

Marketing Compassion

Advocacy programs can transform an advisory practice.

By Eva Marer

Rob Densen, former senior vice president and director of corporate affairs at New York-based OppenheimerFunds Inc., stretches his legs in the glass-walled conference room of his office in Manhattan's Flatiron district. Densen is awfully relaxed for a man credited with some of the most legendary PR jujitsu on Wall Street. One campaign he helped create, Oppenheimer's Women & Investing program, for example, put that firm on the map.

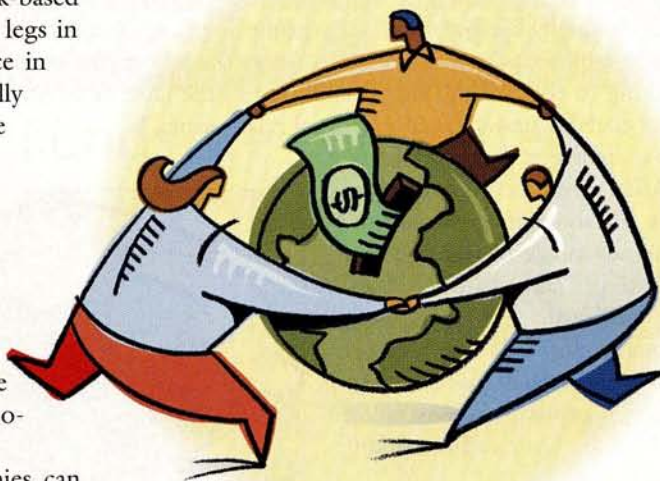
At 51, Densen, who is perhaps most respected among insiders for helping pull Oppenheimer from the rubble of September 11 (the firm had offices in the World Trade Center), has earned his composure—and his idealism.

Now he's a man on a mission. "Companies can make the world a better place and make money doing it," he insists. Last year, Densen left his lucrative job on Wall Street and opened Tiller LLC, a consulting firm devoted to helping companies do just that. Densen uses the phrase "Cause Commerce" to describe the intersection of love and money that he believes exists in every business including his clients, Sears, Roebuck and Co., Merrill Lynch Investment Managers and American Century.

"Every company has something socially useful in what it does. Our job is to identify it, build on it and express it in a way that builds their reputation and gets people to self-identify with their goods and services," he says.

The catch: You have to mean it. "Consumers will reward you with their business, but you have to be a warrior, a true advocate." And unlike feel-good "affinity marketing," where a company allies itself with some cause in hopes of gaining reflected glory, Densen measures his success in actual business metrics, whether sales, market share or assets under management.

Densen believes Cause Commerce applies equally to large corporations and to financial advisors, who, he says, are in a unique position to restore the faith and financial wholeness to investors bruised by



the corporate and Wall Street scandals of the past three years.

Granted, such programs may make sense for powerhouses like Sears, which generates \$41 billion in annual revenues, but what about Densen's assertion that financial advisors can profit from advocacy programs, too?

Some lessons learned at Sears could apply to advisors, Densen says. He was brought on board to evaluate an existing advocacy program, The Sears American Dream Campaign. With minority home ownership 18% lower than the national average and foreclosure rates through the roof, Sears announced in 2002 a five year, \$100 million commitment aimed at helping minority homeowners stay in and improve the value of their homes.

The program itself was simple. In certain targeted, underserved markets, volunteers and retired Sears repair technicians inspected homes, evaluated appliances and counseled homeowners on keeping their property in good repair—all free, of course. Densen advised the company on how to educate the broader public through outreach programs, non-profits, the Internet,

in-store promotions and public and media relations.

One key to understanding advocacy marketing, he says, is that the people who directly benefit from the campaign (say, minority homeowners) may not be the same people who drive purchases, at least initially. But the long-term business implications of doing the right thing are enormous: It burnishes the Sears brand, generates goodwill among the broader public, and calls attention to a key slice of Sears' business—its product repair arm, which serves full-service customers and do-it-yourselfers alike. And it taps a market of minority homeowners that Sears would eventually like to own.

In a similar fashion, some advisors are already working to educate and support the financial goals of underserved markets: widows, divorcées, younger clients, the South Asian medical community, the middle class. For some, it may be as simple as taking advantage of research and program materials already offered by brokerage firms, such as OppenheimerFunds' Women and Investing, which Densen continues to chair, or the new program he is working on with Merrill Lynch Investment Managers.

"We're still doing research on the consumer shortfalls that could drive an advocacy program, but we know it should be comprehensive, thoughtful, and linked to our core business so that we have a demonstrable and credible way of providing value," says Hannah Grove, managing director and chief marketing officer. "And it should run like a nexus through all our efforts, including sales visits, educational seminars, media, PR, and at the same time make sure we have appropriate products and services that match up."

Densen and Grove believe financial advisors can apply the same rigor, albeit on a smaller scale, in their individual practices—and that such advocacy platforms make particular sense for fee-only advisors. "Advocacy programs can develop reputational awareness, goodwill and integrity, and that's good for the advisor. But there should be a bit of philanthropic inclination in there, too," he declares. And depending on the topic—from cancer research to the environment—an advocacy plat-

form can give advisors a whole new target market to mine.

In a commodity business, do-good programming can be a powerful differentiator. For financial advisors, the need to stand apart in the marketplace may be even stronger than for large corporations, says Cathleen Stahl, a senior consultant at Tiller. "Many advisors need to inject more passion into their marketing effort," she says. "Instead of getting a mailing list of all the rich women in town and sending your business card to them, it's picking some substantive issue that's meaningful to you and to them and finding a way to affiliate with this group in a meaningful way," she says. "Then the services become a benefit you bring to the table as an offshoot of a real relationship."



That's true for Stewart Koesten, CFP, of Koesten Hirschmann & Crabtree in Overland Park, Kan. Of the \$90 million managed by Koesten's firm, roughly 30% of it comes from what could be called Cause Commerce. "My goal was to find things that I was really passionate about and then get involved, not for the purpose of doing business but because I felt strongly about them," he says. "An upside is that people really get to know you and your character, and they seek you out to do business."

Koesten's passions are scouting, the arts and his classic car collection. He admits that scouting has not brought in much business, but that being involved in the arts and classic cars has placed him right in the midst of his target clients, executives of public companies. He has also set up referral programs with the local arts council, Jewish charitable orga-

nizations and classic-car clubs.

Clients often have causes in which they are interested, and an advisor certainly can help them support those causes. "Like clockwork Americans give over \$240 billion to charity every year, and our research shows they are looking to their financial advisors for guidance," says Chris Blunt, former head of strategic planning at Oppenheimer. These days he is CEO of GivingCapital Inc., a distribution company that partners with companies such as American Express, JP Morgan, Bank of America and Salomon Smith Barney to provide donor-advised charitable gift funds.

Blunt says he has raised \$50 million for charities by helping advisors market these philanthropic instruments, which act almost as private foundations while helping investors avoid capital gains taxes. "I know that there are probably at least a trillion dollars worth of appreciated securities that Americans are sitting on, one reason being that they don't want to absorb the tax hit. What gets me charged up is that even if 1% is freed up, that translates into \$15 billion to \$20 billion for charities, and at the same time investors are happy knowing they have donated to charity and avoided the 15% to 20% in capital gains." It's these win-win situations that Densen and Blunt urge advisers to seek out.

Charitable giving comes naturally to Laura Tarbox, CFP, of Tarbox Equity Inc., in Newport Beach, Calif. She now spends about 20% of her time volunteering. "When I had my daughter five years ago, I thought it was important to get involved in charities she could understand," Tarbox says.

So she switched her affiliations and became involved with Child Aid (to support literacy in Guatemala) and Canine Companions, an organization that trains helping dogs. Tarbox has already traveled twice to Guatemala, once with her daughter. "I meet a lot of people who are wealthy and have gotten good business out of it, but I regard that as a bonus. I do not get involved in boards where my heart's not in it."

She spends a lot of time discussing children and philanthropy with her clients, who are looking for ways to instill a sense of charity in their children.

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Because Tarbox has done a lot of research in this area, she is able to educate her clients and bond with them over a similar interest.

Sometimes, your own heart is the best place to find a cause to advocate, says Marilyn Dimitroff, CFP, of Capelli Financial Services in Bloomfield Hills, Mich. "I've done a lot of work looking at who I am and what's important to me. It started at a certain shallow level—I wanted people to succeed financially. That's evolved so that now I look at how to help people live their dreams, whether

that's philanthropic, education or family oriented goals. It's really important that I follow my own dreams, too. So, for example, I got away from the office recently and went to Ireland for two weeks to shoot black and white photos, which is my passion. Following my own dreams lets me encourage others. One of my clients was in her fifties, but she had always wanted to go to college. I helped her see she could afford to do it, and deserved to do it. That sense of supporting our clients' dreams drives our business philosophy, the way we set up prices and

procedures, how we attract clients, and how I make decisions ultimately. It also ensures that we end up with like-minded clients who want to have a deep relationship and are not bitter and selfish. We want to see joy in our clients' lives."

A lot of companies can't sustain year-long, let alone decades-long, initiatives, Densen says, but financial advisors often can. Follow your heart and give it a try, he says. "Go ahead and take your sword out and fight for consumers," he adds. "If you are a true advocate, they will reward you with their business." ©