

# Strategic Prospecting Plans for Emerging Advisors

Developing a prospecting plan as a new advisor can feel like a daunting task. The key to success is consistency in your execution. This course is focused on creating a growth strategy to help you intentionally build an ideal client base.

By the end of this course, you should be able to:

- Understand the importance of written, strategic prospect planning to increase the chance of achieving business planning goals.
- Complete the Annual Prospecting Plan worksheet.
- Determine the percentage of prospecting time you will spend in each prospecting technique.

## Overview:

Whether you are a new solo advisor or you have just joined with an established firm, you need to build a consistent plan to connect with potential prospects and develop those relationships into ideal clients. Creating a strong foundation at the beginning of your advisor journey will help you build a business with intention and have you working with clients you enjoy as you continue to grow the business. This course is designed to give you the tools to develop a consistent and purposeful prospecting plan to achieve your growth goals.

## Defining Growth

Initially, when building out a client base, many advisors will “take what they can get” which often means neglecting the long-term goal of developing ideal clients. While it is certainly a time when you are more flexible in who you take on as clients, there is benefit in adding specific intention to your prospecting planning. Defining your ideal client is a first step to developing a purposeful prospecting plan. See the course on defining your ideal client to develop the profile of clients that are the best match for your business.

Understanding the foundation of growth is a key to creating a business that is truly growing. Many advisors will look at growth as simply an increase of revenue or assets under management (AUM). While these numbers are important, they are not the most reliable metrics for true growth. We all appreciate times of steady market appreciation, but they can skew your business to appear to be growing when you're really not. Smart advisors use a metric called Net New Assets, or NNA, to measure their growth. NNA is defined as the difference in inflows and outflows — without market growth. This is one of the most reliable ways to gauge your growth.

Whether you're brand new to the work force or moving from another industry to begin a career in financial services, you will be spending a great deal of your time in the first few years building your client base.

**Coach Tip:** As a new advisor, expect to spend 75% of your time prospecting. This number quickly drops as you spend more time with prospects and clients developing the relationships.

A good rule of thumb is that once you are an established advisor with greater than five years in practice, you should think about spending at least 25% of your time prospecting.

And remember: you're never done prospecting! Paul West, Managing Partner of Carson Wealth, indicates that for a mature firm, the sweet spot is about 10% of their time prospecting. This corrects for the normal 4% AUM loss from withdrawals, a 3% increase in cost of doing business (raises, vendor costs...), and 3% miscellaneous attrition (deaths, transfers out, etc).

The prospecting plan will help you develop the necessary process to spend 75% of your time wisely and with intention. Having a concrete plan and focusing on developing ideal client relationships will maximize your growth opportunities as your business continues to mature.

**The high-level steps to developing a strategic prospecting plan for emerging advisors are:**

- **Step 1:** Understand the importance of a comprehensive, strategic prospecting plan for the achievement of your business plan goals.
- **Step 2:** Determine the cadence and focus of the prospecting activity that will help you meet your goals.

## **Step 1: Understand the importance of a comprehensive, strategic prospecting plan for the achievement of your business plan goals.**

A prospecting plan is one component of an overall marketing plan, which is designed to create a flow of business to an organization. Marketing plans are broad and frequently include focuses on a digital presence (social media and website design), public relations, and advertising.

Marketing and prospecting are interrelated, but they are distinct.

For more detail on creating a marketing plan, see our course about creating an annual marketing plan.

### **HAVE A PLAN!**

So, you know that you need to spend time prospecting to grow, but what do you do with that time? As an advisor, you know the importance of having a plan – whether it's a financial plan, an estate plan or an investment plan. One of the most important aspects of the financial plans you create for clients is that the plan is concrete – it's either printed on paper or modeled in your financial planning software. Either way, there's something the clients can see and review. Likewise, with your prospecting plan, you need to put pen to paper (or fingers to keyboard) and map it out so you can see and review the plan regularly!

Many advisors find that having effective materials supports their prospecting efforts. If you need to develop prospecting materials, check out the course on the subject. If you do not have internal firm resources to create materials, you might check out [fivver.com](https://www.fivver.com) or [upwork.com](https://www.upwork.com) to outsource to a professional. The small investment will make a big difference in the professional look of your materials. Some of the basic prospecting packet materials include a firm overview one-pager, advisor and team bios, business cards, resources (fact sheet, educational articles, and guides) and your client bill of rights.

A prospecting plan should be clear and actionable. Don't make it be vague like, "I'm going to focus on creating relationships". Like any plan, a strong prospecting plan begins with the end in mind. Be sure to

understand all of the different paths available to create new relationships. Also, focus on the prospecting actions that are comfortable and effective. The next lesson will provide a step-by-step guide for building the framework to an effective prospecting plan.

## **Step 2: Determine the cadence and focus of the prospecting activity that will help you meet your goals.**

Understanding the importance of strategic prospecting plans leads us to how to create a plan. This lesson focuses on how to use the [Annual Prospecting Plan](#) spreadsheet to determine your prospecting activity levels and the prospecting techniques that will work for you and your firm.

Each advisor/firm will use a different mix of prospecting techniques. There are several prospecting technique categories, each with several possible individual techniques. The spreadsheet includes a list of categories and techniques, but here are a few examples:

- Centers of Influence (COI) Referrals include CE Sessions, breakfast/lunch meetings, research projects, and case study events. You are likely aware of traditional COIs, such as CPAs and estate planning attorneys, but you can also find great success from developing strategic relationships with more non-traditional COIs, such as community leaders, mortgage brokers, personal trainers, executive coaches, bankers, funeral home directors, business brokers, divorce attorneys, and high-end realtors. Ask yourself the question -- “what professionals might a large percentage of my ideal clients work with?” See the [Leveraging Centers of influence](#) course in Carson Coaching Online.
- Social/Networking activities are a core foundation for emerging advisors to meet potential prospects. Many advisors have generated a number of clients simply from belonging to “strong connection” networking groups that allow for one or limited professionals in different industries. There are also many other groups that meet less frequently and allow many professionals from the same industry, like rotary clubs, professional women networking groups, and chambers of commerce.
- Passion Events can include things like Golf, Wine Tasting, Theater, Gardening, Cooking, etc. Many people build strong connections with like-minded people who share similar interests. This allows you to both prospect and partake an activity that you enjoy! While established advisors generally use Passion Prospecting as a referral event, emerging advisors can use a similar concept – simply engage in activities that you enjoy and build relationships with people who enjoy those same things! This could be regularly playing basketball at the gym, joining a bowling league, participating in a gardening club, or getting involved in community service organizations. See the [Passion Prospecting](#) course for more information.
- Client Referrals include: Targeted introduction campaigns and client events. Enhance your referral skills by completing the [Asking for Referrals](#) course.
- Workshops include: Seminars, in-person events or webinars (educational or value-adding topics). Educational webinars can be especially effective when you are targeting specific niches. Workshops and webinars allow for a greater reach without the commitment of a great deal of time. There are great tips in executing these in the [Prospecting Through Educational Events and Workshops](#).

- Optimizing your personal brand with your social media presence and creating connections. This is much more of a table stake, then an option. Check out the course on [Leveraging Social Media](#) to make sure you are making the most out of social media.

You will need to choose techniques that will work best for you. An advisor who hates public speaking is unlikely to be successful putting on seminars. Alternately, some advisors love to speak and are skilled presenters, so seminar prospecting would be ideal.

**Coach Tip:** No one said it would be easy! Building a business often requires grit and perseverance. You will find that you have to stretch yourself beyond your comfort zone to become more confident and/or competent. Becoming an “expert” in something does not happen overnight; it requires practice, persistence and the willingness to be uncomfortable.

As you build your business it is natural that you may need to upgrade the definition of your ideal client. Developing a foundation in a niche is often an ideal path to creating a strong and specific base of ideal clients. Take the time to think about the type of people, professions, and interests that engage and excite you. How can you transform that into a specific client niche? Being more specific in the clients that you best service will allow your value proposition to be easily shared and understood. To learn more about creating an effective Value Story check out the [Blueprinting](#) exercise and accompanying course.

Once you have a clear and consistent value story and ideal client, it is time to execute on your prospecting plan. Having these components will allow you to build stronger connection with Centers of Influence (COIs). For more information on developing COI relationships see the [Leveraging Centers of Influence](#) course. You will also be able to more effectively identify organizations, passions and hobbies, and social media messaging to align together.

When building your prospecting plan, you need to start with the end in mind – your goals – and work backwards to determine the activities needed to achieve those goals.

**Coach Tip:** If using the [Prospecting Plan spreadsheet](#), click on the [Prospecting Plan](#) tab for a clean worksheet. See the sample plan in the [Example](#) tab at the bottom of the spreadsheet.

Start by gathering basic information to calculate how many initial prospect meetings you need to meet your goals:

- New Net Assets or Revenue goal
- Expected New Assets from Existing Clients (if you have existing clients)
  - Either utilize your average new assets from existing clients from previous years or the number from your existing client opportunities with an expected close date of this year.
- Average New Household AUM or Average Revenue per Client
- Average Close Ratio

An example would be an advisor who has a \$5M net new asset goal for the year. The advisor expects to bring on \$500,000 from existing clients this year, has an average new client size of \$275,000, and an average close ratio of 75%.

\$5,000,000	New AUM Goal
(-) 500,000	<u>Expected New AUM from Existing Clients</u>
(=) \$4,500,000	New AUM Needed from New Clients
(/) \$275,000	<u>Average AUM per New Client</u>
(=) 17	Number of New Clients Needed
(/) 75%	<u>Average Close Ratio</u>
(=) 23	Number of Initial Prospect Meetings Needed

If you are using the Prospecting Plan spreadsheet, it will calculate and populate the number of new clients and initial prospect meetings to reach your goal.

Next, determine the number of prospects you would like to target from each of the four lead sources outlined: Client Referrals, COI Referrals, Social/Passion Events, Workshops, and Other Marketing. Remember, the total should be at least the number of initial prospect meetings you calculated in the previous step.

Based on the number of prospects you would like to target from each category, assign the percentage of your total prospecting time (not total time at work) that you will spend on each category.

Once you've determined how you want to spend your prospecting time, build out your annual prospecting plan with details of the strategies you will use in each category.

For each activity, detail your planned prospecting activity, what category of prospecting the activity falls into and how many initial prospect meetings you would expect from the activity.

**Coach Tip:** See a list of prospecting activities in the [Sample Prospecting Activities](#) tab at the bottom of the spreadsheet.

**Note:** Certain calculated cells in the plan spreadsheet will turn red if your plan will not support your AUM/revenue goals.

Once your high-level prospecting plan is complete, work with your team to create a detailed execution plan and action steps for each prospecting activity.

Example:

Prospecting Activity: Have an introduction conversation with 30 clients in the next 12 months

- Identify 10 potential ideal client relationships
- Create script to ask for a meeting
- Schedule 15-minute calls for the each of the prospects
- Review value proposition and script

- Identify next step options for after the meeting
- Hold 15-minute meetings
- Schedule and invite the prospects to follow-up events and a discovery meeting

**Coach Tip:** An important point regarding strategic prospecting planning is that the firm may choose to support a few, key techniques that work across the firm. However, individual advisors can use a different set of prospecting techniques, especially if ideal client profiles vary from advisor to advisor, so long as they are consistent with overall brand messaging and client requirements.

Make sure to add due dates to each action step in your prospecting plan execution strategy. You may want to use a project management tool so that you can keep track of items and ensure you are executing well.

**Coach Tip:** Another great option to keep you on track is to record your activities in the **Productivity Scorecard**. This scorecard can be adapted to reflect the particular activities you want to focus on, so be sure to adjust as needed.

## Summary:

Success in prospecting begins with clear intention and is executed with a well-defined plan. Be sure to create the plan on the front end so that you can analyze your success in the different prospecting activities. Reviewing your success and obstacles will help you to continue to build a more effective prospecting framework as your business grows. It is best to initially review your prospecting plan at least quarterly to ensure your efforts are tracking toward your plan.

As they say, failure to plan is a plan to fail! Choose success by creating a detailed prospecting and business development plan, then executing consistently.

## FAQs:

- I don't want to spread myself too thin and focus on several prospecting techniques. Do I need to add additional techniques?
  - You've certainly heard the adage: Don't put all your eggs in one basket! Prospecting is no different. It is good to have several "lines in the water" to make sure you are expanding, not narrowing your potential reach. You will still focus on the ideal, A+ client, just from 2-4 different techniques. It will keep your practice nimble.
- I always seem to be too busy to spend the time prospecting. What should I do?
  - Ron Carson says that the problem isn't being too busy; rather, that you haven't fully prioritized your time in alignment with your goals and values. Consider reviewing our course on **Maximizing Advisor Productivity** to help with prioritization and effectiveness.
- I have competing priorities with other obligations in my role to the firm, or other advisors.

- Work with your firm leader to establish clarity on the amount of time you have available to establish new relationships and prospect. Be sure to utilize the art of delegation as permitted.
- What if I need more support to accelerate my growth and help me reach my goals?
  - Contact us! We have a program specifically created for improving emerging advisors' skills and techniques and can also support you through one-on-one coaching.

## Resources:

Learn more and download the resources referenced in this document from the [Strategic Prospecting Plans for Emerging Advisors](#) course in Carson Coaching Online.

- **Annual Prospecting Plan**
- **Productivity Scorecard**
- **Phrases for Overcoming Objections**
- **Three Approaches to Asking for Introductions**
- **How to Answer the “What Do You Do?” Question Effectively at a Networking Event or During a Social Encounter**
- **How to Love Networking Events Even if You Hate Them**
- **How to Follow up With Stuck Prospects**