



## Does Your Marketing Match Your Business Structure?

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Independent investment advisors and financial planning firms adopt one of three business structures:

- The solo firm – a single advisor who may employ support staff.
- The silo firm – multiple advisors who share office overhead and possibly staff, but work independently and maintain their own client bases.
- The ensemble firm – multiple advisors who work together as one firm with overhead, support and staff covered by the firm.

For solo and silo firms, individual advisors are responsible for their marketing, whereas with an ensemble, the firm is responsible for marketing on behalf of the advisors.

Marketing strategies differ depending on the structure of a firm. Solos and silos focus on marketing the individual advisor while ensembles market the firm. Ensembles also tend to have more sophisticated marketing campaigns since they generally have larger marketing budgets and higher revenue streams than the other models (see [here](#)).

Does your marketing strategy match up with your firm's business structure? Let's review the strategies commonly associated with each of the models, and you can decide for yourself. *(Note: Solo and silo firms share common marketing strategies, so I have grouped them together.)*

### **Solo and silo firms**

Solo and silo firms focus on marketing and branding the individual advisor. The relationship with the individual advisor is the most important factor for a prospective client when engaging their services. There is also emphasis on maintaining and nurturing existing relationships to generate referrals from clients and centers of influence (COIs). Solos and silos have more flexibility and can take advantage of social media strategies that are restricted by larger firms.



Here are a few ways that solo and silo firms acquire new clients:

- Attend networking events to meet prospective clients
- Volunteer on boards and committees
- Write articles and blogs with the advisor's byline
- Host intimate client appreciation events for a select set of clients
- Network with COIs
- Engage in informal referral relationships with COIs
- Participate in social media marketing including Twitter, Facebook and LinkedIn
- Utilize email marketing to stay top-of-mind with prospects, clients and COIs

### **Ensemble firms**

Ensembles consider all clients the firm's clients, so there is an emphasis on marketing the firm over the individual advisor. The reputation of the firm is usually the most important factor for a prospective client when engaging their services.

There may be one or two lead business development executives, usually principals in the firm, responsible for generating leads. Clients can be served by any of the advisors on staff. If an advisor leaves, the client service responsibility is shifted to another one of the firm's advisors.

The ensemble dedicates significant marketing resources to ensure that all clients are the firm's clients and not the advisor's clients. Because of this philosophy, advisors are not always awarded the flexibility of nurturing relationships outside of the office. As a result, referrals are generated from a referral conversation incorporated into the client meeting process or are generated from formalized agreements with COIs. In order to control the firm's message, social media may be restricted to the firm level or heavily controlled on the individual level.

Here are some ways that ensembles market their firms to acquire new clients:

- Host public workshops
- Purchase airtime for talk radio shows
- Write articles and blogs by the firm or key business development executives
- Write books featuring the principal or key business development executives
- Sponsor non-profits and charitable or community events
- Host large appreciation events for all clients
- Limit social media activity to the firm level or restrict individual communication to pre-approved firm messaging
- Purchase advertisements on radio, print publications or television
- Incorporate referral discussion in the client meeting process
- Engage in formal referral relationships with COIs



- Host continuing education courses for COIs to identify formal referral relationships

As a firm transitions across business structures, the marketing strategies must transition as well. While there are some strategies that apply across the business structures, most firms will find that the strategies they used as a solo or silo are not as effective for an ensemble. Conversely, the strategies utilized by the ensemble may be out of financial reach or too impersonal for the solo and silo firms. There is no right or wrong marketing strategy. All that matters is what works! And keeping your marketing in line with your business structure will increase the likelihood of success.

### ***About Kristen Luke***

*Kristen Luke is the Principal of Wealth Management Marketing, a firm dedicated to providing marketing strategies and support for Registered Investment Advisory firms. Kristen works with individual advisors and firms to develop effective marketing plans and her firm provides the back office support required to implement the strategies. For more information, visit [www.wealthmanagementmarketing.net](http://www.wealthmanagementmarketing.net).*

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