



The Transition Accelerator Online

August issue

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Building your brand

Michael Gerber's famous book, *The E-Myth*, helped small business owners realise the critical importance of systems and processes. Gerber believes that your business should become a prototype for 5000 more businesses just like it, even if you never intend to duplicate it or sell it. This changes everything in the minds of the business owner. Up until this realisation most businesses are stuck in the quagmire of unkept promises, missed administration deadlines, inefficiency, high costs, poor delivery, and a working week that would test the capacity of the worlds most hardy and motivated individuals. In fact the sub-title of Gerber's book is 'Why most small businesses fail and what to do about it'. But what has this got to do with branding?

Many IFAs don't seem to get the whole issue of branding and are likely to look at building a brand as something that is great for Coca Cola, but completely irrelevant to their financial advice business. This is like saying that systems and processes are only important for companies like GE. Just as Gerber exposed the problems that this way of thinking created for small business owners this month's Transition Accelerator Online aims to get you thinking about brand building even if you never want to be known outside your own client base or local area.

va-interactive.com a marketing website says the following about branding:

Branding is more than just a business buzzword. It has become the crux of selling in the new economy. If the old marketing mantra was, "Nothing happens until somebody sells something," the new philosophy could be "Nothing happens until somebody brands something."

In its simplest form, a brand is a noun. It is the name attached to a product or service. However, upon close inspection, a brand represents many more intangible aspects of a product or service: a collection of feelings and perceptions about quality, image, lifestyle and status. It creates in the mind of customers and prospects the perception that there is no product or service on the market that is quite like yours. In short, a brand offers the customer a guarantee and then delivers on it.

If you are trying to build a 'real' business that self-generates leads, has a steady flow of client referrals, and is known as a quality provider of financial advice in its key markets or locality then you will need to build a brand that says all that to existing and potential customers as well as any potential introducers. Creating a strong brand identity gives you 'share of mind', so that customers think of you first when they seek the type of service you provide.

“ Many IFAs don't seem to get the whole issue of branding and look at building a brand as something that is great for Coca Cola, but completely irrelevant to their financial advice business. ”

The fundamentals for success

Professor David Jobber identifies seven main factors in building successful brands, as illustrated in the diagram below:



Try working through these factors in a step by step fashion to begin the thinking around your business brand.

Step 1: Quality

It is just a given that your advice and service to clients must be good. If for any reason you don't do what you say on the tin building a brand is impossible. Even the one person local IFA who has no interest in brand building must deliver on some basic 'core benefits' that the 'IFA brand' implies.

For example, most clients seeking advice from an IFA would expect:

- Impartial advice
- Independent product recommendations
- Advice appropriate for their specific situation
- Phone calls & emails returned within an appropriate time period
- Paperwork completed right first time
- All administration work dealt with in a reasonable time frame
- Courteous and friendly staff interactions
- A feeling of being listened to

Obviously this list is not exhaustive but failure to deliver on any of these core benefits (that are simply expected) could mean no business is done.

If your business ambition is larger than a one person practice then the expectations of your customers will be even higher and therefore the core benefits will need to deliver to those expectations.

Step 2: Positioning

Positioning is about establishing what your brand stands for in the minds of consumers. For IFAs this will vary by business type and business ambition.

Consider a boutique style IFA with 5 RI's that wants to focus exclusively on top end financial planning advice for high net worth individuals. Their positioning will need to reinforce their absolute quality to help their target audience see clearly that this is the place for them. The quality of their premises, the look and feel of their documentation, and the process they take people through to deliver advice will all need to match the absolute quality message.

Contrast this with a larger IFA with 100 RI's that is aiming more at the middle market. If they simply copied the strategy of the boutique firm above clients would be confused (consciously or unconsciously) as to what this business stood for. Their offices for example, would need to look good, but not too good. The colours used in the logo and corporate brand would need to send messages that match what is being offered. The language used in any marketing material would also need to 'speak to' the types of clients being targeted by the business.

The positioning of your business will need to focus on a range of issues including:

- Brand name
- Image
- Service standards
- Product guarantees
- Packaging
- The advice delivery process

Each of these areas needs to tie in strongly with the others to reinforce what your brand/business stands for. The more clearly this is done the easier it is for clients and potential clients in your target market to recognise that you are someone they should be dealing with.

Step 3: Repositioning

This is a critical issue for any longstanding IFA that is trying to transition from an old model to a new model business. Repositioning is undertaken when an existing brand tries to change its market position to reflect a change of direction decided strategically by the business owners or to respond to a change in consumers tastes. In the pop world stars like Madonna and Kylie Minogue have been able to re-position their brand many times to stay current and hip.

In the IFA market changing demands from consumers is a key factor driving change. Despite the fact that the FSA takes much of the blame (or credit) for driving change, the needs and wants of consumers are a much more powerful force for change. The move from an up-front commission sales model to one based around renewal income and fees for advice is largely in response to consumers' biggest criticism of our industry; that something was sold and the adviser was never seen again. This is not what people are after.

Repositioning can be achieved by reviewing the list of positioning factors shown in step 2, and making them more appropriate or relevant to the clients your business really wants to focus on. In most IFA businesses the number of clients is not the problem, but numbers of good quality profitable clients is. Successfully repositioning your brand lets the good clients know that you are now geared up for them, and lets the other clients know you no longer really work in their space.

Step 4: Communications

Good quality communications are essential for success in building a successful brand. This is often an area that is completely overlooked by many IFAs, or worse still, carried out with no thought or understanding of how it is reinforcing (or destroying) the brand message.

The positioning of the business is aimed at creating a customer perception within specified target markets. Therefore everything that emanates outward from the business must reinforce the core messages that your brand stands for. Traditionally this might be done via:

- **Client newsletters**
- **Seminars**
- **Direct marketing campaigns**

However, there are a range of other communications that can (and should) be reinforcing the key marketing and branding messages consistently, including:

- **Telephone**
- **Email**
- **Website**
- **Client meetings/reviews**

Each of these communication contact points is an opportunity to speak to clients and potential clients in the style of the business and to enhance or reinforce the brands 'personality'. There are three phases to the communication process:

- a) Building brand awareness**
- b) Developing the brands personality**
- c) Reinforcing the perception**

Marketers often talk about 'first-mover advantage', meaning that the first successful brand in a market can create a clear positioning in the minds of its targeted customers before other competition is able to do so. In the big business world brands like Gillette and Coca Cola are good examples. In the IFA marketplace one could argue that the market is mature and crowded and therefore for your business it is impossible to generate this first mover advantage, but at FP Advance we have seen businesses do this time and time again.

In the current climate where the old business model is under pressure from consumers and regulators the traditional views of what an IFA does or should do is becoming blurred and unclear. From this hazy position market leading businesses have re-positioned themselves to emerge from the haze with a new and fresh looking brand/business that seems to speak to their target customers in a new way. From this position they then capture a first mover advantage in their marketplace.

Remember, you don't need to be a national IFA business to brand yourself and obtain a commercial advantage. This can occur locally wherever you are based, or even within subsets of the local market (e.g. with accountants that specialise in working with small business owners, or solicitors that specialise in accident settlements payments). Whatever markets you work in a strongly branded business is imperative.

Step 5: Long-term perspective

A core part of any brand building process is to take a long-term perspective and not simply view it as a quick way of generating new business. Pat Meehan formerly of Holden Meehan a leading IFA once described his business as "a great get rich slow business".

To build customer awareness, communicate the brands message, and embed customer loyalty takes time and therefore you will need to 'invest' in your brand over the long term. It should be viewed as a perpetual part of being in business, happening continually and consistently to shape the look and feel of your brand/business as it grows and develops.

Step 6: Internal marketing

This step is often completely overlooked by businesses trying to build a brand, who incorrectly believe that all marketing effort must be focussed outward.

The only way that the outward presentation of your brand will match your strategic vision is if internally all staff truly believe and buy into what you are trying to deliver. This means that everyone in your business understands the brand values and the businesses positioning. It is not likely to be achieved by telling everyone at a staff meeting. It will require a co-ordinated and ongoing commitment to helping staff see why these corporate values are important to the business and its customers. Most staff are desperately wanting to believe in what their employer does and job satisfaction and work ethic can improve significantly when people believe in the company and feel their effort at work is worthwhile.

This is particularly important in service businesses where a critical part of the brand value is the type and quality of service that a customer receives (delivered by your people). Think of your favourite hotel or up-market restaurant; it's likely that they have invested plenty in staff training to ensure they 'live the brand' in their interactions with customers.

Step 7: Credibility

The final piece of the puzzle in building a successful brand is credibility. This might be obvious things like having good technical knowledge and qualifications so that your advice is credible and of sufficient quality. However clients find these things very difficult to truly evaluate (as they are not specialists in your field).

At FP Advance we believe that systems and processes underpin the credibility of your brand and are therefore intrinsically linked to your brand building process and broader business marketing efforts. Most stuff ups in your business occur because of poor systems and processes (not poor staff as often cited by IFAs). By focussing heavily on creating robust and duplicatable processes you ensure that what is promised is actually delivered, on time, same time, every time.

“By working through the seven factors for building a brand you can begin to identify your shortcomings and create a plan to fix them.”

How to turn your existing business into a brand

The 4 Ps

Marketers refer to the 4Ps as the marketing mix. All four Ps must work together to create the right marketing mix for your business. They are:

- Product:** What are you selling to the marketplace?
- Price:** How much will you charge?
- Position:** Where will you position your product in the minds of consumers?
- Placement:** How and where will people access your product?

Consider a business like Armani, a premium branded clothing manufacturer. The marketing mix would look something like this.

	Armani
Product	Fashion
Price	Expensive
Position	Premium
Placement	Branded outlets

Now let's consider the marketing mix for your business. Write down in each box the words to describe your business as you wish it were.

	Your business
Product	
Price	
Position	
Placement	

How does the marketing mix look for your business? Do you want to be up market, down market, or a quality business somewhere in between? All options are perfectly valid but everything needs to line up with your choices.

This is a great tool to check in with every 6 months or so just to make sure that everything is lining up.

The 7 Ps for a service business

In any service business there are an additional 3 Ps to add that will also form part of your marketing mix.

- People:** Who is going to actually deliver the service you provide?
- Process:** What process will you package up to help clients understand what you do?
- Physical presence:** What will your physical presence communicate to your clients and potential clients?

Let's look at an example of a large professional services firm, KPMG. Their marketing mix might look something like this.

	KPMG
Product	Corporate accounting and auditing
Price	Expensive
Position	Big four global brand
Placement	Via Partner at branded offices
People	Highest quality
Process	Differentiated IP
Physical Presence	Marble foyer/ expensive artwork

Once again, doing this exercise for your business may provide some insight as to where things are not lined up and what improvements will need to be made. Complete the extra three boxes for your business.

	Your business
Product	
Price	
Position	
Placement	
People	
Process	
Physical Presence	

Having completed this exercise now refer to the core areas for review under Step 3: Positioning and work through each area to ensure you have given them enough consideration and where necessary re-designed your offering to ensure everything feels right for your brand.

This exercise is like tuning the engine of a high performance vehicle; small changes with a large impact on the performance and efficiency of the vehicle. Having tuned everything up in the review process your focus should now be on chasing more of the clients that will value your new brand/business.

“ Working through the 7Ps for a service business is like tuning the engine of a high performance vehicle: small changes with a large impact on performance.”

The benefits of a branded business

1. Building a brand will get you more clients, and most importantly clients of the right type. Being clear about what you do also leads to significant efficiencies behind the scenes as you focus your energy on serving those customers most suited to your offering and letting the others go.
2. Customers now know what to expect because it has been explained to them (verbally and via all your marketing material). The business can now focus on one thing; delivering to the expectation they have created. Simply doing this separates good businesses from the pack. Think of your own recent customer service experiences; so rarely do businesses do what they promise that when one actually delivers it is a life changing experience
3. By delivering on the expectation you have created via your branding work you make it easy and safe for people to refer you to friends and colleagues. The biggest impediment to referral is the fear that perhaps a friend might not receive the same level of service. However if we are absolutely certain that the business will deliver in the same way every single time we can feel confident in describing the service our friends can expect (and therefore refer them).
4. By branding your business and increasing your referability you significantly lower the costs of acquiring new clients improving profitability.

Actions for implementation

Building brand and consistency

1. Work through the seven factors for building a successful brand

- Work through each factor, thinking about your current business and how it could better reflect the business you can see in your minds eye.
- All factors are important but give special attention to;
 - a. Positioning
 - b. Internal Marketingas they will really drive success or failure in an IFA business.

2. Work through the 7Ps for a service business

- Complete the chart with your 7Ps.
- If you have done this exercise before do it again just to check that you have it spot on.
- Does every aspect of the work you have just completed (in points 1. and 2.) seem to make sense in your mind when presenting your new brand to the outside world?
- What areas are weak in your current business/brand and what can you do about it?

3. Create a brand building and brand management plan

- Make management of your brand a task that someone senior in the business leads and is accountable for (in a small business that is the owner)
- Put time in the diary at least once a month to work on the brand and take it forward a step at a time (remember this is a long game not a quick win)
- Make systems and process improvement part of your brand building exercise (to ensure consistency)

FP Advance provides specialist consulting and business coaching to financial advisers across the United Kingdom. If you would like further information regarding these services please visit our website at www.fpadvance.com or email enquiries@fpadvance.com

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In next months issue...



The Transition Accelerator Online
September 2007

Using The Master Index - The IFA toolkit

- What is The Master Index?
- How it can transform your business
- Developing new talent using
The Master Index
- Creating the business you have
always envisioned

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In upcoming issues

There are some great topics being covered in The Transition Accelerator Online over the next few months.

October 2007: The 5 S's Process - A framework for success

November 2007 Finding your niche with Segmentation, Targeting, and Positioning

December 2007 Generating referrals - Simple ways to find new clients

January 2008: Why Marketing Services is different

February 2008: Hiring a great team

March 2008: Converting existing clients to the new proposition