

Excess Returns

Monthly insights for investment marketing and sales professionals



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Investment marketing and business development professionals often want to know what their competitors are doing. Where are other investment firms seeing the most results for their marketing dollars — in advertising, webinars, social media, client events or some combination of these efforts? This issue of *Excess Returns* considers an underutilized marketing strategy that is proven, low in cost and unlikely to be implemented effectively and consistently by competitors.

With best wishes,

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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.

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A World Without Follow-Up

Once upon a time I met with a product manager for a large investment company. He had recently run a search for a marketing firm to help his company tell a stronger story about its competitive advantages. For various reasons, his firm decided not to move ahead with the project. But this gentleman was kind enough to get back to me with a detailed response to my proposal. So I invited him to a breakfast meeting to thank him again for considering Alpha Partners — and to get more feedback about how our proposal had stacked up relative to those of competitors. He told me that he had preferred the Alpha proposal over that of our closest competitor, and he explained why. He also told me, incredibly, that many of the marketing firms he had contacted never followed up with him at all, or promised to follow up with a proposal and never did!

Since this meeting, I have spent a lot of time thinking about the concept of following up: how difficult it can be to follow up well consistently and the consequences of being fitful in one's follow-up. We live in a world where follow-up can be sporadic, delayed and in many cases nonexistent. My clients also often tell me that they wish their business lives were more clearly focused on outcomes: feeding back and following up, closing the loop and defining the next step.

We can all agree that the business world we wish for is not the one we've got. Many more people can be counted on to avoid, delay, dismiss and forget than those precious few who follow up on a consistent basis. So let's step back, take a deep breath, survey the landscape and consider how to wrest competitive advantage from a world where follow-up is increasingly rare.

Have You Got What It Takes to Follow Up Effectively?

Do you have the right people? Follow-up tends to occur one on one between individuals, which means that the quality of the follow-up depends largely on the people. Does your firm have the right people in place to follow up diligently on every new business opportunity? In the early stages of a start-up, the principals of the firm may be able to follow up effectively without a dedicated marketing or sales professional. But as your firm grows, you will need to allocate the resources required for effective follow-up, and that means people who will follow up with your same energy, discipline and care.

Do you have the right materials? People often come to my company looking for help with their new business presentations or client presentations. We rarely receive inquiries about what I think of as follow-up presentations — the meeting after the introductory meeting or the semifinals preceding a finals. There is an optimal sequencing of information that should occur depending on where one is in the follow-up process. To follow up effectively, developing the right materials is critical.

Do you have the right mindset? If you are the sort of person who follows up diligently, then you are confronted almost daily with the enervating ambiguity of an unresponsive world. Important emails go unanswered and vital communications remain unacknowledged while new business proposals languish in limbo without the courtesy of a response. (Someone once told me that she learned her firm had not been selected for an investment mandate by reading about it in a trade publication. She and her team sent in a proposal and participated in several in-person presentations and neither the consultant nor the prospective client had the courtesy to make a short phone call or send an email to thank them for their time.) In this environment, successful follow-up requires a [system](#) combined with ingenuity and a mindset that is at once humble, optimistic and resolute. To follow up effectively is at once an act of faith and empathy: I believe my efforts to reach you are important and something good will come to both of us if I persist (that's the faith part), and I totally understand that you have been too busy to contact me (I know what that's like!).

*Are you doomed to inhabit a land of lost opportunities and loose ends?
Or does a world where follow-up is rare give you and your company a competitive advantage?*

Have you defined the next steps? One needs to ask constantly, "What is the next step?" Every meeting, call or email should embed a next step or desired outcome. This should happen not only in a new business development context but also as part of the everyday life of a firm. I like to think that I am good at following up, but in researching this article I kept thinking of situations where my own follow-up could have been faster, more thoughtful and more diligent simply by linking a series of clearly defined next steps. Often, especially given the

delays that can occur between intention and action, following up successfully is a matter of taking good notes, concluding each set of notes with a brief summary of next steps and then referring back frequently to said notes. It sounds boring and humdrum, but I am often surprised at how grateful people are when I start a call with a concise summary of the last call — and when I conclude a meeting by briefly confirming next steps. I also am amazed when seasoned investment company professionals will conclude a meeting with, “Well, that’s it for now” or “I see we are out of time. Do you have any questions?” — as opposed to confirming and summarizing a set of next steps in relation to a desired result.

When should you *not* follow up? In a new business development context, following up successfully does not mean dogging every opportunity — only the right opportunities. Some clients may not be a good fit for you and your organization for any number of reasons. You need to carefully weigh the nature of the opportunity against the time and cost involved in responding to an RFP, preparing for due diligence meetings and traveling with several people to a finals and a semifinals.

So whatever happened to the prospective client who was kind enough to join me for breakfast? Shamefully, I do not know because I did not follow up. I failed to define and implement a next step. But it’s a brand-new year and I have a new system that will prevent such lax behavior in the future!

A System for Following Up

Having a system takes the frustration out of following up. Here are some questions that will help you develop such a system or improve your existing approach. How many times will you follow up regarding a new business inquiry before you risk seeming like a stalker? (I say three maximum, but the number does vary with the situation.) What materials do you plan to use at each stage of the follow-up process and how will you customize these materials to different audiences? What is your process for providing a steady stream of valuable information to new business prospects such that they come to see you and your firm as a resource? How do you share information with your team, ensuring that others learn from your experiences with a given prospect or consultant? Does everyone on your new business development team regularly update your CRM database, sharing information that could be helpful in preparing for future meetings? Do you maintain a list of new business and consultant meetings with defined next steps noted after each meeting and a clear understanding of who will implement each step? As you start to act more systematically — in developing new business and in all aspects of your life — you are likely to realize the joys and benefits that come to those rare few who follow up.



Essentialism: The Disciplined Pursuit of Less

The following passage from Greg McKeown's great book, [*Essentialism*](#), confirms my suspicion that people today are so busy tweeting and texting and blogging and posting that they sometimes fail to follow up on business opportunities right under their noses:

"I ran into a former classmate of mine years after graduating from Stanford. I was on campus doing some work on a computer in one of the offices when he came over to me to say hi. After a minute of pleasantries he told me he was between jobs. He explained a little about the job he was looking for and asked if I could help him. I started asking some questions to see how I could be helpful to him, but twenty seconds into the conversation he got a text on his phone. Without saying a word, he looked down and started responding to it. I did what I typically do when that happens. I paused and waited.

Ten seconds went by. Then twenty. I simply stood there as he continued to text away furiously. He didn't say anything. He didn't acknowledge me. Out of curiosity I waited to see how long it would go on. But after two full minutes, which is quite a lot of time when you are standing waiting for someone, I gave up, walked back to my desk, and went back to my work. After another five minutes, he became present again, interrupting me for the second time. Now he wanted to resume the conversation, to ask for help with his job search again. Initially I had been ready to recommend him for a job opening I knew of, but after this incident I admit to feeling hesitant to recommending him for an interview where he might suddenly not be present."

This passage comes from my favorite chapter in the book, which is entitled: "FOCUS: What's Important Now." This book is a godsend for busy people who need to prioritize their time by focusing on what is essential. But *Essentialism* is less about time management tactics than about developing a mindset that makes effective time management a way of life.

