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Case study

Building a business with bricks and clicks

Mahesh Enjeti, SAI Marketing Counsel

Private Wealth Network (PWN) is a boutique knowledge-driven business in the multibillion-dollar 'private' high net worth advisory space. The private wealth market in Australia is known to be the third largest in Asia-Pacific and the 11th-largest in the world.

Richard Milroy, PWN's lead promoter, launched the business in 2006 as Dealers' Group, a specialist event management company hosting workshops, master classes and educationals for non-banking financial planners, advisers and accountants pursuing high net worth SMEs and private businesses.

Dealers' Group and its competition served a finite segment of over 3000 independent financial advisers who represented less than 30 per cent of the industry's revenue, the rest being held by advisers affiliated to banks or other large financial institutions.

Milroy's sound experience in publishing and knowledge/event management, and his proven skills in marketing, combined to draw high-profile presenters and sponsors who, in turn, helped build strong delegate numbers. Up to a dozen Dealers Group events organised each year came to be well regarded for the quality and independence of their industry insights, practice management tips, and topical updates around areas such as taxation planning, superannuation strategies, business continuity, insolvency, turnaround, restructures, exit options, asset protection, and so on.

CHALLENGES AND CHANGE

For Richard, this success didn't eclipse the underlying challenges of growing competition and eroding margins. Simultaneously,

the broader financial services industry in Australia was experiencing seismic shifts from the cascading effects of the Global Financial Crisis. Richard also saw the emergence of fee-based models as presenting a new opportunity.

The firm began reinventing itself on three fronts: (1) target the relatively untapped niche market of wealthy families (who were not as scarred by market turmoil); (2) re-brand the business as Private Wealth Network (from Dealers' Group), a name that better reflected its new focus; and (3) deploy digital channels to further build on the trust and loyalty of personal relationships established through its events program.

The shift from valuable firms to wealthy families meant a revamped event portfolio that specifically addressed the knowledge needs/gaps of financial advisers, lawyers and accountants who operated largely in the 'Family Office' market (an industry term used to describe the private holdings segment) and some of their clients. Learning outcomes were centred on wealth management, understanding of stakeholder motivations and conflicts, generational changes, estate structuring, self-managed super funds, legacy planning, and tax strategies relevant to private entrepreneurs and affluent family units.

The name change signalled the business's new priorities. As in the case of Dealers' Group, a generic branding was an attempt to own the mind space in a growing category. The replacement of the word 'Group' with 'Network', although subtle, emphasised the 'community' platform on which PWN's enhanced customer engagement strategy would be founded. Importantly, this also signalled the new relationship dynamics (between PWN and its clientele, as well as among the clients themselves) and how the



business would utilise digital communications and social media in future.

Until then, PWN's online presence had limited applications. Alongside advertisements in trade publications and direct mail to 'rented' lists, brochure ware and event registration links on the PWN website (privatewealthnetwork.com.au) served as the main communication channels. The process of enrolment was replicated for each individual event, leading to recurring costs that meant a lower return on investment overall. There was little effort to establish and nurture an ongoing relationship that engendered delegate loyalty and certainty of ongoing sponsorship agreements.

A MEDIUM TO SUPPORT, RATHER THAN SUPPLANT, EXISTING RELATIONSHIPS

The new strategy of leveraging digital as a medium to *extend the relationship* with customers, rather than merely *expand the market*, emanated from Richard's recognition that a customer relationship is founded primarily on the strength of 'face-to-face' engagement at a PWN event and the quality of learning and sharing experience it creates. However, it was important to enhance the relationship by involving participants before, during and after the event. 'Virtual relationships are stronger if you have already established a "trusted" relationship with someone in the real world,' says Richard.

Richard commissioned Simplygy, a boutique digital service provider, to comprehensively review PWN's use of the new medium. Hasnain Zaheer, Simplygy's chief digital consultant and strategist, explains that the 'intent here was to transcend the business from a "transaction" to a "relationship" focus—i.e. shift from a single, discrete, event-centric experience to multiple, ongoing, offline and online interactions'.

THE BEGINNINGS OF A NEW ENGAGEMENT

PWN and Simplygy developed a dynamic framework involving a range of touchpoints. Each touchpoint was designed to strengthen the relationship further while encouraging delegates to form their own 'knowledge networks' that allowed mutual conversations and community exchange of ideas, information and connections.

- Blogs prior to an event helped kindle interest as well as generate discussions that could be carried over to the workshops. A strong linkage between the 'virtual' and 'real' communities was thus established.
- During and after the event, blogs also served to extend conversations between attendees.
- *Knowledge*, a valuable repository of articles, newsletters, etc., enabled access to stored learning.
- A monthly newsletter, *Private Client Adviser*, facilitated ongoing dissemination of relevant and updated information.

- Specific metrics were established for online visitation targets and monitored through Google analytics.
- The PWN website was optimised for all major search engines and featured in relevant, industry-specific directories.
- Google AdWords campaigns were launched to coincide with major events.

SALIENT BENEFITS MAKE STRATEGY SCALABLE

The initial success led to a scaled increase in digital investment and the tangibilisation of the concept of 'knowledge networks', which introduced for the first time formal membership to PWN. Paid members were entitled to admission to future events at a special price; more importantly, they received invitations to exclusive webinars and business luncheons, access to restricted knowledge on the PWN website, topical podcasts and more.

Richard Milroy summarises PWN's foray into the digital space thus: 'We did not instantly jump on the bandwagon of new media. We embraced it incrementally to suit our business model and created multiple opportunities for conversations between events so our customers remain continually engaged.'

DIGITAL AS A CATALYST FOR GROWTH

The strategy of sustained engagement has produced tangible business outcomes beyond tactical metrics, such as the enrolment of 100 new members within weeks, a threefold increase in web traffic and a 30+ per cent open/click rate for monthly newsletters. 'The increased interest among sponsors in reaching a "community" rather than participants attending a one-off event has resulted in greater dollar value and, importantly, assured ongoing revenue from extended commitments,' says Richard.

The network concept has also opened up opportunities to diversify PWN's revenue streams as members increasingly purchase books, videos, luncheons or other knowledge capsules besides events. Richard has begun to replicate his successful business model in other growing sectors such as 'sustainability'.

PWN's knowledge networks are a 'brick-and-clicks' business with a difference. The firm establishes a deep-rooted connection with its clientele through its many events hosted at 'brick-and-mortar' venues. The 'clicks' then become the 'mortar' that cements the relationship as it grows stronger.

Sources: Interviews with Richard Milroy, founder director, PWN and Hasnain Zaheer, director, Simplygy; <www.privatewealthnetwork.com.au>; <www.simplygy.com>; 'Private banking in Australia', Austrade, June 2010.