



## **THE ELITE WEALTH MANAGER**

BUILD A SIMPLE AND ELEGANT WEALTH MANAGEMENT BUSINESS

**LEVERAGE**  
**ECONOMIC GLUE**  
THE LAW OF RECIPROCITY

# VIDEO TRANSCRIPTION

**John Bowen:** The law of reciprocity. This is one that you may have heard of along the way. It's all about really creating influence. Let me walk you through this because this is very, very powerful, and it's really why strategic alliances, when they're well-structured, work. So, let's go ahead and take a look here. It's important to recognize the role of law of reciprocity in creating economic glue. Now many of us are familiar with the law of reciprocity. Although we don't know the title, pretty much everybody knows how it works. Let me give you a description. You know that feeling when someone does you a favor, and then you feel you owe something to that person in return, a favor? That is the law of reciprocity.

Let me give you a real-world example. My wife went to Costco today, and she came back with some new stuff and some new food. I enjoy eating so this is not a complaint. But my wife, who never gains weight, will go through Costco, and they have the sample people there, and my wife is really big on trying things. Well, if she tries it and if it even close to being good, she's going to buy it. Why? Well, the reason is the law of reciprocity. If somebody gives you something even as small with a taste of food, you're going to go ahead, and you want to return the favor. About the only way you can return the favor at Costco is to buy it. Obviously, Costco and their vendors understand this really well, and this is why you can have a really good meal just walking around Costco. I hate shopping if it's not on the internet, but I like Costco, so there are very few things.

This law of reciprocity is just over and over and over again. We're all familiar with it. Simply put, the law of reciprocity states, "When you get a gift, favors, opportunities, or the like, you feel obligated to respond." And we call it a law but clearly, it's not automatic, but we're all hardwired for this. This is something that's really amazing. The law of reciprocity is pervasive throughout human nature. This is our inner connection, social.

I mean it's just we end up having to do it. We're kind of socialized to it, and yeah, I can go all kinds of examples, but think of internal pressure. You know, if you don't do it, you become ... If my wife doesn't buy it at Costco, she's going to be a little anxious. You can feel uncomfortable walking away from a person. Now she does if it's not good, but there's also external pressures in the form of shame, too, so it's very often that this works, and there are very few freeloaders along the way.

So, if you think about this for us, here is you as a financial advisor, and you've got access to thought leadership. You've got the Best Practices content, and this I'm going to go over in the next strategy, Strategy 9, the big one, the final. But what we have is you have access to it. We're going to give you the fundamental there, and then you can always go to CEG Advantage.

Every month Russ and I are running live video conferences going over during the month. I do one the second Wednesday of the month, and Ross does one the fourth Wednesday of the

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month. I do Best Practices. Russ does COIs, as well as the interrelationship of what we're seeing work, and then also the large clients that are taking advantage of virtual family office and some even family office experience. So, these are really powerful videos. If you can't attend live, and you should if you can, because you can ask questions, you can always come to them after the fact, and we save them. I think our commitment is within 48 hours it's posted. It's almost always posted a lot quicker than that.

So, let's come back here. We've got the Best Practices. We've got then also the Targeted Business Development. What is that Targeted Business Development? This is all the VFO Flash Reports and the Inner Circle Reports that you can use. We actually have partner sites that you can use where you can provide them. We have the licensing to give up to five licenses to COIs. You know, a really powerful process. Now again, I want to encourage you, as we're going through the business model, the framework for the Elite Wealth Manager, you don't want to race ahead. These are in order. We want to lay out the foundation so that you can have success in it. You know, the sexier and the bigger, and if we want to have speed and race up the pyramid, this hierarchy of Financial Advisor's Success, it's tempting to go and try to skip to the big wins, but we've got to lay the foundation so you're in a position to do that.

So we take this Thought Leadership, both the Best Practices that you're going to be learning from us and seeing, as well as the Thought Leadership content, and then you're going to provide it to the COI, and they're going to understand how to use it to increase their net income. Just real big picture, how are they using it? They're going to send it out to their prospective clients and centers, just like you, and they're going to use it to ... They have so many clients that they have that they could provide more value to. By using this Thought Leadership, we're going to share with you how you can inspire their clients that reach back out to them to generate ... They're going to create value in what they're doing and be able to charge for that.

You know, this is how capitalism work. To the extent we can provide value to someone, they're willing to pay us for that, and what we want to do, and we're going to show you how you can consistently, year after year, with the right COIs, increase their net income by 20% or more. Well, if you do that, what happens? Well, the center of influence wants ... You know, law of reciprocity. You're giving some pretty substantial value. They're going to feel guilty. They're going to feel like they owe you. Plus, they know that you could work with other COIs, so they're going to introduce you to some of their best clients, and the circle is complete. You know, think of how powerful that is. If you have five COIs ... you know, pick a number, but I usually know more than five ... introduce you to five clients a year, that's 25. That would be huge. Now, you're not going to get every one of them as a client, but these are going to be some of the best clients out there. This is where it becomes a very, very powerful.

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Okay, so that's the law of reciprocity. You know, there's two big things that we're providing: content on best practices so they can be successful. This is where Russ and I are doing the research, and we have the empirical research we're sharing as well as anecdotal, because Russ and I have a private client group. It's \$60,000 a year to be in it. You can't get in unless you've done at least the Elite Wealth Manager Program and/or Roundtable. What happens is we get to roll up our sleeves. This is really limited. We don't take very many people, because we work directly with you in doing this. I got to tell you, we share in the CEG Advantage video conferences what's working, so this is a great way to get access for it.

Also, the Targeted Business Development content, we're constantly, every month, providing new content that we know is going to work and work really well, because we're testing it along the way. So, when you look, I mean, all in all, this high-quality Thought Leadership content is going to provide you and help the attorneys and accountant partners become much more successful. By becoming much more successful, what are they going to do? They want to continue the relationship, the law of reciprocity. You're going to get introduced to some of their best clients. Now we're going to show you a process in Strategy 9 to make sure this all happens, because it does take some work to make this all happen, but if you want to raise up this hierarchy of Advisor's Success, you've got to get good here.

Okay, where are we? Let's go back. Go to Leveraging, Strategy 8, the overview. We just completed law of reciprocity. Let's do the final module in Strategy 8, which is a multiplier effect. This is how by doing this, really leveraging Thought Leadership very effectively over time, it creates tremendous economic glue and you can have a steady stream of new clients coming in. This is something Russ and I've done in all our career. It's amazing, and I want you to be able to do it as well. I'll see you in the next video.