

## GENERATIONAL SELLING TACTICS

Cam Marston



# In changing times, the young will lead

*It is inevitable that your business will change, so pay attention to the trends, not the fads*

*“Come gather round people, wherever you roam  
And admit that the waters around you have grown ...  
Then you better start swimmin’ or you’ll sink like a stone  
For the times they are a-changin’”*

Was Bob Dylan ever right. In the past five to 10 years, attitudes toward behaviors once considered fringe — tattoos, legalization of marijuana, same-sex marriage — have become acceptable and, dare I say, welcomed into the mainstream. And just as in the 1960s, most of the changes in today’s world are driven by youth.

Business disruptions are no different. No disruption to the consumer marketplace or to traditional national ideals ever occurs without significant buy-in, perhaps even championing, by young people. Today’s millennial generation — roughly 85 million people between ages 14 and 34 — has the power of youth, the power of huge numbers and, increasingly, the power of the wallet.

Today the advisory business is nervously biting its fingernails about which disruptive idea will hit and from where. Will robo-advisers take over the traditional adviser role? Will fee structures have to change dramatically to match consumer demands?

There is no way of knowing exactly what the next disrupter will be, but there is no doubt the water is rising rapidly.

### CURRENT IS FAST

Advisory firms need to start swimming. The only trouble is, no one knows which way the current is flowing. There’s no good way to prepare for what you don’t know is coming, and this, rightfully, makes people nervous. Predictability is key to building and managing a business and change erases predictability.

But change is also opportunity. And in this business, it is the opportunity to connect with and engage a new generation that has been underserved by the industry.

Millennials started entering the workforce during the recession, in an era of astronomical increases in college costs. Many have been struggling with debt, unemployment or underemployment, and many are full of the hedonistic “live in the moment” vigor of youth. As a result, saving and retirement planning are considered too far out on the horizon to worry about today. That thinking is going to change swiftly.

With that coming of age, I anticipate a Dylan-esque change to the financial advisory industry, because these young people will bring with them new ideals, new demands and new values.

David Zach is a friend who defines himself as a futurist. He’s created a simple way of understanding the forces that shape our society and, for the purposes of this column, the way you conduct business. He divides them into three categories: fads, trends and principles.

Fads come and go. They enter and exit quickly and don’t have much of an impact other than as a

distraction or as a relief from the day-to-day. Think “ice bucket challenge.”

Trends last longer and take hold for a while. They demand your attention and you must acknowledge them for fear of being left behind. Think presence on social media.

Principles are fundamental. They don’t change. They’re a key part of the human experience. Think connection.

Humans need to be connected. How they connect has changed and will continue to change in ways we

can’t fathom. Those changes are the trends and fads, but the underlying need is fundamental.

And this is where one of our founding fathers comes in. Thomas Jefferson is said to have advised that “in matters of style, [one should] swim with the current; in matters of principle, stand like a rock.” And so you must find that balance between the trends of rising waters and the fundamentals of your business.

Will its delivery change?

Absolutely it will. How? There’s no good way to know. But you can lend your hand to the development of the next generation and try to predict, or at least prepare for, the next likely disruption.

Watch the way your children (or your friend’s children) engage experts in any industry. Also pay attention to the way they respond to engagement by experts. It’s a subtle difference, but the push-versus-pull approach is important in a world where the con-

sumer has increasing power.

Then make some assumptions, try them out and gauge client feedback. With a mind toward the future and a bit of luck, you may become an early adopter of the inevitable, and as yet invisible, change. You’ll be able to say, in a small way, that you saw it coming.

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For archived columns, go to [InvestmentNews.com/generational](http://InvestmentNews.com/generational)

# A keeper

Morningstar, June 6, 2014

## Fidelity Advisor Total Bond Fund (FEPIX)

9 RPAG™  
SCORE†

fi360  
FIDUCIARY  
SCORE®\*

7  
3-YR AVG

11  
5-YR AVG

fi360 peer group:  
Intermediate-Term Bond

Number of peers:  
738 (3-year average), 572 (5-year average)

Scoring: Good: 9–10; Acceptable: 7–8; Watch List: 5–6; Poor: 0–4

■ Passed: 0; Appropriate: 1–25 ■ Watch (2): 26–50 ■ Watch (3): 51–75 ■ Watch (4): 76–100

This core fund uses a repeatable, team-based investment process along with a risk management framework that carefully balances return potential against risk.

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### All scoring as of 6/30/2014.

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For investment professionals.

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