

# The Quick and Essential Wholesaler Handbook

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I N T E R A C T I V E   C O M M U N I C A T I O N S

INC

## Classic Wholesaler Missteps

### Why This Handbook?

Wholesalers (like you) asked for it.

As sales coaches, we spend a great deal of time traveling with external wholesalers and listening to internal wholesalers make their calls. We learn a lot during these encounters. At the end of each advisor interaction we provide feedback on what went well and help identify something to work on to make similar calls even more effective.

The request we get most frequently is to send a summary of our tips and suggestions. So here's the handbook.

If you think of sales as a sport, like golf, great sales people are constantly working on their swing to play with the likes of Tiger Woods (in this case, the more successful advisors). That takes practice. We hope this handbook becomes a reference guide to help you increase your success, wow your advisors, and have lots of energy left over to spend on the things you love to do in your free time.

Enjoy!

From the Managing Partners of Interactive Communications.

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## What to Expect

**Classic Wholesaler Missteps: 7 Unlucky Numbers** and its companion **Classic INTERNAL Wholesaler Missteps: 7 Unlucky Numbers** are designed to help you identify missteps you might be willing to confess to (privately, of course).

Once you recognize what not to do, you might be curious about what you *should* do. So, voilà, we present **The 7 Habits of Highly Successful Internal and External Wholesalers**. Lots of common sense here, but perhaps some helpful jogs for your memory.

## How Long Will It Take and What's in It for Me?

This is short. Very short. A quick read. Something you can keep in the car or at your desk and something that may help you sell more. Try it, you'll like it!



## Classic Wholesaler Missteps: 7 Unlucky Numbers

When Interactive Communications published its original white paper, “Classic Wholesaler Missteps: 13 Unlucky Numbers,” we were surprised at the volume of reprint requests we received. They covered the full span of the industry from the largest, best-known asset managers to lesser-known, boutique firms.

Originally, we thought we might offend some wholesaling organizations by exposing what we saw. Instead many of them asked us to build on the points we had made and continue to provide suggestions that are real and actionable.

It’s a lonely ride out there as a wholesaler. It seems there is a healthy appetite for this kind of feedback.

For this handbook, we’ve added more content to our original version, chosen the 7 missteps that we think have the most impact on results, and added ideas that wholesalers can put into action.

We hope this helps you to have the most effective and efficient conversations possible. And to sell more in less time with less effort. Finally, of course, to make more money.

## 1. Answering the Question... “Whadda Ya Got?” (At Length)



Advisors often use phrases like, “Whadda ya got?” to screen out wholesalers. If you launch into a product pitch or sales idea in response to this, all the advisor has to do is listen for a minute, say, “Great, I’ll take a look at it,” and act like the meeting is over. And it is.

Even if your product or idea is exactly what the advisor needs, it’s highly unlikely that your 30-second presentation will make that clear. So, you get the nod and the “great” and the wave good-bye.

More than one wholesaler has asked us how an advisor could not be interested in a 5-star fund with awesome 1, 3, and 5 year numbers. The reality is that the facts alone don’t always sell. But many wholesalers are certain that they do and keep pitching them, even when the batter isn’t at the plate.

Of course it’s important to present your product. But you can’t explain how the product will help an advisor if you don’t know what that advisor is trying to get done. To do that you need to ask questions before you present.

So when the next advisor hits you with “Whadda ya got?” resist the urge to present and try responding with, “That depends on what you need.”

## 2. Counting on Friends

One particularly direct National Sales Manager we know loves to say, “If you want a friend, get a dog.”

Strong personal relationships, often built through social interaction, play an important role in establishing strong business relationships. But if the friendship overwhelms the business relationship, problems arise. It gets difficult for you to ask the tough questions (“Why has your production dropped off?”) and for the advisor to give you the tough answers (“Another wholesaler showed me a product that works better than yours.”). And it gets difficult for you to decrease support or to ask for more business.

Here are some telltale signs that it’s time to get back to business (or buy a dog). Do you ever:

- Just assume that the advisors you are closest to will bring you production – and get disappointed when their numbers are less than you expected?
- Rely on old and often outdated profile information about advisors because you don’t want to break the rapport you currently have with them by asking questions?
- Spend an entire meeting talking about golf – and barely get your product on the table?



### 3. Letting Advisors Eat Your Lunch

Many wholesalers still regard a stand-up presentation at a meeting as the most powerful weapon in their arsenal. Would that it were true.

During most lunch meetings, we've observed there is a rush for the food followed by the polite pretense of interest. After the presentation, the attendees pick up brochures and fact sheets and dash out the door. Add to this the fact that there probably weren't any top producers in the audience and you get the picture.

We recognize that breakfast, lunch, or after-market meetings may be the price of admission in some branches and that many successful, long-term relationships have begun at them. But simply dragging out the standard dog and pony has become less and less effective.

In order to get a payback on the time and money you put into meetings you might:

Review the branch lists where you do regular lunch meetings and decide whether it's time well spent for you – or your audience.

Invite a targeted group of advisors (top advisors?) to a lunch meeting and tailor your presentation to their specific needs.

Ask for a 10-minute slot at a meeting led by the branch manager. Everybody comes to that.

Skip the lunch meeting all together and offer to bring in sandwiches for a top producer who never attends them or never accepts invitations to go out.



## 4. Elephant Hunting in The Corner Office (Without A Gun)

Wholesalers seem to have an almost fatal attraction for corner office advisors. While it's a good bet these big guys are making big bucks, their sales potential might actually be quite low. Some of them aren't actively prospecting or have little or no money in motion.

And then there's the team element. We've traveled with wholesalers who have no trouble getting in to see corner office guys who love them and will gladly schmooze at length. But when the wholesaler finally breaks down and asks, it turns out that this head honcho has little or nothing to do with picking investments. It's the quiet guy down the hall (maybe even in a cubicle!) who does that – and who the wholesaler needs to talk to.





## 5. Presenting Your Product 3 Or More Times to The Same Advisor



“Do you think you could use this product?” — and variations on this theme — are not a close. They’re a trial close, and an invitation for the advisor to say, “I’ll take a look at it,” and end the conversation. A true close outlines who’s going to do what and when, especially what the **advisor** will do (besides take a look at it).

Closing with a trial close is one of the reasons that wholesalers need to keep presenting the same product to the same advisor over and over again. It’s not that advisors don’t mean it when they say they’ll take a look at it. But it doesn’t take long before a client calls or another wholesaler drops by and your fact sheet ends up in the heap.

We asked wholesalers how many times they usually present a product before an advisor decides to buy. The most common answer was seven. That’s one expensive sales process! So ask for a specific next step from the advisor. You’ll find out much more quickly if they really have any interest and decrease the number of times you have to present.

## 6. Using Some Variation Of “Let Me Tell You Why You Are Wrong (And I Am Right)”

Too often wholesalers attempt to open the door for their product by trying to convince advisors to change the way they run their practice or select investments. The advisor says, “I don’t use bond funds,” and the wholesaler says, “You should.” Then comes the debate as to why the wholesaler is right — and the advisor is wrong.

Hey, if they really don’t use bond funds (or sell funds without a five-year track record or believe it’s important to diversify their clients with alternative investments) you’d be better off talking to an advisor who does. So ask for a referral and move on.



## 7. Speaking Without Punctuation

We marvel at the ability of some wholesalers to speak at great length without punctuation or even taking a breath. “Let me tell you everything (you never wanted to know)” can be the result.

Truly great presentations are shockingly short and focus only on what the advisor needs and finds important. Watch the advisor the next time you launch into your remote-control pitch. Does he shuffle through papers, glaze over, and nod quickly? Does she say, “Sure, sure, leave me something on that?”

Some wholesalers present this way because they seem to have an overwhelming desire to impress an advisor with their knowledge, especially on the technical side, and they wind up sounding like the audio version of their website. What can be more helpful is an easy way to understand the product, a specific description of what type client it works best for, and a simple, effective way to explain to a client why it makes sense.

That requires skillful punctuation!



## Classic INTERNAL Wholesaler Missteps: 7 Unlucky Numbers

Based on the thousands of calls we have listened to, here are seven of the most common missteps internal wholesalers make.

Little nuances make a big difference. To make sure we didn't miss anything, we surveyed Sales Desks Managers across the industry who identified missteps they observe on a daily basis. Their input mirrored our observations and is included in what follows.

A short motivational message: Every great sales person knows his or her Achilles heel. Go ahead, lay claim to one or more of the missteps! Only you know what your habits are.

## 1. I'm Not Important

Internal wholesalers have come up with a variety of ways to crush their credibility during the opening seconds of a call by telegraphing that they're not important. A few of the most common openings include:

- “Do you have a quick second...” or “I’ll be brief...” or “I know you are busy...” or any statement that promises that the internal will go away as quickly as possible.
- “I wanted to make sure you received the literature I sent you.” As one advisor said to us, “Someone should tell them that the U.S. mail works.”
- “My external wholesaler said I should call you...” or “You may have heard of my wholesaler...” or any opening that indicates that the caller is some sort of lesser being.



## 2. It's Too Personal

Sales Desk Managers across the board said that most internals don't ask the questions they need to fully understand the advisor's potential to bring them business. We concur. An astonishing number of internals believe that questions about assets under management or annual fund production are just "too personal." The truth is most advisors don't have a problem with these questions, and given their line of work expect to be asked!

Without knowing this "personal" information the internal risks wasting time on a low-potential advisor. So brave up and ask.



### 3. Dumb, Dumber, Dumbest

Advisors value calls from internals who bring something different or useful to their attention. Here are three common outbound call openings that prompt busy advisors to sigh impatiently and avoid subsequent calls:

- “How’s it going?” and in a similar vein, “What’s happening?” Sometimes these are delivered with a slight swagger. Would *you* stay on the phone?
- “I’m calling to touch base.” Yes, and...?
- “I’m calling to thank you for your business...” Advisors usually react positively to “thank you” calls. But here’s the reality check: Every firm Interactive Communications has observed makes them. While most advisors appreciate a “thank you,” the best appreciate a “thank you” plus something that meets a need.



## 4. Wishing and Hoping

What is the number one mistake made by sales people (including internals) across all industries? Not asking for the business. Internals are especially “ask-averse” with advisors they know well because they don’t feel they need to ask (or they don’t want to be pushy). And, like their partners in the field, they often confuse a trial close (“Is that something you could use?”) with a specific request for the advisor to take action.

An important PS:

Are you happy when advisors say they want literature? Here are three quite popular misconceptions:

- Thinking that “Can I send you some literature?” is a solid way to end a call. One glance at the stack of brochures and fact sheets gathering dust in a corner of advisors’ offices tells the real story.
- Thinking that “Send me something,” is sign of interest (he wants literature!) when it’s usually an objection. Many advisors use this as an easy way to get an internal off the phone. Then the lit goes straight onto the stack mentioned above (or the email trash).
- Thinking that if advisors say yes to a follow-up call, they are interested. More often than not, it’s a polite way to get off the phone (and may be the last conversation you ever have).





## 5. Don't Let the Door Hit You on Your Way Out

Ahh, the gatekeeper. Many internals devote lots of energy to getting around (or under or over) these fierce guardians. In today's market, many high-end advisors have junior advisors who answer the phone for them and screen out internal wholesalers. These gatekeepers can and will divulge important qualifying information and get the advisor to take a call, but only if the internal can convince them it will benefit the advisor (and not make the gatekeeper look bad).

And voicemail...?

Most advisors treat internal wholesaler voicemail like spam. They love that delete button and even the most awesome pitch gets trashed. Despite this, many internals call advisors multiple times and leave multiple awesome pitches. This drip method can get an internal on the advisor's "Do Not Take This Call" list.



## 6. Tick-Tock

Effective internals spend the right amount of time with the right advisors. Three popular time wasters that keep internals busy in an unproductive way are:

- Calling the same advisors again and again because they are “on the list” and “part of my rotation,” even if they show no interest or have low potential to do business.
- Calling only advisors who like them or take their call (the friendship trap).
- Failing to fire low-end producers who take up a lot of time that could be spent prospecting for higher value advisor relationships.

Then there are those calls from the external clogging the queue. Often these calls sound like, “I have an hour before my next appointment and I don’t have anyone to talk to except my GPS. What’s going on?”

To maximize their impact on sales results, internals must organize their days effectively. It’s especially important for them to have lists (with phone numbers!) ready and prioritized before their day begins. We’ve witnessed many instances of the internals flipping through stacks of papers and reports, randomly checking their screen, and making comments like, “Hmmm, here’s somebody I could call...”




## 7. Double-Dipping

While tag teaming between internals and externals is an essential advisor touch point strategy, many internals call only advisors who the external has seen or is going to see. This can be a caloric luxury that many wholesaling teams cannot afford and a barrier to a healthy pipeline. Efficient prospecting for new advisors, especially by internals, is a mandate for territory growth. Will advisors buy directly from an internal? You bet! Many internal teams have segments of advisors that they manage on their own. These internals deliver measurable success in putting incremental numbers on the board!



## One Final Point...

We have found many instances where the measures used to manage internal wholesaler activities play a role in driving some of these missteps. Examples of these include metrics that reward dials, connects, and talk time rather than the quality and impact of the conversation.



## The 7 Habits of Highly Successful Internal and External Wholesalers

Ok, so we've ripped apart some old habits that have probably worked in the past but are less likely to work in the future. Today's successful advisors want and respect wholesalers (both internal and external) who have a disciplined sales process that is designed to uncover needs as effectively and efficiently as possible.

An unfortunate liability is that many advisors carry baggage from past experiences. As a result, you need to distinguish yourself very quickly from old school approaches and capture their attention by asking questions and listening rather than talking. Whether you are meeting face-to-face or speaking on the phone, here are 7 habits that the most successful wholesalers we have seen use.

**In today's environment, you have the opportunity to gain access to fewer advisors, so every conversation counts!**

## 1. Write Down Three Questions in Advance



Review the advisor's profile and notes from previous interactions on your firm's CRM, then identify the three best questions you might ask to help you:

- Determine how much business the advisor has to give you.
- Understand how he makes investment decisions.
- Understand how his business works and what is important to him.

Great wholesalers know how to get the most information with the fewest questions, but that takes planning! Your ultimate goal is to spend the right amount of time with the right advisors by asking the right questions.

### **Examples:**

- What strategy are you using in this environment to retain / attract clients?
- Approximately what were your fund sales last year? So far this year? Are you reallocating? If so, where?
- Who makes the investment decisions on your team and what process do you use?
- Do you have a particular type of client you work with?
- What else are you looking for in this space and under what circumstances might you consider using my product?

## 2. Open the Meeting with Two 'Whys'

The best wholesalers set a business tone for their meeting by starting with two 'whys':

- **Why** they are there, and
- **Why** the advisor should care (a benefit).

### **Examples:**

- I wanted to meet with you today to share some ideas that other advisors with practices like yours have found helpful in this market...
- I am here today to see if I might be able to help make this quarter really successful for you. I'd like to gather some information about what is working and what obstacles you are facing...
- I'd like to learn more about how your team works. That way I can make the best use of your time and customize my support to your needs.

### **Avoid:**

- I'm here to check-in / introduce myself.
- Last time I was here you had an interest in the X fund. Have you had a chance to look at it?
- I have a quick sales idea. (Implied: that will help you sell my fund).



### 3. Find Out What Has Changed

Too many wholesalers assume they know everything they need to know about an advisor. An advisor's priorities may have changed since your last visit. Asking questions to better understand what's changed can help you focus on what the advisor needs right now.

**Examples:**

- *I know your business changes every day. Can you give me an update on what you are focusing on now?*
- *We talk regularly but it's been a long time since I asked you some important questions about changes in your business.*
- *What is one of the tougher issues that has come up recently for you? How are you dealing with that right now?*



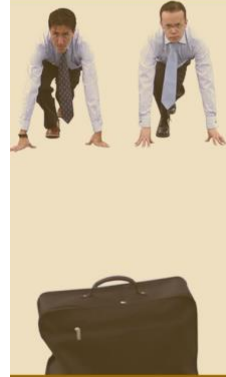
## 4. Know Your Competition for the Products You Present

Advisors are always trying to ensure they make the right choices for their clients. That requires them to consider competing options.

Think about it. Do you ever make a purchase without comparing it with something else? The best wholesalers are well-versed about their competitors and know how their products stack up. They make sure they articulate what makes their product different from others and why it is a good match for the advisor's overall business model and strategy.

### **Examples:**

- *What other products are you considering in this space? Why?*
- *Aside from performance, what other factors will influence your decision on what product to use?*
- *May I ask what you are currently using and what prompted you to select it?*
- *What would you have to see in order to consider making a change?*





## 5. Ask the Advisor to Do Something

Try not to finish with, “I’ll follow up with you,” or “I’ll call you next week.” This lets the advisor off the hook (unless you consider waiting for your call a commitment to take action). Even worse, the chances are high that you’ll be back to square one and need to sell your product again when you do speak the next time.

A real close asks the **advisor** to take some action.

### **Examples:**

- *Other advisors have used this product to help retain their more savvy clients who want to see something new. Can you think of a client who might fit that category? Would you be willing to present this while the details are fresh in your mind?*
- *What has to happen before you would show this to a client? What do you see as next steps?*
- *Which of your clients do you think this product might be most suitable for? What’s the best way for you to prepare for the first time you present it to them?*
- *I’m glad you like this fund, but we both know that once I leave, your phone will ring and by the end of the day our conversation will probably be a distant memory. What could we do to make it easy for you to get started using it?*

## 6. Find Out What's Behind the Advisors Questions

Wholesalers often assume they know what's behind an advisor's question. Unfortunately, they are often wrong. In fact, many **questions** are disguised objections!

For example, when an advisor asks, "What alternative investments do you have?" it may be because he is a big fan of alternatives and eager to explore new options, OR because he doesn't use them and wants help understanding them, OR because he doesn't like them and the question is really a small push-back.

The only way to know what's behind an advisor's question is to ask.



Advisor Question	Wholesaler Asks
<i>What alternative investments do you have?</i>	<i>We have several terrific options. Do you currently use alternatives?</i>
<i>Who's the portfolio manager?</i>	<i>Her name is X. What do you look for in a portfolio manager?</i>
<i>Is this fund large- or mid-cap?</i>	<i>Actually, it's all-cap. Have you ever used an all-cap fund?</i>

## 7. Ask Yourself at the End of the Call, “What Did This Advisor Need?”



This is the litmus test to determine the success of your sales conversation. If you don't know what the advisor needs then it's unlikely you will present the right product. And if you don't present the right product, then your chances of selling anything are mighty small. Remember, a product or fund is never a need. A need is a problem advisors want to solve or an opportunity they want to make the most of. A product or service is the solution that meets that need.

### **Examples:**

*An advisor might need:*

- A reason to speak to my clients
- Help in streamlining my practice
- An easy way to present a product like this
- Way to save time
- Ideas that other advisors with practices like mine are using in this environment

## One Final Point...

Wholesaling is in a period of rapid change. Stay tuned for more missteps and best practices.

## About the Authors

Mary Anne Doggett and Claudia Fogelin are the Managing Partners of Interactive Communications, Inc. They have spent the last 20 years traveling with, listening to, and working with financial services professionals and their management teams in order to help them improve their sales results.

Known for their unique approach to sales consulting, training and coaching, they quickly identify issues and opportunities and put in place processes to deliver results that endure. Through their work with top financial services firms they have earned a reputation as experts in leading edge distribution strategies. They are often quoted in the financial services press, are featured speakers at industry conferences and author popular white papers and research studies.

Prior to founding Interactive Communications., both partners worked with Citigroup in a variety of line management positions. Mary Anne holds an MBA from the New York University School of Business and Claudia holds a Masters from Columbia University.

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# About Interactive Communications

Founded in 1994 by Mary Anne Doggett and Claudia Fogelin, Interactive Communications is a sales consulting firm that seeks to advance the way financial services firms design, build, and increase the effectiveness of their distribution organization.

By providing consulting, training and coaching, we help our clients increase sales results, retain top talent, and capture today's opportunities while at the same time preparing for future trends.

Interactive Communications works exclusively with financial services firms — asset managers, banks, insurance companies and investment firms. Our client list consists of well-known names in the industry and firms of all sizes and includes wholesaling teams (external/internal/hybrid), institutional sales teams, key accounts teams and retirement specialists.

Our Managing Partners spend a significant amount of time in the field coaching and observing sales interactions. They understand what's actually happening on the ground with financial advisors and their clients. This allows them to challenge conventional thinking and push back to help their clients get the best possible result.

# HOW CAN WE HELP YOU?

Interactive Communications invites you to learn more about how our most popular programs can give you exactly what your organization might need:

## **Our Signature Program: RESULTS 2020™** *The skills that work with today's advisors*

### **Advanced Clinics:**

- Hybrid Wholesaling
- Emails that Work
- How to Open an Outbound Call
- Presenting over the Phone
- Listening with the Intent to Understand
- Pre-empting and Managing Objections
- The Art of the Close
- Stuck Sales
- Assessing Urgency and Follow Up
- Managing Relationships Over Time
- Pipelines You Can Count On
- Managing Your Day
- Sales Desk Managers and Metrics

We can customize any of the topics above for National Sales Meeting speaking topics and workshops.

Call or email to find out how we can help you avoid falling behind your competitors, save time, make your life easier and accelerate your sales results!

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