



Grow your business with ethics-driven marketing (Part I)



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ETHICS-DRIVEN MARKETING is the practice of using your good ethics to grow your business. It involves defining and documenting your personal ethical beliefs, evaluating your business practices against those beliefs (and fixing them if needed), and communicating your ethical values to differentiate yourself in the marketplace.

Is ethics-driven marketing ethical? And should you be ethical because it helps your business — or because it's the right thing to do? Let's deal with the second question first.

In the June column (page 128), we discussed several reasons to practice good ethics. They ranged from getting client trust and respect from other professionals to preventing bad publicity and maintaining regulatory freedom. We later heard from a reader who questioned this approach. "Doing the right thing for the right reason is the condition of moral action. Self-interest (client trust and customer loyalty) does not constitute the right reason," the reader wrote. "The only ethical reason for doing the right thing is recognition that it is the right thing."

To that we say, "You are absolutely correct." We blurred the distinction between the reasons to be ethical and the benefits of being ethical. You should never be ethical because of what you stand to gain. Rather, you should do what's right because it's morally appropriate. As Confucius once said, "The mind of the superior man is conversant with righteousness. The mind of the mean man is conversant with gain."

But our approach makes sense for us at NEB. That's because we are not evangelists. We do not wish to preach to financial practitioners about the virtues of good conduct. We're all in business, not

church. Nor are we moral philosophers. We don't want to get overly analytical about the meaning of ethics — debating, for example, how many ethical advisors could dance on the head of a pin.

However, we do believe passionately in the need to clean up our industry. And we believe the way to do that is for ethical advisors to make their values known to all — and then to let the marketplace decide who wins: the shady shysters or the ethical advisors.

So the question becomes, is it ethical to leverage your good ethics? Yes. The more you promote your ethical business practices, the more clients you will attract and help. Given how many consumers are clueless about funding retirement, this is absolutely the right thing to do.

Similarly, when you broadcast your ethics to the marketplace, you will improve the climate of our industry and motivate other advisors to follow you.

Finally, when you do ethics-driven marketing, you are telling the world what you stand for. To quote Confucius again, "To see what is right and not to do it is want of courage." The courageous thing is to market your ethics for the benefit of your clients, firm and industry. Part II of this column will show you how.

i Don't miss Steve McCarty at Senior Market Advisor Expo Sept. 27-29. For more information, visit www.seniormarketexpo.com.

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