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# Defensive and Offensive Strategies for a Tough Market

**White Paper**

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## **Abstract**

A Bear Market can be viewed as a competitive war. The RR with the best defensive and offensive strategies will win and take clients and assets from those who do not have a good strategy or any strategy at all.

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## THE COMPETITIVE WAR

The correct way to view recent developments is this:

We are in a competitive war.

The enemy can obviously be “the market.” And it can be real, live competitors who want your clients and don’t want you to have theirs.

As in real war, there will be some casualties. Casualties are expected.

So let’s plan on them . . . and plan to win the war.

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A DEFENSIVE AND  
OFFENSIVE STRATEGY

As in any war, you will have casualties.

You will lose assets and probably, but not necessarily, clients.

The market has already taken some assets. It may take more.

Your competition may take some clients.

The winners in this struggle will be those who, while losing assets, minimize the loss of clients.

In every war, you need a defensive as well as an offensive strategy.

Your defensive strategy: Keep your clients.

Your offensive strategy: Prospect enough to grow your business in any market.

Question: So how do you keep your clients?

Answer: You implement our Client Retention Formula.

This formula is not based on theory. It got tough, hard tests in 1987-88, 1991, 1998, and, of course, March 2000 until whenever the tough market ends.

❖ **Provide Excellent Financial Advice**

This step is entirely yours. It's not anything Bill Good Marketing gets involved in except to say, "*Even excellent advice is not sufficient for client retention.*"

But you knew that, didn't you?

❖ **Provide Great Service**

Let's start by defining "Great Service" as "fast, effective, friendly service that delivers what it promises."

With this definition, it's obvious why RRs *cannot deliver great service.*

It's never fast.

Given a choice between handling Velda's CD or Violet's service problem—and you always have that choice, don't you?—you know what the choice is.

So long as *you're* doing service, *it will be adequate at best.* If you are giving great service, your ribs will be showing because you won't be making enough money to afford to eat well.

Bill Good Marketing is definitely involved in helping you deliver great service. We are going to help you structure your team, train your Service Assistant, track service problems, and most importantly, get you to quit handling service so that a full-time service professional can deliver the great service you should demand and to which your clients—if you are going to keep them—are entitled.

*Without our "Team Approach," you'll have a hard time with this one.*

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"I NEVER HEAR FROM MY ADVISOR!"

*Excellent investment advice and great service are a good start on retention.*

*Is that enough?*

*No, it's obviously not.*

*We're missing a solid solution for one of the main reasons you lose clients: "I never hear from my advisor."*

*What's missing is a disciplined approach to communication—which is, of course, the basis for maintaining relationships.*

Chances are, you're doing a pretty good job in building and maintaining relationships with your top clients. The 50 people you talk to every few days are not your biggest risk exposure. It's the other 250, isn't it? The ones you talk to twice a year—if that.

This new age we're in is going to compound the problem of retention for you. *If the trend of fees and commissions is still down (and I think it is) you will have to manage even more clients and more assets just to stay even!* So do you want some—perhaps a substantial portion—of the bottom portion of your clients wandering through the electronic jungle without you?

I don't think so.

So our objective in this war is: Keep all clients. (Yes, I know there are exceptions. Just don't make them the rule.) With so many people trying to get your clients, it makes no sense at all to give them away or not take care of them.

*So let's look at four more steps:*

❖ **Send Every Client a Letter at Least Once a Month about Something the Client Is Interested In**

Your clients have just so much mental real estate available for investments. You want to take as much of that as possible. The more you can take, the less there is available for anyone else.

Part of the way we'll get that mental real estate is to keep your name in front of your clients once a month with a well-written, timely—if not downright entertaining—letter.

Now, you can write these.

Or you can use our Online Letters Library™, which is available to our subscribers.

**Note:** The Letters Library contains approximately 1300 letters, 150 articles and numerous scripts. You will find everything from seminar invitations to educational letters to call me letters to etiquette letters. There's even a letter to send when a client has a pet die. These letters are not just designed to assist you in keeping your name in front of your clients; they are designed to assist you in building three *identities*. You need to be perceived as an expert financial advisor, but you also need to be perceived as a caring individual and an excellent citizen.

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❖ **Call Every Client at Least Once Every 90 Days**

Ideally, you would meet with each client several times a year. Realistically, that's not going to happen, is it?

So you personally will call each client at least four times a year.

Sorry, but that's not likely to happen either, especially since you will need more clients and more assets just to stay even because of the downtrend in commissions and fees.

If you can't meet them or call them enough, now what?

Well, it's time to let your team take over.

Your Sales Assistant (the team member responsible for ensuring that the RR always has plenty of interested, qualified clients and prospects to talk to and see) will make those calls. We call these the "90-Day No-Contact" calls. They're simple, warm, fuzzy, and they go a long way to ensuring that personal contact level is maintained.

If you can't call, someone from your team better call . . . or someone else will.

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### ❖ **Send Lots of Etiquette Letters**

“Etiquette Letters” are in honor of our mothers. Remember when she wanted you to thank your uncle for that Christmas gift? You said, “But I told him “thank you,” and she said, “Don’t argue. Write him a letter.”

Etiquette Letters enhance your identity as a caring individual. They also give you yet another reason to put your name in front of a client. We want to completely crowd out the competition, and this is one of our key tools.

You should send lots of these letters. We have over 50 of them. They cover things like *Thanks for the Business*, *Get Well*, *Condolences*, *Appreciation*, *Call Me*, *Thanks for the Referral*, *Have a Great Trip*, *Welcome Back*, and more.

### ❖ **Send Every Client, Spouse, and Child a Birthday Letter**

Why birthday letters and not cards? They work better. Odd, isn’t it?

Our System ships with 400 birthday letters. There are 100 singular versions for men and 100 singular versions for women. If you want multiple signatories, there are another 100 plural letters for men and 100 for women. This means everyone on your team can sign, and instead of saying “I want to wish you a happy birthday,” the letter would say, “We want to wish you a happy birthday.” These letters are age-specific. If you put the new grandson of your wealthiest client in the System, he would receive a different birthday letter for the next 100 years. So you never have to worry if you’ve sent the same letter or card. You haven’t. The goodwill generated by these letters is unbelievable. If you want to generate word-of-mouth through the entire family, just add in the kids of your clients.

By the way, if you only implement one piece of the client retention strategy, this is the one.

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## THE BIGGER PICTURE

How many times are you in touch with your clients now?

Here's what will happen when you implement the Client Retention Strategy.

You'll send 12 monthly letters; at least 2 birthday letters, hopefully 3 or 4 routine letters, and maybe a couple of extra holiday-type letters plus at least four phone calls.

That looks like 24 or so communications to that buying unit per year.

Are you doing that now?

Let's assume you're going to be wrong about how much effort to put into client retention. You won't get it exactly right but will instead do too little or too much.

So here's the question:

Do you want to err on the side of too little or too much?

Obviously, too much.

The six steps I have outlined here have served my clients well since I developed this strategy in 1986.

They have survived firm changes, market changes, huge technological changes, and frankly, most of the 3500 people who have bought the System since then have done extremely well.

A couple of years ago, I added a step to the Client Retention Formula.

As we talk about this step, consider this:

Obviously, you have to meet with your clients. The more the better. But in coming years, in order to expand your standard of living, you will have to have a lot more clients than you do now.

How are you going to do that?

❖ **Get Every Client Into a Client Educational Seminar Once,  
Preferably Twice a Year**

Survey after survey after survey has shown that what people need and want from their full service broker or planner is “*information that makes me more knowledgeable.*” That’s from an SIA Survey that you can get from the Securities Industry Association website. Go to [www.sia.com](http://www.sia.com) and see for yourself.

The Client Educational Seminar solves at least two problems for you.

- 1) It enables you to at least see people you would not otherwise have time to see.
- 2) It enables you to provide what they need and want—education.

And as you will see, it can also provide you with something you badly need if you are going to survive the competitive wars—fresh troops, i.e., new clients.

So let’s assume you start providing people with the education they need and want.

Let’s assume your advice is excellent and your service is great.

You stay in touch by mail and phone.

Will you still lose some clients?

You bet. But not as many.

Here's another one of those key questions:

How much prospecting is enough?

Answer: About 100 new clients a year.

Why 100?

Because our studies have shown that is enough to grow your business in almost any kind of market *and* overcome losses due to your competitors.

So you have to have prospecting systems in place at all times. Don't even think about prospecting only when times turn sour.

The time to prospect is now, whatever the market condition is.

If you are minimizing client loss and growing your business, *you cannot lose the war.*

Introducing the "Least Cost Strategy".

To hit the target, we are first going to get as many new clients from "least cost sources" as possible. Then, as necessary, we will employ more expensive mass marketing campaigns.

So what are these least-cost prospecting sources?

We'll start with referrals.

In June 2002, we introduced an awesome new (old) campaign: "Neighborhood Referrals." We had it years ago, but the technique of developing THE LIST was cumbersome at best. Through a website we discovered, it's now a snap.

Would you like 20 referrals tomorrow, perhaps with \$9 million coming due? Well, that's what one of our users reported when he tested the campaign.

You get guests from your clients at your client educational seminars.

Then "old prospects" who have been hanging around. We'll run our "Old Prospect Card" campaign. After you're done, the only thing left will be hot prospects, red cherries, green cherries, and *people who specifically request to be on your prospect list.*

Next, we'll pull your connections—people you know that you would like to do business with but are socially inappropriate for you to solicit.

We'll slide these folks into "The \$50 Million Wilson Campaign" and "mist" them for a year.

Then, if necessary, we roll out any one of a dozen or so campaigns ranging from old-fashioned cold-calling campaigns to mail/phone seminars to direct mail.

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SUMMARY

We are in a competitive war.

We are going to win it by reducing our attrition and increasing our prospecting.

Now that wasn't hard, was it?

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FOR MORE  
INFORMATION

For complete information on the Bill Good Marketing System<sup>®</sup>, call Jill White at 800-678-1480, or 801-572-1480.