ALTIUS
LEARNING

SIX STRATEGIES FOR EXPERIENCED ADVISORS THAT ALWAYS WORK

I started coaching financial advisors 27 years ago as a newly minted office manager, and it's been a core part of my job ever since. My training company's success is based on how effective my recommendations as a coach are. We customize each of our recommendations and action steps to our individual clients. However, there are six strategies that we know always work for the experienced financial advisor: once our clients implement them we know their practices will grow significantly.

Mindset

The most successful financial advisors believe to their core that they make a positive difference in the lives of their clients. They believe that they are financial missionaries and can guide their clients towards reaching their life goals. They don't "ask" or "sell"; they "offer" and "help" those clients that are fortunate enough to work with them. Yet many experienced advisors don't give themselves enough credit for the good work that they do. These advisors focus on the recommendations they make that haven't worked rather that the majority of the recommendations that have.

One of my coaching clients once told me, "I am at the top of my game to provide financial advice that will help my clients reach their goals. I have learned from my past mistakes, living through many different market environments and have accumulated the wisdom, experience and perspective that is invaluable to my clients in guiding them toward reaching their financial goals."

This quote is what I call a positive affirmation. Use this one or create your own and refer to it every day to remind yourself of all the good work you do.

Set and Track Goals

One of the observations I have made about top producers is that they are relentless in setting and tracking goals. I believe this is important because in our business, the right activities lead to the right results. I also believe that people are happiest when they set challenging goals and actually reach them. While every advisor needs to customize their goals to their own practice, I recommend the following in order to affect the most change to your business:

1. Overall Business – 15% annual growth rate
2. New Assets - $1 million per month
3. New Affluent Clients – 1 per month
4. Prospects in Pipeline – add 1 a week until 50 total prospects are reached

I also recommend using a simple goal-tracking sheet that will allow you to post your results versus goals on a monthly and cumulative basis. Monthly goal tracking is the ideal frequency: it gives the advisor a reasonable time frame to achieve goals but is frequent enough that it keeps the goals front of mind.

Core Affluent Client Monthly Contact

The most important factor in developing loyal clients is frequent contact and communication. Emails, reactive calls, and mailers should occur in addition to proactive calls and appointments, but never replace them. Research has clearly shown that affluent clients would like to hear from their advisor on a monthly basis.

Many advisors develop elaborate tiering and segmentation strategies for their clients. In my view these segmentation strategies can be greatly simplified by categorizing clients in one of two ways – the top 100 clients (core affluent clients) and all the rest. Your core affluent clients should be contacted once a month and the remaining clients should be contacted on an “as needed” basis. By using this strategy, my clients have reported that their business improves on average by 10%. The simple act of talking to and seeing their core affluent clients on a monthly basis increases business.

The ideal client contact calendar can be remembered as 8/3/1: 8 monthly calls, 3 quarterly reviews, and 1 annual review. The monthly calls should be between 15 and 30 minutes long. The quarterly reviews include both the monthly call as well as a performance review, and should last between 30 – 45 minutes. These should be presented in person when possible and practical. The annual review involves a year-end review and a strategy session for the next year. This should last for an hour and whenever possible should be given in person. If you adopt this schedule and invite your core affluent clients to one or two events a year, then you have completed the required ten hours a year needed to develop and maintain a loyal client.

Assets Away

The easiest assets an experienced advisor will ever bring in are from existing clients that have assets held away. However, most advisors don’t have a process of discovery and acquisition for their existing clients’ assets held away. And, most advisors don’t realize how many assets their clients have elsewhere – making the wrong assumption that all of their clients’ assets are with them.

There are four steps that we use in helping advisors successfully implement the “away asset” strategy. During this exercise we make the assumption that half of their new asset goal will come from this strategy alone.

Discovery – this is the most important of the four steps and requires that the advisor has a baseline discovery process in place so that they are able to inventory those assets their clients hold away. This can be accomplished by performing a financial plan, or by simply explaining to the client why it's in their best interest for the advisor to have knowledge of all assets in order to have the context needed for the best financial advice possible.

Positioning – Once the away assets are determined, the advisor should position themselves as the one advisor to oversee the client's entire portfolio. If the client is not willing to move all the assets to one advisor, you can suggest that s/he appoints a coordinator for the portfolio, and then volunteer to be that coordinator. From that point on you should talk with your client frequently about their entire portfolio, including the assets you don't manage, and give them advice that includes when to move portions of the away assets to you.

Tracking – once each client inventories their assets, that information needs to be transferred to a master asset-tracking sheet. A running total should be updated as those assets are brought in . You can then refer to this master tracker and use it as the best asset-gathering tool for your monthly client conversations.

Update – During the annual review update the asset away tracking sheet for any new assets that your core affluent clients have gained since the initial baseline was established.

Prospect Pipeline for the Experienced Advisor

Fifty prospects is the magic number – it is the perfect combination of having enough prospects to reach goals but not too many that it is unmanageable. The definition of a prospect is an individual that has at least $250,000 in assets, has more assets than your average client, and that you have met with and is open to your follow-up efforts. The 50-prospect goal should be built over a six to eight month period with an average of one new prospect being added to the pipeline per week.

Remember that most affluent investors feel both underserviced and taken for granted. Client research has shown that only 15% of affluent clients consider themselves loyal to their advisor. This means that 85% are open in varying degrees to change. Client research also shows that affluent investors expect to be contacted at least once a month and yet very few actually are – which creates a gap between expectations and their actual experience.

This is why I recommend that you should contact prospects in your pipeline at least once a month. The contact should be made as if the prospect is an existing client, and can center on providing information, resources, or an event invitation. Then position yourself as a strong second choice to someone who already has an advisor. Assets are easy to transfer and mistakes by other advisors are easily made: if the prospecting advisor has developed a relationship of trust and has positioned themself as a strong #2, then when #1 is vulnerable he or she will become the preferred and only option.

Time Management

The reason most experienced advisors don't grow their practice at the levels they would like is that they don't spend much time on activities that will grow their practice. In writing my book, *The Million Dollar Financial Advisor,* I discovered that the top advisors spent at least 50% of their time doing only two things – proactive client contact and business development.

Advisors are so busy every day that it becomes very easy to find yourself in a reactive mode and lose control of your time. My most effective time management strategy is my BL/AL system. BL/AL is a time block method that focuses the advisor on proactive activities (client contact and business development) before lunch (BL) and reactive non-productive activities after lunch (AL).

Examples of after lunch activities could include returning non-essential calls, reviewing and responding to emails, administrative work, preparation, research and reading, and meetings. Lunch itself should be used for meetings with clients, prospects, suspects and centers of influence. If you follow this simple but effective time management system, you will be allocating your time just like the top advisors do, spending 50% of your day on proactive and financially productive activities.