

How to Use Public Relations to Build Your Business

Interview for the IMCA Monitor

Today's business world is competitive and tough. As the old saying goes, "It's a jungle out there!" As investment consultants and advisers compete for clients, what they know is important. But, no doubt about it, what they do to market themselves so that they stand out from their competitors is also crucial—and can make a huge difference in the success of their practices.

Because marketing and public relations play a key role in practice management, the *Monitor* asked three PR and marketing gurus how these tools can be used to a consultant's best advantage. The three participants include James P. Owen, CIMA, owner/principal of Austin Capital Management, a hedge fund of funds adviser based in Austin, Tex.; Hank Green, president of Ben-Abraham Associates, a Manhattan-based public relations and strategic marketing firm that focuses on financial services; and Steve Saenz, president of Paragon Resources, Inc., a practice management consultancy that helps investment professionals build and manage their businesses.

***Monitor:* How important should public relations and marketing be for investment consultants and investment professionals?**

Jim Owen: For me, it's essential. But I can count on one hand the people who really understand the power of PR and marketing. Most consultants—even the best ones—don't really understand the difference between marketing and sales.

Marketing is all about positioning—how you differentiate yourself from others and how you build your brand. Let's face it—all consultants essentially do the same thing. And is there really anything new to say about asset allocation or investment styles?

So the question is, how can you build a really successful practice if you define yourself in the same terms everybody else is using? For some reason, most consultants I've known don't really understand this. Effective marketing is a major missing piece in their business plans.

My approach is, "Don't compete; create." My marketing has always been PR-driven, which means constantly working to find a new spin, a new context, a new framework for presenting yourself and your company. That's what makes you memorable, and it's also what gets you media attention.

Hank Green: Some investment consultants have built fine businesses without public relations and with very little marketing. I tip my hat to them. Other investment consultants find that using public relations to raise and enhance their public profile has a positive impact on both business development and client retention. There is no single formula for success.

Steve Saenz: Public relations, in the traditional sense, may not be appropriate for some investment professionals. The reason is that public relations campaigns at the *adviser level* are discouraged or prohibited by many financial service companies. Independent firms (financial planners, registered investment advisers, etc.), should definitely consider public relations but only as part of an overall marketing plan.

Marketing, on the other hand, is critical for everyone since it is the engine that drives any business. When it comes to developing new business, most investment professionals are best served by developing and implementing an ongoing client advocacy campaign within their practice. It has been my experience that the best way to get clients to become stronger advocates for you (i.e., give you more referrals) is to first become a stronger advocate for them.

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

Hank Green: We're seeing more interest in public relations, but to be frank, I'm not sure why. Our best guess is that the investment consulting industry has become quite crowded, as a growing number of independents, banks, brokerage firms, and insurance companies move into the investment consulting space.

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As a result, advisers are turning to public relations to differentiate themselves from the competition.

Steve Saenz: Most advisers 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 may be to hire someone to handle the technical aspects of the business and for the senior adviser (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 earlier. People today are looking for something new, something creative. The most effective marketing initiatives are those that include existing clients.

Monitor: What are the first steps consultants should take before delving into marketing and PR efforts?

Jim Owen: The key is defining your message. What's your story? It can't be boring, and it can't be empty hype; it has to be something substantive and worthwhile. It may not even be tied directly to your business—that's not the point. When I make a speech, I'll talk about something the audience and I both care about—something I feel passionate about.

I've written three books, and most recently spent fourteen months writing a book titled *Cowboy Ethics: What Wall Street Can Learn from the Code of the West* (for ordering information, refer to page 5 of the January-February 2005 issue of the *Monitor*, or visit the IMCA Web site at www.imca.org. Click on Publications, then Consultant Publications, and scroll down). Does that help me raise money for my firm? Not directly. But it addresses a topic that's on every investor's mind. It also establishes me and my firm as people who care deeply about ethics and doing right by our clients. That's priceless.

You have to be creative, but that's the enjoyable part of it.

Hank Green: The first step is to ensure that a public relations program is strategically aligned with the consultant's business goals. That's a fancy way of saying that you should have a clear idea of how public relations can support your existing efforts to attract and retain client assets. The next step is to perform a cost-benefit analysis. Can the expenditure of money and time associated with a public relations program be spent more productively on other sales and client service initiatives?

Steve Saenz: 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 the community and has allowed you to handle all of his or her financial affairs. An experienced public relations consultant will tell you that you have to have a unique (noninvestment-related) story to tell in order to get any serious press coverage. If an adviser has done something in his or her life that is truly noteworthy, such as a personal accomplishment, then public relations might be effective. A public relations consultant can help evaluate you and your business to determine if you do, in fact, have a unique story to tell.

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

Jim Owen: I have found two ways of being successful at PR. One is to become someone the media calls. I've been featured in at least a hundred different publications because reporters know I'll give them a good quote when they need it or come up with an angle that gives the story a different dimension or makes it more interesting.

The way I look at it, if I help reporters do their jobs, they'll help me too. So I always ask, "What's your deadline? How many words do you need?"

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Are you looking for more sources?" If they call during dinner, I'll put my plate aside and take the time to talk. Believe me, it pays off.

For example, over the years, I've done a number of interviews with a reporter who writes a syndicated column on mutual funds. He keeps calling me back because he knows I'll come up with something he can use. Now, I don't sell mutual funds at all. So why do it? Well, it's fun, it doesn't take much effort, and the reporter does find ways to pay me back. He may simply mention the title of my book as he identifies me, and that's enough to make it worthwhile.

Have I gotten business leads from this kind of exposure? Actually, yes, I have gotten accounts from people I'd never have any contact with otherwise. That's just serendipity. But far more important is the broad credibility and exposure I gain by being someone whose commentary is sought by the media.

The second and most successful element of my approach is what I'd call deliberate, idea-driven PR, which means writing and speaking about topical issues that interest the audience. That's why I have invested the time and effort it has taken me to write three books. It establishes me as someone who is a thinker and a communicator, two characteristics that are of undeniable value to investors.

So what do you talk about? Take a topic that's controversial or misunderstood and shed new light on it, or take something that's complex and make it simple. A perfect example right now is the issue of Social Security. It's controversial, it's hard to understand, and the people who are most vocal about it aren't telling the whole story. I'd take that topic, spend time on it, and find the angle others aren't talking about.

Hank Green: Our experience suggests that there are six key components of a successful public relations program. For starters, a strong business development and client retention program should already be in place.

Second and third, senior professionals within your firm should be willing to dedicate time and attention to public relations, and you should have the financial wherewithal to devote a portion of your budget to PR, without compromising essential activities. Fourth, your key decision makers should understand that public relations programs generally take time to generate results, so patience is required. Fifth, the firm should be capable of producing the ideas, research, and/or insights that drive a public relations program. And, finally, you should be able to find an internal professional or an outside agency with the right strategic and tactical skills.

Steve Saenz: 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. Last, 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.

Monitor: 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?

Jim Owen: Over the years, I've tried many approaches, but I now concentrate on PR-driven marketing. Truthfully, I've never tried to mastermind my PR efforts; I'm more inclined to develop an idea I like and run with it. When PR truly works, you'll find that one plus one can literally add up to three or four or five.

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Speaking practically, one key is being able to turn a little into a lot. I mean, if the *National Hog Journal* calls me, I'll talk with the reporter and find something that's a story. The media love the unexpected. Our industry is full of smart, analytical people, but they've got to realize that PR is an art. And the art lies in being able to give the media a nonobvious story—one that's true, but also interesting.

Steve 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.

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

Jim Owen: I believe strongly in the power of public relations—speaking and writing. That has driven 90 percent of my marketing.

Hank Green: That's a tricky question, because it depends on a lot of variables. These may include the size and demographics of the region that an investment consultant is covering, the media that are available in that region, and the advertising efforts of local competitors. In some locales, radio commercials are more cost-effective than weekly newspaper ads, and in other areas, the reverse is true. Similarly, in some locales, the competition may set the bar very high in terms of advertising exposure, while in others, your competitors may use advertising sparingly. Advertising decisions must always be made on a case-by-case basis.

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

Jim Owen: I'm skeptical. They may be useful to some, but it's not really how I go about things. I prefer to be more one on one and personal in my contacts and outreach.

Hank Green: Caveat emptor! The quality of computerized lists can vary widely from locale to locale, even when they are supplied by the same provider. Also, lists that target different segments of the affluent population—business owners, members of country clubs and yacht clubs, senior executives of public companies, families that have made large contributions to charitable or religious organizations, etc.—also can vary widely in quality. Unfortunately, it often is difficult to gauge the viability of a particular list until you have used it.

Monitor: 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. Jim, please elaborate a bit more on your experience with the return on this type of effort.

Jim Owen: My three books have been published by others. Each one required an immense amount of effort, but I've never regretted doing them.

But I have also self-published nine booklets on a variety of investment topics, and these too have been an extremely effective springboard for media contacts, speeches, and articles. One of my booklets, "The Ten Most Common Mistakes Investors Make and How to Avoid Them," is distributed by IMCA (*Editor's Note: For more information on this booklet, visit www.imca.org, click on Publications, then Client Publications and scroll down*). An estimated 86,000 copies are in circulation, and although the booklet was first released nearly a decade ago, I still get calls about it every week.

Monitor: Hank and Steve, what are your thoughts about publishing?

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Hank Green: There may be instances where lightning strikes and a self-published book becomes a powerful marketing tool. However, we have observed that in the majority of cases, self-publishing is simply not worth the effort. The time and exertion it takes to write a substantive book can detract from your core sales efforts and often do less to differentiate you than you might expect.

Steve 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.

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

Jim Owen: I don't really think about speaking engagements this way, because I believe people know when you're being opportunistic and self-serving. Neither do I worry about what I'll get out of a speaking opportunity. I've always had confidence that something good will eventually result.

Instead, I ask myself, "Do I have something to give this audience?" If I've got a big idea I feel passionate about, I'll speak almost anywhere. Once again, it all starts with the message. If you have something to say, people will want to hear it. As the saying goes, "Build it and they will come." The point is, you never know where something will lead.

Hank Green: Investment consultants who are interested in public speaking engagements can send feelers to local organizations and community groups (chambers of commerce, Rotary Club, etc.) that commonly invite guest speakers to their meetings. If your investment consulting practice includes institutional clients, you might want to contact industry associations that hold conferences and seminars.

You also may want to look into being represented by local speakers bureaus, although you will have to convince them that you have the credentials and rhetorical skills to attract speaking engagements.

Steve 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 advisers as members), you might consider talking to a group of junior high school students about the financial markets. Few things will have more impact on parents than doing something worthwhile for their kids.

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

Jim Owen: I rely much more on the communications team I've assembled over the years. These are talented, creative writers and designers whose judgment I trust. They give me feedback on my ideas and help me present them in interesting ways. I also have a broader network of marketing communications and PR professionals from whom I can seek advice as I'm exploring what I want to say.

There's no doubt that a good PR firm can use its contacts to get you in front of the media, particularly in major markets. It can also help you package your big idea to better capture the media's attention. But you can't rely on a PR firm to come up with the big idea. That's up to you, because it's your passion for the idea that carries it. Bottom line, it has to be your story. The biggest mistake is expecting someone else to come up with it.

Hank Green: Retaining external counsel is warranted if you believe that sufficient public relations opportunities exist, and when you have no one on staff with the inclination, time, or experience to manage an effective program. Outsourcing can prove to be effective if an agency is affordable, knows the investment industry, and takes an active approach to generating PR initiatives.

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Steve 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 your plan, but your marketing consultant should help you develop strategy and monitor the results. A good PR consultant or agency will have the media contacts necessary to get you the coverage that will make your investment worthwhile.

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

Hank Green: For most investment consultants, a Web site is rarely a tool to actively solicit or attract clients. The marketing portion of a Web site functions very much like a brochure: it confirms to prospective clients that your firm offers certain capabilities and provides an opportunity to demonstrate a degree of professionalism. However, it's possible to drive prospective clients to your site through the use of public relations, traditional advertising, direct mail, Internet advertising, and other means. A Web site also can be a "launching pad" to push designed E-mails to prospective clients, although spam and privacy regulations make this a more complicated proposition than it was several years ago.

Steve Saenz: 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. Please don't let your sister-in-law design your site in FrontPage. Hire a professional design firm that knows what it is doing. Your Web site is a reflection of your practice, and people will always judge a book by its cover.

Monitor: 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?

Jim Owen: To me, the task and the dynamics around it are really the same. While small firms may be more concerned with raising their profile, large firms can't exactly afford to be complacent. These days, every organization had better be looking for every opportunity to differentiate itself and build a stronger brand.

When it comes to PR and marketing, large and small firms have different advantages. Large firms can put more resources into their efforts, but sometimes size gets in the way. The bigger and more bureaucratic the organization, the harder it is to come out with a strong, clear message unless it's coming directly from someone at the top. People in small firms may have an easier time speaking up on controversial subjects, and it may be less of a problem if one person's ideas and personality are driving the effort.

No matter what size the firm is, success usually depends on one person—or a very few, at most—with ideas they are passionate about communicating. I've found that the best way to succeed at PR and marketing is to enjoy doing it.

Hank Green: Large firms don't have a monopoly on good public relations ideas or effective spokespeople. However, the advantage often goes to larger firms in regard to their ability to allocate resources to ongoing PR program. Nevertheless, there have been smaller firms that have "bitten the bullet" in terms of the time and dollar costs associated with public relations, and have used PR as an important component of their growth strategy.

Monitor: Gentlemen, thanks very much for your insights.