

Structuring Better Relationships With Clients

Executive summary

David MacDonald, Head of Learning Solutions at Hubbis, chats with Hubbis CEO Michael Stanhope about how relationship managers (RMs) can improve their relationships with clients. In his experience, MacDonald has seen that beyond the establishment of trust and rapport with clients, a wealth manager-client relationship is difficult to quantify. RMs often wrongly assume that because their client is doing business with them, there is some level of trust. However, this may not really exist to a very a deep level. He says the key to building better relationships lie in being able to strike a balance between leading and following during interactions with clients, seeking feedback and checking whether clients feel that they are delivering value or not. On the recent rise of FinTech in the banking and wealth management industry, MacDonald believes that the RMs who will come out on top of the situation are the ones who learn to leverage FinTech and encourage clients to use it wherever and whenever necessary, freeing the RM to focus on more important and more valuable aspects of the client relationship.



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DAVID MACDONALD IS THE HEAD OF LEARNING SOLUTIONS, the training division at Hubbis that provides wealth management practitioners with both premium online content and learning materials for fulfilling critical, regulatory and other industry compliance requirements, and impactful and relevant skills & competency development.

A veteran banker with three decades of hands-on industry experience, MacDonald now focuses on the development of mid and senior managers, working with many international and Asian-based private banks, wealth managers and other financial services institutions. Projects completed include work with: AXA, BSI, Bank, Bank of Singapore, Barclays Wealth, Coutts, HSBC and Prudential, RBS, among others.



No timeframes

On how long it takes an RM to develop a real relationship with a client MacDonald believes that beyond establishing trust and rapport, a relationship is difficult to quantify. “Often, a lot of client-facing people assume wrongly that because their client is doing business with them, that there is some level of trust,” MacDonald observes. “But that may not really exist, at a deeper level.”

“There have been institutions who have gone headlong into a particular FinTech initiative, quickly realised they have made a mistake, and have had to back out quickly.”

MacDonald cautions against RMs taking client relationships for granted. The usual pitfalls when it comes to building trust and rapport with clients include not testing the waters with clients, not seeking feedback and making assumptions. “Many advisors never actually check with their clients on whether they feel they are delivering value or not,” he adds.

Leading versus following

A ideal balance can be found between leading and following when it comes to conversations with clients. In the behavioural self-assessments that MacDonald uses with clients, the median between the extremes -

a tendency to follow and to just do what is told, and having too much to say and not enough time to listen - is where RMs need to position themselves, because neither extreme is ideal for building long-term relationships.

MacDonald defines this. “The balance between leading and following is having the presence of mind and the ability to lead an exchange when it is necessary. But most of the time, it is allowing the client to feel they are in control of the relationship, of the meeting, and of their ultimate decision.”

FinTech ‘unstoppable’

MacDonald views the growing trend toward the digitalisation of financial services as an ‘unstoppable’ thing. However he cautions against the adoption of FinTech initiatives without doing the necessary research. “There have been institutions who have gone headlong into a particular FinTech initiative, quickly realised they have made a mistake, and have had to back out quickly.”

“Generally speaking, the rise of FinTech and the ability of clients to do certain things without human contact - more quickly, reliably and cheaply - is always going to be the case.”

He believes that the RMs who will come out on top of the situation will be ones who leverage FinTech and encourage clients to use it whenever necessary. “It frees them up to do more important things, like spending more time on relationship building aspects, to deepen and broaden their client relationships.” ■