

This marks the end of my tenth year writing consecutive monthly marketing articles for Broker World. In my 23 years in financial services, and over this past decade especially, no peace has visited financial marketing, nor should it. Great change was needed in the life insurance business and financial services. Great change has begun. It is progress—with a price—and nothing can stop it.

In 1977—the year I joined financial services—the Supreme Court struck down all professional ethics that restrained competition. Accountants, lawyers, doctors, consultants, advisors, architects and all types of professionals could no longer be constrained from advertising, soliciting clients or competing on fees. The professions changed, and with this came the discovery that *private practice* marketing was very different. Completely new skills had to be developed, techniques tested and applied.ⁱ

Other things changed too. We vie against old and totally new competitors for consumer dollars in completely new arenas. The ground shifts constantly underfoot. Learning at the feet of the old grand masters is a tired routine now obviated by immediate demands requiring innovative solutions to which the old truths no longer apply. Even the best “best practices” training merely emulates the recent success of a few contemporary victors. It rarely accommodates the regional, cultural and other differences between whom the training emulates and the learners.ⁱⁱ *There is no defense for not innovating—for not continuously buffing off the tarnish and shining up your image.*

If my contributions to this have been anything, they are recorded in the successes of my clients. My clients maintain private professional practices, and their personal goals

are paramount. They are in business to make their lives better, and for the fun, challenges and rewards the profession brings. Most have at least doubled their profits or halved their efforts—permanently—in 36-48 months of real marketing. We measure progress in profits and time spent at it, not increases in revenue. The way we treat clients is markedly different. Some call this style marketing “The Full Melchinger.” Some call it radical marketing. Regardless, traditional marketing methodologies that remain illogically rigid or are simply inappropriate to begin with can devastate. Radical marketing’s primary tendencies begin to make the caseⁱⁱⁱ:

- **Radical marketers have very strong visceral ties with a specific target audience.**
- **Radical marketers tend to focus on growth and expansion rather than on profit-taking.**
- **Radical marketers tend to be very resource-constrained and are forced to make do with marketing budgets that are far smaller than average.**

I offer you the foundations of private practice marketing as I do it, matched to some of my ‘radical’ ideas that demonstrate innovation using them. My standards are based on my understanding of data and human nature. My techniques are mostly original. All have been implemented successfully by those of my clients who adopted and adapted them to their practices. For those of you who have put enough faith in my work to pay for my ideas and implement them, thank you.

Note: The addresses to my web pages for samples are listed with the item, and references to other sources provided in end notes. For an online copy of this article with all web links active for ease in linking on your computer, go to

<http://www.melchinger.com>, SiteHub,

Downloads and retrieve the Adobe Acrobat .pdf file.

Career v. Profession

The major difference between a career and a profession is in their timeframes. A career like selling focuses on short-term events with a beginning and end. The measure is whether the sale was made or not. That is why you are paid. A profession like advising focuses on longer-term goals, is less pre-occupied with making every transaction, and pays more than commissions. Their different focuses, different ways to be rewarded and different methodologies require different personalities and motivations to do either one well.

The common elements of both: **fun, challenges** and meaningful **rewards**. I saw marketing as my own way to fun, challenge and reward. There was no marketing in life insurance at the time, no “target marketing” to speak of, no concept of enhancing selling with marketing, no believers in marketing in this selling business. My kind of challenge! I invented my professional self.

Foundations

Whether you are in the career or the profession—or in the ether between the demands of the two—marketing rules apply. You must have an **expertise** to offer which people need and want to tap because they cannot do it themselves or do not want to. You must have **markets** that will buy into and purchase the result of your expertise. You should form **relationships** of trust, building an audience for your advice, and respect, which when combined with trust forms the longevity bond that keeps your footing on sure ground in a market.

Fun, challenge and rewards vary infinitely as they combine in your own dynamic of purely personal tastes.

Your expertise, markets and relationships can be measured. So, successfully marketing a financial private practice means effectively advancing

- (1) a person's expertise
- (2) to the target markets s/he can penetrate and develop,
- (3) and nurture and sustain the relationships that continue producing rewards over time.

Efficiency in marketing helps, but is often not critical. Effectiveness counts most. In marketing, *effectiveness begets efficiency*.

Process is manna to good marketing. *Process* keeps you to standards such as those set for clarity and simplicity, and by good taste and compliance. Process also keeps you disciplined, and innovating requires great discipline.^{iv}

Innovation—to offer something as, or as if new—is important. Left to happenstance, your occasional innovations will rarely attract attention. Too many brilliant and well-publicized ideas compete for attention in crowded markets. Much noise distracts the consumer.

To succeed in the business of advising...

1. Understand your **expertise** and learn to present it in a manner that encourages confidence and trust.
2. Choose **markets** that need what you offer and can develop rapport and respect with you.
3. Systematically nurture and sustain the **relationships** you must to continue receiving rewards from that market over time.
4. Develop **procedures** for all things you must do repeatedly.
5. **Innovate**—regularly.

That's the short version of *Private Practice Marketing ala Melchinger*. Now for some tech-

niques that demonstrate these foundations.

Expertise

Expertise, to me, is *knowledge plus experience that sets minimal acceptable standards for a professional's performance, and acceptable expectations for the client*. The question: On what topic(s) would you feel competent and comfortable serving as an expert witness? When you can answer that you will know your expertise.

<http://www.melchinger.com/mom/MoM9811.html#TECHNIQUE>

Many of my clients serve as experts advising lawyers and accountants, and as expert witnesses in court. One is an arbitrator registered with the American Arbitration Association. Two are registered agents and can represent clients to the IRS. They have earned their reputations as experts.

The big fear with financial services practitioners over the years has been that telling people you have an expertise or two will make them think that's the only thing you do. Not true. Human (emotional) reasoning goes like this: *If s/he's expert at x, s/he probably knows some things about y and z. I like this person (ability to think, style, mannerisms, ethics, etc.) so I will ask, 'Do you also...?' We reason like this all the time.*

Your expertise belongs in your resume and how you talk about yourself both formally and casually. To create the right descriptions of your expertise, decide the client situations in which you are most capable of solving problems.

BW Apr 92, Your Resume

<http://www.melchinger.com/mom/MoM2000-4.html#TECHNIQUE>

Try this: Review your best cases over the past few years and describe the client situation and/or objective you satisfied. Think about what spe-

cific knowledge and skills you needed to do the case. What special topics arise? Is that your expertise?

You can broadcast samples of your expertise by employing bulletins in your marketing. Bulletins may take many forms, but I find the *situation > problem > solution* format works best for readers, although writing in this format is more difficult.

<http://www.melchinger.com/mom/MoM9901.html#TECHNIQUE>

http://www.melchinger.com/samples/S_bulletin.htm

Crossword challenges require some creative thought to develop, but they are worth the effort. Built on the basis of telling the client "If you and your financial advisor cannot complete the attached in ten minutes or less, we need to talk," you will find the client's interest is in your expertise or it is not. Good qualifying technique.

<http://www.melchinger.com/mom/MoM2000-2.html#RELATIONSHIP>

http://www.melchinger.com/samples/S_Crossword_Challenge_Estate_Plan.htm

Due Care is a specialty topic that sets off life insurance professionals from the generalists. If you really know an aspect of life insurance, why not tell people you do?

<http://www.melchinger.com/mom/MoM9902.html#TECHNIQUE>

http://www.melchinger.com/Downloads/D_Due_Care_article.pdf

<http://www.melchinger.com/Downloads/LI=SinKingFund.pdf>

Want to do workshops or seminars? The more specific your topics the more specific and qualified your attendees will be. General topics attract general audiences. Expertise helps narrow the field.

BW Jun 91, Workshops

BW Nov 94, Mini-Speakers Bureau

If you trouble yourself to take on the expense and effort of producing an audio or video 'business card' for marketing, it is the place to state your expertise and explain how it is part of what you do.

<http://www.melchinger.com/mom/MoM2000-2.html#TECHNIQUE>

Survey your better clients (the telephone works) with this question: "What situation or problem did I help you with? How would you describe what I helped you do?" Ask a dozen people you've helped professionally and learn firsthand what they really valued in terms of your expertise (what your expertise means to them). Clients have a way of coming up with wording for what you do that is as eloquent as it is simple. Their words have great meaning. Listen to them.

http://www.melchinger.com/F_Samples.htm

Markets

Markets comprise groups of individuals with commonalities which make them more prone to positively receive your messages and offers. Selling is one-to-one communication; marketing is one-to-many. Selling is preoccupied with the need of the seller...to exchange the seller's product for the buyer's cash. Marketing focuses on the needs of buyers...the whole array of things surrounding discovering and satisfying buyers' needs^v.

In general, the easiest explanation of marketing is the **market > messages > media** formula. The sequence is the imperative: 1) identify the market, 2) devise the messages you want to deliver to that market, and 3) select the best media for you to deliver your messages.

You can be the first to market something and you can be the best, but it is best to be first. Timeliness is often critical. My formula for this important idea I call the **Three BEs of Marketing: Be First, Be Best, Be Different in an Appealing Way**. By following this advice you can achieve wonders in private practice marketing. It's a simple idea but requires astute attention to its application.

<http://www.melchinger.com/mom/MoM9810.html#TECHNIQUE>

Choosing your markets excites. To do this, some consultants advocate a sales strategy, focusing on—and trying to replicate—your 'best' 40 sales, usually chosen by revenue. The people I advise are growing wearing of chasing the dollar at the price of the other rewards they seek from their career, so this technique no longer satisfies.

Knowing that satisfaction begets increasing satisfaction and returns, my approach seeks to isolate markets among the most rewarding relationships you have succeeded with. [BW Dec 99, Let's Put the Pro Back in Professional](#)

When you prioritize and segment your marketing database you can figure out how to get the most from your existing clients, target market segments and prospects, and discover new opportunities.

Try this: In your database, isolate the names of your clients who have given you the most pleasure. Base your decisions on anything other than money. After isolating these names, ask yourself the following five questions about each one on the list:

1. **Source:** Where did you find this person? How did you meet?
2. **Training:** What occupation did this person train for?
3. **Specialty:** What specialty did this person end up doing or pursuing?
4. **Hobby:** What does this person do for fun that is not business?
5. **Involvement:** What does this person give time to that is not business?

http://www.melchinger.com/samples/S_Analyze_Your_Base.htm

When you know this information about individuals, you know enough to assemble them into groups you

can pursue effectively and efficiently. Look for common characteristics and similarities that can bind them. If they do not know each other, yet have things in common, invite them to be together through your auspices to pursue some common goals or entertainment. Become their leader. [BW May 99, Quo vadis?](#)

Culling clients can produce quite desirable results.

- ◆ Personal time off: increased
- ◆ Time spent with clients: increased
- ◆ Stress level: decreased
- ◆ Gross revenue: increased
- ◆ Operating expenses: decreased
- ◆ Net Profit: increased
- ◆ Client attrition rate: improved

The time spent *not* taking care of the clients you cull can be spent doing more of the things you want to do. After all, you are in business to make your life better, aren't you?

[BW Feb 99, Culling Clients](#)

The "affluent" are the most elusive non-market since "businessowners." Smart advisors know what patterns of client characteristics they perform best with and avoid the rest. How do they do this? Segmentation. It is so ridiculously easy that only people afraid of not making a sale and frenetic egoists insistent on making every sale avoid it. Use a matrix of sources of money against type of wealth and you can readily see the "affluent" fall into many easily separated segments. Try it. You'll like it. [BW Mar 95, Attracting the Affluent](#)
http://www.melchinger.com/samples/S_Affluent_Charts.htm

Markets are fertile fields for asking intriguing questions specific to the market. When you can devise certain questions and effective ways to ask them, it can be very impressive. Doing this implies your expertise in things that concern the market, in language that demonstrates you also understand the market.

[BW Sep 94, Questions](#)

<http://www.melchinger.com/mom/MoM9809.html#RELATIONSHIP>

Although selecting your markets may be your most fearsome task, unless you do it decisively you will be forever selling without a direction, conviction and base. Marketing is not prospecting... but it does make a prospecting difference.

Relationships

In our consumer-driven society, product quality, value and service rule. They are often bought on the basis of trust in the competence and integrity of the advisor who sells, delivers and services them. Increasingly, trust in the advisor, and the degree to which a consumer prefers one advisor to another, is based on values—mutual values. Values sharing builds the best trust.
[BW Oct 94, Value Added Marketing](#)
[BW Oct 98, Building Trust](#)

Some call 'relationship marketing' the clear way to go. It is *not* clear because all marketing is relationship marketing. Sometimes you relate to a brand, sometimes a logo, always a reputation. Brand loyalty, widely touted in days of yore, is eroding quickly. In private practice marketing, your reputation is everything. People relate with and to your reputation. You are your reputation. Personality can make a sale, but reputation makes and breaks relationships with clients.
[BW Sep 95, Relationship Marketing](#)

Good ethics command great respect. Bad ethics demand disrespect. Ethics form a major part of your reputation. The only rule I've ever observed to be true in practical ethics is that the *more* someone says "I am honest" or "I am ethical" or "I have great integrity," the *less* it is likely to be true. Say it once and you're good. Say it twice and you're suspect. Say it three times and you are certainly lying. [BW Aug 92, Ethics In Marketing](#)

Fees cause consternation with many advisors. Customers, however, are beginning to embrace the benefits of paying fees for advice and performance. There will be no resolution until products un-bundle fees from packaging. Unfortunately, product manufacturers hesitate to reveal the revenues they build into their products. Even if you do not (or cannot) charge fees for your advice or services, having a sample fee schedule that shows what you think you are worth makes some markets very happy. Full disclosure rewards and can support your earning more than your competition.

[BW Oct 97, Fees As a Marketing Tool](#)
<http://www.melchinger.com/mom/MoM2000-1.html#TECHNIQUE>

The test of relationships is trust. By definition, trust is a firm belief in someone's honesty, reliability, credibility and integrity. It implies that the person trusted has a duty of care or custody to the one who trusts. The buyer who trusts puts faith in the advisor to act in the buyer's best interests, to be what the advisor claims s/he is, and to be giving competent advice. Trusting an advisor means putting stock in that person's advice. Trust is action demonstrating faith in another. What builds trust is measurable and fairly predictable...and takes time. Speed kills.
[BW Oct 98, Building Trust-Show Your True Colors](#)

The Relationship Building Rater serves as a good reminder to know if you are doing the right things in sales calls to build trust (which is somewhat different than rapport).
[BW Apr 96, Sales Rater](#)
http://www.melchinger.com/Downloads/Rater-Relationship_Building.pdf

Try this: examine the issues that concern your clientele, then add some appropriate sensitivity to your mission statement, strategies, and marketing plans? Look around. So many firms nationally and locally are doing this. Why can't a local firm in-

volve itself in the community to do good, not just to do well? Drive the effort to rebuild a broken down house once a year. Sponsor Big Brothers/Big Sisters events. Harness the resources to feed and shelter the homeless. Convince your broker dealer to match a portion of your commissions and manage a scholarship for tomorrow's financial planners. There's no end to the possibilities. All you have to do is understand that the marketplace today comprises special interests that show up in sensitive groups which you can often target in very satisfying ways.
[BW Nov 98, Marketing Correct](#)

Knowing your clients—and knowing how their thinking is shifting—makes a wise service provider even wiser. Client surveys can do this. When done properly, they yield a wealth of information. Well done, your survey should garner a response rate of 50% or more. A poorly done client survey seems like a self-serving ego booster to your clients. The mere fact that you took the trouble to ask, tally and think about it says reams about you. Reporting results in your broadcast letters to clients ices the cake. Learn how.
[BW Aug 95, Client Surveys](#)

Sticky Notes™ work exceptionally well. A simple handwritten note **Jayne—Saw this. Thought of you.—** John stuck on an article torn from a magazine or newspaper says to your client, "S/he was thinking of me." That's all you need to cement a relationship and it is very easy to organize and do.
[Broker World, Sep 97, Visual Marketing](#)

Giveaways can make clients very happy and/or very interested, depending on their meaningfulness. Remember, in my Rule of 7, clients tend to want 7 communications annually: 2 "Hi. How are you?" telephone calls, 1 opportunity for a face-to-face interview, and 4 pieces of personally meaningful mail. Use this

pattern to distribute your efforts effectively and keep your clients happy.

Sending a special gift to special people is personally meaningful. I have mentioned the books *Maximize Your Inheritance*^{vi} and *Once Upon a Lifetime*^{vii} as excellent examples.

Of course, the best way to reap the rewards of great relationships is from personal introductions—not referrals—from your best clients. This natural business event transcends the false psychology that plagues the sales mentality. Many sales types have learned to hate referrals and have stopped asking. Pity. They were taught wrong. Don't confuse introductions with those referral methods that fail one step short of success. The complete rationale and script is available on my website.

http://www.melchinger.com/F_Downloads.htm

Process

Process and procedures are at the heart of every enterprise. Contrary to popular belief, the very best salespeople like process because predictability in procedures frees their minds for focusing on what they do so well—attending to and making the sale. Procedures also bring uniformity to repetitive things.

The universal consulting model, nicknamed “The Cloud Talk” because of how it draws, exemplifies this. It offers an idea that becomes very important to the client, indelibly clear in the client’s mind, and which you can refer back to whenever you need to reinforce where you are with the client. The entire PowerPoint presentation is at http://www.melchinger.com/F_Downloads.htm if you wish the 1.9 MB file. I originally explained it in *BW Jun 96, Messaging with Talk Tools*

The Discovery Agreement demonstrates added dimension to your brand of professionalism when you use it. Many of my clients employ this tool regularly. Some have lived to thank heaven that they did when disgruntled clients thought they could scare the advisor into settling a “complaint” out of court based on a misunderstanding. Eliminate misunderstanding with a discovery agreement after factfinding. This is especially important when markets drop and clients want to make up for losing their shirts. Clients burned by market losses can become irrational and desperate.

BW Jul 95, The Discovery Agreement

Repetition applies to thinking as well as doing. In the thinking category, there are certain sequences that make one way of working through something come out better than another. The classic example: *ready, fire, aim* is laughable compared to *ready, aim, fire*. So it is with our routine, repetitive thinking, although we sometimes skip the logic altogether and leap with emotional ‘reasoning’ that hurts. I explained a lot of thinking procedures that will free your mind in *BW Jul 93, Tripods*

Tracking results against intentions presents difficulties. Cause and effect are not things that optimistic and resilient people want to be reminded of, and recordkeeping and analysis are boring. Nevertheless, there is a very simple way to solve this, should you want the valuable information this provides. You should. For a sample ART-Activities and Results Tracking form, get it at http://www.melchinger.com/F_Downloads.htm

On the doing side of process, repetition may be a bugaboo to those advisors who must prove to themselves that they are creative. For many reasons, having analogies, examples, phraseology and wording that offer your basic ideas consistently helps. Examine *BW Jun 96, Messaging with Talk Tools* and *Sep 97,*

Visual Marketing and you will discover what help the right words and images can play in your attempts to persuade clients.

BW Jun 92, Non-Jargon Marketing That Works

If you are like most advisors, you have given little thought except the passing day dream to leaving the business. This probably means you also have not built your practice to be saleable. A process can mean the difference between not having a saleable practice in the end, having one worth only a million dollars, or having a mature practice that will sell for twice that. Unfortunately, dealing with succession is as emotional as it is financial, and emotions ruin many deals in finances. To consider your frame of mind and options, check *BW Oct 99, Succeed—Don't Secede—with Succession*

Happy Marketing!

For a complete, up to date, unabridged guide—with examples—of 26 private practice marketing techniques, see *Financial Practice Marketing* at http://www.melchinger.com/FPM_Series.htm

ⁱ See *Competing for Clients—The Complete Guide To Marketing & Promoting Professional Services*, Bruce W. Marcus, Probus Publishing, Chicago, IL, ISBN: 0-917253-26-4

ⁱⁱ Read this with a grain of salt. Some ideas are excellent. *The E Myth Revisited*, Michael E. Gerber, Harper Business, New York, NY, ISBN: 0-88730-728-0

ⁱⁱⁱ *Radical Marketing*, Sam Hill and Glenn Rifkin, Harper Business, New York, NY, ISBN: 0-88730-904-4

^{iv} Read Peter Drucker's *The Discipline of Innovation*, a Harvard Business Review classic, or his original work *Innovation and Entrepreneurship—Practice and Principles*, Harper & Row, New York, NY ISBN: 0-06-015428-4 (also available on audiotape)

^v *Target Marketing: The Book*, John H. Melchinger, Educational Training Systems, Southborough, MA, 1-800-392-6387, <http://www.ets-inc.com/>

^{vi} *Maximize Your Inheritance*, Jarratt G. Bennett, Dearborn Financial Publishing, Chicago, IL, ISBN: 0-7931-3330-0

^{vii} *Once Upon a Lifetime*, Patricia A. Williams, Time Broker, Edmonton, Alberta, ISBN: 0-9681400-0-9

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since 1979, John coaches personal financial services advisors how to market themselves to prosperous buyers. John's superior techniques to identify, select, penetrate and develop a planner's most suitable markets, combined with compelling packaging and promotion that reflect the style and personality of the practitioner, help make John's clients among the most profitable and personally satisfied planners in financial services.

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