

Human-Centric Investing Podcast

Episode 45 – Virtual Prospecting

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- Intro This is the Human-centric Investing Podcast with John Diehl, where we look at the world of investing through the eyes of our clients. Over to you, John.
- John Diehl: Hello, financial advisors. Welcome to another episode of the Human Centric Investing Podcast. Joining me for today's podcast is Bill McManus. Bill McManus is a managing director at Hartford Funds and works on our Applied Insights Team. The Applied Insights Team is responsible for educating financial advisors and their clients about new and emerging trends in the financial services marketplace.
- Bill, welcome to our podcast today.
- Bill McManus: John, thank you. Glad to be here.
- John Diehl: So Bill, today's podcast is going to be about virtual prospecting, and I know that's an area you've been working on for a while now, certainly maybe more in earnest since the pandemic started. I know even maybe a year or two prior to the pandemic, you were kind of our team's expert on virtual prospecting if you will. So I'm looking forward to today's episode to learn what some of the things are that you've been working on with advisors and so that you can share some of those best practices with us. So I really appreciate you coming on today.
- So Bill, tell me a little bit about—I mean, virtual prospecting sounds kind of simple to understand, but I think if there's one area that I've heard advisors struggle with post pandemic, it's this area of virtual prospecting, right? It seems like the video tools that we have, the Zooms and the WebExes and all that seem to be a pretty good substitute for in-person meetings if we already have a relationship with a client. Have you been seeing difficulty with this virtual prospecting as well?
- Bill McManus: Absolutely, John. You're right. In response to the circumstances brought on by COVID-19, I think financial professionals have gotten really, really good at using the tools and the technology that we have to engage with their existing client base, to inform them, to host webinars and the like, but the one area that does seem to be, let's just say, lacking a little bit is around prospecting.
- And I think the reason is it's just so different from the traditional way that we meet people, we shake hands, we interact in the office. You have a chance to really build that personal relationship, and it's just been a little bit stressed and strained I think in this new environment that we're in. However, we think there's tremendous opportunity out there, right?
- As you know, any time there is uncertainty or just challenging times whether in the market or wherever it may be, there's plenty of opportunity for financial professionals to be engaging with new prospects to turn them into clients. As we know, there's people out there that need the help and the advice and the guidance that a financial professional can give to them.
- John Diehl: So Bill, I kind of think of myself as a contrarian thinker, and in talking to you, I know you've worked with some advisors, and you yourself have experienced situations where it kind of leads you to say that now is actually a great time to be prospecting even virtually. Why do you say that?
- Bill McManus: Yes. Absolutely, and I think it does come from—hate to be cliché that any time of crisis creates opportunity, but it certainly does. People, especially as there were—as (we were enduring) some of the steeper sell offs earlier in March, really revisiting their portfolios because as you know, John, from the past 10 plus years before the pandemic hit, really people would open their statements and see nothing but it going up.

So not really an impetus to reevaluate their financial plan and what it looks like while the pandemic certainly created that need for people to really revisit their plan, and I think it does create opportunities for the financial professionals that are out in front, and actively looking for new clients really is a great opportunity now.

John Diehl: So Bill, what challenges do financial professionals face? I mean, aside from it's kind of a new way of doing business, what are some of those challenges that you hear about most often?

Bill McManus: I think one of the biggest challenges is identifying what are the tools and techniques that I have at my disposal that I want to use to find new introductions and then what types of systems and processes do I have to put in place?

So for example, take something like LinkedIn. LinkedIn is fantastic because it's the world's largest professional network. LinkedIn is also terrible because it's the world's largest professional social network out there. So a lot of times if we don't have a plan or a system in place, financial professionals can spend a lot of time searching, scrolling without really identifying people that they can ultimately be introduced to and take that prospect and turn them into a client.

John Diehl: And Bill, do you feel like—do you feel like certain professionals—financial professionals have a preference for one platform versus another? Do you think there's a preferred platform, or is it really more individual by the financial professional in terms of preference?

Bill McManus: I really think it has to do with who are they trying to reach out to. So for instance, if they're looking to build out their centers of influence, I'd say LinkedIn is probably the best tool to use there because, as we know, business owners, other professionals use LinkedIn and have that.

Now, if they're trying to get more understanding of their clients and what's going on in their personal lives, most cases if they have a retired client they might not have an active LinkedIn profile, but they certainly are using things like Facebook as well. So I really think it depends on who—what the strategy is for who we're trying to be introduced to. That'll lead us to which tool to be using to do that.

John Diehl: So Bill, would you say that many of the financial professionals you work with have to first determine their target in terms of are they dealing with centers of influences or are they targeting kind of end client referrals and end client prospects themselves? And if so, how do financial professionals move through this process of kind of thinking about that audience and what tool is appropriate?

Bill McManus: Yes, and I really think there is two categories that financial professionals want to focus on. One is the centers of influence because we know that we can create some reciprocity, if we're able to engage with those folks, and then the other one is what I would call the advocate search, right? We have clients that love working with their financial professionals. They know them. They're willing to make introductions for them.

The key is we need to make it as easy as possible for those folks, especially in this environment where we don't maybe have the opportunity to do social engagements, whether it's through educational seminars where they can bring a friend, so we really have to get specific for who we want to be introduced to for those clients and we can certainly use social media and the like to help in that aim.

John Diehl: So what tools and technologies, Bill, do you think that financial professionals ought to be adopting? Are there any leaders in the clubhouse if you will?

Bill McManus: Yes, I think the first thing that financial professionals need to recognize is in a lot of these instances, when they're being introduced to somebody, it's really their digital face that they're going to be introduced to first.

So I think one of the key steps depending on the technology is for advisors to revisit, say, their LinkedIn page or if they have business Facebook page get some second opinions, make sure we're putting, again, our best digital face forward because that is going to be the initial introduction that a potential client is going to have.

So I think now's a great time to be doing that. And then, again, depending on who we're looking to target, that's where we really want to focus in on that technology whether it is Google Business or Yelp to find the centers of influence or, like I mentioned before, other social networks like Facebook going a little bit deeper with our clients.

John Diehl: So Bill, do you think—like it would seem to me that as you're attempting to kind of do this virtual prospecting, maybe there are a couple of steps that have to occur before you even get there, right? Are you finding that many financial professionals are really taking this time to take a step back and look at their practice and really think about what differentiates them, what makes them unique? Almost like before they get into the world of their digital presence or even virtual prospecting?

It seemed to me like you and your team should probably really be on the same page before you jump in to the tools to make that happen. Do you see many financial professionals kind of working through that process?

Bill McManus: Yes, I agree with you, and yes, we're working with financial professionals to help really refine that. As I mentioned before, this access that we have to technology opens up so many different doors but we have to be a little bit more structured. So let's take centers of influence first before we get into advocates.

One thing that we found with centers of influence, financial professionals are going to have a natural network, just by the virtue of the work that they provide. We've all networked with the CPAs and the estate planners and the trust attorneys. Well, what we are frankly challenging financial professionals to do is expand that network.

Now there's two ways that we can do it. As you know, John, obviously with our relationship with MIT AgeLab, we're encouraging people to think about service providers that can address issues around longevity, so cap-certified contractors, which is a certified aging-in-place specialist for when clients are trying to make that decision, do they stay in their home or do they have to go.

That's a good person to have in the network. Somebody who runs a memory care unit at a continuing care retirement community, people that focus on senior housing or concierge healthcare and the like, so many opportunities to build out our network to address really these big ticket items that our clients are looking to solve.

And then I would also just think about general conversations that financial professionals and their teams have been having with clients. What are some of the common issues, challenges, conversations that they're having? Who are the type of people that they can connect them to in that way? And I'd be reaching out and searching for those types of folks and service providers on something like a LinkedIn or, as I mentioned before, Yelp.

And I think the key from this approach, it's always client first. We don't necessarily want to call a service provider and say, "Hi, I'm Bill McManus with—I'm a financial professional. I want to tell you all of the great things that I can provide for you. The conversation is more reaching out. I work with clients within our community and I've noticed that they've been asking me more about the types of services that you provide. I would love to connect with you to find out more about you and what you do. In my opinion the likelihood that that person is going to respond to that question is going to be up significantly."

John Diehl: Well, and I think, Bill, it's important just listening to what you said I think there's also a way to listen. You mentioned, kind of the thinking about the conversations you're having with clients, you might even start by reaching out to service providers that they're currently using.

And sometimes I think financial professionals make the mistake of falling into when we talk about longevity and when we talk about these issues, like we have to think about home healthcare or care giving or adult daycare, all these kind of things that we associate with age, but I think financial professionals also need to keep an open mind that their clients have a lot of varied interest.

So Bill, I know near and dear to your heart is an interest in travel, so when we talk about thinking out of the box, I'd love to talk to who Bill McManus used to plan his latest trip, especially if it were in an area

that I was interesting in visiting. Those kind of conversations become energetic, and then can you think about reaching out on LinkedIn or one of the other social network platforms for people that specialize in that area that you could put together a team of people that maybe you might use as business referral opportunities.

And I just think imagine how that would differentiate you in terms of, hey, my financial advisor suggested that I touch base with this person that some of his other clients have used to help plan out trips or—I guess my main point is, it doesn't always have to be something that is kind of in a downward trend as we think medically or something like that. Sometimes very opportunistic, right?

And that's where sometimes we've really got to think creatively about these conversations that we're having with clients, right?

Bill McManus: Well, absolutely, John, and as you know from research that we've done with the AgeLab at MIT and we think about what is it that clients value in the financial professionals that they work with, we know the deeper we can go from a relationship standpoint and the broader we can go with conversations that we have, we just see that value line go up and up and up as we continue to engage with clients for things outside of or other than the quarterly performance of their portfolio.

John Diehl: So Bill, you mentioned centers of influence there that we were just talking about. How does it differ when you're looking at client advocates as a financial professional. Are there different platforms you'd approach there? And what kind of things might I be looking for or trying to communicate to reach people like that?

Bill McManus: Absolutely. And much like the COIs, we just—we want to take a step back and have a plan and a process in place before we dive into the tools, and it's very much in line with what you were just talking about as well, in terms of broadening out the conversation and knowing different things.

So one fantastic exercise that we've been recommending financial professionals and their teams to go through is something we call the rule of “-ates.” So, we say there's four things; you should know these four things about all of your top relationships, and they all end in “-ate.”

So number one, where do they congregate? Two, recreate? Three, educate? And four, donate? Right? Think about those things for a minute. Where somebody congregates, it is a civic organization in the community or religious organization? Recreate, do they like travel or golf or fitness? What is it that they're kind of in to?

Educate, which is a really important one, not only from a formal education, but is it something ongoing? And also, we want to expand that to family, right? Knowing that a grandchild is heading off to a certain university, right? This is really important information.

And then lastly, donate, not only your dollars but your time. If we know those four things about people, we know about they're passionate about – what they're passionate about, what it is that motivates them. So that's a great exercise for knowing our clients better. It's a great team exercise, because different team members often have different conversations with clients based off of the relationship.

So, really important, and I think it's a fantastic thing to do. But then on the flip side, if we know the four “-ates,” not only do we know what it is our clients are doing, but we can pretty easily find who are they doing these things with.

Now John, I would never recommend stalking clients, but we can certainly—we can certainly research, right? And I'll give you an example, and I remember a financial professional shared this with me a couple of years ago. Take the donate example. She sat on the board of a local non-profit in the community, so the advisor having the knowledge, a couple of keystrokes, pulling up the website for the non-profit, lists her client as a board member, and who else does it list? The four other board members that the client is getting with on a quarterly basis.

So, having that knowledge and then using the technology that we have at our disposal, able to source new introductions that now she can go to that client and ask how they can come together from an introduction standpoint.

- John Diehl: Bill, it's interesting, I was just talking to a group of very successful advisors within the last month and when you talked about those four eights, I thought about recreate, right? And very social platforms have different things about our clients, maybe they feature activities that they participate in or even sometimes they'll feature things like their pets.
- And this group of financial advisors, one of the advisors said, one of the successful ways they found in reaching out to their clients for some face-to-face time is they offer to meet them at a local park. If the client is local and they both have dogs, then they go for a dog walk. It's almost like a – not as time intensive as sharing a round of golf, but for an hour you get to walk and learn and talk and have real human interaction in this age of social distancing. So, I think ...
- Bill McManus: As long as the—as long as the pups get along with each other, right?
- John Diehl: Yes, I don't know what happens then. But no, that's a really a good point. Or you mentioned educate. With all the schools right now calling students back to campus, it would kind of be interesting to have a conversation, even link people up from a similar school or university to talk about what's going on with that school or university in light of everything that's going on.
- So, I think anything that we can do to draw ourselves in to that conversation, because it really does help us get to know those clients a little bit better. So – and I ...
- Bill McManus: Absolutely. I – I – you – oh sorry, yes, you just reminded me of a story that I remember a financial professional shared with me, take the educate one, through using tools like Facebook, seeing posts that a client posted of a grandchild that graduated, and then through LinkedIn actually offered to connect that client's grandchild to people in their network in the field that that particular grandkid was looking to start a job in.
- So, there's so many different ways that we can, again, thank goodness, the tools and technology that we have to really create deeper, I think, more intimate interactions with our clients, but then ultimately build our network through introductions and these centers of influence.
- John Diehl: So Bill, as a financial professional that may not be as up to speed on all these tools and platforms and ideas as maybe others are. What do you suggest as next steps that I should be taking?
- Bill McManus: Yes, I would—I would sit down and sort evaluate, right, our digital presence, sort of where we want to focus, because it's a lot, right? And again, if we don't have a system or a plan we can spend a lot of time spinning our wheels, so to speak.
- So, I think really focusing in one area, maybe it is, OK, I want to work with rule of eights with my top 25 relationships and make sure that we know these things and start sourcing introductions, and starting small, right? I want to get – find three introductions or two, whatever the number may be and have it be a measurable, achievable goal, or I really want to work on centers of influence. I think picking one of those areas and focusing in on it for a little bit of time is really important.
- Another next step, and this is kind of the first simple one, I would make sure I would think about my top relationships and make sure that I am connected with them on these social platforms, whether it is LinkedIn or Facebook. That would probably be step number one. But it really is about refining a process. And then I think the other thing, John, is understanding that this is not a response to the situation circumstances brought on by COVID-19. This is the new way of doing business, I think, going forward. So, it's something that we really do need to adopt and refine.
- John Diehl: And Bill, I think that's important too. I mean the crisis actually gives us an opportunity almost to inventory the ways that our clients want to be communicated with. So, perhaps using this transition as a time to reach out to clients to say, "Hey, I know we've had a great face-to-face relationship; we certainly have touched based over WebEx or whatever, but are there other communication platforms that you use? Are you active on Facebook? Do you use LinkedIn?" Because, we either currently do or are exploring how we might use those platforms to better communicate with our clients. The worse the client can say is no, I don't, or no I don't really do business or anything like that.

- Bill McManus: Right.
- John Diehl: But I think most clients, at least that I've spoken to, have been pretty willing to say, well yes, I use Facebook. In fact, I already follow you as a financial professional, right. It's just – it goes both ways, right?
- Bill McManus: Right. And as we've seen from the research that we've seen from MIT, just the awareness and adoption of people across all different age cohorts that are engaging social media and all this new technology, it's just going through the roof, and it's only been accelerated ...
- John Diehl: Yes.
- Bill McManus: ... brought on by COVID-19. So, I do think it's important for financial professional to engage clients, as you said, around what type of communication avenues they like and how they engage socially in this sort of new world that we're operating in.
- John Diehl: One thought on that, Bill, is in our work with (Dr. Coughlin) up at MIT, at the MIT AgeLab. He has shared with us that when we are referred as a financial professional, it's not like that client hears a word from a friend of theirs and just says, oh, my friend said call Bill McManus because he's a great guy.
- No, the first thing they're going to do is investigate you online.
- Bill McManus: Yes.
- John Diehl: So, if nothing more than for a defensive purpose, making sure that your Facebook page or your LinkedIn profile or your website accurately reflect the things that you want them to reflect and that you're consistent or have some degree of consistency across those platforms is important because potential clients may be researching you without your even knowing it. Would you agree with that point?
- Bill McManus: I mean 100 percent. When was the last time that you went to restaurant that you didn't get on and start reading the Yelp reviews for or bought something from Amazon that you didn't scroll down and see what other people were saying about a product? It's just how we make decisions.
- We have the capabilities to research and we use it collectively. So, it certainly would apply to how people are seeking financial professionals, or again, if they're going to be introduced, that's the first place they're going to go, 100 percent.
- John Diehl: So Bill, as our time draws to a close here, any last points you'd like to share with the financial professionals out there on this topic of virtual prospecting?
- Bill McManus: I would just say two things. Number one, embrace it, because it's certainly how we're going to continue to operate on a go-forward basis. And then number two, I think we can fun with it, right? There's a lot of ways to be creative, as we mentioned, and I think it's exciting to be able to engage with new people, whether it is centers of influence or introductions from our existing client base and continue to move our businesses forward and help out people that we know that all the great financial professionals listening with us today can ultimately help.
- John Diehl: Bill McManus, managing director with the Applied Insights Team here at Hartford Funds. Bill, I wanted to take a moment to say thanks for joining us today on the podcast and for sharing some of your insights on virtual prospecting.
- Bill McManus: Thanks for having me, John. Really enjoyed the conversation.
- John Diehl: Absolutely. And for all of you listening, we look forward to sharing time again with you on the next episode of the Human Centric Investing Podcast. Thanks very much.
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