

The Efficient Practice

Newsletter for
Financial and Business Professionals

Finding Your Niche

Many firms have reached a point in the evolution of their practice where they realize that in order to compete successfully; they need to find a niche market for their services. The concept is often referred to as differentiation and it requires a certain amount of research and introspection to accomplish. It may also require doing some soul searching on what the goals are for your practice and your life.

Some years ago, a book by Rene Maubourne and W. Chan Kim entitled “Blue Ocean Strategy” (©2005 Harvard Business School Publishing Corporation) caught attention in outlining a methodology to find differentiation through a combination of value innovation, fair process and tipping point leadership. Of the three, by far the most difficult to achieve is value innovation as it requires a fair amount of research and labor (not to mention creativity) to accomplish. In essence, value innovation is the simultaneous goal of achieving a new approach, service or offering combined with exceptional value for what is offered. This does not necessarily mean that the offering must be cheap, just an exceptional value. Fair process is offering the service with the recognition that it is done with fairness to those who are served. And tipping point leadership merely states that once the service or offering is designed and offered to clients, that a continuous effort is made to promote it, even in the face of initial resistance.

Examples of blue ocean strategy abound, but one in particular is the case of a financial advisory firm that was searching for such a solution. When confronted with the concept of differentiation, research was done and it was discovered that the owner had a special needs child. Even more, he had joined support groups for families with special needs children and had even begun to gain some of those families as clients. Yet, despite this, he had not explored pursuing this as a marketing niche or as a differentiation strategy.

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Special points of interest:

- > Finding Your Niche
- > Using Twitter Efficiently
- > Efficiency Tips and Tools
- > New Gadgets

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Finding Your Niche

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Once the decision was made, the website was re-tooled to reflect this specialization, marketing materials and advertising was re-focused on this concept. Within 18 months, the firm experienced a remarkable growth from families who had long searched for a financial advisor who specialized in this area and had, up to that point, been unable to locate one. And while this is an isolated case, it is an excellent example of how differentiation can make a substantial difference in a financial practice.

So, the question is: what steps need to be taken to develop and implement this type of differentiation strategy. The first step is to do a certain amount of soul-searching and introspection. Exploring your passions and your strengths/weaknesses can go a long way toward uncovering where your niche may lie.

A relatively simple Blue Ocean exercise to uncover your value innovation is called **ERRC**, which stands for **Eliminate, Raise, Reduce** and **Create**. The steps are in this order:

Eliminate: write down those aspects of your profession that could be eliminated that are those factors that the financial services profession have long competed on. This might include parts of your service offerings, fee structure, marketing methods, etc.

Raise: write down those factors of your practice that could be raised well above industry standards, such as communication methods, frequency, etc.

Reduce: write down those things that could be reduced well below industry standards (obviously without violating compliance rules, b/d requirements, etc.)

Create: write down a list of things that could be offered to your clients and prospects that the financial services profession has never offered. This might involve specialization in untraditional areas such as the aforementioned ‘families with special needs children’, or working with high net worth single executive women nearing retirement (the point is to seek out your niche, based on working with groups of potential clients in other, unique professions/lifestyles in which you may possess a unique knowledge).

What lies at the center of these four lists should be your unique value innovation, that aspect of your profession in which you may be able to re-tool your firm to specialize or capitalize on.

Once identified, the next step is to implement a strategy that not only delivers the new innovation, but provides a fair process in delivery. Fair process simply means delivery of products and services in a way that ensures fair value and recognition by the recipient of the quality of those products and/or services.

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Finding Your Niche (cont'd from Page Two)

To provide this, one way to start is to develop a value proposition or statement of the value and fair process. An example of such a statement might be as follows:

“XYZ Company provides financial security through a unique use of expertise in non-traditional investments diversified in a multi-asset class portfolio to provide stability in the value and growth of a client’s investments consistent with their current financial needs and future goals.”

The purpose of such a statement is to be able to articulate the unique value innovation that can be delivered to the client and to do so clearly and succinctly.

The final step is to re-tool your website, marketing and promotional materials to align with this message and to then deliver that message using Tipping Point Leadership. Based on the book *The Tipping Point: How Little Things Can Make a Big Difference* (first published by Little Brown in 2000), the tipping point is an examination of how change happens all-at-once, as the result of a consistent reinforcing element, such as a consistent and continuous message.

By that, the message is delivered to clients and prospects through a variety of venues and is consistently pushed out there over time. In other words this is not a ‘try it for a little while to see what happens approach’. We are talking about a long-term consistent approach to deliver that unique value innovation that is far more likely to yield substantial results than any other method.

Examples of this can be found everywhere, but one in particular involved a financial planner that placed a 2 inch advertisement in a local newspaper’s once-a-week business section. The ad showed her photo and the simple phrase “thorough and resourceful financial planning” along with the phone number. This ad was run for probably 20 years. And it fueled the substantial growth of this very successful firm over those years. In preparation for retirement, the ad was pulled and then changed later with the new firm’s principal, her son. Yet, people would still see her on the street and remark that they just saw the ad in the paper. It was so consistent; it was embedded in the memory of any and all who read that publication.

And while newspapers may or may not be the most popular advertising medium with financial advisors, the same approach can be taken with websites, social media, email campaigns, radio and television spots and a variety of other venues.

In short, using the value innovation approach can not only help you identify your niche, but also provide a highly efficient and easy to maintain system to dramatically increase the influx of new clients to your practice.



Using Twitter Efficiently

Twitter is one of the newest social media that is being used by financial practitioners and other business professionals. But, to use it effectively, one typically has to devote a certain time commitment to accomplish all that tweeting (typing) of messages. Or, do you?

There is a new software that may make the job of using Twitter substantially easier. TweetDeck makes it easier for publishers, marketers and power users to track the real-time conversations they care about. It brings more flexibility and insight to power users through a customizable layout that lets you keep up with the people and topics that matter most to you. And, you can join the conversation by tweeting, sharing photos and links to news stories, and more.

TweetDeck is the lone, rogue Twitter-owned client that doesn't appear to be governed by the same consistency rules of the information network's official web and mobile applications, but that doesn't mean it can't toe the line from time to time.

Case in point, the TweetDeck web and Chrome applications were updated Wednesday with two of Twitter's most enriching features:



header photos and expanded tweets. The additions improve how users experience Twitter profiles and individual tweets.

The header photos, introduced on Twitter.com and mobile apps last week, and are now visible on TweetDeck profiles as well and show off the personalities of users.

The client has also been updated with expanded tweets (pictured left), or Twitter Cards as they're also called, to provide users with article snippets, in-line with each tweet, from media partners.

"This card shows an image preview from the sites, a short description of the page and often a link to the author, giving you a handy summary of the link to help you decide whether to view the web page," TweetDeck product manager Richard Barley said in a blog post.

TweetDeck's latest updates are web-only, however, and haven't been carried over to the Mac and PC versions of the application yet.

Efficiency: Tips and Tools

New Version of Avaya Communication Manager Software Raises IP Telephony to the Next Level.

BASKING RIDGE, N.J., May 2 /PRNewswire-FirstCall/ -- Avaya Inc. (NYSE: AV), a leading global provider of business communications applications, services and systems, today announced the next generation of its Internet Protocol (IP) telephony software and applications to help businesses intelligently connect people and processes over global networks in a 24/7

world. The new products deliver IP communications with advanced levels of survivability, reliability and collaboration. This lets people remain productive from any location and allows business processes to continue functioning under the most challenging conditions.

The new products include the next generation of Avaya's industry-leading IP telephony software, Avaya Communication Manager 3.0, a core part of the company's suite of MultiVantage(TM) Communications Applications. In addition to new capabilities, this software provides support for open Web Services-based applications development to let developers easily create the next generation of business communications applications. This is achieved by a new version of the Avaya Converged Communications Server, a software solution that delivers the application protocol interfaces (API) of Avaya's new IP telephony software and the advanced functionality of Session Initiation Protocol (SIP), which supports real-time collaboration and presence.

Avaya software, systems and services target the issues that information technology (IT) executives face in deploying IP applications across existing, multi-vendor networks. Today's enhancements increase business continuity across work locations of any size and in any location. The quality of voice conversations held via IP is significantly improved and protected from "brown-outs" -- which are disruptions of quality in a network. Newly available, highly interoperable SIP solutions can speed decision-making, while allowing greater control over pervasive communications.

"For businesses to derive the true value of their networks, they require IP-based business communications applications that are highly survivable, reliable, open and interoperable," said Don Peterson, chairman and CEO, Avaya.

"Avaya has the full breadth of IP telephony solutions that deliver the intelligent communications organizations need today, coupled with a clear roadmap for tomorrow." New Avaya Products Take IP Telephony to the Next Level... **(Continued on Pg 6)**

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Efficiency: Tips and Tools (cont'd)

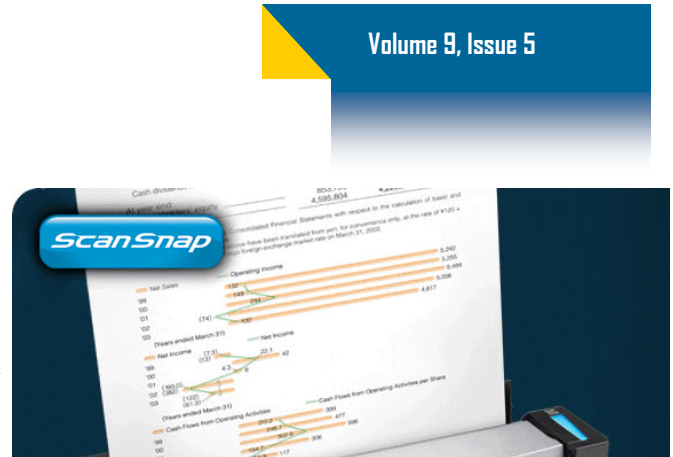
The new version of **Avaya Communication Manager IP telephony** software significantly increases availability across an organization. Availability is the continuous, reliable and secure operation of mission-critical applications. The software includes an array of choices for network survivability. For enterprise-wide survivability, businesses can now add an Enterprise Survivable Server in their network so that, in the event of a headquarters failure, communications continues throughout an organization with full feature functionality. At individual branches, Communication Manager delivers new business continuity features including call preservation when control transfers from a primary server to a local survivable processor, as well as simplified administration capabilities that allow every gateway on a network to automatically fall back to a primary server when it is back online, without manual intervention. Additionally, for IP calls transmitted between gateways, new Inter Gateway Alternate Routing enhancements solve over-crowding issues by providing alternate PSTN routes for calls on congested IP networks. New Avaya Application Assurance Networking solutions include network optimization software that helps businesses deliver more reliable, higher quality IP voice communications, video streaming and business processes (i.e. supply chain, customer relationship management). The new software, called the Converged Network Analyzer, improves communications over multi-vendor wide area networks (WAN), and helps avoid network brown-outs, that is, disruptions in IP communications. This is achieved by automatically identifying problems and choosing the best route for optimized IP performance, allowing quality issues to be solved before they reach employees. This includes a unique assessment model to inform IT administrators of quality issues through an easy-to-read ratings scale.

Collaboration is enhanced through Avaya's new SIP applications and phones, which let businesses deliver next-generation communications with the ease and speed enabled by industry-leading interoperability. Avaya's SIP solutions connect with multiple vendor's phones and systems, reducing the need to use specialized hardware to support SIP. New applications include a SIP-compatible conferencing application that supports up to 300 attendees, and a SIP Softphone, a virtual PC-based phone that merges voice with enterprise-wide presence and instant messaging. The SIP Softphone introduces 'drag-and-drop' conferencing to let users drag directory names into a conferencing window, as well as dialing via e-mail address.

New security management features let administrators authenticate users and authorize access to a network of gateways from a centralized console. "We are seeing a shift in value creation in the networking arena, driven by advanced business communications applications that are deployed above the transport layer," said Jim Metzler, vice president, Ashton, Metzler & Associates. "Avaya is uniquely positioned to lead this transition, with new products that once again redefine the expectations associated with IP telephony. By delivering new levels of availability, open interoperability and collaboration in converged communications, Avaya raises the bar on IP, and the applications that power this technology."

New Gadgets: Mobile Scanner

The Fujitsu ScanSnap designed to go wherever you go. This featherweight champion packs quite a punch. The ScanSnap S1100 is their most mobile ScanSnap ever. It's weight (12.3 ounces) makes it feel almost non-existent in a carry-on, and its dimensions let it fit practically anywhere. Scan all the paperwork you encounter from full-size documents to business cards and receipts and quickly get them out of the way and off your mind. Scan at speeds that won't slow you down. The paperwork that you pick-up along the way, can go away quickly. Scan a color, letter-size sheet in 7.5 seconds flat. Business cards and receipts even faster. And with Continuous Feed Detection (CFD), just insert the next page, ScanSnap takes the paper in and the effort out. Ready to be used on a PC or Mac. The optional Quick Menu allows you to quickly transition between different scanning intentions. Just press the scan button and choose what you want the ScanSnap to do:



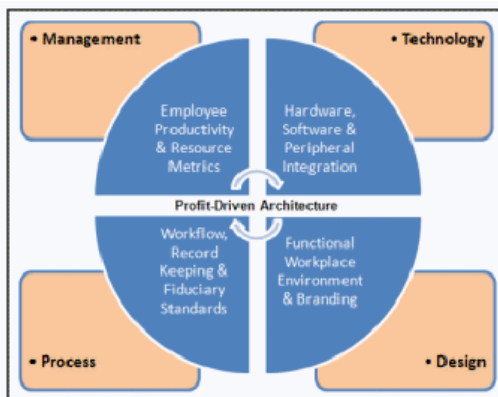
- Scan to Folder: Store scans to a folder, network folder, or to SharePoint (PC) or iDisk (Mac)
- Scan to Email: Eliminate faxing and share electronic documents over email
- Scan Business Card: Scan business cards and automatically extract contact information
- Scan to Print: Use ScanSnap with your printer to create copies
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