Three Steps to Creating Lifetime Clients

by Dawn Kahler
Rydex Investments
Vice President, Marketing

You want to continue growing your business, but finding new clients is time consuming and expensive. What's an advisor to do?

Good news—by focusing on a niche market, you may be able to create lifetime clients for your business. It's a great opportunity for advisors because very few RIAs focus on any client characteristics beyond a wealth range. In fact, wealth range ranked as the most important client trait for 65% of investment advisors, according to AdvisorBenchmarking, a service that enables RIAs to compare their businesses to those of their peers. Only about a quarter of advisors (24%) focus on specific age groups, while nearly one-fifth (19%) admit they have absolutely no focus within their client base. This absence of client focus can muddy your expertise and end up spreading your resources too thin.

So how do you determine your niche or target market? And how do you go after it once you know what it looks like? First, you find out what differentiates you in the marketplace. Second, you package yourself so the media and your clients see you the way you want them to. And third, you prioritize your time so that you're spending it on what's most important for your business. By taking these steps, you will zero in on your target market and learn how to create more lifetime clients.

Step one: Determine what differentiates you

You probably look a lot like every other financial advisor, and uncovering what sets you apart could be an effective way to stand out from the crowd. This is branding—a term first used in conjunction with branding cattle. Because cows and steer tend to look alike, branding was an effective way to identify them.

How important is branding? Management guru Tom Peters says "Regardless of age, regardless of position, regardless of the business we happen to be in all of us need to understand the importance of branding. We are CEOs of our own companies: Me, Inc. To be in business today, our most important job is to be head marketer for the brand called 'You.'"
Determining what sets you apart isn't as difficult as it may seem, though it does take some legwork. Start by asking five colleagues to identify what you're best at. Then ask five clients to do the same. This will help you determine what position you can "own" in the marketplace. For instance, the feedback you receive may be that you make complex financial issues simple, that you excel at educating people on investment options or that you help clients invest for the future while mitigating risk. Once you determine what sets you apart, you're ready for the next step.

Step two: Package yourself

Now that you know what sets you apart in the marketplace, you can put together a bio that details your areas of expertise and package yourself for the public. For example, if you determine that you stand for helping people retire comfortably, you can package yourself as a "retirement coach." Your marketing materials can reflect this, the way you describe your business can relay this, and even the way your receptionist answers the phone can drive the point home--"John Doe Financial. We specialize in retirement."

You can also take your packaged expertise and reach out to the media. Pitch a story to the media that portrays you as an expert in your field—something that will keep you top of mind with reporters looking to talk with an expert on a particular topic. An advisor whose strength is making complex financial issues simple could be a great source for reporters who want to talk to advisors about new products in the marketplace, trends in the industry or commonly misunderstood financial issues.

Relevant topical news stories can also be an opportunity for you to pitch yourself. For example, when the "Queen of Mean," Leona Helmsley, left her estate to her dog, one advisor realized that estate planning would be a hot topic for the press. So he pitched himself as an estate-planning expert and was quoted in several industry publications. Because having someone else quote you as an expert is more powerful than touting yourself to your clients, this kind of exposure is invaluable. And best of all, it's free.

The key to taking advantage of opportunities like this is to be prepared (for instance, determining your area of expertise and crafting a bio for yourself) and to strike while the iron is hot. While a topic like estate planning may always be of interest to industry publications, the advisor above had success convincing an editor to run his story right away by tying the topic to a timely news item.

Step three: Prioritize your time

If you spend 65% of your time with clients, you are eight times more profitable than the average advisor, according to AdvisorBenchmarking. But it's hard to spend time on what's most profitable for your business when you're being pulled in many directions.

Now is the time to start delegating to your staff. It will help build your employees' expertise, which will go a long way in helping you retain high-quality employees. And it will free you up to focus on what's most important for your business—spending time with clients.

By determining what differentiates you, packaging yourself and prioritizing your time, you'll be better able to focus on your niche market. And you'll be creating lifetime clients—a huge boost to your bottom line today and in the future. It's as simple as one, two, three.

To learn more about branding yourself, contact Rydex Investments at 800.258.4332 or visit www.rydexfundsfp.com to order the I-Branding workbook.

Dawn Kahler is vice president of marketing and communications at Rydex Investments.