

Strategic Prospecting Plans for Established Advisors

Advisors often spend a lot of time creating business plans, complete with detailed growth goals. However, the plans often get derailed by poor prospecting plan development and execution. This course is designed to help you create strategic prospecting plans that will help you meet the growth goals in your business plan.

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:

You've been successful bringing on new clients in the past, but as your business evolved, you seem to have less and less time to spend on finding new clients. This course will help you build a strategic and purposeful prospecting plan so that you can continue growing your practice.

Defining Growth

Not nearly enough wealth management firms are truly growing. To appreciate why that's true, it's important that we define growth properly. Growth is often defined as any increase in revenue. This definition typically relies on market appreciation. We urge you not to rely on the market to grow your revenue or business. It's a great tailwind when you can get it, but it makes for an unreliable accelerator. True growth relies on new assets from new and existing clients. Net New Assets, or NNA, should be the real measure of growth.

The popular solution is to be "active". That works, but it should be purposeful and strategic. Think of the old saying, "If you don't know where you're going, any road will take you there." You can apply that to business development as well. If you don't have a plan for growth, any activity is better than no activity, but it probably won't achieve the results that you want. The prospecting plan will help you develop the necessary process.

Strategic prospecting plans are necessary for the successful attainment of the goals in your business plan. The prospecting plan process begins by looking at the net new asset (NNA) or revenue goals set out in your business plan, which are then converted to actual, plannable prospecting activities. You will use the Annual Prospecting Plan spreadsheet to help you determine the necessary prospect flow and a calendar of the prospecting activities that will work best for you and your team.

The high-level steps are:

- **Step 1:** Understand the importance of a comprehensive strategic prospecting plan for the achievement of your business plan goals.
- **Step 2:** Complete the Annual Prospecting Plan worksheet.

Step 1: Understand the importance of written, strategic prospect planning to increase the chance of achieving business planning 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 digital presence (social media and website design), public relations, and advertising. Marketing is designed to get interested prospects to come to you. However, prospecting is more active; you are reaching out to build relationships and fill your prospect pipeline, often one prospect at a time. Marketing and prospecting are interrelated, but they are distinct.

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

This lesson focuses specifically on prospecting. At the beginning of their careers, advisors might spend 75% of their time prospecting. This number quickly drops as they spend more time with actual prospects and clients. Established advisors with greater than five years in practice should think about spending at least 25% of their time prospecting.

COACH TIP: *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.).*

HAVE A PLAN!

So, you know that you need to spend time prospecting to grow, but what do you do with that time? You know the importance of having a plan – whether it’s a financial plan, an estate plan or an investment plan. You wouldn’t offer a client a “mental plan” in any of those areas. You wouldn’t just tell them to save more, spend less, and invest in the right way for them. However, many advisors have the prospecting plan version of just that.

A prospecting plan shouldn’t be vague, such as, “I’m going to ask for more referrals” – but many do. A strong prospecting plan begins with the end in mind – sound familiar? You start with growth goals, either AUM or revenue, determine your average case size, how much of the growth will come from existing clients, and your average closing ratio, a little spreadsheet magic later and you will know how many ideal prospects you need for the year. Finally, you will begin to work on the mix of prospecting techniques you will use to achieve your goals. The exercise of putting together a formal plan for prospecting is key, which is the next lesson.

Step 2: Complete the Annual Prospecting Plan worksheet

Understanding the importance of strategic prospect planning leads us to how to create a plan. This lesson focuses on how to use the *Annual Prospect 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 comprehensive list of categories and techniques, but here are a few examples:

- Client Referrals includes: Targeted introduction campaigns and client events
- COI Referrals includes: CE Sessions, breakfast meetings, research projects, and case study events.
- Social/Passion Events can include things like Golf, Wine Tasting, Theater, Gardening, Cooking, etc.
- Workshops include: Seminars, in-person events or webinars
- Other Marketing can include anything from radio shows to optimizing your social media presence to paid 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.

As you upgrade the definition of your ideal client, you might also realize that getting in front of more top-tier prospects will require you to modify or pivot your techniques. One of our coaching clients realized that the best way to get in front of his ideal business owner prospects was shifting from sporadic COI referrals, to close, strategic partnerships with the CPAs whom the business owners relied on as primary advisors. He even realized that he needed to upgrade his technical skills because CPAs expect partners who are as technically skilled as they are. If you would like to learn more about creating strategic partnerships with CPAs and attorneys, see our course about [Leveraging Centers of Influence](#).

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:

- Net New AUM or Revenue goal
- Expected New Assets from 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 \$12M net new asset goal for the year. The advisor expects to bring on \$1.5M from existing clients this year, has an average new client size of \$875,000, and an average close ratio of 75%.

\$12,000,000 <<< New AUM Goal

(-) \$1,500,000 <<< Expected New AUM from Existing Clients

(=) \$10,500,000 <<< New AUM Needed from New Clients

(/) \$875,000 <<< Average AUM per New Client

(=) 12 <<< Number of New Clients Needed

(/) 75% <<< Average Close Ratio

(=) 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 a referral/introduction conversation with Top 10 clients in the next 12 months

1. Identify Top 10 client relationships I would like to duplicate -- Advisor
2. Schedule monthly call for each of the Top 10 clients – Front Office Associate
3. Review Carson Coaching referral material and scripts – Advisor
4. Create phone script to set up breakfast meetings – Advisor
5. Call Top 10 clients to set up breakfast meetings – Advisor
6. Hold breakfast meetings – Advisor
7. Schedule and invite clients and prospects to follow-up events – Front Office Associate

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 include these activities in your firm's overall project management plan for the year so that you can keep track of items and ensure you are executing well.

Summary

Creating and sticking to your Strategic Prospecting Plan will pay off in a more regular and deliberate flow of ideal prospects. Review your plan quarterly to make sure you and your team are on track, or to determine if any adjustments are necessary. Ideally, you would create the plan and stick to it, but if unique opportunities or obstacles present themselves, adjust the plan accordingly.

The following is a list of other Carson Coaching Online courses that you can reference to supplement the Strategic Prospecting Plan course.

- *Educational Events and Workshops*
- *Passion Prospecting*
- *Client Advisory Councils*
- *Asking for Referrals*
- *Leveraging Centers of Influence*
- *Prospecting Scripts*
- *Prospecting Packet*
- *Annual Marketing Plan*
- *Blueprinting*
- *Defining Your Ideal Client*

FAQs:

- I get all the prospects I want through client referrals. 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 a lifestyle practice and am happy with our AUM/revenue. Active prospecting is something I stopped doing a long time ago. Why start again?
 - As they say: “You are growing or dying.” Prospecting puts you into at least a proactive growth mode, however slight it might be. If there is no market growth, you will typically shrink by 8-10% a year, just due to regular withdrawals, increased expenses, and miscellaneous client loss. You don’t need to grow by 20% a year, but even a light prospecting plan will keep you from shifting from growth to death mode.
- Could I just hire an Associate Wealth Advisor to do business development?
 - It depends. Typically, the more experience an advisor has, the better positioned he or she is to prospect productively. If you’re the CEO Advisor, it’s a best practice to spend at least 10% of your time prospecting. You can certainly hire a business development person to handle most of the outbound prospecting. You’ll still likely need to find a way to integrate yourself into the process of moving prospects through the pipeline.

Resources:

Learn more and download the resources referenced in this document from the [Strategic Prospecting Plans for Established 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**