So, right now Martin’s job is to keep me focused on financial planners. Now, I’m going to give you some material before we break for tea which will show that next generation IFAs, which is where I’m taking this, is a certain type of IFA. You have to be the leader, one of the leaders of the business, one of the directors, or partners or if you’re part of a network you are responsible for your own positive solutions, thing, and you are the boss, number 1. And, you have to have stopped fretting about RDR. That’s what next generation means. RDR is over as far as you are concerned, it’s done, it’s finished, we know exactly what we’re going to do, we may not have finished it all yet but in our head it’s done. So, I don’t want any whingers about RDR on next generation. I don't mean I don’t want them within the inner circle but does that make sense? So, that’s my market.

So, tell me what the service would be you’re delivering, the brilliant service.

*What I’m trying to do, but I’ve not got very far yet is I say on may cards, getting you from A to B. So, A, today, current lifestyle, current goals and dreams, aspirations, and B is the future and achieving those goals and aspirations and my role is to help the clients, firstly identify those goals and dreams and then work out how we can get there.*

Ok, what’s brilliant about the service that you’ve structured to deliver all of that? I don’t mean good enough, because good enough is not good enough. If you’re going to play distribution you’ve got to be brilliant at something in the service, what’s the brilliant service? It’s hard, isn’t it? It’s hard.

*The way that I’ve constructed it so far is the A part, if you like, is today, getting the client briefed for the first time the big picture, what the future might look like if they take no action at all.*

What is the professional skill set you are going to have to develop to deliver that kind of service?

*More of the people skills.*

Yes, I would strongly counsel you beyond recommend, strongly counsel you to get professional coaching level type qualification whether you call it life planning, I don’t care what you call it but it’s coaching, so not just to do it because you’re a really nice guy and you love the people because that’s a given, is how do I stack up against a coach, a professionally qualified coach and if I don’t then that’s not brilliant, that’s not service. So, if that’s where you want to go then you need to learn professional coaching skills and there are loads of coaching universities online, offline, great coaching teachers but my recommendation, if that’s what you think you love doing then you need to take it seriously because, otherwise, they’ll never tell whether you’re any different from anybody else and you’ll just end up with a very mediocre business and just won’t do what you want it to, does that make sense? So, if that’s the game you’re playing then you are up against. But, it’s doable.

What is your distribution method?

*With distribution I’m moving towards elite, I’m nowhere near there but I’ve already decided that I’ve joined SOLLA which is the Society of Later Life Advisers so that puts me in the post retirement market.*

So, tell me about the people, who are they?

*They are retired, some are elderly but semi-retired, assets under management. Not terribly risk averse.*

Tell me more about the people, not the investment.

*There’s a wide range. They are not financially astute. They want advice, they want some level of explanation but not a great deal, they want to be told what to do but only once they trust me. Then, when they do trust me...*

Right. So we’re focusing on a market, type of person, what you will need to learn and the ideas are great because they’re beginning to hone down. We spend a whole morning on what exactly is a niche and how do you actually identify it and you’ve got to learn four things. You might want to jot them down very quickly: demography, psychography, as in psycho, behaviour and industry sector. Now, whenever I ask any IFA tell me about your niche market, they start talking about psychography. That’s one of four elements. Unless you understand what the other three are and how to use them you ain’t got a niche market.

*How far down do you have to go to get really effective?*

What Martin would tell you would be the winners, the winners, you can create a great business and make a load of money but the winners are those who know how to niche, within a niche, within a niche and do it brilliantly, as long as the niche, within the niche, within the niche has enough numbers for you to work with.

*Then what do you do because I think I’m starting a progress, I’ve now identified the top end, the old 80/20 rule, 20 aren’t necessarily the niche but they’re getting close. But, what do you do with the tail? I’ve got a tail of, maybe, 80 clients who are a few years ago I would have thought they were reasonably profitable, now I think they’re ok.*

There’s a whole workshop on that. That’s how long it takes to learn this stuff and I know you would love me to give you a quick answer and I’m just not that good enough. That really is, we spend a whole day on how do I identify my niche market and what the heck do I do with the rest. That’s seven hours’ worth of work. It really... and the reason why I used to ask that same question is because nobody sat with me for seven hours and showed me, well, here’s how you do this stuff and it just annoyed the heck out of me, just “what do I do with this stuff?” So, yes, niche market, take at least half a day just to talk about the concepts and to understand what does a niche actually mean and have I got one and if I don’t, how do I get one.

Then, we’ll spend a whole day saying once you’ve selected a niche, how do I package my dream message. Then, another day, now I’ve packaged my dream message how do I get it out there to the market. This is quite hard work and the reason, the beauty is that they don’t know how to do it. They think they do and they don’t. this is why they’ll never earn more than 60 – 100K, they just won’t do it. They will never break through a half million pound and each of you in this room is capable of breaking through quarter of a million to half a million pound, per adviser in your small business, and have a great life and a fulfilling relationship with your clients and clients gravitating to you and loving you but it takes time to learn the process. I would love to give you a slick answer to it but I’m just not that good enough. I would love to.

Let me just move on. OK, we’ve had two great examples over here of trying to find out a niche market and working in service and we’re wrestling with those two concepts here but the beauty is they’re actually making a decision, that’s the beauty, whereas, your peer group are not making any decision at all and will never know where they’re working. So, give me one example from each table of whether you are a distribution or product and within the distribution or product tell me more about it. One from Simon’s table, do you want to select someone?

*Sabio.*

Sabio, are you distribution or product.

*Distribution.*

And so, listen up to Sabio, tell me about your market, who are they?

*Well, they used to be just doctors, but now I’ve tried to focus it and so it’s now I’m aiming for doctors over the age of, say, 45, in London.*

Anything you want to tell us about the quality of service, how you’re making that brilliant?

*Well, what I’m trying to do is make online viewing of their products and assets available by being a member of True Potential that have a website situation so people can just go in and look at what they have and see things quickly. Also, one of my doctors, quite a few actually, they’re basically saying they don’t like the learning curve of having to re-understand what financials actually say. So, by having an easy to use, straightforward system that’s constant it will just be easier for them. So, that’s what I’m trying to promote.*

Thank you, very good. One from this table. Craig, who are you going to select?

*Tim.*

*It seems that before I got here I had already determined that it was a market based approach, although when you first set it I viewed it as market and service. The reason I’ve chosen market is, the reason I’ve set it as an ideal client, was they are easy to target, easy to find, I’m involved in the business community at the moment, anyway, and I can target more solutions to meet their pressures and problems and in order to make some of the processes and have a clear service proposition for them.*

and the market you’ve selected?

*Business owners, aged 50 – 60, living around Portsmouth, no further afield than Petersfield, Southampton or Winchester. They read the Times or the Telegraph and the children are leaving home and their mortgages are almost paid off or have been paid off.*

Ok. Reasonably specific market, so market driven. One from your table, do you want to choose someone, Stephen?

*Nicholas.*

*I was really quite pleased that Martin arrived half an hour ago. We were just having a bit of a discussion. What I do is I market within the family. So, if the client is the father or grandfather we will market through the grandfather to the son and, ultimately, to the grandchildren so we are doing, effectively domestic planning, I suppose, really. And, saying, fundamentally on service.*

And do you want to tell us something about your service that makes it more than good enough?

*Well, we measure that by the fact that the only time we lose people is when they die.*

So, tell us what you do, I’m your client, what is it about your service that so fascinates and delights me.

*Well, this is the question I asked of Martin because I find it very difficult to elaborate that, or articulate that, other than through their experiences already. So, with clients that have been on a journey with me and as we’ve learned, they end up being our silent sales people. But, it’s difficult, I have found it very difficult to articulate that to you, perhaps, as a potential brand new client without that third party family endorsement.*

OK, so Martin’s comments?

*You are a family adviser. You are marketing to the family.*

A family adviser. So you are a multi-generational family... is that how they perceive you?

*Yes, that’s how I perceive ourselves and that’s how they must perceive what we do because they refer us up and they refer down and they refer across to their trustees.*

I’m with you, ok, so focus entirely on this family tree and the multi-generations of it.

*Then, we cross to another family tree through trusteeship.*

That’s really interesting. Can you see that? Market driven? It would be interesting to hear, in six months time, how you articulate the service before I ever meet with you. So, could you knock my socks off with the delight of your service before I have ever sat down and fallen in love with you and your business? How would you do that is an interesting question and it’s the questions that force us to think hard. One more from this table. We’ve beaten up David and Gary here and they are wrestling with their market and service. But, they are really beginning to get it so do you want to give us one more from the two of you?

*Mine is distribution, market and service and it’s essentially city lawyers because of the high end demographics, the premium service that they will enjoy and insist on, there are less numbers to have to worry about, it’s more specific and more targeted and the need to understand the service that particular market expects and simplify their life as much as possible. A busy lawyer, city lawyer doesn’t have time to brush his teeth let alone look after his investments and family protection.*

You think Paul is joking. I have a couple of very close friends who have been city lawyers, very close friends within my church group and one of them, really bright kid, just unbelievably bright came very, very close at the age of about 32 to a nervous breakdown, really close. There were about 10 of us that were close to him and used to spend time with him and sit with him and listen to him and talk to him and just cry with him and because of what being a city lawyer really meant it nearly killed him. So, you are right, they don’t have time to brush their teeth, so time is one of the issues. Do you want to share yours, are you distribution method, or product method? Positioning?

*Well, I started off with distribution but I have been sitting here thinking about it and I’m wondering, actually, whether product driven is more appropriate. The thing that bothers me is the fact that it says in here no perceived value but I’m not sure that’s necessarily the case because I’m thinking help to understand may be product driven but it’s not a low quality. People that use it love it and come back to it because they feel it’s a high quality. So, price doesn’t have to be there either. Am I... is that a reasonable way of thinking of not?*

That’s a really good question. What is it about product that makes me suggest that in the client’s head the product rather than the company is low perceived value? Why don’t we examine that because that’s going to be fairly major to your decision, isn’t it, from a business point of view.

Let’s turn to Page... I promise we’ll come back to that because it’s on the future pages. Let’s turn to Page 23. We are now at framework 3, how do we drive your revenue so that the revenue quality you create with this wonderful dream, and this vision that you have, and this positioning you have in owning space in people’s minds and hearts creates loads of revenue for you, the business, for the quality of the life you’re going to lead, for your support team and all the other things that are necessary in the business, for your alliance partners, how do you create the quality of revenue that the business needs?

Well, first of all you need to understand what it is you’re really selling out there. The challenge that I’ve had as a financial planner, I lost a business, most of you know, back in the early 1990s and it just nearly killed me. I was ill in bed for two weeks, we were down a quarter of a million pounds, that was the liability. Even if you say it quickly it’s a lot of money; it certainly was back in 1990 and I was lucky to hold my marriage together, frankly, lucky I still have a wife because she just thought I was a complete lunatic and I probably was.

One of my good friends at the time, Jeremy Hoyland, the IFA I was talking about, came up to me and sat me down and he said “before I try and help you, let me just make a statement to you: you just sacrificed your family on the altar of your ego.” I thought that was a brilliant phrase. “You have just sacrificed your family on the altar of your ego”. I’ve never forgotten that. Only because he’d done much the same thing, so it had hurt him too. But, I pulled myself together and eventually paid back all the debt. That was the basis of the Soul Millionaire story, that’s what made me write the book. I paid it all back, everything that I owed, and more.

I said to my wife, “I’m going to declare bankruptcy”. She looked at me and she said, “how can I put this, not if you want to stay married to me, you won’t!” So, that wasn’t an option. She said, “you owe the money, you pay it back, that’s what integrity is all about”. It took us 4.5 years and we did it and out of that came an amazingly good feeling but I learned some things from Chris Woodhams who then took me on board and coached me to become a business person and entrepreneur and not personality driven financial adviser.

What he taught me was – reason for this whole story – you are just building a personality based business and it’s just rubbish. I was really hurt by that. I really loved my little business. He said the reason it crashed was because it was personality based. It was all about you; he said, “now let’s work for the next five years because that’s how long the contract is for, I helped you bail yourself out, give you a safe haven, you’re working with me for five years” and I did. It’s the best five business years I’d ever had, to that day, amazingly shrewd individual, great coach and a brilliant financial planner.

He worked for Greg Middleton and then was MD of the Gerrard Financial Services. He taught me how to run a business, not a personality driven financial planning practice. What he taught me was your intellectual property is the power of your business. That’s what we’re going to talk about now, your intellectual property. So, I want you to define for me what you think we mean by this phrase that people use without knowing what it means, intellectual property.

So, have a look at Page 23, and translate for me what is all this about, what is intellectual property. Simon Holdsworth, you start me off. Fill in the boxes for me.

*It’s systems you use.*

The systems you use. If you use a software platform that’s a system. Don’t get lost with software platforms, they’re just tools, they’re just systems, they’re not services, don’t get lost in it. It’s the platform for a brilliant service but it’s not a service, it’s a tool. Anybody else tell me what intellectual property means?

*Knowledge.*

OK, you need to start filling in those boxes now. This is the juice, the nitro power of your business, any more?

*Services.*

Yes, could be, the services that you provide.

*Something unique.*

What that’s unique?

*Maybe if you design something in terms of the product or services.*

Ok, maybe a unique tool or product, we call that a resource, a unique resource. Anything else?

*Your own experience.*

Experience, yes. Life experience as well as business experience. Coaches work a lot on life experience. Anything else?

*The way you report to your clients, your written material that goes out to them, just the way you conduct your meeting, the way it’s formatted, the way...*

I’m going to put that as communication. The manner in which you communicate in writing, that way of communication is part of your intellectual property. Anything else? Because, if this is the power of your business we need to get his and nail it.

*The environment.*

The physical environment or another type of environment?

*Both the feel and the physical area.*

Because, Mark, you love this one, don’t you? Physical environment and emotional environment of an office, life planners are really hot about this, setting the physical environment of the office. Anything else that could be something that’s in your business that you can define as our special intellectual property?

*Brand.*

What do you mean by that?

*Coca cola is something special because it’s coca cola.*

Ok, and what is its intellectual property?

*The real thing.*

There’s something else. The recipe. That’s the intellectual property, it’s not the can, it’s not even the red can, it’s the recipe that’s the intellectual property that they own. So, if they change the colour of the can it would still be what people want, they want the recipe. What their competitors want is their hands on the recipe. That’s the power of coca cola and the rest is then physical branding, intellectual branding, emotional branding, the messages.

*But the can, it’s the Father Christmas that was dressed...*

Yes, it’s a lovely story isn’t it? It either is true or it’s an urban myth but who cares, it’s a great story.

*I believe it.*

Me too. I heard the story too. So, it could be the colour, it could be the can shape, it could be the recipe. Anything else?

*Ethos of the values of the business.*

The values of the business could be its intellectual property, particularly if it’s a very different set of values. So, let’s pick a maverick. Give me a maverick in the industry.

*Paul Anderson.*

Yeah, he’s a real maverick isn’t he? What’s he ranting on about because he loves to rant. He keeps asking me to rant with him and I will one day. What is he on about?

*He’s ranting about service and adding value.*

Yes, but he’s ranting about something else quite passionately, what does he hate? He hates product providers and their wraps. He hates them with a vengeance. He thinks they’re scum. He thinks they actually created all the problems that beset this industry. I have to tell you, I probably feel the same too. Historically the problems that the public perceive us to have, in my view were originally created by...

Who here used to sell pension schemes on a regular contribution basis that gave initial commission, indemnified commission? That’s a product provider... and who here used to sell products within the brochure of which was the term “initial units and accumulation units”. What a scam that was! What a horrendously immoral, dishonest scam. I joined Gerrard’s having sold a whole mass of executive pensions, appropriately I thought, to company directors. I had about 150 company directors as clients and I spent a year and a half unravelling all those executive pensions and paying the price for it in revenue because I realised that they were all over-funded and the whole thing was a scam. It was just a nightmare. I nearly went under again, but I didn’t. But I paid the price of being persuaded by the product providers that they really were capital units and they really were accumulation units until an actuary sat me down in fits of laughter till she was nearly crying and said “you don't’ really believe this garbage do you because I used to work for Scottish Equitable. Let me tell you what really happens.” And we believed it! So, yes, Paul Anderson, passionate, and that’s part of his intellectual property, his maverick passion is what he’s about.

So, in the bottom box, now that you’ve written down all those things, you really need to fill those top boxes in first, don’t walk away from here not understanding what your intellectual property is, so write down all those things first. Or, it could be relationships as well, quality of relationships with, maybe, alliance partners. What do I mean by alliance partners? Who could be an alliance partner to you?

*Do you mean introducers.*

*Accountants.*

Solicitors, yes. anybody else?

*Underwriters.*

*So, your marketing could be your IP then, couldn’t it?*

The way you market could be your intellectual property. So, fill in the top boxes. I used to have alliance relationships with an accountant, a solicitor and a company formation agent and putting that in a brochure was what gave me my seven referrals per week for a year till we had to stop it because we had too many referrals. Seven referrals that were ideal for our business, ideal perfect clients, a week, for a year. It actually lasted 2.5 years but I didn’t have to deal with the second half of the year. I gave that to my recruited IFAs.

*With a company formation agent, is that when you set up your own company you always get a poster in the door, is that what you woujld do to market it?*

Yes, what happened was, let’s say you were an information technology analyst working for BP. You would then say – and this was a while ago when the market was really hot – I could earn double my revenue, my income, going freelance. You then walk out to an agent and they say “so how have you set yourself up?” “What does that mean?” “Well, you’ve got to have a limited company.” “Oh, I don’t know anything about that.” “You’ve got to have an accountant.” “I don’t know anything about that either.” “You’ve got to sort out your tax.” “I don’t know anything about that.” You’ve got to keep your books. “I don’t know anything about that.” So, he said, “look, here is a booklet from Barrington Scarlett, in here are the forms to set up your limited company, you phone Barrington Scarlett’s offices and they will give you a company name, over the phone, that will be instantly reserved for you. You and I can then sign the contract to start next week’s contract for six months to double your salary.”

Within a week they would have their company documents with them, plus their seal on their doorstep and they would have sent the little forms off in the back of the brochure to me to justify getting all that. Within a week of that they would be in front of an accountant who would sort out their bookkeeping on a computer for them, do it all automated and they would know everything and within a week of that they would be seeing me and we would be sitting down and talking about life planning, financial planning, PHI, replacement insurance, all that kind of... and it just was like a machine, seven a week, every week, because of the alliance partners. That was the intellectual property and our business eventually dominated the market in the UK for about three years. We had something like 40 recruitment agents sending their people to us every month, 40, across the country.

So, we had alliance partners in Manchester, Birmingham and London, so we covered the country, and everything else was done by phone or computer, it was brilliant, magic, intellectual property, that was ours, does that make sense?

So, now put down in the bottom box what is your intellectual property that’s so brilliant, not your personality, what is your intellectual property in the business that powers your business. What is so special about your intellectual property that powers your business?