

# Excess Returns

Monthly insights for investment marketing and sales professionals



March 2014

Volume 4 | Number 3

When I ask investment companies for a copy of their marketing plan, I am often told, “There really isn’t one” or “We don’t have anything on paper” or “Our plan is to manage money, and if we do that well, we will attract business.” This issue of our newsletter considers how investment companies can benefit from a thoughtful, flexible marketing plan.

With best wishes,

Liz Hecht

Founder, Principal and Director of Research

## In This Issue

The Power of Planning

Planning for Financial Advisors

Sweaters for Penguins

---

*Alpha Partners is an investment marketing firm specializing in research and presentation strategy. Our goal is to create alpha (excess returns) by helping investment firms win, keep and diversify assets under management.*

**Alpha Partners LLC**

435.615.6862

[alphainvestmentmarketing.com](http://alphainvestmentmarketing.com)

## The Power of Planning

*“In the long run, clarity about purpose will trump knowledge of activity-based costing, balanced scorecards, core competence, disruptive innovation, the four Ps, the five forces, and other key business theories we teach at Harvard.”*

— From *How Will You Measure Your Life?* by Clayton M. Christensen

I have had the good fortune throughout my career to work with a number of start-up investment companies, and I love working with start-ups. Why? Because in a start-up, marketing matters. In start-ups, there is almost always a detailed marketing plan as part of the larger business plan. At more established companies, I have learned, this is not always the case.

There are a number of reasons why no plan exists. Planning takes time, and at many investment firms time is the resource in shortest supply. The realities underlying any marketing plan are perceived to be too fluid, dooming virtually any plan to irrelevance before the ink is dry. And, perhaps most prevalent, many investment firms still, even in 2014, are completely dominated by those who invest, consigning all other unfortunate souls (in sales and marketing, for example) to a sad half-life of action without purpose.

## Why Develop a Marketing Plan?

There are at least three good reasons why investment companies should create and maintain a concise marketing plan if they do not already have one.

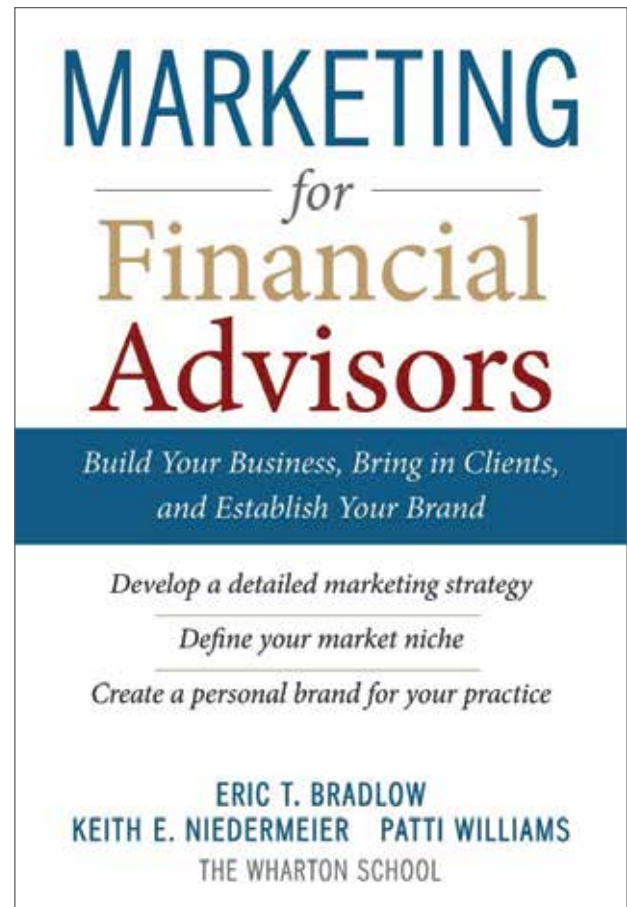
- 1. A plan saves time and money.** A well-thought-out plan aligns available resources with longer-term goals. When it comes to marketing, some investment firms tend to flail about randomly. This month they want to do advertising and next month all their focus is on client events. None of these activities will have the desired long-term impact without a consistent, decisive, well-defined answer to [the toughest question](#): “How is your firm different from competitors?” Especially when the answer to that question varies day to day depending on which professionals are being asked in different parts of the world.
- 2. A plan facilitates swift response to change.** The main reason firms don’t plan is fear of change — concern that reality inevitably will invalidate any plan. Yes, change is a fact of life in the investment world. Yet how can a company change course effectively if it never set a course in the first place? By checking a plan against reality, an investment company is more likely to course correct in a timely manner.
- 3. A plan provides “clarity about purpose,”** as noted in [Professor Christensen’s book](#). I am working with a company now that has a clearly defined marketing plan. My client gave me the plan when I walked in the door for my first meeting with the team. The plan allows me to assess and measure my activities clearly in line with desired near-term realities and long-term goals. It gives me the courage to be a nuisance when I need to be a nuisance. It provides immediate guidance when, say, selecting callouts for the company’s latest white paper (this one as opposed to that one because this one is more clearly in line with your company’s desired long-term identity). A plan helps us all swiftly answer such life-defining questions as “Where should we focus our time today?” One never has the sense of “Why are we doing this again? Oh yeah, because our bosses have decided that this is the priority du jour.”

An investment marketing plan should not become a giant exercise in fixing a future reality that cannot be defined. It should be recorded on paper; it should be short (one page works) and refreshed annually; and it should change as circumstances require while allowing time for it to work. (The reason why many plans don’t work is that investment companies don’t stick to them. One exercise in thought leadership does not a thought leader make, and one or two client events alone do not generate the requisite asset-building buzz.)

While thinking about this article, I had the good fortune to read Apolo Ohno’s wonderful book, [Zero Regrets: Be Greater Than Yesterday](#). In the opening, “Prologue: Toward a Euphoric Clarity,” he writes: “They say the more you think with particularity about things, the more you acknowledge the wanting of a specific thing, the more you articulate that out loud, then the more likely it is to come true. There is great truth in that. It takes a really clear understanding of how to reach a point and what it’s going to take to get there.” That’s precisely what many investment companies need: *a clear understanding of how to reach a point and what it’s going to take to get there.*

## Planning for Financial Advisors

Grounded in a survey of more than 800 financial advisors participating in the Wharton School's executive education programs, [\*Marketing for Financial Advisors\*](#) is a commonsense guide for financial advisors seeking to build a successful practice. The book focuses on the need to define a distinctive brand, build value with clients, develop an integrated marketing communications program and, most important, according to the authors, create a clear plan for action. The book's final chapter, "Putting It All Together: Your Marketing Plan," emphasizes how vital a plan is to long-term success: "Many studies have shown that without a written plan, even if it is just a sketch or outline ... you are much less likely to achieve your goals." And yet the authors, Eric T. Bradlow, Keith E. Niedermeier and Patti Williams of [The Wharton School](#), note that only 58% of financial advisors surveyed have a plan, and of that 58%, only 65% have updated their plan within the last year.



*While written for financial advisors, this book addresses marketing best practices applicable to all investment companies.*



## Sweaters for Penguins

A client and friend who shares our affinity for penguins sent us information about [The Penguin Foundation's](#) Knits for Nature program. These sweaters knit by volunteers protect our little friends caught in oil spills, preventing ingestion of toxins prior to cleanup. For more information, click [here](#) or email [pfoundation@penguins.org.au](mailto:pfoundation@penguins.org.au).



*Penguins caught in oil spills need these little sweaters to keep warm and to stop them from trying to clean toxic oil off with their beaks.*

*Photo source: Phillip Island Nature Park*