

# Compelling Conversations

## Conversations About Your Practice And Team



Everything you hope to accomplish... begins with a conversation. Because what we do as an industry is so complex and abstruse, what we say and how well we say it is often what differentiates us and our practices from the competition. In an increasingly virtual industry, how we frame our business model, express our value proposition and articulate our thoughts, insights and convictions, have become progressively more important over the last decade. We all sound the same and as a result the clients/prospects assume that we are. For the vast majority of financial advisors, when it comes to communication, whether in written or verbal form, we are a left-brain industry attempting to communicate with a right-brain client. We are far more comfortable speaking to the head with information, data, charts and graphs, than to the heart using analogy, metaphor and story.

Like most of life, this is not an either/or proposition. Recent neuroscience studies show that we most often make decisions based on emotion and then justify and execute them based on reason. So the former is the catalyst for action and the latter hopefully ensures that your emotions don't take you over a cliff.

## Recurring Conversations: A Key to Your Success

In the span of an average week, we often have well over 100 conversations with both clients and prospects, most of which are extemporaneous, situational and very tactical. However, given the nature of our profession, we have many "recurring conversations," where we say the same things over and over again to different clients and/or prospects, on the same topic or situation. These conversations are your "scripts," which more often than not, simply evolved over time. This guide will help you begin to consciously architect those conversations that are designed to achieve the desired outcome—a thriving practice and a satisfied clientele. Feel free to modify these so they fit you comfortably and stylistically, but be sure to maintain the underlying theme and structure.



## Your Value Proposition

### “What Do You Do?”

Eloquently and concisely describe what you do for your clients.

“Our team was built to answer the two most fundamental questions that anyone has of our industry: ‘Will I make it?’ and ‘Do I have any financial blind spots?’ When you strip away all of the white noise, at its essence, these are the two most critical and profound questions that anyone has in their financial life.

It’s not just what you say...but how you say it. Use metaphors, analogies and stories to speak to both the clients’ head so they understand, as well as their heart... so they are spurred to take action. Remember, none of this will likely “ring true” if you don’t run your practice guided by this architectural and philosophical framework.

“Question #1 asks, ‘Will I make it?’ In my 25 years of experience, the vast majority of people I’ve met haven’t even defined ‘it’ so most people don’t have a down payment on a clue whether they’re going to actually make it to all of their financial dreams, goals and aspirations. So, the first thing our team does is go through a deep discovery process where we help you define everything you’re trying to accomplish in your financial life with a high degree of specificity. We then take everything you’re currently doing financially, lay that on top of your goals and tell you definitively whether you are, in fact, going to make it. If the answer is yes, we pat you on the back and say, ‘congratulations you’re well on your way.’ If the answer is no, we surface the shortfalls and challenges and give you rational solutions to get back on track.

“Once we’ve answered Question #1, we move to Question #2: ‘Do I have any financial blind spots?’ or ‘Is there anything I’ve overlooked that could do myself, my family or my business harm?’ Because there’s nothing sadder in life than marching off toward all of your dreams, goals and aspirations only to get blindsided by something you didn’t anticipate. So, our team does a 360° look at you from a financial perspective, looking for any risk exposure you haven’t uncovered. Once again, if we find something, we’re going to surface the issue and give you rational solutions to close that risk exposure.

“At the end of this exhaustive journey, you will have answered the two most fundamental and profound questions you’ve ever had of my industry and your financial life, ‘Will I make it?’ and ‘Do I have any financial blind spots?’”

## Your Customized Approach

### “So How Do You Do It?”

Explain how you incorporate a “professional model” of leading with process, rather than a “sales model” leading with product, to help your clients achieve their unique and personal financial objectives.

“Now let me take a moment and explain how we accomplish this. We have incorporated the same three-step approach practiced by all great family physicians. When you meet with your family doctor, the first thing they’re going to do is go through a diagnosis. In the diagnostic phase, they are going to focus on three areas: your past medical history, your current symptoms, and, if they’re really good, your long-term objectives for your overall health. They are then going to take all that data, all that content, all those insights and come back with the prognosis. Then, and only then, will they come back with a specific, targeted treatment regimen designed to take you on your unique medical journey.

“We utilize the same three-step architectural framework in our practice. Step one is deep discovery. In the discovery phase, we focus on three areas: your past financial history, your current financial structure, and your future financial objectives for your long-term wellbeing. We then take all that data, all that content, and all those insights, and come back with a written plan of attack. Then, and only then, will we come back with specific, targeted recommendations designed to take you on your unique financial journey.”

### Take Action

#### Applying This 3-Step Process to Your Practice

- First, we go through a deep discovery process where we look at your past financial history, current financial structure, and future financial objectives.
- In our second step, we do a thorough and in-depth analysis, and return with a written prognosis and comprehensive plan of attack.
- Then, and only then, can we offer specific treatment (i.e., written recommendations) necessary to help achieve your overall financial objectives.

## Don't Compete on Price

### "Taking the Fear Out of Fees"

Historically, financial advisors have been a little wary of discussing their fee structure with their clientele. With increasing transparency, regulatory pressures and the rise of roboadvisors, this fear seems to have increased.

**Regardless of the catalyst, there are only two real reasons that a financial advisor might be reticent to discuss fees:**

- 1. They haven't formulated a simple and elegant way to articulate the rationale for their fee structure. Fortunately, this is a relatively easy fix.**
- 2. The advisor has a nagging suspicion that their practice isn't worthy of their asking price. This is a much more difficult fix but not impossible to overcome.**

So let's tackle the more challenging issue first. If a financial advisor feels that their practice may in fact not be worthy of referrals, how can they determine whether that assessment is accurate or not? We have created a diagnostic toolkit that allows you to benchmark your practice against a best-in-class model. We use the metaphor of the house to illustrate the structure of your practice. That house, your practice, is comprised of four rooms: the New Business Development Room, the Wealth Management Room, the Client Service Room and the Practice Management Room. We give you five questions to answer per room that will give you an accurate barometer of how well each component of your practice is performing.

The two rooms upon which you will be judged most harshly by your clientele are the wealth management and client service rooms.

- The wealth management room is where you analyze the complex challenges facing your wealthiest clients, architect a comprehensive set of solutions, and most importantly, implement all of the discrete components that are necessary to actually fulfill the plan. It is this final step that is often missing. Too many advisors, once the assets come in and the portfolio is structured, fail to follow through on the remainder of the plan and therefore leave the client, their family, and often their business exposed to significant risk.

You must understand that portfolio management, as a singular value proposition, is becoming increasingly commoditized and digitalized, and is therefore being priced accordingly. It is only a comprehensive, fully integrated and implemented wealth management approach that is capable of maintaining healthy and justifiable margins.

- The client service room must rapidly evolve from a generic and often reactive engagement model to one that is highly personalized, systematized, and proactive. We have put together a comprehensive tool titled, "Client Engagement Toolkit" to help you systematically analyze, hone, and refine both your wealth management implementation structure and your client service platform.

**Once these two "rooms" are optimized you can now have the following conversation with new and/or existing clients to explain your overarching fee structure.**

"There are two ways our industry charges for its advice, products, and services: commissions on transactions and products, or fees based on assets under management. We utilize the fee structure for the following reasons:

1. Charging a small fee each year rather than a large commission at the beginning of a relationship means that we are rewarded based on the longevity of our relationships. As a result, our comprehensive wealth management approach, our highly personalized and long-term investment strategy and our concierge level client service model, have all been designed to help you and your family achieve all of your long-term dreams, goals, and aspirations.
2. Charging a fee also puts us on the 'same side of the table as our clients'; as your assets and income grow, so do ours, and if we have a downturn in the markets, it impacts us as well. At the end of the day, our success reflects yours.
3. And finally, it allows us to remain completely agnostic with both our advice, and our selection of products and services necessary to fulfill your comprehensive financial plan. Whether our advice is to buy, sell or hold, whether our product mix is individual securities or utilizing professional portfolio managers, our fees remain constant. Our clients know there is never an economic incentive to move them in and out of particular investments or products to generate revenue."

In closing, basic investment advice and portfolio management is under immense pressure from discounters, regulators, and robo-advisors. If that's all you provide, your clients are likely questioning why they are paying fees for a service they can either outsource at a lower cost or obtain from another advisor who also addresses their needs above and beyond what has now become the expected norm. However, if you help relatively wealthy clients solve their complex financial challenges by providing nuanced financial insights, philosophical and historical context to keep them buckled into your investment strategies, and a comprehensive set of solutions to bring order to their financial lives, your clients will stay, and even better...they'll sing your praises to their friends, family, and colleagues.

## Your Team Rationale

### "So Why Are You on a Team?"

Explain the rationale, structure, and value of your team in helping clients "pick the lock of complexity" in their financial lives.

You could have the most sophisticated and elegant practice in your community, but if you sound like every other advisor, your prospect will never give you the opportunity to demonstrate how different you are.

"Mr. and Mrs. Jones, we have formed a team because of a single concept, and that concept is complexity. I could make a great argument that life has never been this good, however, I could make an equally compelling argument that life has never been this complex. And, ironically, the wealthier you are, the more complex your financial challenges become. They get to a point where you need the fully integrated capability of three institutions, the banking industry, the brokerage industry, and the insurance industry, to handle your complex financial challenges. Historically, the only way to accomplish this has been to have a couple of banking relationships, two or three brokerage relationships, and



a couple of insurance people, all living in their respective silos, attempting to give you the insights and solutions necessary to deal with your complex financial challenges. The problem with this approach is the left hand doesn't know what the right hand is doing. You often get contradictory information and/or redundancies. Because one person is incapable of knowing all that's necessary to deliver these institutional capabilities, we've formed a team of highly specialized individuals to bring to our clientele the capability, depth of knowledge, and insight necessary to address their complex financial challenges. We then wrap this capability in an overarching, comprehensive wealth management plan of attack, which we designed shoulderto-shoulder with our clients to ensure that everything that must happen... does happen."

Establishing a coherent and compelling rationale for your team can dramatically expand both the perceived and actual value you are capable of bringing to your clients.