

What clients really want!

“We have a great promotion of higher deposit rates and a mutual funds/TD bundle that lasts for only three months”, I said to the 45 year old client, who was on my hot list to call.

“Tempting but where does it fit in my goal of funding my 11 year old daughter’s college?”

I was stumped and blurted that this will help her reach the goal sooner.

Sounds familiar?



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THE \$250 TRILLION WEALTH MANAGEMENT industry (CS Wealth Report 2016) is well-staffed with advisors, as I was once at renowned banks in NY and later in Asia and Middle East, that primarily focus more on sales targets than clients family needs targets.

So why do some advisors/firms consistently generate asset growth, called Net New Money (NNM), while most don't?

Here is the secret I culled from the best practitioners at Wall Street firms and global private banks over 30+ years and is not a formal survey or study. Clients want 'Worth' and there are 4 traits of effective "financial doctors": caring, competence, convenience and communication.

1. CARING:

No surprise, they genuinely care for their clients, demonstrated in constantly asking, sincerely listening to clients about their dreams and life aspirations. They ask six key questions that show they want to truly understand the clients as persons first and clients later.

The questions are:

1. What, when and where do you envision yourself retiring, paint a picture for me? Or your child going to college?
2. What does money mean to you?
3. Which comes first, money or happiness?
4. What memorable impact would you like to be most remembered for?
5. What is the link between your physical health and financial health?
6. More tangibly, shall we talk about your life key milestones?

Tips on demonstrating Care:

- We are anatomically built to listen more and speak less and should practice that proportionately.
- We are clients ourselves with the same dreams and aspirations as our clients. Hence, treat others like we treat ourselves. Our favourite FM channel is WIIFM, (what's in it for me) and our most satisfying T-shirt slogan is MMFI (make me feel important) and so it is for our clients.
- Anticipate a need and grab the moment of truth. A 'wow' experience or a 'gasp' moment when the client is moved emotionally is what Ritz Carlton and Disney focus on, and builds life-long loyalties.
- Saying no. One of my best sales of a financial product was when I told the client not to put a million dollars in a product he was keen to buy, as it was not suitable for him. I earned his trust and his introductions (not 'referrals') for life. Even if it does not happen, it is right thing to do.

2. COMPETENCE:

This is a critical yet not sufficient ingredient. It is our professional responsibility as 'financial doctors' to help clients plan their financial life to achieve their life goals for themselves and their families.

Clients expect the advisors to know the markets behaviour, the mega trends to identify opportunities - both strategic and tactical - and a clear demonstration of differentiation vs competitors. Then the process of sharing the information based on the client preferred manner of connecting.

Tips on demonstrating competence:

- When a Black Swan market events takes place, which is the new normal, be the first to call your clients, armed with charts to explain what happened, why it happened and most importantly, what it means to the client. This is a unique opportunity to become a combination of three roles as the client contact person: RM as the human touch (caring); investment banker for bespoke deals (customising) and Risk Manager (competence), to help clients navigate the constant volatility in the financial markets and achieve their goals.
- Practice ABE, always be educating; respectfully. Determine the propensity of each client for degree of interest in market information and send them the information most relevant to their psyche and need.
- Develop and repeat the perennial 'truths' with conviction. These are:
 1. we cant predict the future, we can plan the future
 2. the power of time; start now
 3. the power of compounding; reinvest
 4. the power of ARI (automatic regular investing)
 5. the power of AA: startegic and tactical
 6. rebalance regularly

3. CUSTOMISING:

Clients are only interested in knowing how they can achieve their goals. They don't care how much you know, until they know how much you care. Successful advisors help clients understand the How. First, identify clients dreams and ambitions in the context of life-stage goals like protection for loved ones, education, retirement, savings and borrowing for big ticket and legacy planning. Use a simple financial planning tool (aka financial health check) that captures the aspirations, the current situation of what a client owns, key life milestones (marriage, home purchase etc), what she owes and what she wishes to achieve, factoring-in the risk and time horizon. This is generally a 4-step process. Identify need and risk tolerance, conduct asset allocation, recommend product solutions and service and disciplined rebalancing and tactical adjustments of the portfolio.

Tips on Customising:

- Agree with the client about her preference of type of relationship. Discretionary, advisory, execution or most likely a combination.
- Based on above, agree with client upfront on how and how frequently she wishes to be contacted.
- Start by conducting a proactive portfolio review of all assets, liabilities revenues and expenses.
- Subsequently, conduct periodic reviews, factoring-in client preference and your recommendation.
- 'Educate' your client that a planned, agenda-led Periodic Review is best use our the time and most beneficial to the client. Share the agenda in advance as that will generate optimal results during the meeting.
- Conduct the client engagements on a pre-agreed regular basis. Similar to the reminder by the dentist for a teeth cleaning reminder. A rule of thumb is 12-4-1. 12 contacts a year, 4 financial reviews F2F and one invitation to an event of client's liking. Offer clients the E2E engagement model from advisor to digital. The world belongs to Robo+Advisor, not Robo vs Advisor!
- Explain to your clients that:
 1. you will never sell them anything they are not ready to buy for a goal
 2. you will help them in reaching the best decisions
 3. you will always be transparent on the fees charged- both direct and hidden- and share how you get paid.



4. COMMUNICATING:

This mantra to becoming the primary advisor is to practice ABC (always be communicating). In the past it stood for 'always be closing' ie selling! Effective communication is the art of tying the three Cs- caring, competence and customisation- in a seamless manner, such that each interaction is a memorable experience for the client.

Tips for effective communication:

- Prepare well for each interaction, whether F2F or remote. Propose a solution to an expressed need or pain-point and discover a new need or concern.
- Develop client engagement in creative ways. For example, organise regular business roundtables for business owners to share trends. They will start viewing you as different and genuinely caring.
- Develop relationship with clients family. Find opportunities to educate the inheritors of your clients wealth. About \$40tr is being transferred to the next generation.
- Behavioral psychologists are always popular with clients. Arrange small groups of like-minded clients to a session and invite their children.
- Anticipate client needs. For example, a client is sending her child to Boston for college. Find out the home prices and rentals and send to the client, in case they plan to buy or rent a flat. This is akin to someone showing up with a cold, wet towel and a drink, when you are roasting by the resort pool.
- Always ask for introductions to friends and family members who can benefit from your services. Generally called referrals, this is the single biggest engine of an advisors business practice growth. The best time to ask is when a client is delighted by something you have done or arranged, like the events above.

To recapitulate, Lou Holtz, the winning coach of Notre Dame University said “Do right. Do your best. Treat others as you want to be treated”.

Follow these steps on the road to becoming the trusted, primary advisor to your clients. The one they will turn to first on all matters related to life goals. ■

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