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IN PRACTICE

Advice to boost business success

The art of mastering your market

Pick a niche and become an indispensable specialist.

BY MIKE BEIRNE AND TIMOTHY INKLEBARGER ▶

Mastery within a well-defined niche can bring clarity to your business objectives, position you as a thought leader for that target market and deepen your relationships with clients. Several MDRT members share how being the expert, the resource or the troubleshooter has made a difference for their practices and for the specific class of clients they serve.

Find your specialty

One attribute of being a successful specialist is picking a niche market and learning more than your competitors about what those clients value. **David Podell**, a 20-year MDRT member from Fairfield, New Jersey, USA, catered his practice primarily to small-business owners by showing them how to save money on pretax expenses. He found that owners often overspend on business expenses by year-end or push revenue into the following year to reduce their tax liability.

“We show them how to pull more profits out of the business on a pretax basis, give them the ability to reduce income taxes and possibly even reduce their tax bracket,” Podell said.

He likened his approach to being a doctor, but one that specializes in a specific field of medicine rather than being a general practitioner. Establishing himself as an expert in defined benefit plans as a strategy for small-business owners helped attract more referrals, and as his knowledge and client base grew, he began researching the potential to refine the focus even more. He settled on creating value for businesses with 50 or fewer employees.

“I needed clarity to find the best solutions to common problems our clients faced,” Podell said. “We looked closely and learned about our favorite clients, their problems and how we could better serve their specific needs. We then created an expertise around those topics and became the go-to specialist.”

That’s when his business began to capture the attention of accountants who learned that Podell’s practice could help their clients. “CPAs with whom we’ve built relationships are now our second-largest source of referrals,” he said.

Speak their language

In targeting business owners, talk to them like a fellow owner, not as a financial advisor, said **Alessandro M. Forte, FCII, CFP**, 26-year MDRT member from South Yorkshire, England, UK.

“Being in business allows me to communicate more effectively with those also dealing with the same benefits and challenges of taking control of one’s own life as a business owner,” he said. “Relationships are based upon empathy, and business owners need to appreciate the fact they are fundamentally connected with their advisor and are similar in so many ways.”

Forte specializes in servicing high-net-worth (HNW) clients, particularly celebrities in film, television, theater and

professional sports, who all perceive their brand value as an entity to grow and protect like a business owner. He learned to “speak the language” of these stars thanks to his background in theater and sport. When he was 18, Forte wanted to become an actor and pursued a university degree in English and drama. He also was competing on a national level as captain of his field hockey team. However, his career path changed after his father died, and he became an advisor to support his family.

“Having such a broad knowledge of these two professions gave me confidence and allowed me to have higher-level conversations with celebrities in the sporting and entertainment worlds,” he said.



INTERVIEW

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—David Podell

Forte is not suggesting that the only way to cultivate niche clients is by having a direct experience in the same profession. Rather, being well-informed helps forge better relationships. One way to understand a target market is by asking lots of questions of individuals in that niche. Forte did so through starting a podcast. During the three years it streamed, he interviewed 210 people, acquired 73 new clients and more than 100 referrals.

“We know that everyone likes talking about three things: themselves, their problems and their pleasures,” he said. “Inviting individuals from every walk of life to talk about their successes and failures gave me the perfect opportunity to learn more about them and invite them to discuss ways I could assist them.”

One obstacle he overcame is also one that many advisors share: the assumption that HNW individuals already have someone handling their financial planning. “In our experience, the vast majority are so busy making money, they often forget to think about a financial plan,” Forte said.

For those A-list personalities who he has no connection with, he gets past the gatekeepers with what he calls the “extraordinary letter.” It’s three parts: The first section explains how he got their details — maybe through a magazine article or TV appearance. The second section tries to establish some kind of a connection with the recipient no matter how tenuous — we come from the same area, we have the same number of siblings, we both have unique brands. The last part is an invitation to contact him. Forte sends the letter in a colored envelope with handwritten name and address. He puts tape over the seal so the gatekeeper or secretary hopefully won’t open the letter before the person he is trying to contact. He has sent one letter a week for the past 20 years, and the two or three recipients who respond each year generate enough business to qualify him for Top of the Table. ▶



The master networker

Howard Allen Hopkinson II, FSS, FSCP, a nine-year MDRT member from Henderson, Nevada, USA, also empathizes with fellow business owners and positions himself as a problem-solving resource. He offers referrals from his network of professional contacts who could assist with their business challenges.

“Small-business owners don’t have a light switch to shut off,” he said. “We’re always on duty. We wake up and think about the business. We don’t check out. It’s not like employees who get to leave at 5 o’clock. We wake up in the middle of the night thinking about our business. It’s that relatability we have in common.”

He started by knocking on the offices of landscapers, plumbers and other subcontractors in the building and remodeling trades when he was selling casualty insurance 20 years ago. Besides just talking about insurance, he asked owners how they handle their payroll, what they were doing for health coverage, the pluses and minuses of paying income taxes as a sole proprietor, a limited liability company vs. a corporation, and whether they needed expertise in those matters. Those conversations inevitably led to who, if anyone, was taking care of their retirement, strategies to grow their wealth, protecting and building their income, and exit strategies.

“I think it’s just a good angle. Once you get into the businesses, I’m also asking, ‘How’s your CPA? Are they doing good? Who’s

handling your payroll? Have you set up your estate plan yet? You have a trust attorney.’ It’s easy for me to pass small-business owners to all these other professionals, and now all these other professionals are passing me business on a regular basis,” Hopkinson said.

He has since evolved from selling just casualty insurance to financial planning, and his niche grew from subcontractors to small-business owners generally. His extensive network of professionals he recommends to clients do just about all his advertising.

“The goal was to keep the phone ringing without really having to do a bunch of external marketing. When you lay out those foundations and provide business for other professionals, they know it’s not sustainable unless they’re sending stuff back,” Hopkinson said.

Study group discovery

Asvin Chauhan, MIFP, Dip FA, a 26-year MDRT member from Leamington Spa, England, UK, stumbled upon his niche after a client introduced him to his accountant, who had a brother and another client who were both pharmacists. Chauhan took them on, but it wasn’t until a few years later that he thought he should specialize in that profession and asked for a referral. They invited him to present to their study group of 20 fellow pharmacists. That was some 20 years ago. After three years and subsequent presentations where he showcased how working strategically with him can lead to great outcomes, half that group became his clients.

“What I found interesting about pharmacists, and why I still pursue them today, is they understand my broken English, and I understand their broken financial pharmacist language,” Chauhan said. “They count well, and I’m an ex-accountant, so I’m quite analytical and go deep into numbers. I’m very curious, and they find that fascinating.”

Pharmacists also shared similarities with advisors that resonated with Chauhan in that both tend to be mom-and-pop businesses that are highly regulated. Despite the challenges of working with them, such as their tendency to be poor at paperwork and returning items in a timely fashion, they have turned out to be profitable clients.

“I have yet to find a new pharmacist client who hasn’t already got an advisor or had an advisor in the past. They’ve all got advisors — except their advisors are fed up with them, and rightly so because they’re hard work,” Chauhan said. “So, I realized that you have to dig deep and work a little harder with them. They’re very rewarding to work with because they do take your advice eventually.”

Chauhan mined this niche even deeper by attending national pharmaceutical trade shows, first as a paying guest wandering around the venue.

“The purpose of me going there was just to soak up the atmosphere. I’d go and listen to the sessions. I wouldn’t necessarily always understand what they’re talking about, but I try and get the gist of what’s going on there,” he said.

He also saw vendors, like bankers and accountants, selling products and services to pharmacists and came up with the idea to cobrand his practice as Pharma Wealth. Later, he rented vendor space at the conference and collected 400 leads — far too many for his staff of one full-timer and one part-timer to follow up with, and too many were pharma students. So, he teamed with a marketing agency to hone his message and at the next trade show got “exactly what we wanted” — 45 contacts from pharma business owners possibly looking to retire and sell their business.

The collaborative niche

Micheline Varas, RHU, a 23-year MDRT member from Vancouver, British Columbia, Canada, admits she is shy by nature, and schmoozing with consumers in hopes of turning prospects into clients is not her forte. She certainly wouldn’t be good at it.

“I can listen intently to what’s been said, then hide in my corner and crunch numbers and come up with a strategic plan. So that’s my focus,” Varas said.

She found her calling in assisting other advisors to secure coverage for hard-to-insure cases. Varas started exploring this business model by interviewing advisors and learning what they do and choose not to do. Years ago, she discovered that a majority of Canadian advisors did



“I have managed to get cases that have been otherwise declined issued on a standard basis because of trust relationships and positioning.”

—Micheline Varas

not sell disability insurance. The product was too expensive, carried too many definitions and variances, and took far too long to underwrite.

“I studied the plans available — those offered by different insurers, associations and benefit plans — understood the wordings and compared each to what we have in the Canadian marketplace — noncancelable and guaranteed renewable coverage,” Varas said. “Then I met different advisors and applied for the job of being their disability insurance specialist. When they don’t want to do it, I would do it on their behalf. They benefited by retaining their client, being fully compliant, investing no time yet being well-compensated. In turn, I was given cases on which to work without having to procure clients — the ideal win-win.”

She also connected with insurers worldwide, their underwriters and reinsurers, spoke at their industry conferences, wrote articles for various publications, held training and education events, and built a reputation for dedication and expertise in this area.

“When I have a really difficult case, I will call underwriters ▶

and reinsurers individually. Once they are comfortable with the risk, I will then ask which company I should put the case through,” Varas said. “I have managed to get cases that have been otherwise declined issued on a standard basis because of trust relationships and positioning. It is because of these established allegiances that I’m able to get things done.”

Rather than seeking clients, Varas has other advisors and insurance companies bring business to her. She tells about a recent lunch conversation with an insurance carrier rep where she clarified what she can do to assist the advisors he supports.

“Let’s say one of your advisors is doing a buy-sell plan for a corporate client, and one of the individuals is uninsurable with your company,” she explained. “The client may say that if one individual cannot be covered, they will not proceed with any coverage whatsoever. Do you really want to lose that case? Wouldn’t that be detrimental to you and your advisor? Call me and I will help you to help them.” The rep said, “OK but you’re not going to get the business.” To which Varas replied: “I understand, but if I can help you, you are in a better position with other advisors and ultimately, our profession is to best serve the people at large.”

Though almost 100% of her work is collaborative, working with advisors in Canada and internationally, many of her favorable introductions come from insurance company reps and senior executives.

Troubleshooter

Paula Cherie Jones also saw opportunity where others saw obstacles by positioning herself as a troubleshooter in her niche market – mortgage brokers, particularly those serving first-time homebuyers. On its face, this group of consumers doesn’t appear to be capable of bearing fruit, as they’re scraping enough money for a home loan and likely won’t have enough to afford insurance. But the five-year MDRT member from Christchurch, New Zealand, saw the need for insurance among these homebuyers. So, she leveraged her experience as a volunteer budget counselor when she was helping young couples find money and cut expenses to pay their debts and save for their goals.

“I would do a budget for them and show that if you can afford a mortgage, you can afford insurance, even if it’s a small amount to start with,” she said.

Jones reaches these homebuyers through mortgage brokers. In New Zealand, brokers, just like financial services advisors, can be licensed to sell risk protection insurance.



A mortgage applicant with income protection insurance likely would impress a lender and get a loan approved since they would still be able to make payments if they're unable to work and earn income due to an illness or injury.

"These advisors are good at mortgages; they're good at finance, and they want to do insurance, but the process and underwriting can often be too hard. So, they're referring their clients to me because they just don't want to do insurance when they don't fully understand insurance underwriting and policy wording," she said.

Jones also attends industry conferences and other events where brokers and advisors gather to discuss insurance issues, and inevitably someone will ask about how to handle difficult cases. That's where she says, "Give me a call for the tough ones." She'll do a budget for referred clients and show that they can afford a mortgage and insurance too.

"My clients don't have a lot of disposable income when we first meet to discuss their insurance needs, and you do have to work very hard, but they stay with you forever," she said. "They trust me, and I don't have to go looking for clients. Now I have an amazing base of clients who are buying other properties, have families and have good professional jobs. If you take the long-term view, you may not start out with HNW clients, but eventually they can become HNW clients."

A natural niche

The journey of **Ann Baker Ronn, CLU, ChFC**, toward finding her niche market is a testament to recognizing opportunities that sometimes lie right in front of us.

Her husband, David, is an attorney, and the couple attended many social events where she met his co-workers, and they became good friends. The new acquaintances learned what the 26-year MDRT member from Houston, Texas, USA, did for a living, and her client base of attorneys and their executive assistants increased through word of mouth as her husband's career progressed over the years through several law firms.

"Some people came to me interestingly through admiring David and thinking that he was good at what he did. Almost like a reflection, they associated that I was good at what I did," Ronn said.

The realization that she was a specialist dawned upon her about two decades ago when she hired a coach and reflected on why she liked working with attorneys. They are good at what they do, are responsive and return information quickly. Being married to one, she understood that they work long hours, take care of their practice and their families first, but spend very little time taking care of themselves and are in dire need of financial advice. For example, she had a HNW attorney client who claimed she had plenty of life insurance. Ronn asked to take a look at the policy and discovered it was actually accidental death and dismemberment coverage, which offered her and her family very little protection. "They're bad at taking care of the important things that financial services advisors can do for them," Ronn said.

Then the coach asked her why she wasn't focused on that market. "I was a little red in the face, but it made so much sense," she said.

She embraced specialization wholeheartedly, and her reputation grew within the legal community. Ronn also works with young doctors, a group similar to attorneys in terms of work habits, dedication to practice and lack of financial planning acumen.

"I think you can have more than one target market. Sometimes picking a niche is a matter of looking at what's around you and asking if there's a market I haven't considered with people I would love to work with," Ronn said. ☀️



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