The Guide to Whacking

Your Competitor's Achilles Heel

Of course, all in the name of healthy competition and good sportsmanship...Your competitors can always take solace in knowing they are the best of the losers!

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Using lessons learned from successful athletes to catapult your business

One such lesson is how athletes view competition. If you're playing tennis, basketball or golf for fun, you probably want someone as good, if not a little better than you, to make it fun. If they are much better or much worse than you, it is not nearly as fun.

However, if you are playing for money that all changes. If you have a "Benjamin" riding on the game, you may be like me and want to play an opponent that is worse than you. Or, you may be more sporting? and want to play someone better than you. Either way you want to win, right?

How do you stack the cards in your favor when playing for money? You try to find out your competitor's weak spot, don't you? If your opponent has a crappy backhand where do you hit it?

To his backhand.

How often?

As often as possible!

Why do pro teams spend so much time in the screening rooms?

Admiring how great their opponent plays? NO WAY! They are looking for a weakness to exploit. To win championships you can't just be a great athlete. History is filled with great athletes that never won a championship. In today's world, great athletes have become a commodity. It is extremely rare to find an athlete that can win against their competition just by skill alone.

How does a great athlete assure their success?

Top athletes are experts at identifying their opponent's weaknesses and exploiting them. Think of all the great pitchers. If they are pitching against a guy that can't hit a curve ball but instead clobbers fast balls, what are they going to pitch him? A fast ball just to keep things interesting?

NO WAY! The pitcher is going to throw a curve ball!

It works the same in our business. Let's face it, we are commodities. We all sell the same things: the same mutual funds, the same investments. We all claim to have great service. However, it is almost impossible for the public to determine if we really are better than everyone else until it is too late for them. As advisors, we have no way to demonstrate to them that we are better than everyone else until they work with us. We can make claims, but how can we demonstrate our superiority over our competition?

So it is a catch 22. We can't prove that we are better than our competitor, until they work with us...and the prospect won't work with us until we can prove that we are better.

You must instead do as a great athlete would do. You must be good at what you do, <u>but that is not enough</u>. You must capitalize on your competition's weaknesses as well.

What is your competitor's weakness?

The easiest way to figure out your competitor's weakness is to find out why people leave their current advisor. If we know that, we have his or her weakness. All we have to do is demonstrate that we do what their current advisor isn't doing.

You might think there are hundreds of reasons people leave their advisors. However, study after study, as well as my informal survey of hundreds of advisors, would instead show that it basically comes down to one of three reasons:

1. Lack of service
2. Lack of contact
3. Lack of return or dissatisfaction with their investments

In my research of several studies, one reason is mentioned in virtually every study and is the main reason (by a large margin) why clients leave their advisor and the other two trail that reason significantly. Thus we have found your competitor's Achilles heel, and if you can do that thing better than their current advisor, they will leave their current advisor and go to you.

What is it then? What do 90% of all clients mention that they want more of?

Contact!

<u>Lack of contact</u> is the Achilles heel! [1]

3 of the 5 top reasons why clients left their FA was for Lack of Contact [2]. *I am both pleasantly and unpleasantly surprised* by the fact that almost every advisor I ask can give me the reason people leave their advisor. Without a doubt, most know the answer…lack of contact.

- I'm pleasantly surprised because they know this fact.
- I'm unpleasantly surprised because most do nothing about it.

The average advisor contacts their client about twice a year: usually once for an annual update meeting and once to answer a question via phone. <u>This is not the right amount nor the right content for the contacts.</u>

When asked how many times they want to be contacted about their finances, the average client agrees that once or twice a year is sufficient. Wait a minute, didn't I just say two times was not enough? Two annual contacts is enough on their financial situation. but…

When the studies have looked at what moves a client up from a satisfied status to a loyal status, they found it revolved around one thing—NON-FINANCIAL contact and lots of it.

What is NON-financial contact? Contact about anything **<u>except money</u>**. This is where most advisors lose their bearings. They are confused. They think to remain professional they should keep all their contact about business. When instead, clients want to know you care about them as a person, not just their money. The main way you can show you care about them is to contact them.

Contact is the one demonstrable ways to show that you care. When you show clients that you care, you move the clients up from being merely satisfied to absolutely loyal.

To have a satisfied client, contacting them once or twice a year is fine, but…

Satisfied clients will kill your business

I used to think I wanted satisfied clients. What I didn't know was that satisfied clients will stay with their advisor until they find something better. A high percent of all advisors are content with their clients being satisfied. So we have another Achilles heel: <u>most advisors are satisfied with having satisfied clients.</u>

Satisfied clients will kill your business for numerous reasons (which is beyond the scope of this article). If your competitor's clients are merely satisfied, they are vulnerable because they will leave if they find something better.

And what is it that clients want? What is better? More contact!
So, you now have two huge weaknesses that your competitors possess:

1. Your competitors do not contact their clients enough about NON-financial things

2. Your competitors think having satisfied clients is a good thing.

So, while your competitor is trying to control the uncontrollable: rate of return. (If you find someone that can guarantee and control market rates of return, please have them contact me immediately. I have money to invest.) You can attack his Achilles heel by making regular, NON-financial contact with their clients.

While your competitor is spending all sorts of money on seminars, newspaper ads, brochures and flyers, you simply need to contact their clients. Very cheap. Very easy AND very appreciated by your competitor's clients.

You can do this all under your competitor's nose. Can you imagine?! You are whacking his Achilles heel over and over and he or she does not even know you are doing it. Simply contacting their clients to let them know that you care about them as human beings will catapult your business to a level not available by any other means.

I personally built a practice in two years with over $33 million in new money invested by using this simple task, contact.

I would spend six hours a week writing handwritten notes, which I find the most efficient and most impactful way to contact them because:

- You don't need to check if they are on the Do Not Call List.

- It is very special as so few people send handwritten notes.

- It is not intrusive and allows you to share your personality with them.

I would send them to a select group of prospects regularly checking in with them. I had a modicum of success at first. But then it really started taking off and I became very well known in my town by my target market as the "Go-To Guy."

Not because of how much I knew, I never trumpeted that, but because they trusted me. They felt they knew me. And they liked the guy who took the time to contact them about things other than money.

I laugh and laugh because I have had so many guys making $50,000…$100,000…or $150,000 tell me how unprofessional it is to send a handwritten postcard celebrating Blueberry Month…or a card wishing them a safe and happy Fourth of July. They look at me seriously and say, "That's not my style. I don't feel that's professional."

They are talking to a guy that brought in more money (being, I guess, what they view as unprofessional) in two years then they've brought in fifteen. They are the exact competition I love to face on the competitive field.

Because when I'm playing for money that is exactly who I want to compete against—advisors that don't know their own Achilles heel!

Sources:

1-Asci, S. (2008, May 12). "*Millionaires who use advisers have a diverse portfolio, survey finds*". InvestmentNews. Retrieved August 25, 2010, from http://www.investmentnews.com/20080512/REG/147085194

2-"Satifaction with Financial Advisors" study. Source: Spectrum Group, 2010

