Q&A
Introducing SRI to Prospective Advisory Clients

In 2017, Bob Goellner and his partner Max Mintz of Common Interest Financial converted their practice to 100% Socially Responsible Investments (SRI).

SunStar Strategic's Q & A with Bob details how he did it.

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TELL US ABOUT YOUR SRI PRACTICE AT COMMON INTEREST FINANCIAL.

We call ourselves financial wellness councilors. We previously looked at ourselves as a family wealth management practice. We've gotten to the point now where we are doing so many things that the idea of financial wellness consulting or counselling seems to be more accurate.

HOW DID YOU GO ABOUT CHANGING TO A 100% SRI PRACTICE?

At the beginning of last year, we were about 20% fee based and the rest was commission driven. We've flipped that so that now we're 98/99% fee based. We also went to 100% SRI and we're going to stay there. The last thing is we've changed broker-dealers. We're now with Vanderbilt Securities. They understand Socially Responsible Investing (SRI) and what we're doing.

To convince the clients that this brokerage firm change was important, we needed to turn the clients on enough so that they filled out the paperwork as soon as possible. My partner Max Mintz and I had a fireside chat by video with all our clients and told them about the change and how it would provide better service. That video worked so well that we got almost 50% of the paperwork back within the first four days.

After the video, we brought the clients in. One by one, we reintroduced them to our new persona vis-a-vie SRI and Vanderbilt. We showed them the "then" version of our SRI sleeve on the website and by the time we were done, the buy-in was 110% enthusiasm. They couldn't wait to get all their portfolios lined up. Previously, we used a core/satellite portfolio design. The satellites were sector ETFs, and that was not SRI; it was just pure capitalism at work.

Now we have found a vendor that is going to do that same satellite momentum sector rotation process but using ESG (Environment, Social Responsibility and Governance) screens. At the end of the day we picked up almost $7 million new dollars from existing clientele, some of whom go back 20+ years due to the degree of enthusiasm we generated by explaining SRI in ways that we had not explained it previously.

DESCRIBE HOW YOUR EXPLANATION TO CLIENTS DIFFERED FROM THE APPROACH MOST FIRMS TAKE.

We try to make it as easy as possible. First, we're able to say that this is the way we do it with enough conviction that there is no plan B or C. Then, we start at the top of our SRI page with the United Nations Sustainable Development Goals and then we go through the whole logic of SRI/ESG investing and shareholder advocacy. So, we just do the talking with our "show and tell" material ablaze on the website. Initially you can see interest, but skepticism. Then the skepticism begins to be replaced by understanding, questions, and enthusiasm. By the end they can't wait to get started. It's a very subtle communication process. See commoninterestsfinancial.com

IS THERE ANYTHING ELSE THAT HELPS YOU ESTABLISH YOUR FIRM AS AN AUTHORITY IN RESPONSIBLE INVESTING?

We are a certified B-Corp. The “B” stands for Benefit, and the idea is that the B-Corp folks are using their business in such a way as to be a benefit to the world around them such as their clientele, the community they’re living in, and all that. The B-Corp has quite a network and we’re doing a good bit of marketing through that network. Recently, we got a call from a lady in Amsterdam who is writing a book and found us and wanted to hear our story. Last evening, we had a pre-arranged call from a young lady in Colombia who is doing really nice work there with a non-profit in terms of helping teach financial literacy. Those are all from B-Corp members. That’s happening more and more as we gain exposure.

SO, YOU DO A LOT OF NETWORKING WITH B-CORP AND ASSOCIATED COMPANIES?

Yes, and we also do a lot of public speaking. We’re deep into the SRI industry. We have talked to both business schools at Fairleigh Dickenson University. The audience was staff, teachers, MBA students, and undergraduates. They loved it. We’re also going to speak at Rutgers’ business school in July [2018], which will be a multifaceted engagement. We will speak to students, then MBAs, and then the head of the department wants us to speak only to the faculty of the business school.

So we’re doing public speaking a lot and are going to be doing more. I also just got approved and sent the paperwork to compliance to be a sponsor for CPA continuing education credits. Our subject is all about SRI and were going to go quite deep. We’re going to do SRI/ESG scoring, sustainalytics, metrics, and materiality maps; we’ll give one heck of a course.

DOES YOUR THOUGHT LEADERSHIP COME WITH A LOT OF CONTENT CREATION OR IS IT PRIMARILY FROM SPEAKING ENGAGEMENTS?

Both. Our website has been the driver. Down in the lower right corner is a little green box that says, "Schedule an appointment." Everyone that wants to make an appointment with us gets sent to our website to make an appointment with the scheduler tool. And its for their own benefit as they get to pick the time and date that works for everybody.

It also gets them on our website. So, they really roll around and get to know us. It is designed to predispose them to all of what we're about; and it really does work. We're like old friends to them by the time they come through the door.

DO YOU KEEP TRACK OF WHERE THEY'RE GOING ON THE SITE? ANY SPECIFIC SUCCESSES?

They normally go to the "About Us" page as well as the "SRI Investing Page" and "Services." We can see on analytics the direct path they take. We can also adjust. We've also made significant changes in the SRI sleeve.

WHAT TYPE OF CHANGES?

We've changed the content, the delivery, and we've put a whole bunch of videos up. There are three clusters of videos and there are about 3-4 videos in each.

Everything is also clickable, so you can keep drilling into subjects. For instance, there's a video on the SASB, (The Sustainable Accounting Standards Board). Once you get into that video you can drill, and drill, and drill, and eventually you'll end up with a materiality map from SASB, which is also clickable.

There's about two hours of video and probably two hundred pages of white papers on there.

WOW, THAT'S A LOT OF CONTENT.

We do little things too. Every year near the holidays we "gather the troops" and come up with a theme for the year. This year it was to buy bio-gas stoves for indigenous people who are rural. Right now, they're burning dung and wood, so the bio-gas stoves clean their internal atmosphere tremendously. Also, the women in these communities are the ones who normally get the fuel for the fires. They spend a lot of time collecting the fuel; now they don't have to, so they can self-actualize in whatever way they need to. This is all through Heifer International.

The rest of the year we celebrate client birthdays including parents, children, beneficiaries of IRAs, friends, and whatnot. We send a card and we pluck language from Heifer's website that explains the issue that we're dealing with (like bio gas stoves). I'll write them a hand-written letter as well that says basically "imagine that your birthday is going to have a global impact this year," or for kids, "Imagine that your birthday is going to help a family live a better life." We also post that birthday wish on both Facebook and LinkedIn, and we get likes from people we don't even know.

At the 2018 US SIF Conference, Bob facilitated a conversation Introducing SRI to Prospective Advisory Clients and how to market that practice.

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