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Estate Planning Attorneys Boost Revenues by Marketing To 'Mid-Tier' Millionaires

BY CHRISTA ZEVITAS

Most estate planning attorneys would love to have a client-base packed with millionaires. But how do you reach them?

According to marketing experts, the key lies in understanding how millionaires search for legal advice. Unlike middle-class clients who look to print, radio and television advertisements when choosing an estate planning lawyer, "mid-tier" millionaires (those with a net worth between \$3 million and \$10 million) typically rely on referrals from their financial planners, accountants, stockbrokers and insurance agents.

"To attract mid-tier clients, you have to develop relationships with professional advisors who are in the position to refer them to you," says Jennifer Campbell, a marketing consultant who works with trusts and estates attorneys. "Research shows that these clients rely on word-of-mouth referrals from their advisors, marketing to those advisors is a much stronger marketing strategy than depending upon on television, radio or print ads."

Because millionaires need more complex work from estate planning lawyers than do average clients, you can charge them much more for your services – which means you can make more money with fewer clients.

Focusing on mid-tier millionaires, rather than high-end millionaires, is the way to go for solo and small-firm lawyers, according to attorney Hank Whittenberg. "The very affluent go to larger, more established law firms the same way they use the Big Five accounting firms," he says.

Marketing to Financial Advisors

Financial advisors aren't going to send trusted clients to a lawyer unless that lawyer has a reputation as an estate planning expert.

According to experts, there are three primary ways to establish this reputation.

Write for financial trade journals and local newspapers.

When financial professionals see your byline in one of their publications or in the business section of the local paper, it increases your credibility with them, Campbell notes. And articles should address current issues –

such as a repeal of a tax law – that affect mid-tier millionaires, says attorney Kyle Krull.

"Articles need to be problem heavy – you need to position yourself as the person who knows the problems facing mid-tier clients and the one who can implement solutions," says Krull, president of Integrity Marketing Solutions, a marketing and practice development firm for trusts and estates attorneys in Carrollton, Mo.

Campbell, who founded Integrity Marketing with Krull, adds that you can double your credibility by writing for a legal publication.

"This shows referral sources that you are respected in both fields," she says.

Whittenberg – a contributing writer for the tax journal *Conspectus Current* – goes one step further and sends his articles to 150 referral and potential referral sources.

"I include a cover letter that tells a bit about the article," says Whittenberg, who practices with a three-lawyer firm in Lynnfield, Mass. "It also encourages them to give us a call if they have any clients with the particular concerns the article addresses."

Send monthly newsletters to financial advisors

Newsletters should also address issues facing mid-tier millionaires. Lawyers who have had success with this approach recommend hiring a marketing professional to write the newsletter.

"I used to write my own and it didn't generate any business because [my writing] tended to be bogged down in legalese and people didn't follow it," says Chuck Moore, partner in a two-lawyer firm in Daytona Beach, Fla. "About three years ago, I started using a newsletter put out by Integrity Marketing Solutions and have gotten a lot of feedback from it from insurance agents, brokers and bankers."

Marketing experts also know how to put together visually appealing newsletters that people will read. This means that those on your mailing list probably won't throw your newsletter away with their other junk mail, notes Greenville, S.C., attorney Frank Warren.

According to Bill Chandek, owner of a two-lawyer firm in Brookfield, Wis., many financial advisors want to learn more about estate planning so they can better serve clients.

"If you're giving them that education through newsletters, then they'll be more open to a [professional] relationship with you," says Chandek.

Thomas Ray, who uses the same monthly newsletter as Moore, goes one step further by sending out a monthly fax. The fax – also compiled by Integrity Marketing and entitled "The Fax on Estate Planning" – explores one of the issues addressed in the newsletter in greater depth.

"This means that in any given year, I've had 24 contacts with a referral source," says Ray,



Mid-tier millionaires rely on word-of-mouth referrals from their financial advisors, so marketing to those advisors is more effective than television, radio or print ads, says Jennifer Campbell, vice president of Integrity Marketing Solutions

an estate and tax planning attorney with a two-lawyer St. Louis firm. "And that's not including phone calls and other contacts."

Krull suggests including media contacts on your newsletter mailing list. He does, and recently appeared as the main source in a Kansas City Star article as a result.

"I send the newsletter to the newspaper's business editor, and this is the third time in three years that he's taken an idea from it and used me and my clients as sources," says Krull.

Speak at continuing education seminars for financial professionals

Campbell notes that many of her attorney-clients hold the mistaken belief that hosting estate planning seminars will bring in millionaire clients.

"These seminars attract lower tier clients because they're geared towards do-it-yourselfers," she says. "But millionaire clients aren't do-it-yourselfers. They don't paint their own homes or build their own decks and they're not going to create their own estate plans, either."

The best alternative, says Campbell, is networking with employees of financial institutions and encouraging them to invite you to speak at their seminars.

Being a guest speaker at one of these seminars – assuming you do a good job – positions you as an expert and draws in more business.

Moore is a case in point.

He'd been networking with three local State Farm insurance agents for about a year. A few months ago, one of those agents was promoted to regional manager and asked Moore to speak at the region's meeting for State Farm agents.

"I talked about estate tax planning opportunities related to using certain insurance products," says Moore. "It was a success – at the end of the meeting, many agents came up to me, gave me their business cards and said they had clients in mind who could use my services. I was booking consultations with their clients the following week."

Once you've gotten your name out to referral sources on a regular basis, you should call them to set up in-person meetings.

"I have lunch with them and make a point not to talk much about business," says Moore. "I talk about fishing or whatever comes up. This way, they get to know you personally. And if they like you, they're more likely to send business your way than to send it to the five other estate planning lawyers in your town who could do a good job, but who they haven't met."

Warren takes a different approach and visits financial advisors at their offices. "I believe many people – financial advisors included – perceive lawyers as high-and-mighty, so going to their offices helps [get rid of] that image," says Warren, partner in a two-lawyer firm. "And when I'm there, I spend 15 minutes

talking with them about what I can do for their clients and offering myself as a resource."

Big Financial Rewards

Lawyers who have changed their marketing strategies to actively target financial advisors say their revenues have skyrocketed from advisor referrals.

Take Krull, for example. In 1995, his marketing efforts focused on middle-class clients and he frequently hosted his own estate planning seminars. The result: Less than 10 percent of his clients were millionaires and he grossed about \$200,000 that year.

"The problem was that those clients would only need me to draw up documents like living trusts," says Krull, who practices with a two-lawyer firm in Overland Park, Kan.

The following year – in an effort to bring in millionaire clients and increase his revenues – Krull marketed almost exclusively to financial advisors. He began sending out a monthly newsletter to financial advisors and writing more for trade publications. By April 1999, he was making nearly \$500,000 a year largely as a result of the millionaire clientele financial professionals were sending him. That year, approximately 60 percent of his clientele were mid-tier millionaires.

"I am doing fewer, [more complex] plans and getting more money for them," Krull says. "Plus, I was working with clients who appreciated the work and service, and I in turn enjoyed the relationships with them more. This then led them to refer me to their mid-tier friends and business acquaintances, which brought in ever more business."

His marketing efforts also landed him a position as Federated Insurance Company's regional attorney.

"We'd been sending the newsletter to the regional manager [of Federated Insurance] for about four months when the company decided to send its top two marketing people around the country to select a trusts and estates attorney for their client base in the western half of Missouri and the eastern half of Kansas," says Krull. "[The regional manager] recommended me and I was selected."

Whittenberg offers another success story. In 1997, millionaires composed approximately 25 percent of his practice. Towards the end of that year, Whittenberg began actively marketing to financial advisors.

By mid-1998, those professionals were regularly referring their mid-tier clientele to him. As a result, two-thirds of his clientele were – and continue to be – mid-tier millionaires.

"Since [mid-1998], our revenues have more than doubled every year," notes Whittenberg, who attributes the majority of that financial success to the increase in mid-tier clientele.

Keeping the Relationship Solid

In order to maintain your professional relationship with financial advisors – as well as the cycle of referrals they generate – it's

essential to update them regularly on their clients' estate planning.

"This way, they develop greater confidence that you know what you're doing. And they like you to include them so that they can do a better job for their clients," says Vernon Hyde, a solo in Oklahoma City. "So with my clients' permission, we send out status reports to their [financial] advisors telling them what has taken place and what assistance the clients will need from them as a result. For example, once I've completed a client's plan, I'll send the CPA [referral source] a list of documents that were drawn up, a short form of any trusts that were involved and a diagram showing how the particular client's plan was structured for tax purposes."

Campbell notes that it's also important to send written 'thank-you' letters to referral sources. She advises her client-attorneys to do so at least six times in the estate planning process. "You should send the [client's] financial advisor a 'thank-you' and an update every time something happens with that client – such as when you receive the referral, when you schedule the first appointment and when you meet with the client," says Campbell. "If you don't write, the advisor thinks nothing is going on and he's halfway angry if he calls you to find out what's going on. So it's best to be proactive."

Hyde stresses that "it's the never-ending series of contacts with these professionals that reinforces your relationship with them" and brings in a "steady flow" of mid-tier millionaires.

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