

Mary Anne Doggett and Claudia Fogelin, Managing Partners

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When Hybrids Fail Who's to blame?

Despite the success of hybrid wholesalers at many firms, the debate continues to rage as to whether they are a good idea. We say yes. We also know of firms where hybrids haven't worked and even a couple of places where they've crashed and burned spectacularly.

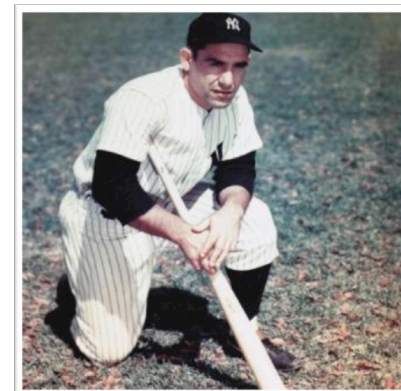
So why do hybrids sometimes fail? It's tempting point the finger at the model and say that it's not a good fit for our industry. From where we sit the culprit is more likely to be a deeply held belief about what it means to be a wholesaler or even a lack of understanding about how a successful hybrid model works. Because of this, some firms never fully implement the model and then wonder why their hybrids don't knock sales results out of the ballpark. With this in mind, consider the following issues, all of which we've seen hobble or even scuttle hybrids:

▶ **Asset management face-to-face fixation.**

Most industries conduct an enormous amount of important business over the phone (not to mention through email and the web). Much of the asset management industry, however, continues to hold fast to the belief that certain things – like asking for the business – should be done face-to-face. Where does this leave hybrids, who usually spend more time on the phone than in the field? Swimming against the tide of opinion that values “being there” over all else, but asks them to sell in another way.

▶ **Junior wholesaler in disguise.**

The dirty little secret at some firms is that their hybrids aren't actually hybrids, they're junior wholesalers getting a few months of seasoning before heading out to the field. This 'tween role provides zero motivation to develop expertise in the complex hybrid skill set of balancing field, phone and web interactions to bring in business. Instead, these “hybrids” focus solely on the playing the field.



“I never
blame
myself,
I just
blame
the bat.”

*Yogi Berra
American Icon*

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▶ **No place to call home.**

There's no perfect spot on a traditional distribution org chart for hybrids. Field managers know face-to-face sales, desk managers know telephone sales, and when it comes to web-based sales, well, let's hope someone knows about that. But hybrids need support and coaching in all three areas. Since most firms don't have a single manager who fits that description, hybrids can end up reporting to someone who understands only a part of their job. Some firms get around this with dotted line reporting, and this can work well if the dots get connected. Too often, however, this means that hybrids report to everybody and are managed and coached by no one.

▶ **Turf wars.**

The advisors hybrids work with have to come from somewhere and frequently that somewhere is a wholesaler territory. No one likes to give up a client relationship, but we've seen wholesalers practically wage war for the right to cherry pick advisors and gerrymander territory borders so they can keep control of what they consider their turf. Because of this, hybrids sometimes have to make a go of it in territories that have been stripped of most of their sales potential. We've even seen firms back away from using hybrids because the turf wars got so bad. A gentle reminder to all that top advisors make more money by decreasing the number of clients, not by holding on to every client they've ever touched.

So where does this leave the debate about hybrids? Unless firms are willing to confront and resolve issues like these, it's likely to stay in a holding pattern. That's unfortunate. We believe that hybrids are here to stay and firms that fully embrace and implement the hybrid model will reap the rewards of higher sales retention and advisor loyalty.

About Interactive Communications, Inc.

Interactive Communications, Inc. is a sales consulting and training firm helping financial services firms design, build, and increase the effectiveness of their distribution organization. We provide forward thinking and proven approaches that enable financial services firms to distribute their products efficiently, beneficially and at lower cost. At Interactive Communications, we work primarily with intermediaries – wholesalers and their managers – to help them capture today's sales opportunities while preparing them for future trends. For more information about Interactive Communications and its wholesaler training programs visit www.interactive-com.com, call us at 212.223.8339 or email info@interactive-com.com.

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Mary Anne Doggett and Claudia Fogelin, the Managing Partners of Interactive Communications, Inc., have spent more than 16 years traveling with, listening to and training wholesalers – externals, hybrids and internals and their management teams to help them improve sales results. Although they compliment each other well, clients appreciate the yin and yang approach they use when solving distribution problems, as well as their sense of humor.

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