

Advisor Focus

DECEMBER 2010

FROM THE FIELD

Climbing Out of a Marketing Rut

OPPORTUNITIES IN NUMBERS

Communication — An Integral Growth Strategy

eMoney
Advisor

TURN

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CLIMBING OUT OF A MARKETING RUT

It's easy to get in a rut, particularly when it comes to marketing. According to Quantuvis's recent study, only 33% of advisors have a marketing plan and only a third of that group actively implement it. Frustrated by a perceived lack of immediate results, many advisors abandon their efforts prematurely.

Steve Cordasco, of The Cordasco Group in Philadelphia, is an example of someone who abandoned a particular marketing strategy because it wasn't yielding satisfactory results. A wealth manager with over 25 years in the business, Cordasco gave up on the basics: the traditional approach to public speaking and seminars.

"A dozen years ago, I decided seminars were not worth my time, especially when I was only getting about 40% of my audiences to sign on for appointments," explained Cordasco.

All that has changed. Now, 90% of Cordasco's audiences request a private meeting with The Cordasco Group. "Their response cards speak for themselves. Not only do they want to meet with me, they want to meet with me right away!" he adds.

The difference is the nature of his presentation. Cordasco signed on for eMoney's Advisor Marketing Subscription program. A key component of that program is a completely

customized presentation, one light years away from the flat PowerPoints Cordasco used a dozen years ago. The presentation is interactive, has compelling messages, uses powerful imagery, and emphasizes The Cordasco Group's strengths.

"This new presentation has rejuvenated me. It's professionally done and uses the latest in technology. It has organized my message and kept me focused on the primary things that clients seek today – an advisor who has a command of all the details of their financial world," Cordasco explains.

Cordasco now gives workshops and presents to networking groups at least twice a month. "My new presentation has inspired me to get out of my office and back to basics. I'm so much more effective and productive than I was twelve years ago. At a time when it is rather difficult to win new clients, I'm growing my business and bringing in new assets," he concludes.

The advisor world is becoming more and more crowded. You cannot afford a marketing rut. To get your message heard you need to take bold and innovative action. Call 888.362.4612 or visit www.emoneyadvisor.com to learn how you can subscribe to eMoney Advisor Marketing. It will pay dividends in the long run.

eMoney's Advisor Marketing Program is a turnkey, compliance-approved*, subscription based program. For \$100 a month, subscribers can access a robust and ever growing range of self-branded marketing pieces.

* Compliance-approved by many of the largest broker dealers and insurance companies.



**in a
nutshell**

**“Slow but steady is winning the race, and the economy
is poised for strong growth next year.”**

- Joel L. Naroff CHIEF ECONOMIST

In 2010, it was all about a lack of jobs and a sluggish recovery. But the economy is changing. Already, factors have been put into place that could make strong economic growth and solid job gains the real story in 2011. That is my forecast, and I am sticking to it.

In this world, timing is everything. You can have a great product, but if you bring it to market at the wrong time, it may not make it. While real estate agents like to say

it's location that matters, that is true only if you buy at the right time. And if you are a Democrat, well, the election came about six months too soon.

We are a nation of immediate gratifiers, and we want it all and now. But the recovery race is not being run by the hare, which is what we all wanted. Instead, it is the tortoise we are stuck with. Nevertheless, there has been steady improvement on all fronts. It's just that we don't recognize it.

Consider the labor market, where most people believe there has been no progress at all. Last fall, the private sector was still cutting jobs sharply. This fall, the private sector added a decent number of workers. Job gains have recently averaged over 135,000 a month, a major turnaround. Indeed, with similar progress over the next year, we could be looking at 250,000 or more job gains per month by the end of 2011. That would signal the labor market had fully healed. More importantly, the unemployment rate would be falling.

Can the economy really become a lean, mean jobs machine? You bet. Households are rebuilding their balance sheets. Between income growth and mortgage refinancing, which lowered borrowing costs and padded bank accounts, there is more money to spend. The Fed's second round of quantitative easing should keep longer-term rates low for at least the next six months, encouraging even more refinancings. Households are positioning themselves financially to start hitting the malls again.

Will people spend the money that they are accumulating? Of course. Pent up demand, especially for motor vehicles, is huge. The nearly 6% savings rate is the result of fear. Once job gains improve and confidence rebounds, that rate should decline, freeing up more money to spend. The consumer should lead the way next year.

Similarly, businesses have massive war chests to meet growing demand. With \$1

trillion or more of liquid assets on balance sheets, firms have the wherewithal to expand. Consequently, the banking sector's cautiousness will be less of a constraint on growth going forward. Look for investment to expand strongly next year.

A third leg of the recovery could come from exports. It is the economy that determines a currency's strength, not the currency that defines the economy. Sluggish growth or large trade deficits should weaken a currency. Since it may take another six months before the U.S. economy accelerates sharply, I expect a declining dollar to make our products cheaper overseas and improve export growth.

The one major concern is government budget deficits. The stimulus money is running out, and even if the newly-elected budget cutters accomplish little, federal spending will slow. At the state and local levels, the end of the stimulus will cut deeply, leading to additional budget reductions. Since a job lost is a job lost, and a dollar not spent is a dollar not spent, regardless of who does the cutting, the government sector will constrain growth next year.

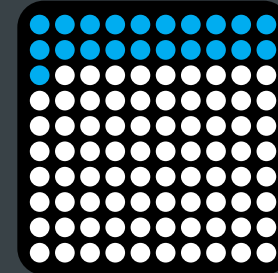
Looking towards 2011, I am very optimistic. The transition to private sector driven activity should be completed, and robust economic growth could return by the second half of the year. But this forecast comes with a warning: Strong growth means the Fed will have to start raising rates, and the increases could be rapid and sharp.

OPPORTUNITIES IN NUMBERS

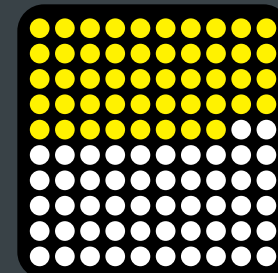
Communication — An Integral Growth Strategy

Communications are client touchpoints. The term, which describes the methods used to interact with clients, includes telephone calls, e-mails, face-to-face sessions, newsletters, letters, blogs and other social media.

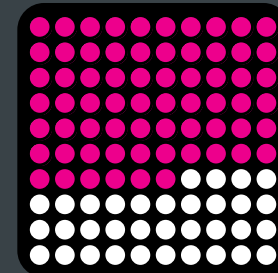
21%:
Advisors that communicate
with clients 5-9
hours per week



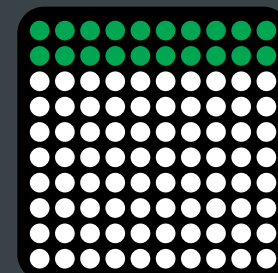
48%:
Percentage of those
advisors who lost clients
over the last year



66%:
Advisors that communicate
with clients up to 20
hours per week

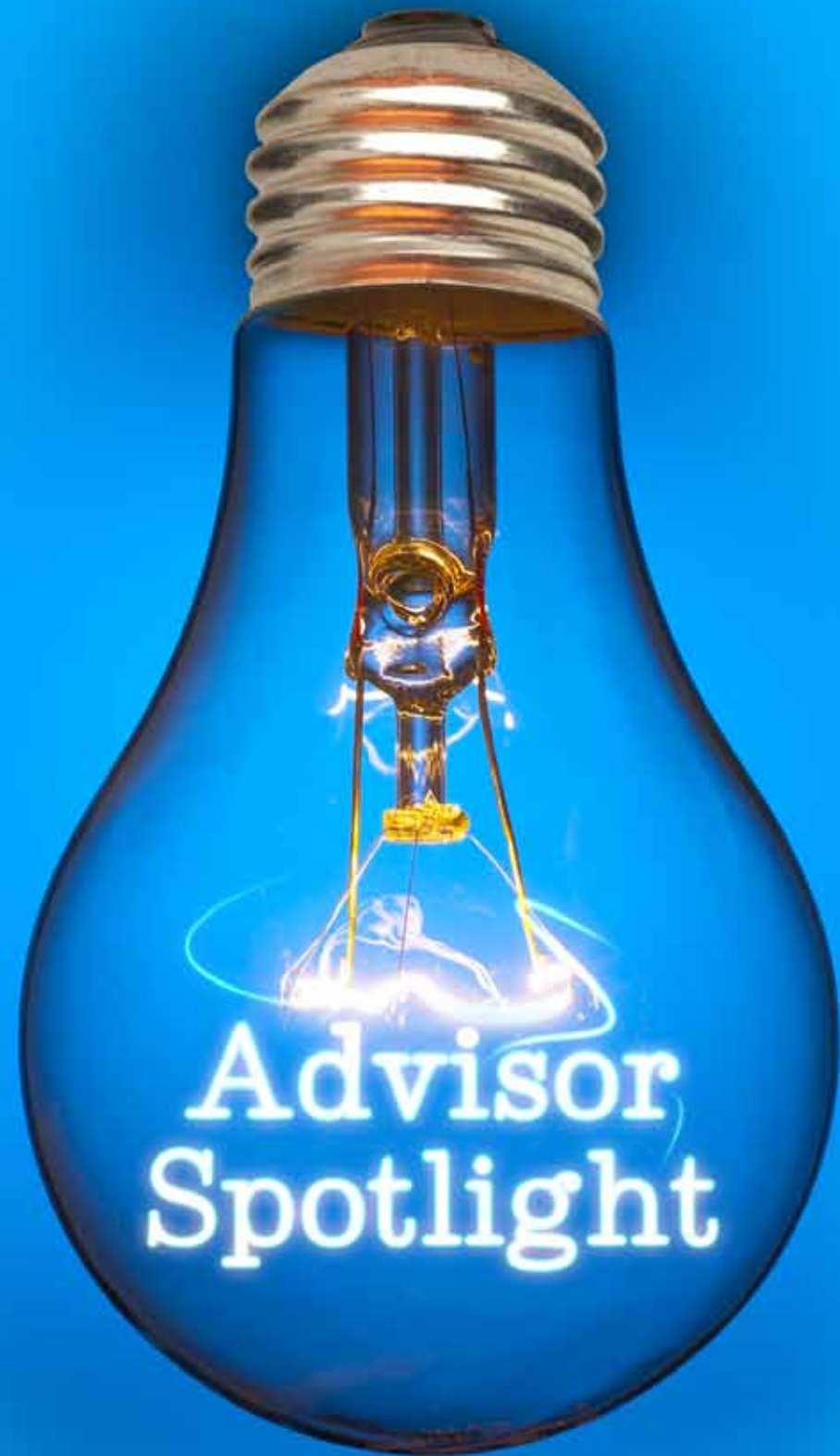


10%:
Increase in clients for
advisors dedicating 30-
34 hours per week to
client communication



*Bottom Line:
Effective
communication
helps determine your
clients' impression
of you, solidifies
trust, and ultimately
promotes the growth
of your business.
Whatever methods
you rely upon, make
sure your message
reinforces your key
differentiators and
leaves a positive
impression on clients.*

SOURCE: Financial Planning Association's third quarter Research Spotlight.



What did you do before you became an advisor?

My first career was in healthcare. My functions ranged from direct patient care to clinic administration. Experience in another service-related field has helped me clarify my advisory practice. I'm very service oriented and have been surprised by how often my healthcare experience has been useful in helping clients plan for retirement. Health and wealth can be very closely related!

What job would you be doing if you weren't an advisor?

I can't imagine anything I would rather do than be an advisor. There have been challenges these past years, but challenges can be motivating, and often they bring with them new opportunities. Seeing clients reach their goals, especially in difficult times, is a tremendous experience. I enjoy bringing all my past experiences into play for the benefit of my clients, and sometimes those experiences are particularly relevant to many of my clients' lifetime goals.

What was the single business decision that had the most impact on your success or the success of your practice?

Continuing to invest in my education and introducing technologies which help support my mission of providing clients with service at a level that exceeds their expectations.

What do you like to do in your downtime?

My wife, Ellayna, and I are blessed with a three-year-old son, Zachary, and he helps fill our time with lots of excitement. Right now I'm becoming well-versed in the subject of 'Thomas the Train'. It is a real joy to see the world through very fresh eyes. We also enjoy travel, anything related to aviation, and love to explore off-road.

Where do you go for ideas? (For example, do you reference particular books or online resources?)

Advisors have a responsibility to be knowledgeable, and to keep adding to our knowledge. I find resources just about everywhere I look, but often the search starts while communicating with my clients about what's on their minds. I am very fortunate to be part of a terrific branch, one in which we share information and insights freely. My Broker-Dealer, Transamerica Financial Advisors, Inc., provides good support and a broad array of educational offerings.



Larry Hoatson is an Investment Advisor Representative with and offers Securities and Investment Advisory Services through Transamerica Financial Advisors, Inc. Member FINRA, SIPC.

PRACTICE PROFILES



Practice History

I began my personal practice in 1997 with a focus on insurance and liability management. In 2005 my father retired from a thirty-year corporate finance career in the Fortune 50, and we joined forces to establish The Maddox Group. In 2008 we partnered with Dave Gimpel of Rational Capital Management to offer powerful money management solutions to our clients. Over the years we have focused on building a team of specialists to serve the needs of business owners and entrepreneurial executives.

Single Business Decision That's Most Impacted the Practice

Understanding that no "one of us" is as smart as "all of us," we set out to build a team of professionals who are all focused on the success of the same client. By combining diverse kinds of expertise, personalities and planning approaches, we force each other to look at problems from all angles and consider solutions that we never would have thought of by working independently. Our clients benefit enormously from this approach.

Target Marketing/Scope of Service

We work with successful entrepreneurs and business owners who want to grow their businesses but don't know how. They have achieved success, but the complexities and time constraints at work are having a negative impact on their personal and financial lives. With our team approach, we help our clients not only simplify and enhance their business lives, but also create a perpetual legacy for their family.

We solve the business complexities by providing transparent and low cost group benefits (401k, group health, benefits consulting, etc.), business consulting, and exit strategy consulting. On the personal side we employ unique tools & strategies to construct portfolios using our proprietary methodology.

Corporate Culture

In a word, "fresh." Our clients don't wear banker's collars and monocles, so neither do we. In fact, we try to make our corporate culture like that of our clients: cutting edge, fast-paced, and creative. Because the average age of our advisory staff is thirty-six, we are always open to new ideas that advance the results our clients are seeking.

Keeping Pace With Industry Changes

Credentials: check. Trade publications: check. Continuing education: check.

Everyone does these. But because it is impossible to keep pace with all the changes in our industry that matter to clients, we have built a deep bench of specialists to address individual client needs. Our team members view it as part of their responsibility to educate not only our clients, but also the rest of the team. This approach allows all of us to make better use of our unique abilities and create more value for our clients.

What Sets the Practice Apart

We've taken traditional tools, modified them dramatically, and combined them in ways we have yet to encounter in our marketplace. For example, how many advisors absolutely refuse to use mutual funds and traditional fixed income in their planning approach? We do—and our clients love us for it.

The entrepreneurs we work with want both to preserve the wisdom that made them successful and to share it with the people and causes that matter most to them. Our proprietary systems and legal structures enable our clients to focus on living their legacy now, because they know that all their assets, not just the financial ones, are protected for generations to come.

What is one of your team's best practices?

We use the eMoney Advisor application to conduct a Financial Reality Check™, a unique process that tests a client's current plan against two world views. The "Perfect World" is a simple extension of the past thirty years into the future. Taxes and inflation stay low, Social Security and Medicare remain unchanged, and the market returns strongly and consistently. The "Reality Check World" then tests clients' current plans against our world view – the antithesis of the perfect world.

At the end of the process, we test our recommendations against both world views. If there isn't significant improvement in both scenarios, it's back to the drawing board. This strategy forces us to manage risk creatively without giving up solid returns.

FOR THE FIELD



A Fork in the Road: Deciding to Terminate Clients

It is never easy to terminate a client, but sometimes it needs to be done. Otherwise, you will continue to fall into the trap of spending valuable time and energy with clients who cannot help you build your business.

Your time is limited. Your staff's time is limited. You have to shed the clients who are diverting your attention from your "A" clients. Energy spent with customers who offer no upside potential is energy lost to your ability to provide truly exceptional service and grow your business the way you want.

Here is a sample approach you might use when notifying a client of the termination of your relationship:

Dear Client,

One of the hardest things to do in business is manage growth, a challenge that our business is now facing. While we want to continue relationships with clients like you who have contributed to our success, we cannot risk compromising our levels of service.

We can no longer be all things to all people. We have to focus on being financial advocates for a small subset of clients. Unfortunately, that means we will no longer be able to provide services to you.

We want to be sure that you are in good hands moving forward. Enclosed is a referral to a reputable financial advisor who is well positioned to give you the kind of attention and service you deserve.

We wish you all the best in your personal and professional pursuits.

*Sincerely,
John Davidson, CFP®, EA
ABC Financial*

Some things to keep in mind when terminating a client relationship:

- Be sensitive to your client's feelings.
- Provide referrals to other financial service professionals.
- Thank the client for helping get you where you are in your practice.
- Make a clean break.



Project Your Presentations With the Nikon Coolpix S1100pj

Just in time for the holidays, Nikon introduces the world's first compact digital camera with built-in projector. The Nikon Coolpix S1100pj allows for new ways of image sharing without the need for additional bulky equipment.

This 14.1-megapixel camera has a 5x optical zoom and a touchscreen. The projector is powerful enough to project image slideshows and videos from its SD/SDHC card or presentations from its USB-in connection at a size of up to 47" from over 7 feet away. The Paint function is a business-friendly feature that allows you to add handwritten annotations to your images in real time, while projecting them.

If you're a road warrior, it's a handy tool for giving both planned and impromptu presentations. Gadget gurus will love the ability to wow attendees at the next business meeting.

This can also be fun for home use. Snap pictures at your next holiday function and show them to family on the living room wall instead of crowding around the camera's LCD display. Since it connects directly to your PC or Mac, it's also easy to post and share your photos online—quickly! This is a nice addition to any holiday wish list.

Available in green, black, violet, or silver for about \$329.



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