



SOCIETY OF ACTUARIES

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Are You a Commodity or an Expert?

by David Wolfskehl

How do you answer the question for your firm: “Are you a commodity or an expert?”

Most actuarial firms are commodities. Building a micro-niche boutique within your firm and capitalizing on the expertise of your partners and staff can change your answer.

Now answer the same question about yourself: “Are you a commodity or an expert?”

Chances are very good that you are a commodity as well. Developing a micro-niche boutique within your firm, capitalizing on your expertise, will change your answer, too.

Being a commodity is not fun. Yet many actuaries reject the idea of building a micro-niche because they fear missing opportunities by narrowing their focus. Their approach to getting new clients is to go anywhere and to accept every prospect who walks through their door. You must recognize that no firm can or should be an expert in everything.

I hear firms talk about fee pressure every day. I also hear them talk about the frustration and the time spent preparing and answering a large number of RFPs. This is the price of being a commodity. Professionals often tell me their clients do not deal with them in ways that make them feel respected. They believe they are constantly hassled about price and the risk of their clients leaving for another firm hangs over them constantly. They also commonly tell me they do not feel their marketing is effective.

My response to these complaints can only be, “Stop being a commodity!”

When you are a commodity:

- Clients will switch to another firm over small price differences.
- You will receive few referrals.
- Clients and potential clients will not be willing to wait for an appointment and they will not be loyal to you.

- You will always be negotiating price and spend a great deal of time responding to RFPs.

The only way to move your firm away from commodity status is to become an expert with a well-defined micro-niche.

When you become an expert with a micro-niche business, you can target your marketing and get more clients by focusing on the *right* prospects. You will spend less time at “cattle call” networking events and focus your time and attention building strong centers of influence. You will stop responding to RFPs and build your business with people who seek you out and referrals (from centers of influence). As an expert, you will be able to differentiate yourself (or your firm) based on your micro-niche business rather than on price, location or a host of other characteristics.

If you want to stop being a commodity and command the respect you deserve, you must:

- Analyze your client base for areas in which you excel.
- Analyze your competition for areas in which you can stand apart.
- Analyze your team for unrecognized areas of experience or expertise.
- Focus your marketing.
- Sharpen your focus on targeted prospects.
- Invest in cultivating needed expertise within your staff.
- Think smaller in order to grow larger.

Here are **11 steps in creating expert recognition:**

1. Create a Press Room page on your website. Populate it with your logo and with basic information describing your business and your credentials. Write and post to this page regular press releases/media releases about unique aspects of your thinking, any new credentials you earn, speaking engagements, webinar announcements, etc. When members of the media recognize you as an expert, they will



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CONTINUED ON PAGE 30

- start turning to you for insight on the industry.
2. Use industry jargon freely. Even if you think it will sound strange to some people, it will position you as an industry insider.
3. Seek out and accept as many speaking opportunities as possible. If you are extremely uncomfortable speaking in public, focus your time on writing and publishing.
4. Join all of the appropriate associations. Display their logos on your website, particularly in the “about us” section and your home page.
5. Create useful cutting-edge free resources for people in your industry. Make them available at conferences, trade shows and other gatherings, as well as on your website.
6. Write and publish. Write articles for publication and distribution on your website, in your newsletter, by subscription, and through appropriate article directories.
7. Write special reports, white papers and other resources designed to be helpful to your ideal client.
8. Offer question and answer forums on your website.
9. Offer webinars and other informative programs using media preferred by your ideal client.
10. Do for yourself and for your firm what you are selling to others.
11. Write reviews of books in the field and publish them on your website and on book review and book selling sites.

You will know you have moved from commodity to expert status when your referral sources (clients, colleagues, centers of influence, other contacts) stop looking at you as a *quid-pro-quo*. In a commodity relationship, you can expect a limited number of referrals because you can only make a limited number of referrals to your sources. When you achieve expert status, the same sources will look at you and give you referrals because they know you can truly solve the client’s problem.

Are you a commodity or an expert? Which would you rather be?

About David Wolfskehl

David Wolfskehl is President and CEO of DGW and Associates, the parent company of The Practice Building Team, a consulting firm that helps professional services firms create powerful business solutions for their practice in those areas in which many professional services providers feel the least confidence. The Practice Building Team helps our clients grow their business from the inside and from the outside by providing training, support and a clearer focus. Watch for David’s forthcoming book The Micro-Niche Method. Visit us online at www.tpbtteam.com. ●