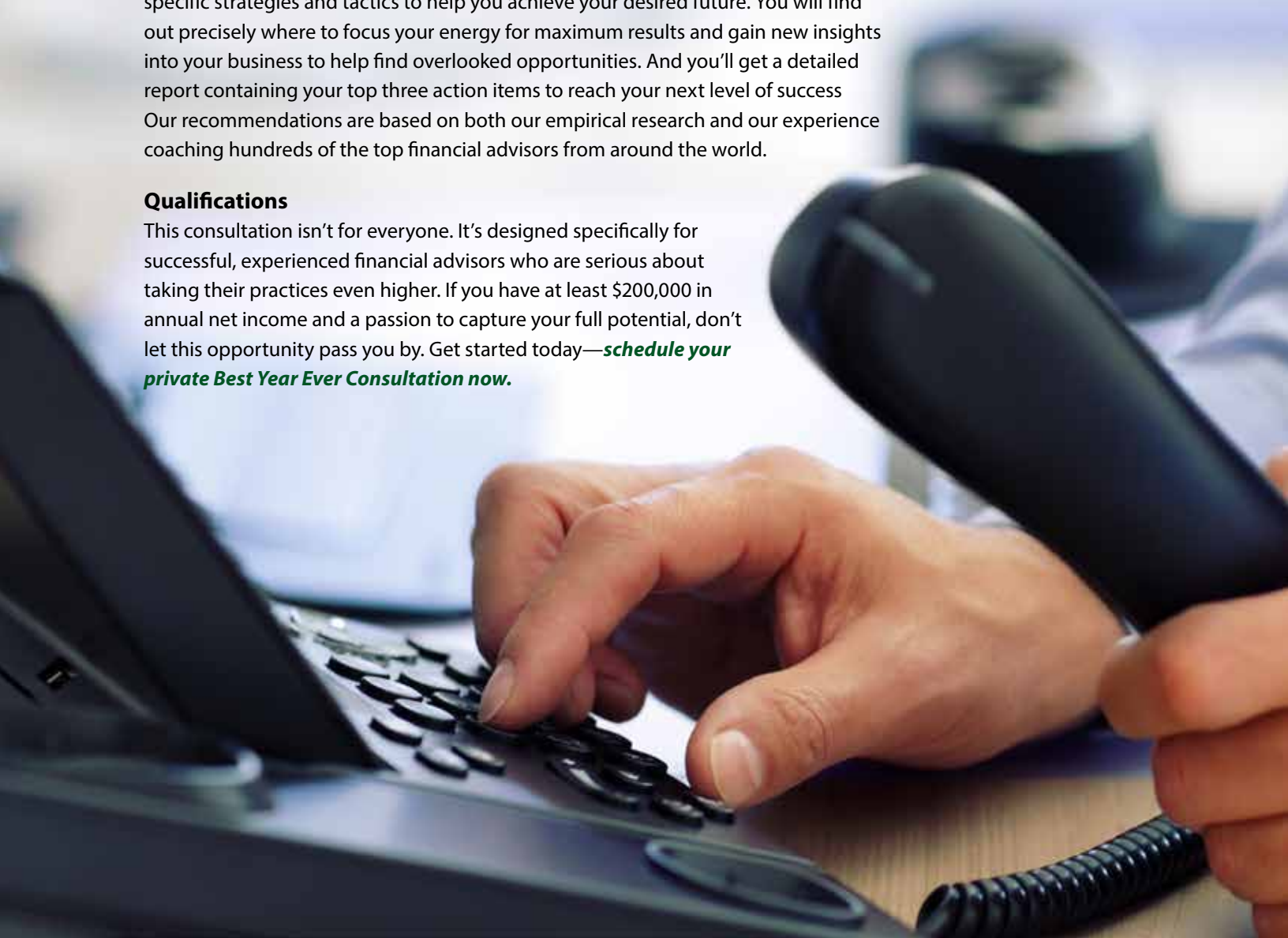
During the first phone appointment, a CEG Worldwide elite advisor consultant will work with you to develop your Total Advisor Profile. This personal mind map will give you a comprehensive view of your business and your life, detailing in a single powerful page where you are now and exactly where you want to go.

Recommendations

During our second phone appointment, one of CEG Worldwide's senior principals will provide specific strategies and tactics to help you achieve your desired future. You will find out precisely where to focus your energy for maximum results and gain new insights into your business to help find overlooked opportunities. And you'll get a detailed report containing your top three action items to reach your next level of success. Our recommendations are based on both our empirical research and our experience coaching hundreds of the top financial advisors from around the world.

Qualifications

This consultation isn't for everyone. It's designed specifically for successful, experienced financial advisors who are serious about taking their practices even higher. If you have at least \$200,000 in annual net income and a passion to capture your full potential, don't let this opportunity pass you by. Get started today—***schedule your private Best Year Ever Consultation now.***





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