



Why a marketing department?

Whatever the nature of the business a company conducts, in my view it's a direct equation; ***the more consideration given to 'strategic marketing' by a company's directors or owners, the greater the chances the company will expand and succeed.*** By strategic marketing, of course, I don't mean unfettered advertising spend. I mean marketing that ties in with the company's Business Plan. I mean marketing that is focused, practical and based on achievable targets. In the case of IFA businesses, I mean marketing that helps to retain clients, attract new clients (profitable ones) and create positive awareness for the company as a whole.

My opening statement does not, of course, mean that I would advocate that each small IFA business should go out and appoint a high-flying Marketing Director to get them on the fast-track to growth. What I do mean is that one of the directors or Principal of the company, initially, must take responsibility for thinking through a clear marketing strategy (or consulting with an external marketing strategist) and ensuring that somebody carries it out.

The marketing objectives of every IFA business will be unique and relate to their own individual situation, skills and corporate objectives. However, most objectives will include the retention of existing customers and generation of repeat business from them; the generation of new leads and their conversion into profitable new business. There are many different marketing activities that can be employed in pursuit of these objectives. They include: Public Relations, Market Research, Client Relationship Management, Direct Mail (which, in turn, requires design, copywriting and list/ database management), Telemarketing, Exhibitions, Sponsorship, Advertising, Affinity Marketing, Worksite Marketing – the list is endless.

What you decide you need to do – in terms of activities – dictates your staffing issues. Somebody must be nominated to push through the marketing plan, concentrating on the practicalities and getting things done. As a smaller business, you may well decide that

this project management and implementation can fall within the remit of a very competent and experienced PA or perhaps admin. assistant, working under the direct instruction of the Principal. We will call this model the 'mini marketing department'.

In order to double up as a company's mini marketing department, a good PA should be able to turn his or her hand to a wide variety of jobs, for example:

- 1) **Write a good, persuasive and grammatically correct letter.** You may think that your customers are only interested in the figures that you generate for them regarding their financial affairs. They're not. Your most affluent customers may well be your best educated. They also want to know that you and your staff are intelligent enough to know where and when in a sentence to use apostrophes.
- 2) **Deal with the basics of database management,** including the segmentation of your customers according to their profitability or risk profile – or whatever categorization method you work with. This, coupled with 1) above, gives you the foundation for a decent direct mailing campaign.
- 3) **Recognise good, impactful design** when commissioning advertising and brochures.
- 4) **Talk persuasively on the telephone,** particularly about the merits of your company.
- 5) **Be a good networker.** This is one of the most important marketing activities for intermediary firms and the requirement extends to all its staff.

This arrangement can work perfectly well while a company is still in its start-up phase and generating business by means of personal networking and 'word of mouth' recommendations. However, once you have exhausted these contacts you will start to require your marketing activity to produce new customers for you. And this means that you will have to become more ambitious, wide-ranging and creative with your marketing. It is at this point that the Principal may need to consider either recruiting a Marketing Manager or turning to external specialist agencies and briefing them to come up with ideas to 'drum up more business'.

The 'Midi' Marketing Department

"To recruit or not to recruit? That is the question"

Of course, the decision to recruit a dedicated marketer to the company is not an easy one to make. The issue is that all intermediary firms undertake marketing, some more than others. But in many cases their marketing activity isn't recognised or described as marketing. Consequently it generally hasn't been costed or evaluated for its success or otherwise. Without wishing to labour the point, this is why it's so essential to have a marketing plan agreed and in place.

A good marketing plan will:

- Set measurable targets for the marketing staff to work towards. For example, in terms of percentage increases in leads generated and public awareness.
- Provide directions describing what marketing activity needs to be undertaken to help the business to succeed.
- Plan the staff or agency resources required to fulfil the marketing plan.

If a business has identified what marketing activity it intends to undertake over the coming year or years, it is then much easier to assess whether these activities can be carried out in-house using existing staff; whether there is a need to recruit more specialist staff, or whether activities can be outsourced to external agencies under the supervision of an existing member of staff.

The expense of each of these options can be measured.

- **Recruitment.** You will be able to calculate the fixed costs involved with recruiting a new member of staff – the salary, the benefits, the holidays, the office space and equipment (sometimes a whole new set of equipment, as many creative people – particularly designers – tend to work with Apple Macs rather than PCs).
- **Use of external specialist agencies.** For comparison, you can look at the specific projects required to fulfil your marketing plan and ask specialist agencies to quote to complete the work on a project by project basis.
- **Outsourcing the marketing function.** The third alternative is to consider outsourcing all of your marketing requirements to a professional marketing agency – with experience of working with IFAs – that can 'hit the ground running' and act as your marketing department whenever you need them to.

Usually it is advisable to defer the decision to recruit for as long as possible on fixed costs grounds. Working with external specialist agencies on a project by project basis also has the advantage of enabling the Principal to embark on a 'marketing learning curve' and to discover which marketing activities work best for his/her business.

When recruiting for an IFA business, it's worth bearing in mind that a good 'generalist' marketer – with experience across many marketing disciplines – will suit the vast majority of companies. There's no point in recruiting a direct marketing specialist one month only to discover that you really need a conference organiser or market researcher the next.

Your marketing manager does not need to know financial products in anything like the same depth as your advisers, but they do need to know what the products do, who they are aimed at and why and when people would want to buy them. Marketing is a very different art to advising and financial planning and there is the potential for conflict between your creative and your technical staff. A good marketing person needs to have the strength of character to be able to argue for what's going to appeal to the target market creatively but also the diplomacy to recognise that sometimes 'concessions' have to be made – especially to meet the requirements of the Compliance Department.

Expanding your marketing department

There is no denying that your core business is the provision of financial planning and advice. Therefore your company will sink or swim depending on the acumen of your appointed representatives. Your advisers are 'at the coal face, working the seams' whilst your marketing people can be disparagingly viewed as being 'up in an ivory tower, grading the coal'. Each time you recruit marketing staff, you must be convinced that the marketing plan dictates that extra personnel are necessary and affordable.

The Outsourcing Route

There is always the option of employing as few marketing staff as possible in-house and plugging in to an outsourced marketing agency. 'Outsourcing' your marketing is something which doesn't often occur to IFA businesses – although it can be a very cost-effective and successful solution to their needs. Perhaps it is because marketing is all about communication that some companies feel it is not something that can be achieved

remotely. And yet the advent of electronic communication (to transmit both words and images) means that those entrusted with carrying out your marketing plans can do it just as successfully from an office hundred miles away from you as from one at the end of the corridor.

In fact, many clients feel that outsourced marketing agencies are more efficient *because* they work remotely, using telephone, email and fax for immediacy – in the majority of communications – and meeting only as often as clients wish to. This often cuts down on time wasted in meetings and committee decision-making.

Which kind of marketing department do you need?

A quick look at the pros and cons of the 'in-house', 'external specialists' and 'outsourced' options.

1) An in-house marketing department consisting of anything more than the PA to the Principal is a major financial commitment for a small IFA business, and yet it shows ambition and a recognition that generating new leads costs money. The key thing is to get everyone in the company to accept this view. It is also essential that the person(s) recruited are measured against clearly understood targets and that they show their professionalism by meeting or exceeding them.

2) Marketing by external specialist agencies. Although the use of specialist agencies for project work can be costly over a protracted period, it may still be a cheaper option than recruitment. You also have the satisfaction of knowing that you are learning different marketing techniques for your business from professionals.

3) An Outsourced Marketing Department. With outsourcing, you can obtain a ready-made marketing department. You can have access both to professional marketing strategists and 'hands-on' implementers. You only need to use an outsourced agency when you need to and you will only pay for their time when they are actively engaged on work that you have agreed in advance. Companies outsourcing their marketing to agencies that are not local to them do need to be careful to keep their marketing team 'in the loop' as regards company/regional developments so that they can tune in to PR opportunities.

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