

{ ...for  
advisors }

# The Perfect Approach

An Exclusive  
Conversation with  
**Diane MacPhee**

**Diane MacPhee, CFP®, PCC** is a business coach with DMAC Consulting, working exclusively with financial planners. Diane earned her CFP® in 1989 and operated a successful solo practice for 16 years, specializing in retirement planning for middle to high net worth clients. In 1994, she converted her practice from fee commission to fee-only and achieved a new level of success.

As a coach, Diane now focuses on enhancing clients' businesses and personal lives in a measurable and meaningful way. Diane offers clients a customized sales and business development enhancement program that helps them identify, plan for, and achieve success.



A sought after presenter, Diane has appeared on both CNBC and "Wall Street Week." She's been featured in *The Wall Street Journal*, *Cosmopolitan*, *Consumer Reports*, *More*, *Fortune*, and *Ladies' Home Journal*. Diane served for more than three years as a Membership Director for the National Association of Professional Finance Advisors.

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**Dave Poulos (PAS): One of the more uncomfortable parts of an advisor's life at work can be the sales role that advisors looking to build a practice have to engage in. Why do advisors feel at least some discomfort in a sales role? Is it a lack of confidence in their abilities? Is it a lack of training? Is it that they don't feel they should have to sell themselves? What makes it so hard?**

Diane MacPhee: It's never one thing for one person. I certainly contend that the three top reasons that I see are:

1. Lack of confidence.
2. Selling is just not in the wheelhouse. A financial advisor's nature is to research, learn, problem-solve, and help clients. Selling skills are not even on their radar until they realize that they need to develop into the area if they ever hope to grow their business. So for some, not many, they do believe that if they are patient enough, the business will come their way. Sadly, that is far too passive an approach in this very competitive environment.

3. Coming from a place of need is never comfortable.

**It's difficult to sell from desperation. That's true. Most advisors we've spoken with expressed a desire to grow their practice, and know that this usually means putting on the sales hat in one form or another more often than normal. Is there a way to approach this... a mindset that can be adopted that can help make this transition easier?**

Yes. I love that you used the word "mindset." You know, many may roll their eyes at the self-affirmations and the positive thinking type of advice. Yet research shows that self-talk and self-imposed beliefs are very crucial in how you approach prospecting and selling. I like to use the phrase "positive expectation." If you have an upcoming prospect meeting, and this new client would be a huge win for you, the nervousness and anxiety may creep in prior to the meeting.

There's every reason to believe that they will like you, they will respect you, they will trust you, and they will hire you. So your role in this experience is

to be calm, confident, and to seek to connect with the person in a meaningful way and not just at the surface level. And be eager to demonstrate active listening. And always be coming from a place of how can I help? Final disclaimer, not everyone is the right fit. So, you know, you may want them but maybe they were looking for something different.

**I'm sure that everybody sort of keeps a tick list in their head of wins and losses and laments the losses severely.**

**In your practice working with lots of different types of businesses, especially early on, what commonalities do you find in terms of the approach service professionals take to sales conversations? Other providers like doctors, lawyers, CPAs, estate planners, coaches, consultants all have to sell at some point. What commonalities do you find amongst all of them, including financial advisors?**

I actually thought of a contrarian point first: One big difference financial advisors face is the restriction on publicly posting testimonials. In a lot of industries this may be a huge lead generator, and yet due to compliance, that's not something advisors can do. So that's a challenge by itself.

Another is that there's very little formal training and guidance in business development, whether it be selling skills or running a firm. That's pretty much the background of a lot of financial planners for several years now. You know, much of the CFP® life is educational training in financial planning. And in the last few years, we have seen practice management rise through the ranks as a critical success factor. And selling, today's topic, is a real struggle for many. This is not something that people just naturally move into and feel comfortable with.

**So, realistically, a lot of professionals are starting off behind the eight-ball because this is not what they're trained to do. They're under-equipped.**

That's right.

**What misconceptions are those providers often laboring under? And how do you change that perception in your practice?**

Well, one misconception that I mentioned earlier is sometimes people will say, "Well, the phone will ring if I get a great website up and running." You know, it's not that way anymore. You have to work a lot harder. It's very competitive. And, you know, whether it be the law profession, accounting, medical, or financial planning, the secret is to get out of your comfort zone. We'll talk a little bit more about that later.

**So aside from the lack of training, they have to reconcile themselves to the fact that not everybody's going to be a client, no matter how broad a net you spread, what challenges do you think are unique to financial advisors compared to the other professionals?**

I'm repeating myself but I would have to say definitely the testimonials. Other than that, it would be that though the law and medical professions can be rather broad, the financial planning profession as a whole is not well understood by the public. There's a lot of gray area.

Another challenge is that the general public might not do the greatest job of understanding what a financial planner can do for them. They may default to investment management only. When people think of an attorney, or they think of a doctor or CPA, it's more narrowly focused. So the financial advisor has a greater challenge in their early stages of meeting somebody, narrowing the focus to what is meaningful, and what matters to that person. You don't want to spend a good amount of time talking about tax planning and or investment planning if that's not their area of concern.

**I think that's very true. And I would add one additional possible set of circumstances. Advisors don't usually encounter urgent emergencies. And**

by that, I mean, if you're in trouble, you're looking for a lawyer now. If you're hurting, you're looking for a doctor now. If you're getting big bills from the IRS because you screwed up, you need to see a CPA now. There is no real huge financial emergency that requires a financial planner to fix something right away. And that would reduce the level of motivation that people have to go look for one, find one, interview several, figure out what it is they want and what they need, and find one they can work with. Even though emergencies drive bad choices, at least you make a choice.

Right. A lot of people just drag their feet about getting around to coming to a financial planner. I often laugh in the prospect meeting when the planner will say, "All right, I can schedule you six weeks out," and we're like, "Six weeks out?" I always want to say, "Well, it took you two years to get in here so..."

#### **Time is relative.**

Yes, definitely. Let's be fair.

**Do advisors in different environments or geographic areas face different challenges in prospecting? Does an advisor or broker or a custodian face different obstacles than an RIA? Do advisors in Texas relate to prospects differently than those in Maine, say, or Florida?**

I may very well be the contrarian on this one, but I would say no. I can appreciate that the greater pool of prospects may exist in an urban area versus a rural. But with today's technology and all that it can offer to a business owner, you've got video sessions, podcasts, blogging, remote work locations, content portability with Dropbox, the list goes on and on. So no matter where you are, I don't see that much of a challenge.

And the environment that you work in, whether you're a broker-dealer or whether you're a RIA, a fee-only, etc., you still on a very basic level must



develop a sales process that's comfortable to you. And one that speaks to a chosen niche or two or three. You want your values to come across.

I wouldn't be too concerned with the environment you're in or wherever you are in the country; I'd be more concerned about whether your message is clear and simple. Do you speak in benefit-driven language instead of features? Do you unknowingly go on and on in an appointment rather than letting the prospect open up to you as a result of the questions that you asked?

So your point is valid. People can relate differently depending on the culture within that state—that is true. We've got our coastal cities versus the middle of the country and perhaps the style of each of those populations are different. But it comes down more to the person in front of you. Just because somebody is rather mellow or slow-paced, that's not indicative of the environment or the geographic area they're from, it's indicative of that one individual. So I want my advisors to not assume certain things about areas of the country or environment, but to be very keyed in to the person in front of them and then do their best to match that style.

**So at the end of the day, sales is sales on some level, no matter where you are, and the basics still need to be observed. You have to listen more than you speak. You have to be empathetic and understand your prospect as well as you can in a**

short period of time. And you have to serve a need, do what they want you to do and provide what they need you to provide. I think that's very solid advice for almost any type of business, let alone an RIA, but for us, particularly, because the trust level is so high, especially in the investment management side, that I think the more people can do just those three things, the more successful they'll be.

**What advice would you give a brand new advisor, maybe somebody who just got their CFP® certification and is working at a small ensemble or RIA, regarding building their book of business. Where do they start?**

Let's start with solo first. When I opened my practice, I was solo right from day one, and many can view that as a disadvantage, especially since there are so many firms now that are ensembles. As I say, if you want to have a solo practice, then you want to use that as a distinct advantage. You want to be able to make a statement that says to my clients: I am your person. I will know everything about you. I am in your corner. There's no revolving door here, and you will not get a new person every three years. You will get me. *That's a big point to make as a solo.*

In terms of continuity, advisors need to be on the lookout to find the best solution to cover that base. But even with the ensembles, you want to be able to answer that question well.

Now, getting back to your question of a newly minted CFP® inside an ensemble, there's a lot of look, listen and learn. Pay attention to what other advisors in the firms are doing, but also hold your unique position yourself. Seek to help and step in when you're not asked. Don't be too familiar in a client meeting by jumping in inappropriately, yet don't be so timid as to never speak up. There's a delicate balance. And I do feel for those new advisors in the ensembles, they're trying to find and strike that balance.

**That's a very tough thing to do. You're surrounded by people who are supposed to be your peers, yet, you know they've got far more experience and training than you do. It's hard to own your own intelligence under those circumstances. And it is a difficult balance to walk. If you're a senior advisor, and have just had that CFP® step into their office, how would that advice change?**

In that instance, we're going to be looking at somebody who wants to be much more selective about who they work with, since they're not looking to gain as many clients as they can in a year. They're winding down a bit and will be much more discerning. I'm still amazed at how many people will schedule a prospect appointment, only to be disappointed halfway through that this person is not appropriate. It could have been done far more expeditiously had they held a very good phone call. First, just asking a few questions and then by being able to sense that, yes, this is somebody I would like to have come into the office for a meeting.

And then even in that meeting, the focus should not be on doing business. Some people fall into the trap of, "Well, let me impress this person while they're here. They're asking me to look at their stuff. So I will." I'm very much against that. I don't think anyone should work for free. I don't think they should give that message. I think it diminishes our profession to do so. The in-person meeting is purely to see whether this is an opportunity for both of us to meet and see whether we have a good match and that goes for the established advisor just as much as a new advisor.

**You definitely won't want to be giving away the secret sauce, that's for sure. And that's kind of what a lot of people don't necessarily have the courage to do is to just sort of take this one step at a time and take it slowly, because the payoff is so good, but it's very difficult to be patient.**

To that point, it's human nature to want to give free advice, even though you might have explained

you're not going to conduct any business, etc., They might still try to do that, as a prospect. But then what's sad for the advisor is that the meeting goes very long. They know they gave free advice coming from a position of weakness wanting the client. So all of that, to me, is something I work on with my advisors. But the worst part of all this is follow up from the prospect. You email them, they don't respond, and then you email them a second time feeling worse and they don't respond... and they're dodging your follow up.

So had you not done that in the beginning, you likely would have won their respect if you held your position and said, "Well, you know, if you'd like this advice to be given, we could discuss how that would look if we work together."

**Well, they've gotten what they want, and there's no need to talk to you anymore. And they ghost on you. This happens in very established advisory firms, I can speak from experience. Are there specific ways to approach prospects that just seem to work regardless of who's on the other side of the table? Is there a way mechanically to sort of edge towards success very consistently?**

Yes, there actually is. You want to first work on your self-confidence and your ability to be very calm in the meeting and to just be comfortable with people and the concept of connecting. I often say the word "connecting" instead of "marketing" because people get very nervous about, "Oh, you know, marketing for clients, how do I do this?" But really, it's just about being able to ask great questions, show that you're present, and that you are listening. The way to prove that you're listening is to repeat it back, but not in a robotic fashion.

I tell people all the time, just be normal, be natural. And you could say that same exact way by saying, "You know, you mentioned that parents and college together are a bit of a crunch. I understand that. Let me share with you what we do with our clients in the same situation." That is a far better response

than trying to be very robotic or choreographed. So the way to approach prospects is to be very calm, be relaxed and seek to meet that person and connect with that person.

The final part is to wrap up well—the close. You don't want the end of the meeting to be, "We'll call you." That's not a great way to end a meeting.

**And that was where I was heading with some of this. Because you did give one really good example of how to flip the script into something more natural. Was there a situation you can recall where an advisor was having a hard time getting anybody to close and come on board?**

I actually wrote a column a while back and it was called, "When A Prospect Says, 'No.'" And I would add, "I'll think about it." And those are the most uncomfortable moments for the financial advisor. So I prefer that we try to wrap up this prospect meeting with greater closure than that. And there is a way to gently assert themselves in a situation without being abrasive or too strong. So, in answer to your question, it's not even so much one advisor example. I could actually lump this into a composite that are most advisors. One of the most challenging areas is a lack of a clear plan to follow up. They feel very uncomfortable about following up and that's related directly to the fact that the meeting wasn't ended well.

So rather than have this lingering "We'll call you," I suggest that you head that off. As you're heading to the end, ask, "Do you have any other questions?" And obviously, they'll say, yes or no, and you cover that. And then the next thing you say is, "How would you like to proceed?" Now, some might be confused, and they'll say, "I'm not understanding the question. What do you mean, how would I like to proceed?" And I'll say, "Well, it's your choice, now. Would you like to move forward with our firm and we could get started? Or you tell me." And I don't want to say, "Or do you need time to think about it?" I will not say that. I will just pause and

say, "Where are you on this? What would you like to do next?" And then you stop talking.

At that point, if somebody says, "I like everything I've heard, we want to hire," that's great. If somebody says, "We're going to be interviewing a few advisors," I would pretty much take that as the meeting did not go well. So the one in between is the tough one where it's, "You know, Diane, this is great. I just need more time. I'm not the kind of person who can decide right here and now. I do need to sleep on it, to process." At which point I respond, "Absolutely. You take whatever time you need. What if I were to reach out to you at the end of next week or the week after?"

Now, most people pretty much know within 24 hours whether or not they want to do this or not, or they're just procrastinating. But at least you close that loop by saying, "Would it be all right if I reached out to you end of next week or the following week?" When they say, "Yeah, yeah, that would be fine," they're going to remember when you email them. "Hi, can I call you? Is tomorrow good or the next day good for a quick phone call, as discussed? I'm reaching out to you so that we can decide what you would like to do next?" Something along those lines. So then the person remembers that they did, in fact, say, "Yes, you can call me." That's a much more comfortable follow up than leaving it lingering.

**I agree. You've not necessarily left them out, but you've put it on a terminal basis. You've put a timeline on the end of it and said, "This is when we're going to make a decision if you're comfortable with that, but we need to fish or cut bait at some point." I think that's very solid in terms of giving people a little space, but still putting a pin in the end and saying this will have a resolution one way or another, and you're going to be part of it.**

Yeah. And then a real quick example of the opposite where you said yes to the prospect, only to regret it

after they left. You're thinking to yourself, "Ah, I don't know why I did that. They're not really suitable." And I often say, "Well, rather than suffer through it for God knows how many years going forward, just email them and ask them for a phone call. When you get them on the phone, say, 'Listen, I've given this some more thought and after you left my office, and I'm thinking that I am not the best fit for you.'"

Now, obviously the best way to do this is to have a source of people that you refer to.

**Sure.**

That would be most helpful. The fact is, if you made a poor decision too quickly, it doesn't mean you need to be stuck with it. You can have the courage to call to say, "You know, I moved too quickly on this. I don't think I'm the person for you."

**Well, that brings up another interesting point because we have to make sure that we're looking at this from both sides. This is a big decision for the advisor too, because we're going to be working with these people for the next 15 or 20 years. And it's incumbent upon us to really know ourselves well enough to say, "You know, maybe this isn't a good fit for me," and to have the courage to say, "Well, I'll catch the next one." Maybe they'll like my approach enough and my honesty enough to refer me somebody else.**

Yes. And to that point, you would say to them, "You know, given more time, I'm realizing you need somebody with XYZ. And really, most of my best work with my clients is ABC." So at least you're getting a little bit of an opportunity to remind them who you do work with.

**You do a lot of coaching of individual advisors as well as more broad-spectrum work with firms. Have you found there are traits that make an advisor more coachable when you work with them? What's the best way to be coachable and**



### **take advantage of someone like you? How should prospective clients approach coaching?**

I try to have a very warm, trusting relationship with each of my clients. So, I do not want my coaching client to ever be afraid to be vulnerable with me. I've had a lot of confidential information shared with me and I consider that a privilege. So when you're checking out a coach, you want to make sure that you're feeling a chemistry where over time, you want to feel that this is a person that I can talk to and tell them everything... the struggles that I have, and all that. So do not be afraid to be vulnerable with a coach.

Also, I want total honesty. I want everything out on the table. I don't want someone telling me they're fine when they're not. I don't want someone saying, "Things are rolling along pretty well," when there is total chaos going on. Coaching is not about judging the coaching client. It's about a partnership where we both work together.

So I want someone who's ready, somebody who's engaged, and somebody who's committed to their own success. It is not the coach's job to make you a success. The coach and client are in a partnership together and it's never defined by the coach. Never. It's always about you, the client, coming to the table with, "Diane, here's what I want to achieve, and here's where I struggle." And then it's my job to care enough, be always there in their corner to hold

them accountable, to think of helpful things to share with them. Those are all of the elements that go into a coaching relationship.

And honestly, I want them to be taking notes. There is a retention benefit to physically taking notes. So I think it's very helpful, especially as time passes. The coaching session might have been a week or two ago and you're not as fresh with what you remembered. Even though you might have said that was a great call, two weeks later, you're thinking, "Gosh, I didn't capture everything." So I often say take notes.

My other big one is, I want my coaching clients to be willing to practice what we talk about: Practice the prospect conversation script, and practice what I've said. Whether it's in your car or you're just by yourself, practice so it's not the first time you're saying something.

**I think those things can be applied to all kinds of situations. But clearly, it works for you and your clients. And that's really the important part. It's kind of, like, there's four people you don't want to lie to: your doctor, your attorney, your CPA, and your business coach.**

Now, you got me.

**If you're honest with them, everything else tends to work itself out.**

Dave, you left out the spouse.

**The spouse, your wife, yeah. I was just thinking of that! You're exactly right.**

I'm kidding. Yes, very true.

**Now, let's say I'm an advisor and I'm going along and seeing prospects, but I'm just not closing very many of them. Every once in a while, I'll get lucky, but in general, people are just not responding. How would you be able to tell whether there's an identifiable problem with approaches or closing**

**or anything else even if they're comfortable with what they're doing? It's very possible to get comfortable doing the wrong thing. Can it be just a run of bad luck or that they're attracting the wrong type of prospect? How do you know what the problem is?**

Great question. I don't buy the run of bad luck theory, because I often feel that we create our own success or lack thereof. And to your point, if the approach feels good and it feels comfortable and yet gets no results, I would ask: When you look back at the people that you're meeting with, are you adhering to a process on a consistent basis? Because if you're inconsistent and you're random, it's going to make it very difficult to figure out what's wrong. That's number one.

When I first started taking up formal coaching courses, instead of closing the client, one of my instructors said, "How about opening the client?" I burst out laughing and I'm like, "Oh, I love that." You know, we always talk about closing ratios and closing the client. And true coaching is about opening the line of communication, so I just wanted to throw that in there.

That said, if your closing ratio is 70% or above, you're doing well. If it's below 70%, I do find that indicative because I do think a 70% closing ratio—if you screened well on the phone—is attainable. So you have to examine the appointment: Do they seem engaged? Do you feel like you're reading the person and do they seem engaged, or are they getting bored? Are they getting agitated or fidgety? Do they seem disconnected? Are they not answering your questions fully? These are indicators that say that you're not connecting. So you need to maybe dial it back and try to decide what is going to work with this person.

In terms of attracting the wrong prospect, my instinct would be to walk it backwards from your marketing. I'm talking about your message, your website, the language you use on your stationery if

you have a tagline, all of that. Would your clients describe you the way you would want them to? Or are your clients referring you unsuitable prospects? If your clients are referring unsuitable prospects and the wrong prospects, then you need to educate your clients in a very gentle manner.

I would look at all of that. Do my clients understand who to refer to? Does my website send the message that gets me the person that I'm looking for? And then when I'm with that person, do I sense that I'm not connecting? Is there something not going on?

**So it's consistency, connectivity, and empathy.**

Very good.

**Did I sum that up well?**

Very succinct. I like that.

**I'm hoping most of our listeners are beyond that point. And our listeners have got a better grip on this and that they're trying desperately to approach the rockstar 70% level. If you wanted to leave our audience with one little nugget, one thing that they can put into practice today and take with them, what would it be?**

Very easy, Dave. It would be: Practice, practice, practice what I've shared, and see what fits you and what feels good for you. If you rehearse and practice in a way where you don't stumble, by the time you are with someone, it will be so much more natural. It should be something that feels authentic to you in terms of the quote-unquote script you're using. People shy away from the word script. But I often say, "I'm going to use the word script loosely." But yes, of course, you should have a script. It shouldn't be random and hit or miss each time. It should be that you are following a script that you are comfortable with.

Also slow down, be very calm, take a breath. There can be a lot of nervousness when you're trying to

just be yourself and be confident. And after all of that, my maximum would be follow up three times. I mean, certainly in a busy world, following up once by email is understandable. Second time, a little bit like, "Okay, I'll follow up a second time." If you need a third and final email, that should be your final email to say, you know, "Unfortunately, we haven't been able to connect. I wish you well in all your endeavors." I would not keep pursuing someone. You need to have a set number of clients only and you need that mindset. You only need a certain number of clients and so use your time well. Be well-rehearsed.

**That sounds absolutely wonderful. Diane, thanks so much for joining us. I've really enjoyed this. I always learn something new from you whenever we talk, and I hope our audience has gotten all the value that they could have out of this, because it's been fantastic.**

Thank you, Dave. Thank you very much. I enjoyed it as well.



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