



The Secrets of Successful Hybrid Wholesaling Webinar Responses To Questions: April 16, 2009

We received so many questions during our recent webinar that we were unable to answer them all at time. We put them into the categories listed below in order of popularity. If we didn't answer your question fully or you'd like to discuss this further, please feel free to contact us.

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- **Hybrid Compensation**

The range is fairly wide with the average around \$125K. Variable compensation plays a significant role, with base salaries usually under \$70K.

When the position is not a steppingstone to wholesaler it can be difficult to attract and retain quality candidates. In this case, the comp needs to be at a level where the hybrid can live comfortably for the long run, but compensation is not the only issue. It's also important to set expectations about the career path during the recruiting process. Seeking out hybrids with strong ties to the local community and little or no desire to relocate also helps. We know one firm that hires financial advisors who like where they live, don't aspire to be wholesalers, and are thrilled to pin down a livable base salary. Hybrid tenure at that firm is extremely high.

- **Candidates for Hybrid Wholesaler**

Successful hybrids need to be organized, process driven and have a strong predisposition to technology technology. Previous experience in selling over the phone is important along with comfort in using a structured sales process. In general, hybrids need strong face-to-face selling skills, phone selling skills and the willing to sell using the web tools. The best indicator that a candidate will be an effective hybrid is a successful track record in these activities.

Effective hybrid wholesaler candidates come from many places. Some firms only promote from their own sales desks. Others recruit from other sales desks or seek out financial advisors. We've even seen a few wholesalers come in from the field and know of one national accounts manager who decided to make the leap.

Also, some hybrids are deciding to remain hybrids because of the quality of life it affords versus externals. As there is more compression on external salaries, the gap in compensation will become smaller for the more successful hybrids.

- **Activity Measurement**

Measures we like include quality contacts per day, quality web meetings per week, quality webinars per month and face-to-face reviews (defined) per month. While it may be helpful to look at activity numbers, we suggest that goals be set only for advisor contacts that have specific definitions.

There is no 'right' number of calls and contacts for a hybrid wholesaler, but there are ranges that make sense. The numbers are directly contingent on what definitions are used for a 'call' a 'contact'. For example, a contact might require: 3 profiling questions, a need uncovered, and a commitment received from the advisor to move forward. The stricter the definition, the lower the 'right' number will be for a firm. If hybrids have strong phone selling skills, between 10 and 15 contacts per day is a reasonable range. To get to that number they may need to dial 70 times per day. It also depends on whether they are prospecting or calling on existing advisors.

Hybrid travel should be scheduled in blocks – for example 1 or 2 weeks at a time – with 4-5 appointments per day. We recommend that hybrids spend no more than 25% of their time in the field. Hybrids cannot schedule their time unless they have done a capacity plan around how often they can see their advisor base. Travel time should be specified and hybrids held accountable for that

When it comes to web meetings, there is also no 'right' #. We suggest that web meetings versus webinars be defined differently (webinars being the same info delivered to a group of advisors) The objectives set for an interactive web meeting tend to be more comprehensive than a phone conversation, and typically have a specific agenda and time frame.

- **Which Advisors / Which Channels**

We've seen hybrids be successful in all channels and all geographies, although the independent and RIA channels are usually easier to crack and an advisor in a remote area is more likely to have lower expectations about regular face-to-face visits. A lot of the success of the model depends on the hybrids' ability to position themselves appropriately with the advisor. See the answer to the next question for more about hybrid positioning.

- **Difficulty Scheduling Meetings**

Because external wholesalers regularly travel loops through their territory, advisors have gotten in the habit of saying things like, “Let me know when you’re in town.” That makes it difficult for hybrids with their limited travel schedule to work effectively.

The success of the hybrid depends on clear up front positioning of how they work to manage advisor expectations. Hybrids need to say that they don’t follow loops like traditional externals. Once advisors become comfortable with how the hybrid works, it is easier to set up travel. Again manage expectations. Many external wholesaler appointments get cancelled shortly before the meeting. If the hybrid conveys to the advisor that they will be planning only 1 or two meetings per year, and stress the importance, you may be able to minimize the cancellations. There is no miracle cure though! It is an in exact science at best. It is very important to confirm appointments in advance and also to send the advisor an agenda and some questions about the practice in advance to determine how committed he or she is to the meeting.

And it pays for hybrids to map out their travel schedule well in advance. This will be difficult at first, but once advisor relationships are in place hybrids should know where they will be for the next six months.

- **Who Covers The Phone**

We took a shot at this during the webinar, and got lots of great feedback from people who had better ideas.

Assuming you’ve been telling your advisors that you travel from time-to-time (see above questions), change your voice mail message to say that you are out of the office meeting with clients but that you will be picking up your voice mail several times a day. Then, like all folks who travel for business, you’ll have to pick up your voice mail regularly and find time to return urgent calls. You might also suggest that they call you on your cell, but make certain your voice main on that is appropriate and that you answer it with a professional greeting. It’s also essential that you offer them a way to speak with someone at the home office immediately, but you’ll find that most of the advisors will want to speak to you.

Who said this was going to be easy?

- **Webcasting**

You don't need special equipment to conduct a webinar or a web meeting, although the speed of the computer and the bandwidth of the internet connection make a difference. The faster the better on both. If you want to video webcast (the advisor will be able to see the hybrid), you'll need a web camera. If you want to see the advisor, they'll need one too.

You do need to use a web conferencing vendor. The ones we've seen most frequently in the industry are Webex, Citrix (GoToWebinar), Genesys, and Microsoft Office Live Meeting – which is not to say that they are the only vendors to consider.

On the compliance side, hybrids need to follow the same rules as external wholesalers – approved materials only. On the wirehouse side, we haven't heard of a firm prohibiting webcasting for compliance reasons, but we would strongly recommend confirming that before starting this process.

- **Internal Wholesaler Support**

Do some firms provide their hybrids with internal wholesaler support? Absolutely. Many firms assign internals to work with their hybrids and some even provide them with access to a sales assistant. Like wholesalers, the less time hybrids spend on non-sales related activities, the more time they have to interact with advisors and bring in business.

- **Best CRM For Hybrids**

The best CRM for hybrids is one that's easy to work with, loaded with information about their advisors, and available to them both in the home office and when they are on the road. Any vendor that can help with that will work fine.

- **How Hybrids Get Leads**

Referrals from current advisor relationships are always the best way to go for any wholesaler – external, internal, or hybrid. When hybrids are first building out their territories they need to really work the phones and open doors for themselves, mostly likely in the same way they did as an internal (except positioning themselves differently). We are not fans of hybrids traveling out to the field and doing walk-throughs and lunch meetings to gather business cards. That tends to be high expense and low success.