

BEST PRACTICES FOR IMPACTFUL DISTRIBUTION

DISTRIBUTION
ACTIVITY



The sales conversation and process has changed significantly in the past decade. Days of sole product pitches are long gone and have been replaced with a consultative conversation on how firms drive value to portfolios and practices. The manner in which we communicate has also evolved. Data is easily accessible and impersonal, proving fact without emotional connections. How can we bring the human element back into the sales process? By following the four cornerstones of distribution; Competitive Edge, Marketing Resources, Distribution Planning and Distribution Activity. The cornerstones create a distinct footprint to captivate an audience and assist in laying the ground work to developing impactful sales engagement.

COMPETITIVE EDGE



VALUE PROPOSITION

Highlight your competitive edge by developing a clear value proposition that will have an audience asking “how” you performed that task. Titles and industry jargon are terms that do not define the investment story, nor the rationale behind why we choose to manage and offer investment management services. Each firm is founded by people with distinct proficiencies and passions. In demonstrating the personalities behind the service, it will help your audience understand the investment strategy and more importantly your firm’s culture.

UNDERSTAND THE COMPETITIVE LANDSCAPE

Market and you:

- Before offering an investment solution, evaluate how the product fits in the current and foreseeable future markets.
- Define what gap in the market the product fills.
- Detect potential threats to your product such as new rules or regulations or buying trends.
- Identify what differentiates your product from already available products.
- Seek to recognize the potential weaknesses of your product. Utilizing the classic S.W.O.T Analysis (Strengths, Weaknesses, Opportunities, and Threats) may help you better understand your product’s fit in the market providing you a foundation to guide your distribution plan.

Competitors and you:

- Evaluate likely competitors and understand their process and investments. Assess how you differ and complement each other.
- Never speak ill of a competitor.

QUICK VALUE PROP QUESTIONS:

- 1 What problem do you attempt to solve?
- 2 Who do you try to solve it for?
- 3 How do you attempt to solve it differently than your competitors?
- 4 How much difference do you make?

MARKETING RESOURCES



STORY TELLING

Storytelling allows you to convey memorable information. Forming impressions and relating to a listener allows them to associate themselves within a product story and you. Tie in facts to paint a picture, that can be easily retained and may bring an emotional reaction to your listener. Developing an emotional connection requires a little research on your end. Conduct research on your prospect and tailor your story. Draft your stories and practice your story, if relevant, repeat them to different audiences.

CONTENT MATTERS

Marketing communication can be extensive or simple, no matter the form having your message available in multiple mediums may make the difference. Consider creating the following collateral materials:

- Print items – brochures, flyers, postcards
- Product white papers to compliment fact sheets and provide depth to the process
- Positioning flyer – highlighting the benefit of the strategy and process
- Sales presentations – demonstrating the process with proof point examples
- Web content – user friendly web navigation

Compliment the collateral with action plans for distributing and following up on the materials.

STORY TELLING FUNDAMENTALS:

- 1 Memorable
- 2 Work facts into the story
- 3 Tailor to audience
- 4 Pre plan, draft the story
- 5 3-5 minutes max, practice

DIGITAL FOOTPRINT

In a digital world, a web site may not be enough, but it’s a start. What does your website say about you, is it just the facts or does it tell your story? The website may be a personal statement to bring in a client because it inspires confidence in your ability to execute on the clients behalf.

Things to consider:

- Choose colors that attract the eye
- When using pictures, what story does it tell?
- Be mindful of adding too many graphics
- Create an “About us” section that defines your culture and history
- Easy to navigate on portable devices

Additional footprints:

- Blog posts
- Quoted in industry articles or interviews
- Industry speaking or panel participation

DISTRIBUTION PLANNING



PLANNING MATTERS

Creating a detailed long-term plan allows you to measure success.

- 1 Target market assessment
- 2 Financial planning
- 3 Marketing and sales engagement
- 4 Resource requirements
- 5 Risks and rewards
- 6 Identify key issues

Once these items are discussed and researched, formulating a plan of action becomes clearer. Work with distribution partners to co-develop your action plan.

TARGET MARKET

Part of successful distribution is having a clear picture of who the product targets. If you have started a fund to consolidate your previously separately managed accounts, your target buyer has shifted from high-net-worth individuals to retail investors. Knowing how they buy, what's important to them and how to best engage them is key to impactful sales growth.

SELLING AGREEMENT PROCESS

There are generally two components to establishing a selling agreement, although it may vary depending on the intermediary, and require the coordination of multiple parties, it is critical to understand as it may affect accessibility and sales growth potential.

Know the types of required agreements and what sales access it provides:

- Selling agreements / Dealer agreements – may allow access for hold only or provide access to purchase
- Shareholder servicing agreements – transaction operating agreement
- Platform agreements – investment solution platforms may require revenue share and may require additional due diligence and or research recommendation

Key players in the process

- Intermediary: Home office – National Accounts, Due Diligence Analyst, Legal and Compliance
- Mutual Fund Manager – Fund Administrator, Broker Dealer, Legal and Compliance, Executive Management

DISTRIBUTION ACTIVITY



SIZING UP THE SALES TEAM

A large sales team with national coverage is not always necessary for success. The size of your sales team is not nearly as important as the relationships the team establishes with the intermediaries purchasing the strategy. Ensure your sales team has the interpersonal skills and product proficiency to seize opportunities within the channels outlined in your distribution action plan.

DUE DILIGENCE ON THE FIRM

Conduct research on your target market. Understand the buyer behavior, what's important to them – analytics, education, practice management, etc. Gaining this insight may require more research than a web search. This insight will help you discover how to engage with your audience.

BEST SALES PRACTICES

- Call ahead of time - Be appreciative of their time and ask for the meeting.
- Stop talking and listen more - Ask insightful questions. It's not about you, it's about them. What's their business like? What's important to them? How can you fit into their solution offering?
- Always follow up with an email or something unique - A postcard or book. Make it personal.

NEXT STEPS



● **DISCOVER** – Distinct competitive advantage



● **PLAN** – Create your story



● **PREPARE** – Develop your distribution plan



● **ACT** – Execute your distribution strategy



NORTHERN LIGHTS
DISTRIBUTORS