

 WHITE PAPER

# THE STATE OF INTERNAL WHOLESALING

2020

Claudia Fogelin  
Mary Anne Doggett

Managing Partners

Text

INTERACTIVE COMMUNICATIONS

# TABLE OF CONTENTS

The Challenge.....	1
About This White Paper.....	2
Internal Wholesaler Roles Overview.....	3
Role 1: Provide Information To Advisors.....	4
Role 2: Partner With External On Sales.....	6
Role 3: Get External In Front Of Prospects...8	
Role 4: Manage Advisors On Their Own.....	9
Your Next Steps.....	10
The Future.....	12
About The Authors .....	13
Interactive Communications .....	13

# THE CHALLENGE

When we first worked with internal wholesalers 25 years ago, they gave advisors performance updates and made sure the pizza showed up for their external's lunch meeting.

Today's top internals are industry experts who hold designations and have measurable impact on territory sales. No longer all phone all the time, they also work with advisors via email, web, and even in face-to-face meetings.

As a result, the line that once firmly separated the internal and external wholesaler positions has blurred.

So how can firms maximize the sales potential of these more highly-skilled internals? What comes next for the position? And how does this impact externals?

Here's our best shot at answering these questions.

Enjoy!

Claudia Fogelin  
Mary Anne Doggett

# ABOUT THIS WHITE PAPER

## Internal wholesaling today

By definition internal wholesalers are junior partners to one or more external wholesalers. Their primary responsibility is to help implement the external's territory sales plan.

For many years the two positions had little in common. Internals gave advisors basic information over the phone, externals provided in-depth information in face-to-face meetings, and never the twain did meet.

Now the line that once firmly separated the internal position from that of the external has blurred. At an increasing number of firms the two overlap, both in the way they work with advisors and in their level of expertise. As one head of distribution told us, "I don't have externals and internals, I have highly experienced salespeople and less experienced salespeople."

What impact does this have on internal wholesaler roles and responsibilities? How can firms tap into the sales potential of more highly-skilled internals without diminishing that of their externals? Finally, is the joined-at-the-hip external / internal partnership here to stay?

To find out, we spoke with senior distribution managers at over 40 firms. They represent the full range of the industry, from mega shops with enormous wholesaling teams to boutiques with just a few folks. Our thanks to these colleagues who shared their time so generously and told it like it is.

Through these conversations we identified four sales-focused roles internals currently play. We also learned a great deal about where firms think the position is headed. And of course we have some ideas of our own about that.

This white paper takes a deep dive into all of this. Our hope is that it will help firms make the most of their current internals and encourage them to think about what comes next.

## The missing role

In previous white papers about internal wholesalers we held our noses and included providing administrative support for their external as a role. This time we just couldn't do it. Asking today's highly-skilled internals to make scheduling calls, email literature, and so on drains away time they should spend on sales. It's also darn demotivating.

To be clear, we think externals need admin support. We just don't think it should be provided by their internals. Hats off to firms that have already taken their internals out of the admin biz and made other support resources available to their externals.

We'll talk more using internals for admin support and the cost related to it in the Your Next Steps section of this white paper (page 10). Until then, here's something to ponder: How much does it cost for a CFA® to make scheduling calls? Just asking.

**"I don't have externals and internals, I have highly experienced salespeople and less experienced salespeople."**

Head of Retail Distribution

# INTERNAL WHOLESALER ROLES OVERVIEW

Based on our conversations with senior managers from across the industry, we identified four roles that internal wholesalers currently play in distribution organizations. All are sales-focused, call for more skill and expertise than in the past, and require close coordination with the external wholesaler. They are:



There is no single mix of these roles that is right for every firm in the industry and not every firm needs to ask their internals to take on all four. Each should decide which roles they want their internals to focus on and in what proportion. The optimal mix will depend on a firm's available resources and target advisor needs, as well as the skill level of both its external and internal wholesalers.

# ROLE 1: PROVIDE INFORMATION TO ADVISORS

## Product and beyond

The internal wholesaler role of providing information to advisors has grown enormously in importance and complexity over time and will no doubt continue to do so.

Because advisors can now get basic information from asset manager websites, investment portals, and research platforms, internals must be able to handle complex topics to be of value in this role. This means being able to discuss the impact an investment has on portfolio performance, present firm thought leadership on markets, and so on.

Today's top internals are up to the task. Every firm we spoke with encourages or even expects its experienced internals to pursue designations such as CFA®, CAIA®, or CIMA®. At one firm 85% of the internals held designations. To quote their senior manager, "I want my internals to be able to go toe-to-toe with an analyst."

Most firms don't go this far, but they do want their internals to be able to discuss detailed and complex information with advisors. That's a huge leap forward for the internal wholesaler position.

This is not to say that internals now have the same level of expertise as most externals. But the gap between the two has significantly decreased and many internals can now handle topics that were once the sole domain of externals.

## The rise of the specialist

Given the depth and complexity of the information advisors now require, many firms have added specialists to their internal team. This isn't a new idea, although more firms now have specialists on their sales desk and they often have a greater level of expertise than in the past. They also cover a wider array of topics, from portfolio construction to emerging markets and fixed income to practice management.

Concentrating a high level of expertise in a small group of specialists is easier to implement and often more cost effective than rolling it out to all internals. Non-specialists still need to be able to go beyond the basics, but they, their advisors, and at some firms even externals benefit by having a resource they can turn to for expertise.

## Beyond the telephone

Let's face it, advisors don't pick up the phone as often as they once did. There was a time when an internal's daily outbound contact rate was in double digits. Now five contacts a day is darn good at some firms.

That's why top internals use every form of communication their firm has available to get information about their products in front of advisors. In addition to phone this currently includes email, web, and, to some extent, face-to-face meetings and social media.

Over time this list is sure to grow. For example, text messaging is probably around the corner. After all, multiple broker dealers have implemented compliant text messaging between advisors and their clients. There will also be new forms of communication coming down the pike. Whatever they are, if advisors use them, internals – and externals – will need to do likewise.

**"I want my internals to be able to go toe-to-toe with an analyst."**

Senior Vice President

## THE STATE OF INTERNAL WHOLESALING

Interactive Communications

## Many forms of communication

Knowing how and when to use telephone, email, web, and even social media to get information in front of advisors is an essential part of an internal's skill set.

Although the odds of getting through to an advisor have decreased dramatically, phone is still the most common way for internals to interact with them. We've always been big believers in selling over the phone, even more so now that many advisors are comfortable working that way.

Catching an advisor on the fly, however, is rapidly becoming obsolete. That's why top internals schedule phone conversations by setting a specific time to speak with an advisor and confirming that with a meeting invitation or planner. "I'll call you next week to follow up" doesn't cut it anymore.

Top internals strive to get as many appointments on their calendar as they can. As a result, they spend significantly less time dialing the phone, leaving voice mail messages, and negotiating with gatekeepers.

Email plays a key role in scheduling phone appointments. No stats on this, although many internals told us it's one of the best ways to set up a call with current producers. For some it's the only way.

Email also plays a significant role in prospecting. We're talking about personalized emails, not blast marketing messages. Crafting emails that get opened and engage the advisor's interest is a whole new skill set for internals.

Web meetings, sometimes called a webinar or even a "webex," have at long last come into their own at a growing number of firms. Props to the industry leaders that have used them effectively since the late 1990's and wonder what took everybody else so long. Firms that have put web meetings on the back burner are definitely behind the curve.

In terms of effectiveness, web meetings come right behind face-to-face interactions and above phone conversations. Current software is easy to use, doesn't require advisors to download anything, and has a very clean interface. Internals just email a link and a few seconds later the advisor is looking at detailed product information or market analysis. It takes training and practice for internals to learn how to run an effective web meeting, yet another new skill set for most internals.

Despite compliance limitations, social media deserves a mention. Almost 9 out of 10 advisors use it, with LinkedIn™ topping the list. Firms that provide their internals with approved content to share give them another way to get information in front of advisors.

Finally, many firms expect their internals to travel into the field. Even newbies may go out once or twice a year, while highly-skilled internals may travel quarterly or monthly. These face-to-face meetings help them solidify the relationships they've established through phone, email, and web interactions.

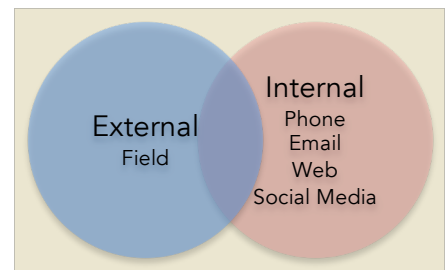
## About that overlap

Here's a stat worth knowing: A typical field sales rep now spends almost half their time (45.4%) selling remotely via phone, email, web, and social media.\*

This seems high for our industry but let's face it, even wholesalers sometimes struggle to get in front of certain advisors as frequently as they would like. That's why many now have regular, high-quality interactions with advisors via phone, email, and even the web.

So it's not just that internals are becoming more like externals in the way they work with advisors. Externals are also leaning into the remote forms of communication that were once used almost exclusively by internals.

Think of the overlap this way:



Over time and as the number of advisors who are comfortable with or prefer remote communication continues to increase, we expect this overlap to increase as well. It's not the end of face-to-face meetings as we know them, but it does mean that externals will need to become skilled in selling via phone, email, web, and whatever new forms of remote communication the future brings.

\* The State of Sales, InsideSales.com. Based on a study of 1,151 companies across multiple industries.

## THE STATE OF INTERNAL WHOLESALING

Interactive Communications

# ROLE 2: PARTNER WITH EXTERNAL ON SALES

## Double-teaming

Partnering with externals on sales is a quintessential role for internal wholesalers. As the junior member of the team, they take direction from their external about when and how they should double-team an advisor to help increase or retain assets.

Today's top internals are able to move sales forward in a variety of ways. Externals need to know how to best use them to increase territory results.

## Sales activities

The most frequent way internals partner with their externals on sales is by engaging a current producer's interest in a product or idea and then handing them off to the external. Day-to-day interactions with these advisors provide an ideal opportunity for internals to do this.\*

Given their increase in product, industry, and market knowledge, internals are now often able to move sales opportunities forward before handing them off to their external. We heard a lot about internals presenting a product or idea in a phone conversation and then scheduling a follow-up web meeting with the advisor to go over the nuts and bolts. Externals who take the handoff at this point are closer to making a sale than if their internal just slam dunked an appointment for them during the initial phone call.

\* We cover prospecting and cold calling the next role. See page 8.

**"At its best, the external / internal partnership is a well-oiled sales machine."**  
Interactive Communications

Working in coordination with their externals, internals now frequently close business that ranges from the occasional "ticket" to multimillion-dollar allocations. We've seen some really big numbers. Savvy externals understand that if their internal has the best shot at making a sale happen, they should let them go for it. Talk about leveraging an internal to increase territory sales!

Some externals also ask their internals become the primary point of contact for producers they are not able to meet with regularly. Extra internal touches help maintain these relationships and the sales that go with them. They also allow the internal to alert the external if there's a problem or sales opportunity that requires their involvement.

In addition, it's not unusual for highly-skilled internals to have strong relationships with analysts and to take the lead in working with them during an advisor's investment decision-making process. This allows them to respond to any objections that arise and keep the sale on track. The designations we mentioned earlier pave the way for this to happen

## Power partnerships

At its best, the external / internal partnership is a well-oiled sales machine that coordinates touches and leverages firm technology, data, marketing, and value-added programs. By working this way, the wholesaling duo is able to support a larger number of advisors and sales go up.

There is no single best way for externals and internals to partner; there are simply too many variables, including the external's wholesaling style, the maturity of the territory, the internal's level of expertise, and so on.

There are, however, some best practices that increase the likelihood of a successful sales partnership. Top of our list is a written document developed by the firm that establishes what sales activities internals should focus on. Ideally, it also includes a list of the things an internal won't do for their external. For example: Internals are expected to set appointments as part of quality interactions with advisors but should not make scheduling-only calls.

We've seen this best practice in action at several firms and it really makes a difference.

## THE STATE OF INTERNAL WHOLESALING

Interactive Communications

Some firms require wholesaling duos to maintain a brief written partnership plan that lays out who's responsible for what in the territory and becomes part of the external's annual business plan. Having this in place makes it easier for externals to give feedback and for internals to raise issues. It also helps firms understand the external's approach to partnering and determine whether it reflects current business priorities.

We were impressed to learn that several firms have quarterly or even monthly conference calls to discuss how partnerships are working. These involve the external, the internal, and their managers. These usually focus on ways to improve the sales effectiveness of the partnership. They can also include discussions about problems, if needed.

Finally, we heard a lot about externals actively positioning their internals as professionals. They let advisors know about their internal's designations, kick-off their important web meetings – a real credibility booster for the internal – conference them in to provide expertise during face-to-face meetings, and so on. This helps advisors perceive the internal as a valuable resource they can rely on.

### **On the other hand**

Most externals and internals strive to form a successful sales partnership. Inevitably, however, some fall short. Mismatched priorities, poor communications, or performance issues by either partner can cause problems. These can generally be worked out.

There are, however, two partnering problems that are beyond repair. They also substantially undercut an internal's ability to contribute to sales while simultaneously doing little or nothing to increase those of the external.

Unfortunately, we continue to encounter externals who take a huge bite out of their internal's day for things that don't relate to sales. They call to chat while they drive to their next meeting, pepper their internal with small, low-value tasks, dictate their emails and CRM notes, and more.

As one internal recently let slip during a training session, "My external is a time vampire."

Of course it goes without saying that internals should respond pronto to their external's request for sales support. That's not what's going on here.

At the opposite end of the scale are the wholesalers who give their internal little or no direction or even seldom speak with them. Yes, these folks do exist. It's not clear if they think they are better off working solo or simply can't figure out how to use an internal. Either way, it doesn't make sense and wastes firm resources.

Very few externals do either of the things we've mentioned here, but firms can't afford to turn a blind eye towards those who do. The drag on sales and internal wholesaler motivation is too great.

### **A shout out for wholesalers**

Why is it that external wholesalers are expected to just know how to partner with an internal on sales? Firms rarely give them training or otherwise prepare them for the job.

And it's a big, challenging job. Externals need to know how to leverage the sales ability of a rooky who is moving up the learning curve, a seasoned pro who can take on significant responsibilities, and everything in between.

What can we say? A little help here?



# ROLE 3: GET EXTERNAL IN FRONT OF PROSPECTS

## High quality meetings

Getting their external in front of quality prospects continues to be an important role for many internals.

This role is not about internals contacting advisors for the sole purpose of setting up a meeting with the wholesaler. It's about using data to identify the right prospects, connecting with them, qualifying them, engaging their interest, and then, and only then, arranging a meeting for the external.

## Beyond smiling and dialing

Not so long ago there was a direct correlation between the number of times an internal dialed the phone and the number of prospects they spoke with. Today, pounding the phones doesn't get the job done. It usually takes multiple attempts using multiple forms of communication for an internal to connect with a prospect.

Then, when they finally do get through to a prospect, they need to be darn good. A generic three-point pitch is likely to result in a 30-second hang up. Personalization is the only way to go, which means internals need to have time for pre-call prep.

Combine this with the time they need to craft and respond to emails and it's inevitable that internals will have less time for dialing. Don't think of this as a loss of sales productivity. Quality prep and effective emails measurably increase the likelihood they will be able to connect with a prospect, engage their interest, and start a sales conversation with them.

Most firms, but not all, have recognized this and decreased or even ditched dialing goals for their internals. Instead, they focus on how many qualified prospects an internal connects with and gets their external in front of.

## The right advisors

Given the effort it takes to make contact, internals need to spend their prospecting time on the advisors who have the highest probability of doing significant business with their firm.

That's why data analytics plays an essential role in prospecting. Every firm we spoke with uses data analytics to generate outbound calling lists and it's a trend that's not going away. Levels of adoption and sophistication, however, range from "we live by it" to "we're working on it."

As it turns out, internals are often the biggest users of their firm's data. Because of this, it's not unusual for the data analytics team to sit near the sales desk or even to be part of it.

As a side note, there seems to be a mini-trend of former sales desk managers taking leadership positions in their firm's data initiatives. Interesting.

## Outbound specialists

We first worked with outbound specialists in the mid 1990's. Well, they're back, and firms are having great success with them.

They really make sense in the current environment. Outbound calling, whether cold or warm, requires its own skill set, which includes working with gatekeepers, keeping advisors on the phone when they're headed towards a blow off, not getting rattled by rejection, and more.

Given their other responsibilities, it's probably a bit unrealistic to expect every internal to be an ace outbound caller. It's rare to find a someone who is an expert in both portfolio construction and cold calling, although we have met a few.

Firms need to determine if it makes sense for all their internals to take responsibility for this role or if they'd be better off concentrating it in a team of outbound specialists.

## THE STATE OF INTERNAL WHOLESALING

Interactive Communications

# ROLE 4: MANAGE ADVISORS ON THEIR OWN

## Internals in charge

Some firms expect their highly-skilled internals to manage a group of advisors on their own, independent of their external. These internals work with their advisors primarily via phone, email, and web and don't generally travel into the field more frequently than other internals on the desk.

Assigning advisors to internals is intended to increase the assets and number of producers in the territory. Unlike the contribution to overall territory sales results, it's easy to measure the impact an internal has on sales related to these advisors. Firms often use this information to determine if an internal is ready to move up to a hybrid or even an external wholesaler position.

## Making it work

Given the positive impact this role can have on territory sales – we've seen it be a big win – it seems like a no-brainer, especially for firms with highly-skilled internals. So we were surprised to learn that some firms have backed away from it. As one senior distribution manager bluntly said, "We tried it and it didn't work."

Turns out there are a lot of pitfalls. Fortunately, there are also best practices. Here's what we learned.

First and foremost, the firm must decide which advisors these internals will be responsible for. Ideally this is based on an opportunity that's off or under the external's radar. Increasing sales in a mid-sized city or at a smaller broker dealer are two examples of this. The firm's data analytics team can then identify specific advisors for the internal to manage.

Limiting an internal to a list of 50 to 100 names is more likely to lead to success than assigning them a broad category such as all advisors with assets below \$X. This makes it simpler for internals to know where to focus their efforts and the number of advisors can always increase as the internal gets traction.

It's also make-or-break that the firm establish how much time an internal should spend on this role. If they don't, it's not going to happen. Two to five hours a week is a reasonable range. With this in mind and working in coordination with their external, the internal can then block off time on their calendar they can dedicate to working with these advisors.

One final impediment to success is pushback from externals who have concerns, real or feared, that their compensation will decrease. Too often firms punt on this and pay the external for the assets their internal brings in from their advisors. You'll know this role has come into its own when this stops.

## Internal, hybrid, external

When we talk to clients about internals managing a group of advisors on their own, the topic of hybrids inevitably comes up. After all, it does make them a bit hybrid-y. But so does having internals travel regularly and expecting externals to work with advisors via phone and web between meetings.

Yes, it's that growing overlap between positions we mentioned earlier. So here's a suggestion: Let's stop trying to slot members of the distribution team into the three distinct positions of internal, hybrid, and external. It's time for titles that reflect a person's level of skill, not where they are located or their primary means of communication with advisors.

Above all, let's stop using the word "internal" as part of any job title. It's too weighed down with legacy subtext that says the person is unskilled and unlikely to provide value. Many firms have already done this, some quite a while back. A surprising number, however, use the title of internal wholesaler on their territory maps, web sites, and other advisor-facing material. Even at firms that use a different title we still hear outbound calls that start with "I'm your internal wholesaler." Talk about a credibility crusher!

## THE STATE OF INTERNAL WHOLESALING

Interactive Communications

# YOUR NEXT STEPS

We've had our say. Now it's time for you to think about what makes sense for the internals at your firm. To help get your creative juices flowing, here are some additional comments about admin support as well as a few thought questions for each of the four internal wholesaler roles.

## Administrative support

One way to increase the amount of time internals spend on sales activities is to get them out of the admin biz. The first step in making this happen is to find out what kinds of admin they are currently doing for their externals and how much of their time that takes.

To do this, we recommend conducting a survey. Make it anonymous so internals can tell it like they see it without fear of creating friction with their externals, always bad thing.

We've helped numerous clients conduct such surveys and the results have usually been eye-opening, and not in a good way. Many learned that their internals spend a great deal more time on admin than they thought or want. Scheduling – making outbound calls for the sole purpose of setting an appointment – tends to be the biggest culprit.

Of course firms would prefer to use admin level employees for non-sales responsibilities. The problem is they rarely have budget set aside to do so. That's because the cost of admin support is buried deep in the internal wholesaler salary, which means they have very little idea of what it actually costs.

For a ballpark estimate, add together the following:

- Salary. One hour a day spent on admin support based on a \$50,000\* internal wholesaler salary equals about \$6,250 per year. Drop in your firm's numbers to get the bad news.
- Lost sales opportunity. If an internal can bring in an additional \$100K in assets per week, that adds up to about \$5 million in a year. Pick a likely dollar amount for your internals and calculate the lost revenue.
- Turnover. Talented internals get frustrated and demotivated when they do a lot of admin. Estimate the cost of turnover at \$20K per departure.

Ouch. Way too much, right?

Still don't have the budget for admins? Surprisingly, it's not unusual for firms to have existing resources that are underused or even unused. Seriously. For example, externals may be defaulting to their internals instead of using the schedulers, voice-to-CRM technology, tablets, and so on that's available to them. As for internals, they may be creating and updating spreadsheets rather than using standard CRM reports.

\* Based on estimates from job search websites (very low for many markets) and 48 work weeks.

## Role 1: Provide information to advisors

To be of value, today's internals must be able to give advisors complex and detailed information. While internals at many firms are up to the task, others have fallen behind.

Where do your internals stand when it comes to expertise? Ask yourself:

- What resources does your firm regularly earmark to help internals develop or increase their knowledge level?
- Does it encourage them to get designations? If not, is there a reason?
- Is the position structured in a way that allows highly-skilled internals to use their expertise (and help you get bang for your buck from those designations)?

One final reminder on this role: If your internals haven't fully integrated web meetings into their advisor interactions, you're behind the curve. Be on the lookout for outdated technology, spotty training, and lack of management focus.

## THE STATE OF INTERNAL WHOLESALING

Interactive Communications

## **Role 2: Partner with external on sales**

While externals are responsible for deciding how to leverage their internal's sales skills, distribution management should be responsible for ensuring these decisions make sense and reflect current business priorities. Consider the following questions:

- Has your firm established what sales activities internals should spend their time on? Is that written down?
- Do external / internal teams have a written partnering plan?
- Does your firm have a formal process to evaluate how well its external / internals teams are working together, other than reviewing sales results?
- How do your externals learn about best practices to help leverage an internal's sales ability? A highly-skilled internal's sales ability?
- When was the last time your externals had training that helped them upgrade their partnering skills?
- Does your firm sometimes turn a blind eye to externals who don't even try to leverage their internal's sales ability, treat them like admins, and so on? If yes, is the gain greater than the loss?

## **Role 3: Get external in front of prospects**

Meeting face-to-face with qualified prospects is an essential part of external wholesaler sales success. At many firms it's the internal's job to make this happen. While it's easy to know how often internals are dialing the phone, it's hard to measure if their efforts result in quality appointments for their externals. Think about these questions:

- How do you know that your internals are reaching out to the right prospects?
- Do current metrics drive activity for activity's sake?
- Do you measure the number of quality of the appointments internals set for their externals?

It also pays to think about whether outbound specialists might make sense for your firm. Consider the following:

- Do most of your internals have the skill and thick skin it takes to make outbound prospecting calls?
- If not, does the number of quality appointments they set with prospects justify the amount of time they spend getting them?
- What impact would it have on territory sales if internals were able to devote more time to current producers?

## **Role 4: Manage advisors on their own**

Asking highly-skilled internals to manage a group of advisors on their own, independent of their external, can boost territory sales.

To help you think about whether this would make sense at your firm ask yourself:

- What sales opportunities – below or off the external's radar – could internals go after?
- How confident are you that your data team could identify high value prospects related to these sales opportunities?
- How much impact would having internals manage these advisors have on territory sales? Think about additional sales brought in by these internals as well as the decrease in time they spend partnering on sales with their external.
- Would having skilled and experienced internals manage advisors on their own help extend the time they spend as internals and help decrease turnover?

# THE FUTURE

## In the short run

The external / internal wholesaler partnership is currently the prime building block of almost all distribution organizations in our industry and there's little indication that this will change in the short run. Most firms haven't even considered moving away from it. We asked, and the response was usually a few of seconds of dead air followed by something along the lines of, "Not really."

That's understandable. After all, the external / internal partnership has played a vital role in the industry's long-term success. Even so, we believe that there are growing reasons for firms to think beyond the joined-at-the-hip external / internal partnership.

To start with, it's expensive and likely to become more so if internal wholesaler salaries grow to reflect their increased capability and impact on sales.

It can't adapt quickly when things change, which is business as usual these days.

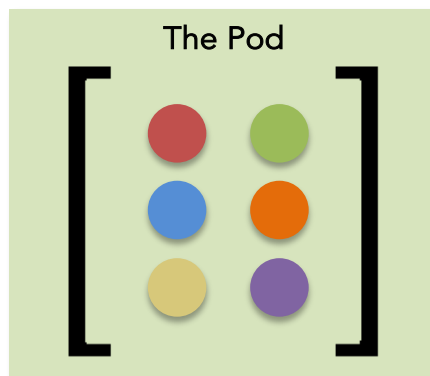
Most territory teams struggle to leverage sales technology, no surprise since the model was created for a pre-technology world.

Most importantly, it no longer meets the needs and preferences of many high value advisors.

## In the long run

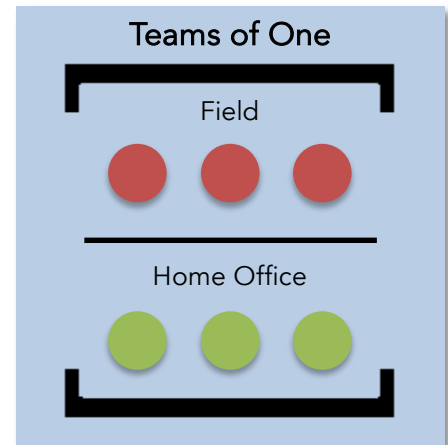
Shrinking margins, evolving sales technologies, and a preference for remote communication are just a few of the things that may compel firms to move beyond traditional external / internal partnerships. We don't predict total extinction, but it seems likely that double-teaming will only be used to support a small number of high value advisors who want what they've always had.

So what's next? At this point, only a handful of firms have moved to a model that does not partner the field with someone in the home office. One model that has gotten some play is:



Tight-knit teams in which different members play different roles, pods can adapt quickly by adding members or modifying the mix of roles. Most of the pod is based in the home office, a real cost saver. Pods also can split the sales responsibilities out over a prospector, a closer, and a relationship manager rather than expecting a single salesperson to handle all three. Other industries have done this for years, and with great success.

Another approach in use is:



Here everybody works solo and manages a group of advisors on their own using multiple forms of communication to interact with them. This includes face-to-face meetings, phone conversations, email, and web meetings. Where they are located, how often they travel, and what kinds of advisors they support depends on their individual level of expertise and how their advisors prefer to work.

As with the pod, this approach is very adaptable, especially when it comes to the home office team. It also makes it possible to provide consistent coaching and feedback to home office team members – no need to matrix in a partner – and to accurately measure individual sales results.

The jury is out as to whether either the pod or teams of one will be the way of the future. What's certain, however, is that remote communication and adaptability will be essential components of distribution organizations as we move forward.

## THE STATE OF INTERNAL WHOLESALING

Interactive Communications

## ABOUT THE AUTHORS

**Claudia Fogelin** and **Mary Anne Doggett** are the co-founders and Managing Partners of Interactive Communications. Sales thought leaders who each have more than 25 years experience in financial services and asset management, they are known for their passion for sales desks and their articles and white papers about distribution. They are also frequent speakers at industry conferences.



Claudia Fogelin  
646.645.8857  
[cfogelin@interactive-com.com](mailto:cfogelin@interactive-com.com)



Mary Anne Doggett  
914.552.0155  
[mdoggett@interactive-com.com](mailto:mdoggett@interactive-com.com)

## INTERACTIVE COMMUNICATIONS

Since 1994, Interactive Communications has worked with internal, hybrid, and external wholesalers to help them bring in and retain assets while preparing for future market and industry shifts. Our clients include asset managers, banks, insurance companies, and other financial services companies and range from industry giants to up-and-coming boutiques.

Interactive Communications has one mission: To help our clients sell more. We do this by providing sales training, coaching, and sales desk consulting in order to help them increase sales, retain talent, capture today's opportunities, and stay ahead of industry trends.

## INTERACTIVE COMMUNICATIONS

We Help You Sell More

303 Half Moon Bay  
Croton-on-Hudson, NY 10520  
[www.interactive-com.com](http://www.interactive-com.com)

© 2020 Interactive Communications NY, LLC. All Rights Reserved.