

INTERVIEWER: How important should public relations and marketing be for investment consultants and other investment professionals?

SAENZ: I would say that public relations (in the traditional sense) is not appropriate for the typical investment professional. Marketing, on the other hand, is critical since it is the engine that drives any business. For starters, public relations campaigns at the *advisor level* are discouraged if not prohibited by most financial service companies. Most of these organizations also discourage or prohibit advisors from creating their own identity in their local communities. Examples include advertising and brochure development. For large, independent investment consultancies (Financial Planners, RIAs, etc.), public relations should be considered as part of an overall marketing plan.

When it comes to developing new business, most investment professionals (especially those working for large organizations) are best served by developing and implementing an ongoing client advocacy campaign within their practice. It has been my experience over the years that the best way to get a client to become a stronger advocate for you (i.e., give you more referrals) is to first become a stronger advocate for them. If your firm allows it, you should invest the time and money into developing your own professionally designed marketing brochure. This lets prospective clients and centers of influence know (by conveying the right image) that you are serious about serving the affluent investor.

INTERVIEWER: What type of trends do you see with regard to investment consultants using public relations and marketing to build their practices?

SAENZ: I have seen very little in the way of new or creative marketing or public relations. Most advisors do little, if any, marketing because they are too bogged down in the technical and servicing aspects of their business. The best solution for this dilemma is to hire someone to handle the technical aspects of the business and for the senior advisor (who likely has the best contacts in the community) to get out of the office and spend more time with clients as part of the client advocacy campaign mentioned above. People today are looking for something new, something creative. We worked with one advisor who took a group of clients on an educational trip to a different part of the world each year. The most effective marketing initiatives are those that include existing clients.

INTERVIEWER: What are the first steps consultants should take before delving into marketing and public relations efforts?

SAENZ: If it is to be used, public relations should only be one component of a comprehensive marketing plan. Even then, it should only be used after a strong client advocacy campaign is in place. In terms of first steps, perform a thorough analysis of your existing client base. Determine who is most likely to become a stronger advocate for you. Typically, this will be someone who is still active in their community and has allowed you to handle all of their financial affairs. An experienced public relations consultant will tell you that you have to have a unique (non-investment related) story to tell in order to get any serious press coverage. Unfortunately, most advisors do not have anything terribly unique to share with the world. If an advisor has done something in his/her life that is truly noteworthy (usually a personal accomplishment), then public relations might be effective. When it comes to public relations, the first thing you should do is hire a public relations consultant and have them evaluate you and your business to determine if you do, in fact, have a unique story to tell.



An Interview on Public Relations for Investment Consultants with an Industry Publication and Steve Saenz, President and Founder

INTERVIEWER: With regard to investment consultants, what are the key components of an effective public relations/marketing effort?

SAENZ: As stated above, the most important component of a PR campaign is your story. If it's not unique, don't go any further. The second most important aspect is your audience. You have to make sure you are targeting the *right* audience. It would be nice to have something in common with your target audience; that is, something that gives you credibility beyond the fact that you are a competent investment consultant. Lastly, you have to be willing to invest the time and money necessary for a public relations campaign to take hold. It is not uncommon for a good PR campaign to take years and tens of thousands of dollars to produce tangible results.

INTERVIEWER: In your experience, what public relations/marketing tools seem to be the most efficient/cost-effective in terms of dollars spent? For example, writing articles for newspapers or trade journals typically doesn't cost anything (other than time and effort), but how much business does it generate? Hosting client appreciation dinners and asking clients to bring a friend can cost more money, but is this tactic more likely to generate business?

SAENZ: The most effective marketing campaigns are those directed at your existing clients. Client appreciation events can be very effective but they should be just that – client appreciation events. Don't try to sell your clients anything at a client appreciation event. Talking about asset allocation or estate planning is selling, even if you serve them a nice dinner. Having a Fourth of July picnic for your clients and their kids (with you cooking the burgers) is client appreciation.

INTERVIEWER: Is there a particular kind of advertising that you believe is cost-effective?

SAENZ: Like public relations (and for the same reasons), advertising for most investment professionals is not practical. If you are going to advertise, make sure you have a big impact. One full page ad in your Sunday paper has more impact than a tiny ad placed once a week for an entire year. Again, make sure your medium (the publication) gets your message in front of the right audience.

INTERVIEWER: Many computerized marketing lists/databases are for sale these days. Are any of them useful enough to be worth the cost?

SAENZ: NO.

INTERVIEWER: Several advisers have self-published books on various investment topics. This takes a lot of time and effort and can be a fairly expensive venture, as well. What are your thoughts on the return of this type of effort?

SAENZ: Do it only after you have developed and implemented a comprehensive marketing plan. Publishing a book can give you a lot of credibility, but if you turn more clients into advocates you won't need to prove your credibility to others. They will come predisposed to doing business with you.

INTERVIEWER: Public speaking can be an effective business builder. Where and how can advisers arrange to speak to groups that may present good prospecting opportunities?

SAENZ: I would consider doing speaking as a community service, rather than for direct prospecting. Instead of trying to get in front of your local Rotary Club (which probably has other investment advisors as



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members), you might consider talking to a group of junior high school students about the financial markets. There are few things that will have more impact on a parent than doing something worthwhile for their kids.

INTERVIEWER: Do many investment advisers outsource their public relations and marketing efforts? If so, what specifically do they outsource and why? How effective is outsourcing?

SAENZ: Unless you believe your clients can and should manage their own investments, you should not attempt to manage your own marketing and public relations efforts. You should hire an experienced marketing consultant (one who knows your industry) to help you develop your marketing plan. At the end of the day, you and your team will have to implement (execute the tactics) your plan, but your marketing consultant should help you develop the strategy and monitor the results. All public relations should be outsourced to a professional ad agency or PR firm. A good PR consultant or agency will have the media contacts necessary to get you the coverage that will make your investment worthwhile.

INTERVIEWER: How can the use of the Internet be an effective public relations/marketing tool for investment consultants and other industry professionals?

SAENZ: As with PR and advertising, most financial firms do not allow advisors to have their own web sites. Having said that, a web presence is critical today and will become even more important in the future. Take advantage of any web page service your firm offers now. If you can build your own web site, do it. The caveat here is that you must be willing to invest the time and money to build a professionally designed site. Don't let your sister-in-law design your site in FrontPage. Hire a professional design firm that knows what they are doing. Your web site is a reflection of your practice and people will always judge a book by its cover.

INTERVIEWER: How does the size of a consultant's firm affect what public relations/marketing activities need to take place? What is different for a small or independent firm versus a large firm?

SAENZ: As stated above, public relations (in the traditional sense) is beyond the scope of most investment professionals. I would say you need to have a budget of at least \$25,000 (bare minimum) for a good PR firm / agency to take you seriously. Keep in mind that this is just one aspect of your overall marketing plan.

INTERVIEWER: Is there anything else you'd like to add?

SAENZ: When it comes to marketing, everything you do should be in line with the quality of clients you want to have. Since your resources (time and money) are probably limited, go for quality instead of quantity. Your greatest ROI will come from developing and implementing an ongoing client advocacy campaign. Always remember that before you can expect a client to become a stronger advocate for you, you first have to become a stronger advocate for them.