Clients Are Expecting More from Their Advisors, But is Your Business Prepared to Deliver?

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In an industry constantly in transition with professionals all searching for the next tool, strategy or approach that differentiates them from everyone else, the thing that really sets you apart is you. So how do you capture that? How do you truly capitalize on the greatest value that you have to offer? I have spent the last decade speaking to thousands of professionals throughout North America, many of which are trying to hang their hat on the wrong thing.

ASKING GOOD QUESTIONS ISN'T ENOUGH

Many advisors believe that asking good questions is the answer and, five years ago, I might have agreed, but relying on your ability to ask good questions alone is simply not enough today in order to attract, engage and retain your best clients, but it's a start. Because of technology and the information age that our society eats, sleeps, and breathes, advisors are being challenged in ways this industry has never experienced before. The answers to these challenges are not the same old answers we have heard from our industry icons and/or managers. It's for this reason that you can no longer build a sustainable business driven by transactions or what I call surface level planning and still meet your goals of providing for yourself, your employees, your family and, YES, maybe even someday your ability to exit out of the business and generate a check for all your hard work. Now that's a concept!

SO WHAT'S IT GOING TO TAKE?

Advisors that believe they are truly ready to transition their business have decisions to make and work to do. Don't for a minute assume this is easy because it's not, but the rewards far exceed the pain of the transition. Now that I have guided hundreds of firms through this process, I am also 100% convinced you need outside help to navigate this successfully and not go out of business in the process.

Here are some things to consider:

- Build a business and not a sales organization.
- Build a team model.
- Get paid for your value and the results.
- Focus on building systems and processes.
- Define your target audience and deliver a dynamic story to attract, engage and retain them for life.

BUILD A BUSINESS AND NOT A SALES ORGANIZATION

If you think back to the point in time when you entered the financial services industry and regardless of the route you took, you should be able to relate to what I am about to say. You most likely started with product knowledge based upon the specific products or services you were going to be selling. Next, you were introduced to technical knowledge that was again related to the specific applications of your products and services in your targeted markets. In some training tracks, you might have been told to get a designation before you ever engaged a client and others waited to see if you were even going to last before they spent more money and time on you. This is the experience of the majority who enter this business and, today, I find myself working with people who have been in this business for 25, 30 or even 40 years that are still waiting for the course they should have started with and that course is building a business 101. Today, many of the firms I have worked with have become successful in spite of this fact but to think about what they could have accomplished if given the proper foundation is scary. In many cases, the greater success they have the more magnified the challenges become over time. Now, many of these firms are at the point where the business cannot run without them and clearly can't survive them. The good news is as long as you're still living, you have time so take action while you still can.

BUILD A TEAM MODEL

The key to a strong business is its' people. On the flip side, a business is only as strong as it's people so make sure you hire a great team. If your current and future clients don't ask you today "what happens to me if something happens to you", they soon will. For this reason, it's important to have a very visible view of your team and their roles and to reinforce that at every opportunity. We recommend that whenever possible you have a team member in every meeting with current and future clients. This accomplishes a couple of very important things. First, it allows that person or couple to see that there is more to your business than just you. Second, by adding a team member into the meeting, it will allow you to focus on the client and listen while the other person takes notes. Third, when you are on vacation, attending a conference or just simply away from the office, your client won't hesitate to ask for this team member and, over time, this will free up your time and capacity to do the things you should be doing.

GET PAID FOR YOUR VALUE & THE RESULTS

I believe the True Advisory Model that will survive long after our time is one in which advisors will be paid a fee for their value as well as the implementation of the appropriate products and services to meet the client's defined goals and objectives. I believe the technical part of our business to be the easy part. This being said, you may be asking the question, so then why is it so hard to get clients to do it? The answer is really simple; it's that most advisors start at the wrong place.

Most advisors begin by addressing client questions, concerns or challenges by analyzing strategies, when really what the client wants is clarity about the problem. My experience has proven this very fact that, as an industry, we spend way too much time thinking about the solution before the problem has been crystallized in our client's mind. As you come to understand and apply this fact, you will see that once your clients have clarity regarding their questions, concerns or challenges and, furthermore, they know that you as their advisors have clarity, they will be ready and motivated to move forward and take action at a pace greater than you have ever experienced. So let me get back to the point of being paid for our value. If the solution is the easy part then how do you get paid for helping clients gain clarity about the problem?

(Example: Going to the Doctor) At some point in our lives, we all go to see the doctor. Often times, it's just for an annual checkup, but sometimes it could be an emergency or something just isn't right so we go to see the doctor. So why do we go? We go for the doctor's insight, knowledge, wisdom and ultimately his/her advice. We pay for the doctor's visit and expertise. Furthermore, the doctor may prescribe medications or a procedure to address the problem, again both of which we are responsible for payment.

Why is your business model any different? It's time to change these perceptions in the financial services industry and even amongst you. Other than your physical health, your financial health is your greatest asset. As professional advisors, you have the training, skills, insights, knowledge, wisdom and ability to deliver advice. Just because you get paid to provide the solutions, doesn't mean that providing clarity to your clients about the problem was worthless. I would argue it is worth more.

FOCUS ON BUILDING SYSTEMS AND PROCESSES

Time & Capacity are two of the greatest challenges we see that firms are up against. Because so many advisors have built their business around the lead advisor's ability to engage clients, they have had a difficult time being able to standardize the engagement process. What happens is that each client experiences something different and, therefore, the expectations are set differently each time. You can probably see where I am heading with this point in that if each client engagement and experience is different, the lead advisor is going to have to be very involved in the delivery process. This is where the time and capacity challenges stem from in most businesses we see. Sure, some get more complex, but in most situations it all stems from the initial engagement. If you are either the lead advisor or work for the lead advisor, I am sure you could close your eyes and imagine what would be possible if each client engagement was the same story and started at the same place. The team would know how to support and deliver this engagement which, in turn, would free up the lead advisor and the overall efficiency of the business.

Now, we have deployed these types of strategies in 1 person, sole-practitioner businesses all the way up to 80 people, multi-family offices and all sizes in between. The results are the same. They are just bigger or smaller depending on the size of the firm.

Many advisors I talk with feel that standardizing what they do will either decrease their value or commoditize the business. The fact of the matter is that it is exactly the opposite. By building a standardized process, you will be able to have more focus on the client's needs because you won't have to think about what needs to be done next and, therefore, be in a position to add more value to the client. Your client's goals, where they want to take action and how they want to take action, are all specific to that client, so by building a standardized engagement process designed to help clients arrive at their goals with absolute clarity, you will have greater overall success.

DEFINE YOUR TARGET AUDIENCE AND DELIVER A DYNAMIC STORY TO ATTRACT, ENGAGE AND RETAIN THEM FOR LIFE

We get to a point at different times in our career where we realize we can't be all things to all people. When you realize the favor you did in working with your best client's son-in-law only costs you money and ultimately puts you at risk with your best client; and when you finally admit that you are not a good fit for their son-in-law or better yet their son-in-law beats you to the punch and fires you, this gives your best client second thoughts about if you're even right for them. One of the first items we discuss with firms is who is your target audience *(boomers, small business owners, affluent families, executives, etc…)?* Until you define a targeted audience, it will be impossible to establish a brand and achieve the number of referrals possible from a well-designed strategy. Once you have established your target audience by building your firm's story to attract, engage and retain that audience, it becomes much easier. Consistency is the key to success. I will often ask a new firm I am working with, "if I was a prospect and had a meeting with you and then went back to my office to explore your website, would I read what you explained to me or would I feel like these must be two totally different people?" Often times, we find that some firm's websites don't come close to representing their true value to clients. When I mean true value, I am talking about what is at the core of the relationship, not the stuff on the surface. Understanding the core value you deliver and communicating that to your target audience will deliver the results you desire.

To wrap these concepts all together, I will leave you with these thoughts. Your current and future clients are looking for more from your relationship and, quite honestly, I think they deserve it, but they should pay for it. The key is to build an intentional business model to support your vision and master your story. More today than ever in my career have I seen an opportunity this large for the advisory community. Ask yourself; are you truly ready to take it to the next level?

Fees are only an issue in an absence of value.