

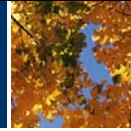
The Growth Imperative

I wanna be a billionaire...

I wanna be on the
cover of Forbes magazine...



The growth imperative



What we will discuss

- Shift happens/change occurs
- How might it impact us?
- What can we do about it?
 - Three strategies to “future-proof” your business



There are many fundamental shifts surfacing in our industry. Not only in Canada, but in various other English speaking jurisdictions around the world. The changes that we see are respecting; regulations, transparency of fees, and elimination of embedded fees and commission. We need to be ready for these changes.

The most important issue to address is what we can do about this change. It is important to recognize that it will not be your firm who will deal with the change, but rather it will be you as individual professionals who are going to have to find solutions and opportunities within it.

In order to be successful during progressive times, advisors need growth, which they can achieve by improving their capabilities. If you put your business in the correct position NOW, you will face increased opportunities in the future. It will also decrease your fear of the unknowns that lie in the future.

The growth imperative



Shift happens

- clients are demanding more value from you
- new regulations are making the industry more transparent
- rising number of do-it-yourselfers
- other advisors are improving their game



Shift happens, and it can come from various different areas.

Clients and regulations create some of the shift.

There are also a rising number of do-it-yourselfer business entrepreneurs who are going to come back to you in 2-4 years with a lot less money than they have now, and who will want you to fix their finances for them.

Lastly, other advisors are improving their capabilities. What made an advisor successful in the past is not enough anymore. We need to always be in the process of improving our game.

The growth imperative



Shift happens



These golf clubs illustrate that technology has changed in golf, and as a result all professional golfers have continually improved their game. But how can professional financial advisors improve their game?

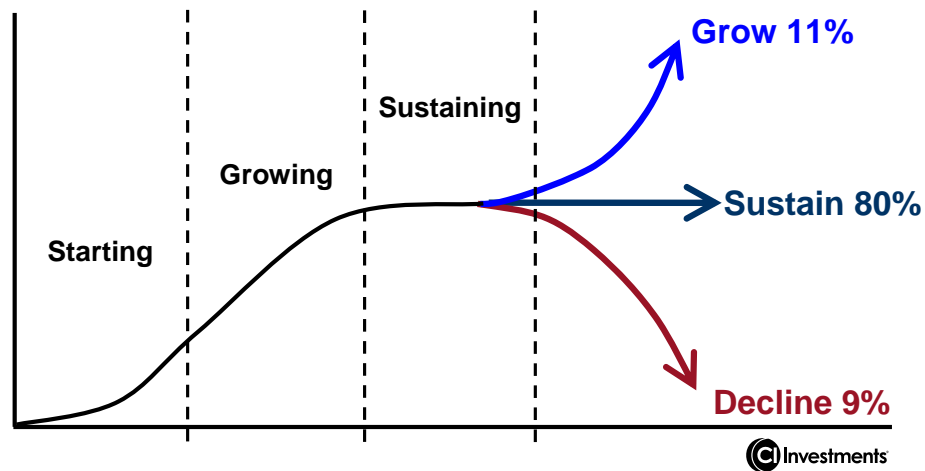
We need to be the type of professionals who are getting ready for the future and can do things at a higher level than most investment generalists. We need to be established professionals who are working on our game all the time.

We want to be like the profession golfer who is established to the extent that if the dimples on the ball change, it doesn't make him/her any more or less successful. We want to keep improving our averages and improving our game as much as possible.

The growth imperative



Where are we now?

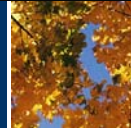


How do we make sure that everyone improves their game as much as possible?

Where are we now? We have all gotten into the business, have all grown our businesses, and are now all at the same point (in between growing and sustaining).

Now, as change occurs in the industry you are going to have to make a choice about what your business goals are. Right now, about 80% of the advisors are just sustaining their business (in terms of their assets, the type of service they provide, how well they are doing, etc.), about 10% are growing, and about 10% are declining until they let it go.

The growth imperative



**Maybe I just don't "wanna"
build a really huge business.
Is there something wrong
with that?**



Which path do you want to choose? You need to make a conscious decision about where you want your business to go.

You may not want a huge business. You may be happy with the fit between your life and the size of your business have now.



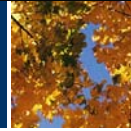
GREATNESS

doesn't depend on

SIZE



Greatness does not depend on size, it depends on capability.



CAPABILITY



What are you capable of doing? You may be capable of growing your business, capable of providing a fundamentally remarkable client experience, or you may be capable of other things that not many advisors are.

It is your professional capability that matters most and that's what needs to grow to ensure that you are always providing the highest value to your clients.

The growth imperative



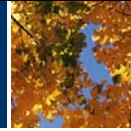
What your business

does now ➡ **PROCESSES** could do ➡ **CAPABILITY**



What your business does right now are the processes. We all have the correct processes to do true wealth management *today*. This is good, but it is not enough. We need to examine what capabilities we will need to have in the future. These are the capabilities we must develop in our practice now in order to be capable of dealing with the changes that will soon occur.

The growth imperative



you use a recipe



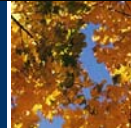
you follow a blueprint



Financial advisory is a tough business when it comes to planning for the future. If you were a baker, all you would need to do is follow a recipe. If you were a builder, all you would need to do is follow a blueprint.

However for business people/ entrepreneurs it is not that easy.

The growth imperative



To build a business:

- clearly define what you are trying to accomplish
- carefully think through the unique service you are going to provide to your chosen target market
- organize all the elements you need to meet that objective
- continually improve your offering
- stay ahead of competitive threats and meet evolving customer needs

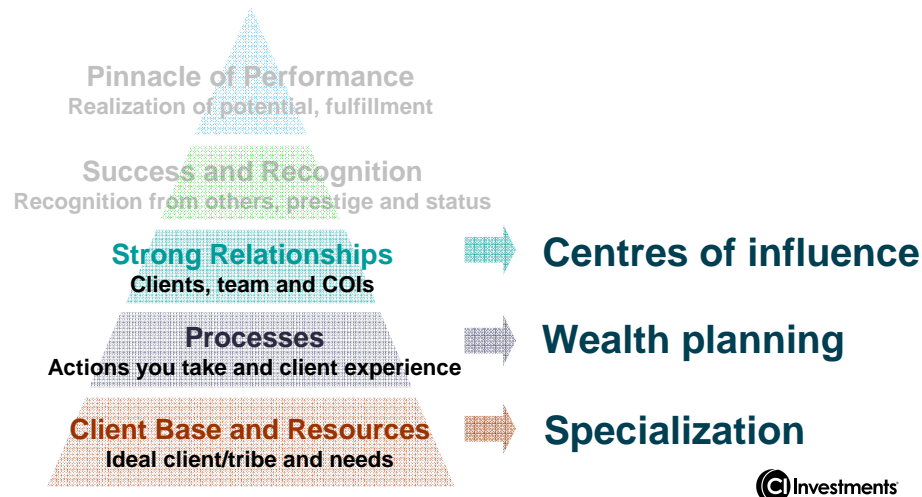
To build **and sustain** a business you need to do the following:

- clearly define what you are trying to accomplish
- carefully think through the unique service you are going to provide to your chosen target market
- organize all the elements you need to meet that objective
- continually improve your offering
- stay ahead of competitive threats and meet evolving customer needs

On top of all of that, you must continually follow the markets.

Strategies for growth

Hierarchy of practice needs



The elite financial advisors that exist today are changing their business models so that they are ready for the future.

They follow a *Hierarchy of Practice Needs* – when creating a practice, one must set a base and then build.

The steps go as follows:

- 1) Making sure that you are client based- i.e. ensuring that your ideal client is truly identified, and you are truly focused on serving those individuals.
- 2) Processes- i.e. putting in place remarkable processes to meet the needs of your ideal client group (not just anybody). This builds capability.
- 3) Build Strong relationships- with your clients, your team, your organization, and most importantly working on a more dedicated basis with your centers of influence. You must make sure that you can get strong referrals from your COI's, and more importantly, you must make sure that you truly have a strong group of professionals to help you and your COI's deliver exemplary service to your clients.

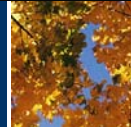


Hierarchy of practice needs



The first key ways to improve your capability is to focus on specialization.

Specialization



Specialization is defined as being the best financial advisor in the world for a specific group of people. This may also mean that you are the worst financial advisor in the world for another group of people.

The trick is to figure out which group of people you have the highest mutual propensity for success with. You must identify that group and focus your efforts on them (your marketing, communication, the service you provide). You should not pay attention to (and may even repel) any group that you do not have a mutual propensity for success with.

Specialization also means being courageous enough to be very selective with your clients.

Specialization



Reality check

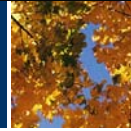
- 1) Have you deeply defined your ideal client profile?
- 2) Do you understand all their planning challenges?
- 3) Do you have a transition strategy for clients who do not fit your area(s) of specialization?
- 4) Are you perceived as an expert by this group?



Questions to ask yourself to help you define your area of specialization.

- 1) Have you deeply defined your ideal client profile?
- 2) Do you understand all their planning challenges?
 - Each group will have different planning challenges i.e. younger couples with an accumulation need will have completely different planning challenges than single individuals who are ready to plan for retirement
 - You must understand these differences and *what each group really needs*
- 3) Do you have a transition strategy for clients who do not fit your area(s) of specialization?
 - If you have clients that you know you should not be serving because you know that you do not have the ability to give them the best possible service you should be transitioning away from them
 - You should give them to someone else in your office, or put them in touch with an advisor that you know can meet their needs
 - This is a courageous thing to do, however it is what the best advisors in the business realize they must do
- 4) Are you perceived as an expert by this group?
 - You have chosen your target group as clients who you will stake your career upon, but have they also chosen you??

Specialization



Why specialize?

- be viewed as the expert by your ideal clients and COIs
- prospects will be more receptive
- increase your perceived value
- differentiate yourself and limit competitors



Specialization is all about your perceived value. It not only makes you more expert and referable, but most importantly it increases your perceived value.

You need your clients to really understand the value that you bring. Due to the changes in fee transparency that advisors today are facing, it will not be long before all fees are transparent. Your clients will be able to see exactly what they pay for your services. It will not be imbedded in commission or MER's. They will know the price, but do they understand the value?

When they see the amount that they pay you, you must make sure that they see that as the appropriate value. If you are working with clients that you really connect to, this will be an easy thing to do.



Brand framework



Biography and business

You as a person – your stories – your business



Reasons for what you do/how you act

Business beliefs and behaviours



Actions you take/processes

Client experience



Niche served

The people you serve – your ideal client – your “tribe”



Differences

Your focus – your remarkable features

The Brand framework is a series of attributes that all elite advisors must have.

An ideal client group is made up of the bottom two components:

What is the niche that you serve? & What about your practice that makes you perfect for them?



Professional Development
Realize Your Potential

Home | Our Team | Success Stories | CE Credits | Resources

Building

The building phase of an advisor's practice requires a dedicated focus on growth activities to ensure success. This involves developing a unique personal brand, creating an effective marketing strategy, generating business opportunities, and establishing a sustainable client base. The presentations and tools in this section will help advisors in all of these areas.

Presentations

- Client Discovery (CD)** NEW
This presentation will provide you with a number of innovative ways to uncover the critical client needs that standard fact finding discovery processes inevitably miss.
PPT | PDF
- Growth Imperative (GI)** NEW
This presentation will highlight some of the skills in the financial services business and their potential impact on your practice. It will also introduce three growth strategies that you can use to build your business.
PPT | PDF
- Personal Branding for Financial Advisors (PFA)** NEW
This presentation introduces a proven framework to assist you in developing the core message you need to promote yourself effectively.
Webinar | PPT | PDF | CE Credit
- Power of Social Networking (PSN)** NEW
The Social Networking phenomenon is growing and you need to be prepared for it. This presentation will explore the potential of Social Media as a marketing tool. It will also help you understand the risks associated with using Social Media and show you how to get started.
PPT | PDF

Tools

- Brand Workbook (BFA)** NEW
This workbook helps you develop your personal brand strategy.
- How to Develop Compelling Client Testimonials (BFA)** NEW
This tool provides a five-step process for getting great client testimonials and shows you how to incorporate them into your marketing materials.
PDF
- Life comes at us...fast (EC)** NEW
A chart that you can use to help clients identify what issues and needs their family may face in the future and to help you discover how your retirement and wealth planning needs.
PDF
- My Life Events Worksheet (EC)** NEW
A worksheet that you can use with your clients to determine the probability and impact of the life events that apply to them.
PDF
- Strategy Implementation Plan (EC)** NEW
A worksheet that you can use to develop a plan of action to incorporate any new initiatives into your practice. It will help you to detail all of the necessary steps to succeed.
PDF

ADVISOR WORKSHEET

Personal Branding for Financial Advisors

Investments

To find more information on Personal Branding, visit the above website links. You may listen to a presentation on the core concerns of personal branding and communications. You may also download a workbook or get one from a CI representative. The workbook will have ideas, insights and exercises about personal branding.

Specialization



Not your niche...

their “tribe”



 Investments

As salespeople, we think “_____ is my niche, I am going to sell to that niche because I am good at it.”

However, the N in brand is not about *selling to a niche*. People do not want to be sold to. They like to buy, and they often like to buy from someone that is part of their *natural group* or *tribe*. Research is being done on Tribal Economics. It confirms that people like to get together as groups, and that is how we like to do business.

You can see the groups that you do business with in your mind. Which of these are *natural groups* or *tribes*?

Specialization



Ideal client profile → tribe

Ideal client profile

Age
Income
Assets
Occupation
Gender
Family



Tribe

Individuals
Lifestyles
Personality traits
Beliefs
Experiences



When identifying your target client group, it is important to think outside of the box.

Traditionally, we tend to classify these groups by using the items on the left hand side of the slide. I.e. What is their age, occupation, asset level? It is important to classify this way first and create a thumbnail sketch of your ideal client. Yet you must go beyond that and think about the items on the right hand side of the slide. Do their lifestyle or personal beliefs make them your target client? What is it about them that truly identifies them as a unique group. In particular, what makes them a group that *you* can identify with, and that you can help.

Identifying with a group is often predominantly about *experiences*. For example, I have a friend who underwent a tragic personal experience in his own life, and then transformed that experience into a business model that works very well for him and the people he has decided to work with. This individual lost his wife to cancer when they were both very young. At the time, he had been a financial advisor for 5 years. He considered himself a *regular mutual fund salesman*. However, as he went through the experience of being a survivor in this relationship, he had to deal with many personal, legal and financial difficulties. Throughout this time, he took a step back and said- “How does anyone ever do this? I am a trained professional and I can barely get through every day. How does the average person (including the average client that I have) ever get through such a time?” He then changed his business model. He went from being a *regular financial advisor*, to being someone who looks after the needs of survivors. He is the ideal advisor for them because he knows what it is like. He has now created a very successful and profitable practice around this business model by dealing with two types of people- 1) those who have suffered a tragedy like him (2) those who are terminally ill and want to get their affairs in order. He is energized by these people because he has had a similar experience, and knows that he can help these people during a very difficult period. These people are his tribe.

We have all had experiences in our lives, and belong to many different groups. The challenge is to think of the groups that you are a part of and that you really care about, and to then decide whether you want to make them a part of your commercial life. You may not want to incorporate all of your groups into your commercial life. However, there may be a group that would be advantageous to bring to your commercial environment because you understand them better than anyone else and you are also a financial professional.

Specialization



Popular tribes

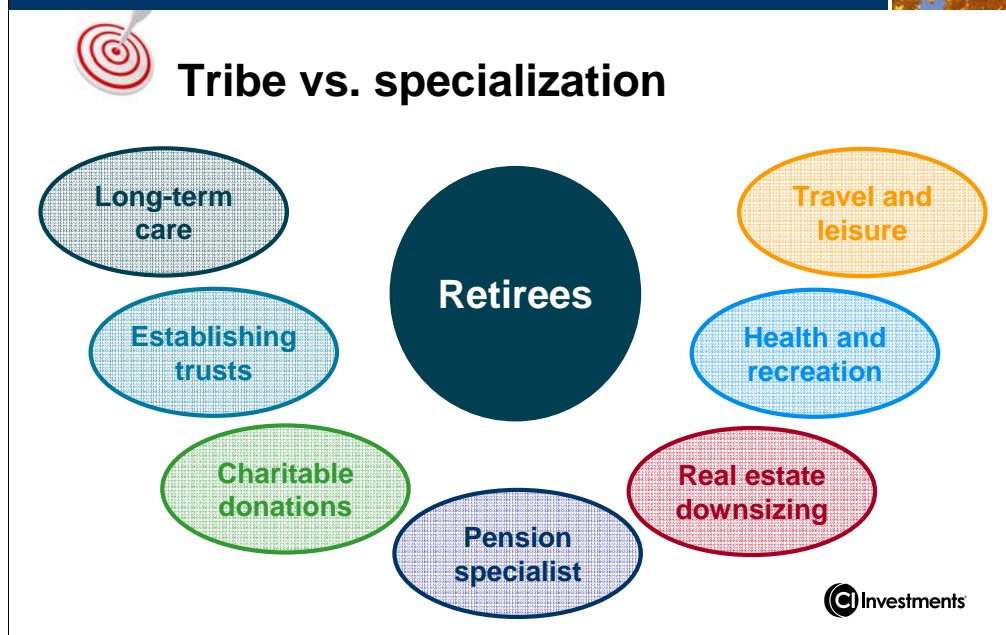
- 40.7% corporate executives
- 27.6% widows and widowers
- 22.8% retirees
- 17.9% private business owners

Source: CEG, Best Practices of Elite Advisors 2007



Here are some common tribes for financial advisors.

Specialization



As an example, suppose that you choose to focus on retirees as your target client group.

What must be done to meet their needs?

Often we think of services such as income planning as a priority. But what else must be done?

- Long-term care
- Establishing trusts
- Charitable donations
- Pension specialization Etc.

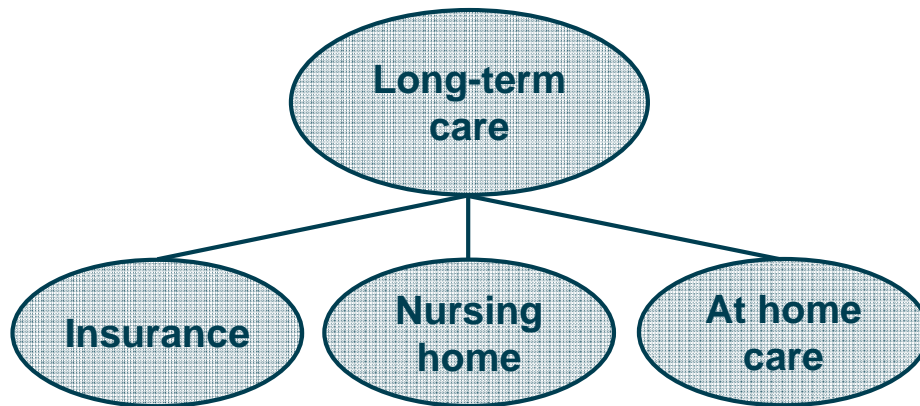
Each of these subcategories is a *planning challenge* for advisors.

When you really know your tribe and understand their needs, it is much easier to come up with a comprehensive advisory service that meets all of their needs.

Specialization



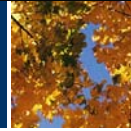
How to specialize



 Investments

When you really know your tribe and understand their experiences, you can focus your solutions and provide more detail. For example, long-term care may refer to challenges/opportunities such as insurance planning, finding a nursing home, providing long term care, etc.

When you understand a group, you know their challenges. Each challenge provides an opportunity to provide value for them. These opportunities may or may not create profit, but they do show value for the client. Specialization is about continually showing deep value to your clients.



Becoming part of a tribe

- has a tribe already selected you?
- locate their “watering holes”
 - regular meetings
 - common periodicals/publication
 - COI’s
 - websites
- package your entire offering to be uniquely attractive to this group

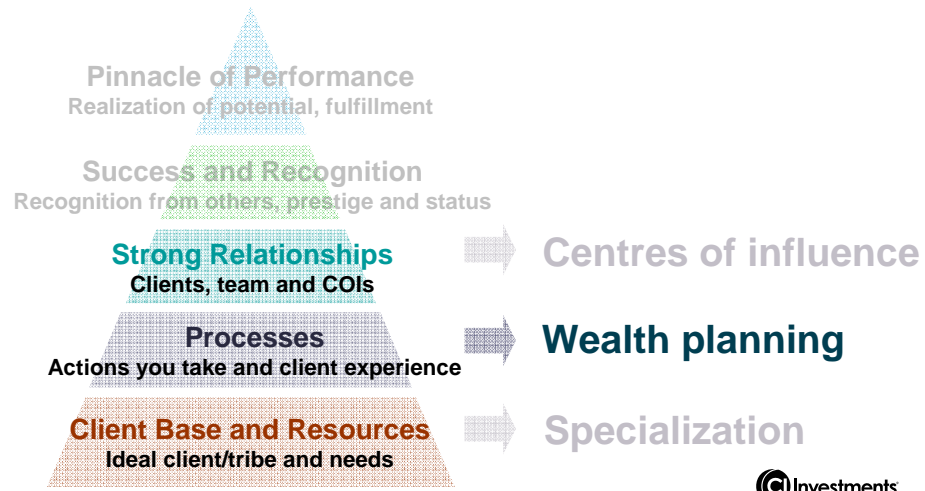


If you visit the website that was previously mentioned, you will find material covering:

- How to work with a tribe?
- How to define who they are, as well as how they connect and communicate?
- How to “package” yourself to be uniquely attractive to them? → The best advisors in the business do not just specialize their marketing efforts, they focus on their entire business.



Hierarchy of practice needs



As we move up the pyramid, the next key way to improve your capability is to provide wealth planning.

Wealth planning



What does wealth planning mean?

There is not one definition. Rather, wealth planning is defined by your clients and their needs.

Wealth planning



Reality check

- 1) Are you going beyond investments?
- 2) Do you know what both spouses/family are concerned about?
- 3) Do you know what assets your clients may hold elsewhere?
- 4) Do you know if your clients have proper insurance in place?
- 5) Do you know when your clients last reviewed their wills?



Questions to ask yourself about your wealth planning capabilities :

- Are you going beyond investments?
 - Of course we should sell investments, but how deeply are you going beyond investment sales?
 - Our value should not only be in picking a great investment manager
- 2) Do you know what both spouses/family are concerned about?
- Is your definition of value for the family unit as a whole, or just the individual?
 - You must explore and work beyond the relationship that you started with (e.g. advisor to husband) to find out what wealth management means to the family. It will be different for each client
- 3) Do you know what assets your clients hold elsewhere?
- Understand the assets, insurance, wills etc. held by the whole family
 - “Own the plan, own the client” → create a comprehensive plan and become the single source of advice for the family
 - This will be great for them, and great for you
- 4) Do you know if your clients have proper insurance in place?
- 5) Do you know when your clients last reviewed their wills?

Wealth planning



Why provide true planning?

- if you don't, someone else will!
- a deeper relationship with your clients and their families will:
 - protect you and your practice
 - help you help them
- become your clients' single and most-valued resource for all their financial advice
- higher income as a wealth manager
- increase referrals from client and COIs



“Own the plan, own the client”

If you have developed the written wealth plan for your client, you *own* that client. They are not going anywhere. They may change accountants, or bring in other advisors at times- but if you own the plan, you own them from the point of view of helping them through that part of life.

Wealth planning



Wealth manager vs. investment generalist

	Wealth manager	Investment generalist
Specialization	59.4%	17.5%
Referrals from COIs	81.9%	26.2%
Average income	\$881,000	\$279,000

Source: CEG, Best Practices of Elite Advisors 2007



The benefits of being a wealth manager vs. an investment generalist

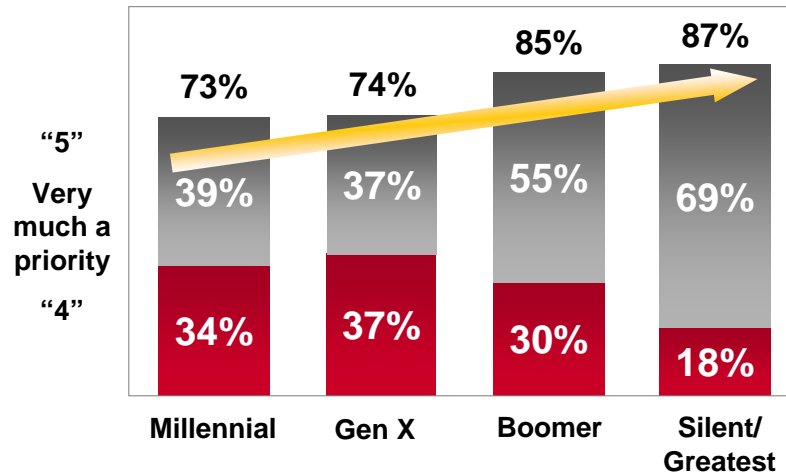
The main difference is that wealth managers are holistic rather than investment generalists.

59.4% of wealth managers specialize on a specific group, vs. 17.5% of investment generalists. Referrals are much lower for investment generalists. There is much higher compensation for wealth managers.

Being a wealth manager is better for your clients, it makes your business run better, and it pays better!

Wealth planning

Everyone agrees having a plan is a priority, especially the older one gets



Source: Million Dollar Round Table, Generational Financial Confidence Study, Conducted by the Boomer Project, LLC, July 2010.

Question asked in study: How much of a priority is it for you to have a “financial” / “retirement” plan? → i.e. a holistic written plan of your entire financial future

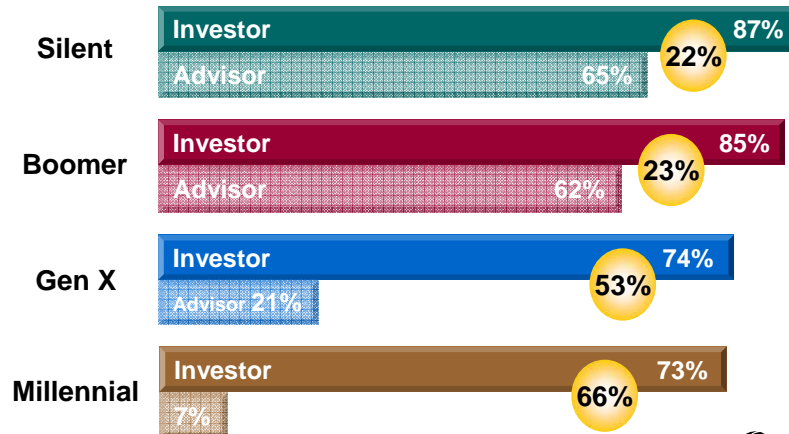
Ranking: 0= not important at all

5= very important

As clients age, having a financial advisor becomes more and more important.

Wealth planning

Advisors less likely to think having a plan is a priority for their clients



Source: Million Dollar Round Table, Generational Financial Confidence Study, Conducted by the Boomer Project, LLC, July 2010.



The same question was asked to ADVISORS using the same scale → “How important do you think it is to your clients (of these various age groups) to have a “financial” / “retirement” plan? How confident would you say you are in your “financial” / “retirement” plan?

We found a huge discrepancy between what clients want, and what *advisors THINK clients want*. Especially with the younger age groups

Many advisors think that young people (millennial) do not care about having a holistic wealth plan at this stage in their life. However, the young people actually do! This discrepancy represents either a threat to your business, or a huge opportunity for your business, because other advisors are not spending time to provide plans to young people. These people will have the money. It is up to you to find out: What do they really need? Who do they really need? How can you help them?

Wealth planning



What clients want you to provide:

- 64% tax planning
- 59% retirement planning
- 51% estate planning
- 35% family wealth management
- 25% long-term care insurance

Source: Driving Higher Levels of Investor Engagement with Financial Advisors in Canada, Advisor Impact Client Index, Canada: 2006 – 2009



In general, people want tax planning, retirement planning, estate planning, family wealth management, and long-term care insurance solutions. This list may be slightly different for your group. It is your clients who define wealth management. Once you find your group, work with them to define wealth management. Make a list of what they need and then make sure that you can provide it.

Wealth planning



Opportunities with wealthy Canadians

- 32% of wealthy Canadians do not have financial planners at all¹
- 36% have insurance policies they expect to turn into cash¹
- 47% say they have never held a family meeting to discuss plans for their estates²
- **59% have not consulted a professional about taking income from their investments**
– **85% plan to in the future¹**

Source: ¹CSI Affluent Market Survey, Insights Inc., March 2008. ²Key Strategies For Building Optimal Client Relationships: Analysis Of Advisor End-Client Feedback, Schwab Institutional, May 23, 2005.



59% of wealth Canadians have not consulted a professional about taking income from their investments- but they all intend to. Be the first person to have a conversation about income with your clients.



Opportunities with retirees

- private sector individuals retire at average age of 62
 - public sector age 59
 - self-employed age 65
- 50% of Canadian tax filers have no private savings vehicle for retirement at all
- **73% of the population working in the private sector does not have any form of registered pension plan**

Source: CFIB is calling for restored fairness for all Canadians on pension inequity, Canadian Federation Of Independent Business, December 11, 2009.



Most of the private sector does not have a registered pension plan or anything suitable for retirement. Be the first one to discuss this topic with them.



Opportunities with business owners

- business owner households represent 50% of the wealth management client base
 - 76% have children
 - only 30% have created family trusts¹
- 33% have not sought advice from a planner¹
- **over the next five years one-third of independent business owners plan to exit ownership or transfer control of their business²**

Source: ¹CSI Affluent Market Survey, Insights Inc., March 2008. ²CFIB is calling for restored fairness for all Canadians on pension inequity, Canadian Federation Of Independent Business, December 11, 2009.



Business owners are a great group for advisors, because you are business owners as well. You can easily understand them because you *are* one of them- you are a member of their tribe.

Over the next five years one-third of independent business owners plan to exit ownership or transfer control of their business. Statistics show that there will likely be a liquidity event, but how is it going to happen and are you going to be part of it?

Wealth planning



Opportunities with women

- 57% of women have no plan for the sudden death of a spouse¹
- **70% of widows will fire their husband's financial advisor within three years of their husband's death²**

Source: ¹TD Waterhouse 2007 Female Investor Poll, ²Widows' needs being ignored by advisers, Investment News, Lisa Shidler, June 21, 2009



Financial Opportunities with Women

70% of widows will fire their husband's financial advisor within three years of their husband's death

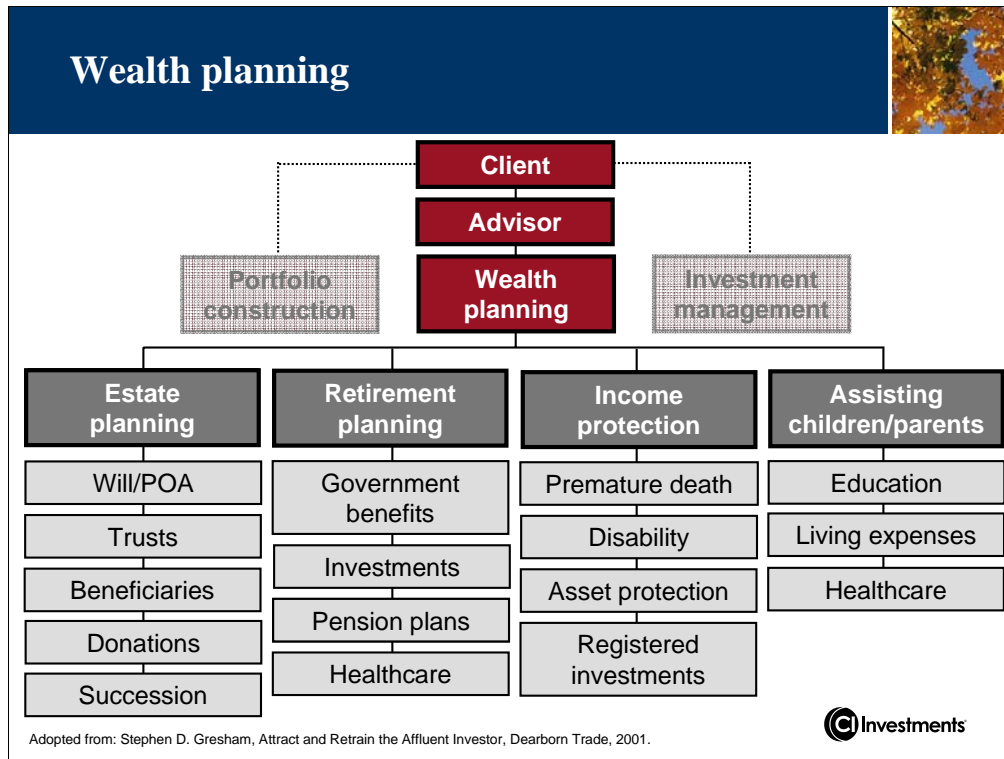
90% of the investable assets end up in the hands of the women, yet often the woman has no relationship with the financial advisor and so 70% of women end up firing them. The typical relationship that exists in the financial advisory industry is male client to male advisor. That is normally where the main relationship stays.

Then once the client passes away, the woman has no relationship with the advisor so she puts her assets in the hands of a family friend who has financial advisory experience or someone else whom she trusts.

This is worrisome for the women. If an advisor has spent 5+ years working with a couple's capital, he/she likely has lots of intellectual knowledge about that couple which could be of huge benefit to the woman at this stage.

It is also worrisome for the advisor because it is a threat to their business practice. If you do not have those relationships in place you have created a huge threat to your business practice, where the money can just disappear.

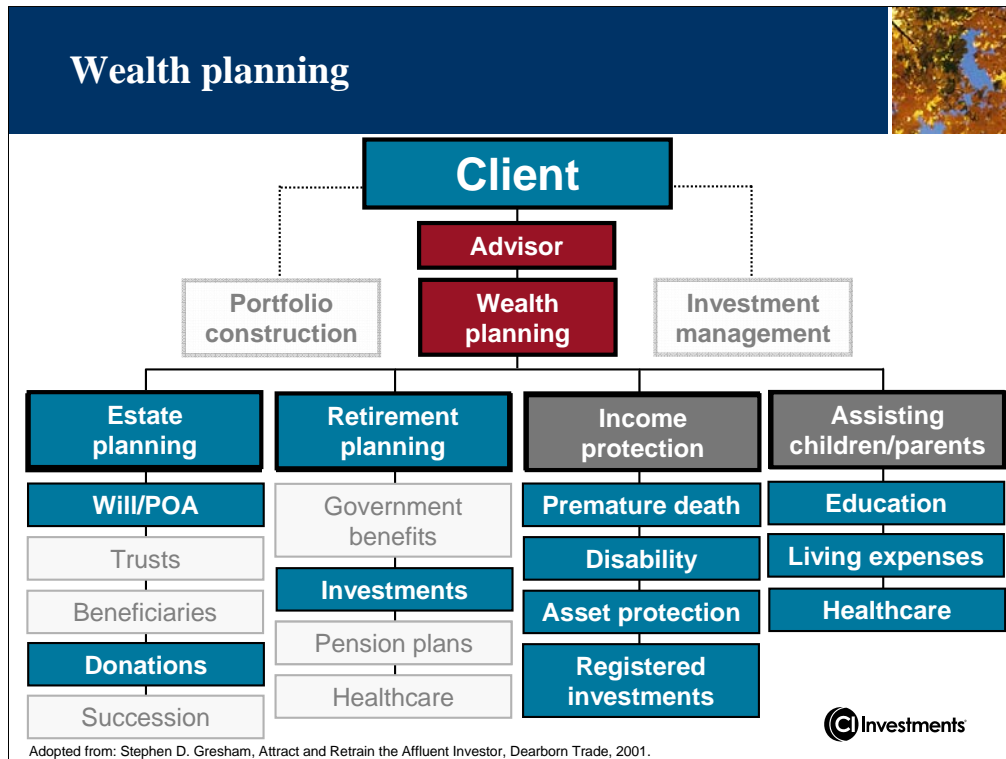
Takeaway: Make sure that within the tribes/ families that you work with, you do not keep the relationship one-on-one. Create relationships between you, your team, the husband, wife, relevant kids, etc. Make sure that you have all relevant relationships in place so that you do not lose important opportunities.



This is a definition of what wealth management really is.

The 4 main components of wealth planning are: Estate planning, retirement planning, income protection, assisting children/ parents. However, your clients can modify this list if there are other things that are more important to them.

Portfolio construction and investment management are not as relevant because there are other advisors who specialize in these areas.



This is an example of a wealth planning definition that is tailored to a specific client.

The grey areas are the areas that are the most important to the client.

Another option is to create a similar plan and then colour-code the subjects under the sub-categories (e.g. Will/ POA, Trust, etc.) to show the progress in each area. For example, you can make the completed tasks green, the in- progress tasks yellow, and the tasks that need to be worked on red. You can modify the plan your client so that it grows with the different stages of their life. It is a multi-year process, but it is very effective.

If you built something like this with your client it builds a sense of accomplishment as you mark down the tasks that you have completed together. It is a great tool for the “Own your client, own your plan” idea.

Wealth planning



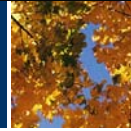
How to become a wealth manager

- build the support team – identify other professionals you want to work with based on specific needs of target clients you want to address
- control the process – you are at the centre of the relationships to facilitate the process
- make the move – be patient, the full transition can take up to 18 months

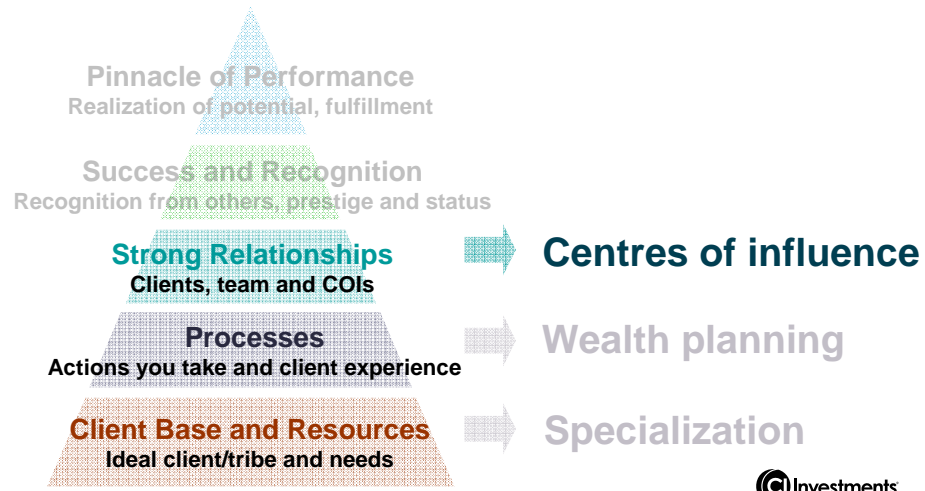
Source: Become the center of your boomer client's wealth management team 2007



Becoming a wealth manager is all about building a team!! Even the smartest advisor does not have the capability to provide comprehensive wealth management on their own.



Hierarchy of practice needs



One attribute of a team is the manner in which they deal with their centres of influence (COI's). A centre of influence is an individual with an expertise in particular area that you can add to your network to help a client fulfill all of their financial planning needs.

Centres of influence



When you deal with your COI's, you must ensure that you are the person in the middle. It is important to make sure that the COI's is an integral part of your process. This ensures that your tribe is being looked after in the best way possible.

COI's can also be an important source of referrals.

Centres of influence



Reality check

- 1) Has your COI referred a prospect to you within the last year?
 - Have you?
- 2) Did that prospect fit your ideal client profile?
 - Did the prospect fit theirs?
- 3) Can your COI articulate what you do and how you are different?
 - Can you articulate what they do and how they are different?



Reality Check: Think of one of your COI's

1) Has your COI referred a prospect to you within the last year?

- If not, then they are probably not a COI for you

Have you?

- If not, you are not really working with them

2) Did that prospect fit your ideal client profile?

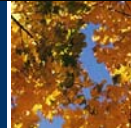
Did the prospect fit theirs?

- Are you both serving the same client base (tribe)?
- If not, you should not be working together as COI's
- Their client base should reflect yours- this is a conversation you should have with them

3) Can your COI articulate what you do and how you are different?

Can you articulate what they do and how they are different?

- Your COI should understand what you do, so that they can decide whether together you can take care of your clients in the best way possible



Why work with COIs?

- best way to increase high-quality referrals
- bring their expertise to your existing clients and prospects
- foster communication with your clients' outside advisors and ensure strategies are aligned



Why work with COI's?

- 1) Referrals – marketing
- 2) Provides your clients with a remarkable experience
- 3) Ensure that you deliver a cohesive solution for the client.

Centres of influence

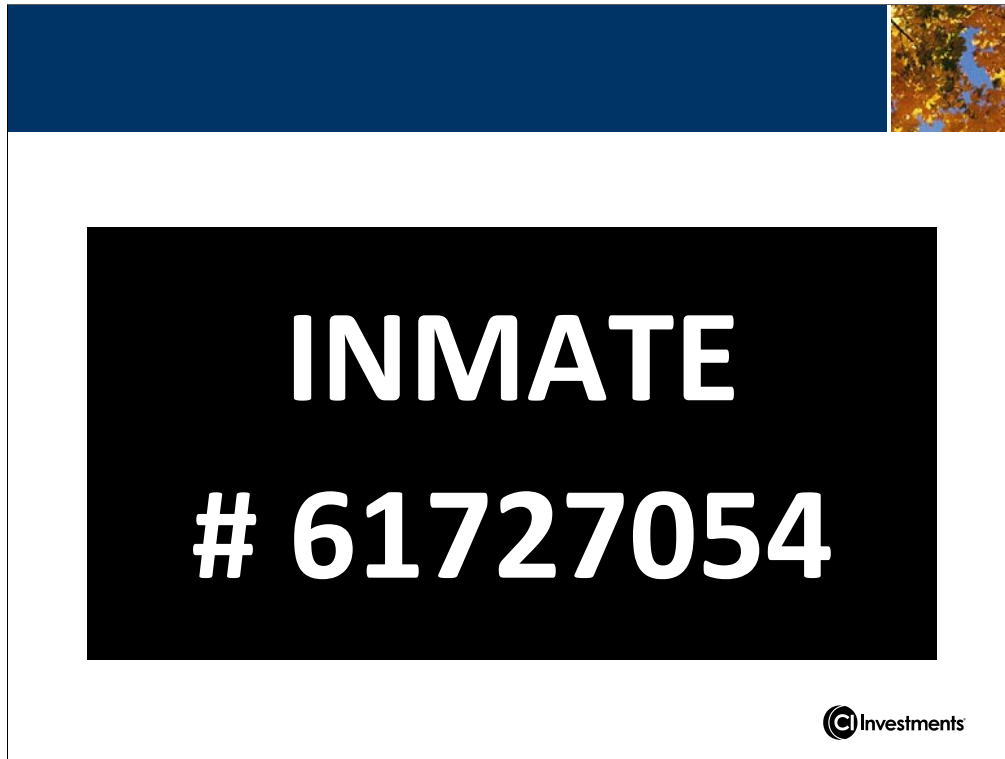


Broken trust



Source: TrustedAdvisor Associates 2008

If one of your COI's angers/ mistreats your clients, it will break the trust that you have. Unfortunately, you will have to be the one to rebuild it.



Or it could land you in hot water.

Example: **Bernard Madoff**

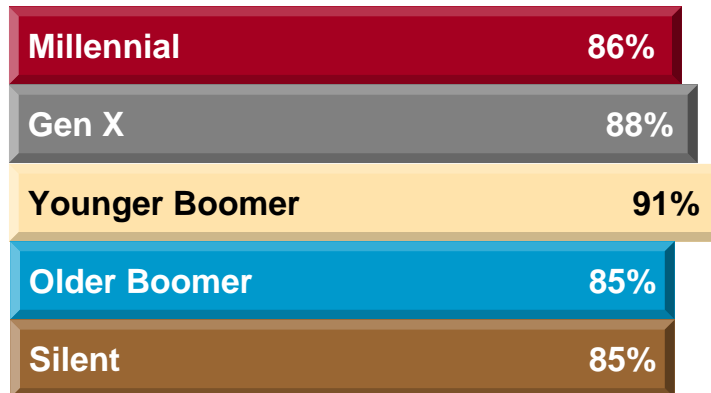
Bad COI's exist. It is important to recognize who you want to associate yourself with so that the relationship between you and your clients is not threatened.

Centres of influence



“TRUST” is the attribute under siege

Has become significantly more difficult to trust now, versus five years ago



Source: Million Dollar Round Table, Generational Financial Confidence Study, Conducted by the Boomer Project, LLC, July 2010.

As a result of events like Madoff and his ponzi scheme, clients have become less trusting of advisors and the financial services industry as a whole.

Question asked in study: How has your trust of people with whom you talk to, or might talk to, about your financial matters changed?

All age groups say that trust has been significantly more difficult to build in the last 5 years.

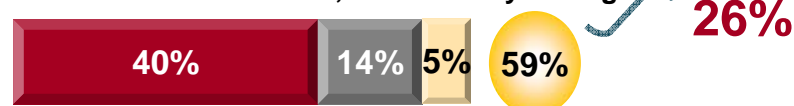
Centres of influence

Advisors don't fully appreciate the magnitude of "trust" erosion

Investors: Has become significantly more difficult to trust advisors now, versus five years ago



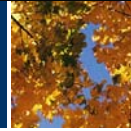
Advisors: Has become significantly more difficult to build trust with client now, versus five years ago



Source: Million Dollar Round Table, Generational Financial Confidence Study, Conducted by the Boomer Project, LLC, July 2010.

Same question asked to advisors about whether they think trust has been harder to build in the past 5 years for their client.

A large discrepancy exists. Thus, advisors must be conscious about making continuous steps to rebuild this trust.



New Math

$$\text{Ponzi Scheme} = \text{ROI} - \text{R} - \text{I}$$

$$\text{Greed} = \frac{\text{Me}}{\text{You}}$$

$$\text{Midlife Crisis} = \frac{\text{What I Wanted to Do}}{\text{What I've Done}} \pm \text{Red Sports Car}$$

Source: New Math, Craig Danraeur



Here is the new math for trust.



The Trust Equation

$$\text{Trust} = \frac{C + R + I}{S}$$

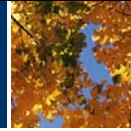
$$\text{Trust} = \frac{\text{Credibility} + \text{Reliability} + \text{Intimacy}}{\text{Self-Orientation}}$$

Source: TrustedAdvisor Associates 2007



Here is a more serious formula for developing trust.

Centres of influence



What COIs want:

- enhanced reputation
- limit risk
- to help their clients
- to understand what you really do
- maintain control – how you will work with them



Now back to COI's - they need you.

You must understand that your COI's need your expertise around wealth planning. They have to put you in touch with their clients or else they are not doing their job. The elite advisors fully understand this.

COI's also must understand what you really do. It is not fair to ask them to work with you or to refer clients to you if they don't understand what you do. Therefore, you need to build something to show them.

Centres of influence



Client Experience - An Example



This is an example of a model built to show a client or COI “The Client Experience” that a specific advisor offers his/her clients.

This specific slide is for clients. A model for a COI can also illustrate where and how that COI is involved in the client experience. E.g. after #3, the accountant will come into play and begin working with the client as well.

Such a model helps the COI understand: “If I am going to work with you or refer my clients to you, what is their client experience with you going to be like?” and “What is my experience going to be like when I work with you?”

You should be able to easily walk them through this.

More workbook activities can be found online.



How to work with COIs

- qualify them up front – discovery meetings
- help them with their business challenges
- recognize it will take time to develop the relationship
- differentiate yourself from other advisors



How to work with COI's:

Qualify them in terms of their values match yours, their clients align to your client niche

Don't ask for referrals until you have earned the right to ask by building a collaborative relationship where you help them first.

Differentiate yourself from the pack by explaining exactly what you do and about your process, your niche etc.



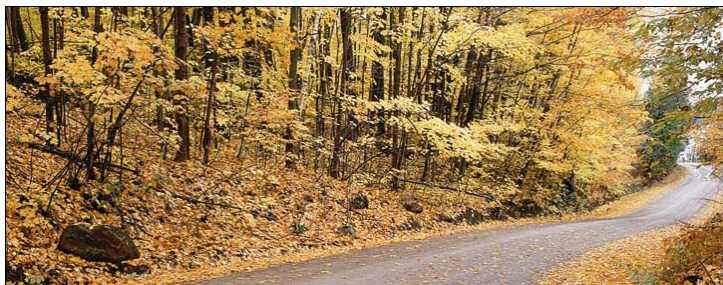
Hierarchy of practice needs



Once again, the hierarchy of practice needs during times of change requires you to grow your capabilities by

- 1) Finding your tribe
- 2) Defining what wealth planning means to your tribe
- 3) Challenging yourself to be the centre of influence in your group

Finally, always striving to grow your capabilities to deliver the best client experience possible.



Thank you

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