Seminars With A Twist

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When Lisa Miller and Eileen Price teamed up about a year ago, the two AXA Advisors colleagues, who had both recently entered the profession, knew they wanted to target women. But how to jumpstart the effort at their Syracuse, N.Y.-based practice?

The answer they came up with: seminars with a twist. They would offer informal sessions on financial topics, only instead of holding the seminar in a hotel restaurant or an overlit conference hall, they would assemble at local day spas. To that end, Miller and Price launched a Sunday afternoon program — they figured 3 to 5 p.m. was the one time during the week women could spare a few hours to themselves — and invited seven to 12 prospects to receive free manicures and pedicures and participate in a give-and-take discussion about finance. Then, shortly afterwards, Miller and Price followed up via email or phone.

So far, the partners have held their spa afternoons at about 10 establishments in the region three times a month. Counting participants and their friends and family, they say they've added about 40 new clients. Plus, they've strengthened relationships with CPAs and attorneys, whom they've also invited, by providing a glimpse of how they interact with potential clients.

Although referrals from clients are the preferred way for financial advisors to win new business, plenty of advisors, like Miller and Price, also hold seminars on topics likely to attract prospects. About 27 percent of advisors surveyed by Rydex SGI recently said they conducted such events in 2009, up 3 percent from the year before. Plus, 40 percent of respondents expected to increase the number of seminars they put on in 2010. According to the seven advisors I interviewed for this story, you can figure you'll win one to four new clients for every seminar you put on.

At the same time, running a seminar successfully may be trickier than ever. With a glut of information available and distrust of advisors perhaps near all-time highs, attracting a critical mass of people and turning some of them into clients takes savvy and finesse. “It's a lot harder to get people to attend than it used to be,” says John Nersesian, managing director of Nuveen Investments. Advisors also need to master the right communications skills to succeed. (See sidebar.)

Seminar Savvy

For that reason, advisors are trying all manner of approaches to running seminars. That means tinkering with everything from the venue to the topic discussed. And they're using a variety of formats, from traditional events held for strangers culled from a database of thousands, to small tete-a-tetes. Plus, often they're focused on more than just winning business. “The purpose is to telegraph thought leadership,” says Marc Zeitoun, head of distribution at Rydex SGI. “It should help cement the advisor's own brand beyond investment counsel.”

First consideration is what type of seminar to hold. At this point, one size doesn't fit all. There are a few types to choose from. Public seminars, for example, require mailing invitations to thousands of prospects living in specific zip codes. Usually, they're held at restaurants and, because virtual strangers are invited, at least some of the 30 or so attendees tend to be what's known as “plate-lickers” — people coming for a free meal, rather than for financial advice. It's a format often favored by less-experienced advisors trying to build a client base, though veterans use it, too. For example, Wade Westhoff, who runs Wade Westhoff & Co., a Danville, Calif., firm with about $25 million in assets, has held public seminars for the past nine years. For each event, which he usually puts on once a quarter, he spends about $5,000 to $7,000 for the mailing list, postage and meal.

More mature practices tend to opt for private affairs — a mix of customer appreciation and prospecting events to which existing clients and their friends, along with other prospects, are invited. There are other kinds of targeted events too, where advisors conduct a seminar for, say, the members of the local chamber of commerce or another group.

Some advisors enlist the help of custody firms, which have seminar programs for their affiliated RIAs. Take Scott Airey, who runs the VZN Group, a McLean, Va. firm with about $170 million in assets, which custodies with both Schwab Institutional and Fidelity Institutional Wealth Services. About once a month, he speaks to 30 to 50 online brokerage clients of Schwab or Fidelity Investments, at the offices of each respective company. The attendees are pre-qualified by the firms to make sure their account size meets Airey's minimum. Usually, a Schwab or Fidelity executive will discuss a topic via a webcast for a half-hour or so; then, Airey will provide his take on the topic.

No matter what type of seminar you choose, you have to select your topic carefully. With all of the information out there on the web, you need a sexy subject to cut through the clutter. That means avoiding more general topics — retirement planning basics and the like — and pinpointing timelier issues. “If the topic is not relevant, no one will want to go,” says Zeitoun. In addition, while it's not essential, try to choose areas that will help define you as an expert in a handful of specialties. “It helps your reputation,” says Vikram Rajan, who runs CoGrow, a New York firm providing marketing advice to financial advisors. “Reputation leads to being remembered and referred by others.”

It's all about providing an education, rather than an outright sales pitch. Also, while the temptation may be to toot your own horn right away, especially if you're speaking to people you've never met before, doing so is a mistake. “People want to hear what's important to them,” says Mike Bayly, head of Bayly Presentations, a communications consulting firm in Overland Park, Kan. “You've got to get straight to the hot button that the audience needs to hear.” If you must discuss your services, address them at the end — and briefly, he says.

One way to choose topics with appeal is to tap CPAs and attorneys you work with. Brian Beck, president of Wealth Management Group of NA, a division of Lexco Wealth Management, a Farmington, Ct., firm with about $80 million in assets, does just that. He holds private seminars and sends his strategic partners a list of topics and finds out whether any clients are interested. If enough people respond to a particular issue, then he'll make that the focus of a seminar.

You also don't have to do most of the talking. That's especially true if the topic includes information outside of your area of expertise. Seth Ingersoll, president of Premier Wealth Management Group, an Albuquerque firm with about $15 million in assets, holds seminars for 25 or so clients and friends several times a year. He recently had an attorney discuss setting up trusts, while he talked about how to manage investments inside the trust.

What's more, inviting a guest speaker can accomplish something else: attracting the type of client you want to develop. Chris Demetral, an advisor with Raymond James Financial Services in Rochester Hills, Mich., who has about $60 million in assets, often has estate planning attorneys speak, because, he says, “They tend to attract a higher net worth clientele.”

With private seminars, however, you have a lot more freedom to fit the topic to the audience and choose unusual speakers — even focusing on non-financial issues likely to interest certain clients and their friends. Nersesian, for example, recently helped put on an event in Chicago for a wirehouse branch held at an oriental rug store. “There are all these wealthy families in the suburbs of Chicago living in homes with thousands of dollars worth of oriental rugs,” says Nersesian. “But they have no idea how the rugs are made.” So, several advisors invited clients, their friends, and prospects to hear a 30-minute talk about carpet craftsmanship. At the end, the advisors spoke briefly about market conditions.

Similarly, Cory Schmelzer, who runs Retirement and Tax Solutions in San Diego, occasionally focuses on non-investment topics for his seminars, if he thinks they will draw a crowd. Schmelzer used to run public seminars, but about four years ago, decided to change his approach, focusing on events for a small group of clients, their friends, and referrals from CPAs and attorneys. As part of that move, he also started fine-tuning his topics. Recently, for example, he invited an FBI agent to talk about identity theft when he realized it was something of interest to his target group.

Of course, to turn attendees into clients, you need to follow up. But, again, it's best not to come on too strong. “Make it light,” says Paul Karasik, a specialist in seminar presentation and president of the Financial Advisor Coaching Institute in Manhattan Beach, Calif. Schmelzer gives all participants a folder with a variety of information; for prospects, he'll include a card on which they can indicate whether they'd like to schedule a meeting. After that, he'll follow up with a phone call and email. Generally, for a group of 25 to 30 attendees, he'll schedule appointments with five or so people and turn three to four of them into clients.

You can also include in your folders a form asking for feedback — what attendees did or didn't like about the seminar and any questions they might have. Then, when you call to follow up, you can address the specific points raised and ask if the person would like to come in and talk in more depth. If not, ask if it's ok to send a monthly informational newsletter, which should include invitations to future seminars.

While you can't expect to turn attendees into clients after the first phone call, a well-calibrated follow-through effort can speed things up — as can experience. About five years ago, for example, when Demetral had fewer clients and was with a regional brokerage, he used to run seven to 10 seminars a year and win two to three clients per event. Now, he holds the same number of seminars with similar results — but often in about six to eight weeks, instead of many months. “I think I'm more polished,” he says.

In some cases, advisors also use less conventional follow-up tools. Miller and Price, for example, ask all their spa attendees to write a letter to themselves listing three things they want to change in the next 30 days. Then, a month later, without opening the envelope, they mail the letter to participants' homes, with a handwritten note. “It serves as a reminder of our conversation,” says Price.

Ultimately, for those advisors organizing private seminars, the payoff is as much in preserving your current client base as finding new business. Beck, for example, says that, partly thanks to the seminars he's held for clients and friends, referrals have gone up by 100 percent over the past year and existing accounts have given him more of their assets. “We're reinforcing our relationships with our clients,” he says.