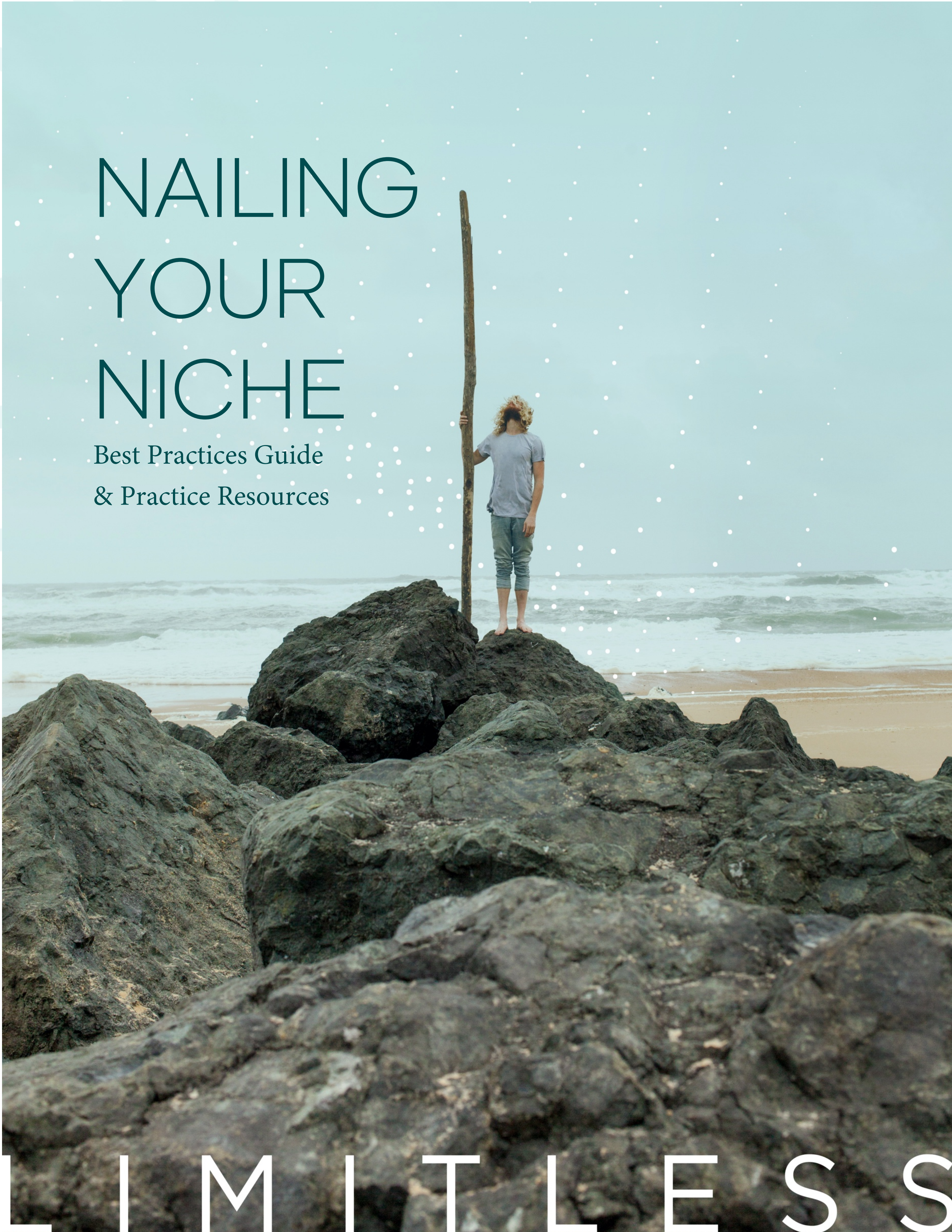
NAILING YOUR NICHE

Best Practices Guide
& Practice Resources

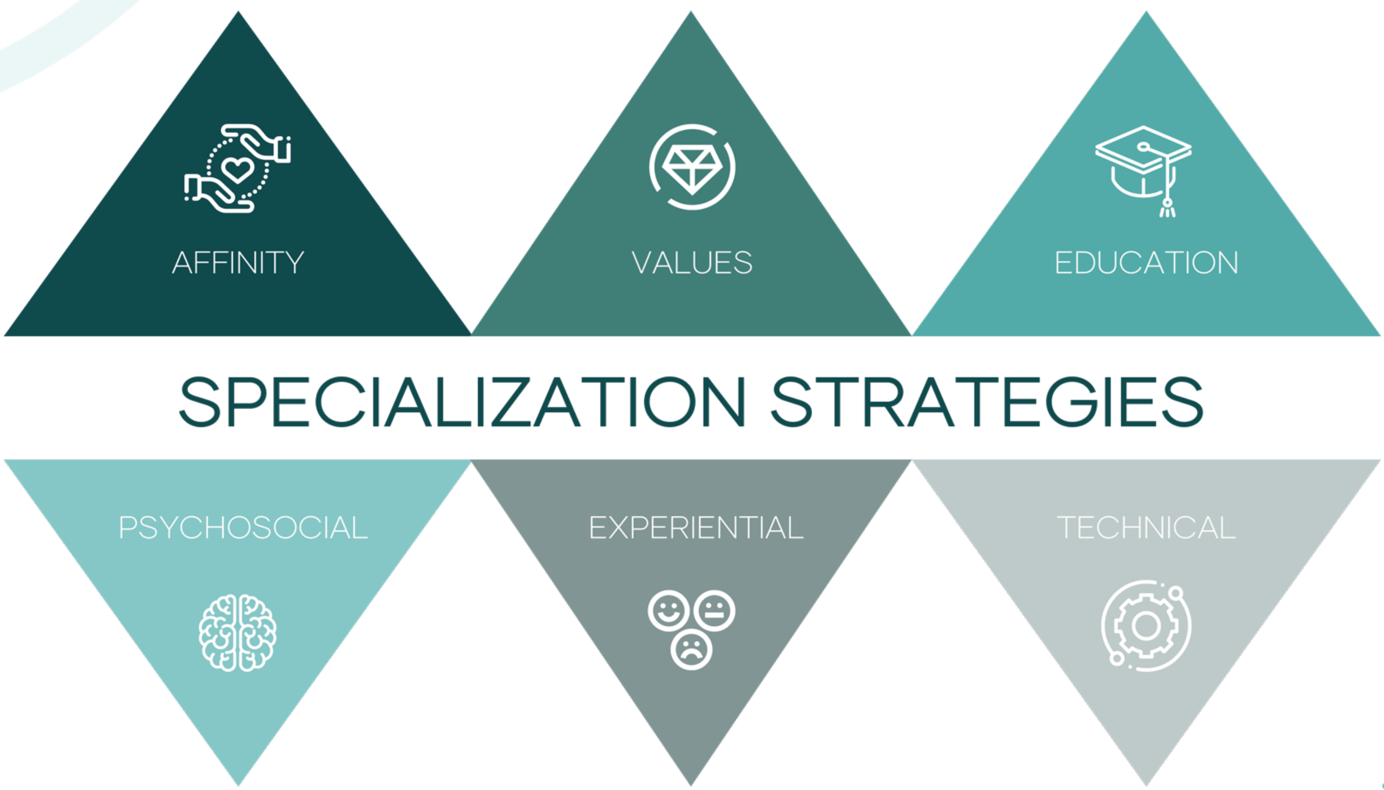


LIMITLESS

Nailing Your Niche

Your task as a limitless advisor is not only to do a better job, but to do a better job differently. Cultivating a rock-solid niche will create an instant area of opportunity, allowing you to better define your purpose and engage deeply with both prospects and clients. Existing clients will also feel completely taken care of and be more likely to trust your area of expertise as someone who is perfectly suited to serve them.

Remember, you only have 50-100 seats on your bus—reserving those for clients who you truly want to serve is the goal! The first step in creating a lasting, powerful niche-based business model is identifying which of Michael Kitces' six niche categories you will specialize in:



Cultivating a clear niche creates the opportunity to deeply penetrate a narrow market with a truly differentiated offering. Defining a niche allows you to deliver massive value by delivering specialized services that cater to your clients' unique situation, needs and goals, helping you connect and engage more deeply while delivering greater value. Michael Kitces offers the following six niche categories to choose from (or find one of your own).

CATEGORY	DEFINITION	EXAMPLES
AFFINITY	Sharing common social circles	Yacht club PTA College alumni
VALUES	Sharing similar philosophy, life values	Hospital board Big Brothers/Big Sisters Church/spiritual groups
EDUCATIONAL	Imparting critical life transition knowledge	Inheritance receivers Retirees within 5 years Lottery winners
EXPERIENTIAL	Promoting "best" or "very different service"	The Coffee Shop Advisor Totally virtual services
PSYCHOSOCIAL	Guiding during life transitions	Divorcing women Widows/ers HNW single parents
TECHNICAL	Providing advanced, highly specialized services	Advanced tax planning Federal employees

Often, becoming a specialist sounds appealing, but advisors get stuck determining what they want their niche to be. Understanding the six niche categories can help you think creatively about who you want to serve and why.

Best Practices & Resources

Making the move from generalist to specialist is a key step in becoming a limitless advisor. Narrowing your focus accelerates your growth by allowing you to market in a direct and differentiated way, attracting a steady stream of clients with whom you do your best work and can add the greatest value. According to a 2017 study*, in service fields like medicine, people are willing to pay specialists as much as 5.7x more than generalists. The narrower your niche, the greater your opportunity for differentiation and specialization.

GENERALIST → SPECIALIST

GENERALIST

- A broad knowledge base
- Resources are spread out
- Higher number of leads, lower conversion rates
- General marketing

SPECIALIST

- Expertise in a single area
- Resources are consolidated
- Low number of leads, high conversion rate
- Micro-targeting

First, identify your broad niche (e.g., pre-retirees), then narrow to a more specialized niche (pre-retiree, within 5 years of retirement), then—as your interest and confidence allow—move to a truly narrow niche (pre-retirees, w/in 5 years of retirement, want to retire and do "dream job") that allows you to craft a truly differentiated brand, marketing message, value proposition and service offering.

STEP 1: GETTING STARTED

We can let our initial fears overwhelm our ability to move forward. Defining and building your niche is not complicated, but these steps can take time and effort. It requires us to fully commit to a specialized way of branding ourselves. Remember, there is a turning point where your success depends not your ability to say yes, but your ability to say no. If you find yourself hitting any of the following roadblocks, take these actions:

"I don't have a niche and I'm not sure where to start."

1. Define your ideal client: Use the Define your Niche tool to identify which of the six niche categories is a natural fit in your practice. Are there already trends within your existing client base (use the Top Client Niche Inventory to assess this if you are not sure)? Also, look for overlap between a market need and a shared interest (local organizations you belong to) or desire to pursue (what do you get excited about technically?). If you need to, conduct client interviews to help you make an informed decision (see Client Interviews Guidebook for topics and an agenda). For most advisors, their niche develops naturally from where they already have connections!
2. Define your service: What actual services will you deliver with your unique expertise? How will you get paid to serve your target clientele? Laminate it and make no exceptions.
3. Develop your brand/messaging: Write down exactly how you position yourself to appeal to this niche. What is your message about yourself?
4. Focus your marketing plan: Transition existing marketing to be more specifically tailored to your niche and cultivate new ideas for tapping into that market.

* Daley, Beth. "Why do Specialists Get Paid So Much and Does Something Need to be Done About it?" *The Conversation*, March 6,

"I have a niche, but I need to grow it."

1. Transition your non-ideal clients: Practice scripting that includes statements such as, "We discovered that we do our best work with clients who… We genuinely want to see you meet your goals and feel that you would be best served by working with…"
2. Deepen your services: Identify ways that you can provide deeper, not more, services for your clients. Ask yourself questions like, "What keeps them up at night?" to delve into potential areas of deeper service.

"I have a niche, but should I narrow it?"

1. Micro-target your marketing: Further define your niche according to their demographic, geographic and psychographic data. This data can then be narrowed to tap into your niche's buying behaviors, opinions and interests. Often, interviewing clients is the optimal way to both gather this data and make sure you are best serving existing clients.

STEP 2: COMMUNICATING CHANGES

Next, decide whether you would like to burn your ships (old is out, new is in!) or create a steady transition (make new friends but keep the old). Being able to be fully committed to your new niche creates increased focus and effectiveness by allowing you to market 100% to your niche, take on only new niche clients, commit fully to your brand and allow for a quicker transition of non-niche clients. However, making the decision to go "cold turkey" can be daunting. If this is the case, you'll need a steady transition strategy that includes narrowing your marketing and prospect profile, allowing for a broader brand with specialties and transitioning out non-ideal clients over time.

Determine how you will handle non-ideal clients and referrals. Practice scripting, such as, "Thank you so much for spending time with me this afternoon. I have good news for you. I know someone who specializes in exactly what you need…" Critical to your success is to instantly stop taking clients outside your niche.

STEP 3: CONTINUING TO REFINE

Once you have identified your niche, focus on continuing to truly know it. This can include micro-targeting through data analysis or simply asking, "Do I know the in-depth issues that my niche faces?" Ask yourself what challenges keep them up at night, such as work or industry issues and financial challenges. If you do not know, do some research. If you do, continue to look for ways to provide services and educational content that will support their needs.

Remember, serving a niche is a process—a 3-year plan—that will be in continual refinement. It's a cycle of making a choice, monitoring the results, and tailoring your services to serve the niche ever better. You may not reach your "final" niche from your initial decision—and that is fine!

Nailing Your Niche Resources

Find available samples and resources on the member site.
Editable versions are available.

- ❒ Use *Define Your Ideal Client Profile* to get clear on your target client and get inside their head in order to address their specific needs, concerns and motivators
- ❒ Take time with the *Selecting a Niche* tool to hone in on the best focus area for your hyper-specialized services.
- ❒ Fill in the *Top Client Niche Inventory* as you move toward greater definition and commitment to your ideal client niche selection.
- ❒ Seek and implement real-life client feedback using the tools in your *Client Interview Guide.*