



Building a Practice in America's Fastest Dying City

By Robert Huebscher

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Youngstown, Ohio has the distinction of being America's fastest-dying city, losing its population more rapidly than any other large metropolitan area. It is also home to Young Financial Group, whose founder, Mowry ("Mo") Young has developed a unique client-centric marketing strategy that enabled him to acquire several hundred new clients over the last four years.

While many – perhaps most – advisors use client appreciation programs as part of their marketing efforts, Young has embraced this idea and made it his sole marketing focus. Young believes other advisors can utilize his strategy, and he agreed to tell me how it works.

Young began his career in 1996 and developed a successful brokerage practice selling investment and insurance products. To attract prospects, he had a telemarketing staff cold-call residents in local counties to find attendees for seminars he ran on a weekly basis.

In 2003, the federal Do Not Call list made his strategy obsolete. Young's practice had grown to \$50 million, and he no longer needed a prescribed rate of growth each month, but he still needed to grow.

Young decided on a marketing strategy based on regularly scheduled client appreciation events, with the long-term goal of having his clients show their appreciation by providing referrals.

Developing the strategy

To develop this strategy, Young formed an advisory board of 15 of his most loyal clients, and used the first two meetings to educate his board about the proposed new approach. He wanted his client base to be his salesforce, but he didn't want to press them too aggressively for referrals. "I believed I could rely on the nature of quality people – my most loyal clients – to reciprocate for the value they received," he said.

Young first converted his board to his way of thinking, because he knew they would be good advocates. He had chosen his board based on their asset value, attitude, and ability to advocate on his behalf.

Young then ranked his clients by those three criteria and surveyed his clients to identify their interests beyond those he already knew. He went back to his advisory board to



refine his plan. They confirmed his belief that clients would value special events with educational content geared to their interests more than they would other incentives, including fee reductions. “Most of my most loyal clients were not even aware of the fees they were being charged,” he said.

“You go to church because of the minister,” Young said, “and I realized I was the minister.” Young wanted to develop a degree of fraternity among his clients, and to position his program as a scarce resource. Under that premise, he invited only the top two-thirds of his clients, based on his three criteria, to his special events.

He held informational meetings with small groups of those clients to incorporate them into the process, just as he had with his advisory board. He included members of his advisory board in those meetings to get additional feedback.

Young defined a vision statement: “To create an exclusive club of prudent disciplined advocates who would achieve their goals and benefit from relationships with each other and the firm.” Young presented this statement at the informational meetings and made sure his clients bought into his approach. He supplemented his vision statement with a code of conduct and explained exactly how clients could help with referrals, if they were inclined to do so.

Individual meetings were held with advisory board members for Young to refine his understanding of their interests and goals, and he wrote a follow-up letter to them summarizing what he heard in those meetings.

Once this process was complete, Young assembled the data and formalized his plan for client events. He held another meeting to present his plan to his board. By that time, they had taken on ownership of the plan and were ready to deliver its message to his entire client base.

Rolling out the plan

To roll out his plan, he hosted meetings for groups of 50 couples, presenting his vision statement, code of conduct, and the benefits he would offer over the course of the coming year. Those benefits included items such as a new financial planning process, relationships with strategic partners, a newsletter, and, most importantly, the events he planned for the year.

At the end of the meeting, he presented a slide show of the upcoming events and had stations around the room where clients could sign up for events. Those clients who didn't attend were mailed information to sign up for events.

The annual schedule includes two ladies' events, one men's event, two trips, three or four educational sessions, three or four entertainment sessions, one major educational



event with a dinner, one charitable event, and a Holiday party for his advisory board. His board meets one other time during the year, and he has lunches with board members regularly.

The annual schedule of events Young now offers, which changes from year to year, includes a mix of educational, recreational, and charity-oriented activities. In the past year he has offered classes on economics, finance and investing – even giving final exams at the end of each session. Grading was competitive and the top scorer was designated the valedictorian

At another event, he aired the movie *The Secret of My Success*, a 1987 movie starring Michael J. Fox, who joins a poorly-run company as a mailroom employee and then assumes a second identity as a new executive, ultimately orchestrating a hostile takeover of the company. After the movie, Young had members of his advisory board masquerade as AIG executives while his clients threw nerf footballs at them. Young also gave a 10-minute talk on how the Fed is addressing the financial crisis.

He has run trips to casinos, New York City, the Baltimore inner harbor, and has seven bus loads of clients signed up for an upcoming trip to the Cleveland air show.

On the charity side of things, he held a wine tasting at a winery. After the tasting, a group of Special Olympic athletes arrived and each talked about their accomplishments and the importance of the Special Olympics to them. Young raised \$5,000 for the charity.

Young even brought in his local congressman to discuss how he is addressing Youngstown's population decline.

Clients are always welcome to bring guests, and Young said that some guests attend events over a two-year period before becoming clients.

Young employs a permanent part-time employee to manage his client appreciation program, which costs approximately \$70,000 per year. This is his only marketing expense; he does not spend any money on traditional marketing. "Why would I spend money on people I don't know?" he asked.

Young says his key competitive differentiator is that he commits 100% of his time and effort to transforming his clients into advocates.

Young is constantly refining his program and looking for ways to improve it. He solicits feedback on each event, and he gets regular feedback from his advisory board on how to grow and improve in the future. "We will never figure this out completely," he said.



Young gets as many as 65 unsolicited introductions per year from his program, and he converts about 75% of those into clients. His client retention rate is exceptionally high, with less than 1% annual turnover, even during last year's bear market.

Will this work for you?

Client appreciation programs won't work for every practice, Young cautioned. It won't work for practices with clients that are in their 40s, with kids, or very busy. (Young's clients are mostly empty nesters.) Clients in their child-raising years or with dual incomes often don't have the time to enjoy his events.

If you want to try his approach, Young advised starting small – offering the program initially to just your 15 advisory board members. You must be able to follow through and repeat the events on an annual basis. And, most importantly, you must be patient and willing to wait two to three years, without looking back, for a payoff.

“You can't force introductions – not the best ones,” Young cautioned. “You must give without the expectation of return. In order to connect you have to be sincere and not in it just for yourself.”

By starting small for at least the first three years advisors can avoid the significant commitment of money and resources Young now invests. “But put your heart and soul into it, and do it because you love it and the people you serve,” he said. “Remind them how to reciprocate and have the faith they will do so.”

Lastly, Young said none of this works if you're not ethical. “You must sincerely believe in what you are giving and not expect an immediate *quid pro quo*. The receiving will take care of itself. It really works that way.”

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