



THE IRRESISTIBLE OFFER
SUBSTANTIALLY INCREASE YOUR CLIENT ENGAGEMENTS

THE COMPELLING VALUE OF STRESS TESTING THE IRRESISTIBLE OFFER

VIDEO TRANSCRIPTION

John Bowen: The compelling value of stress testing. You know, this is one of the things that I've got to tell you, as I go out in the marketplace, and I have the privilege of working with a lot of entrepreneurs, and spending time with mastermind groups, and so on, and one of the things that has become very clear, both when we do empirical research, Russ and I and the team, on entrepreneurs, and really all affluent, how often we don't have our act together in our personal wealth. We don't have all our personal finance.

And yesterday, I was with two very senior financial executives, and we were... big mutual company, and talking about working. And I showed them the stress test. They'd never seen it before.

And I looked at them and I said, "It's very possible that even at your level, with everyone that you... the access to..." I won't give details, but they're very successful guys, "That you don't have your act together."

And they both smiled at each other. Nobody's got everything done. Okay? Everybody needs to really get into this.

And so, this is an irresistible offer. It's not the investment pitch, "I'm going to make you a lot more money," it's really the process.

So, let me go and kind of just set the stage here. You know, when you're introduced, again, to the affluent perspective client, you need a compelling offer. You've got to motivate them, you've got to inspire them to want to work with you, and it's got to be different than everyone else.

You know, in the past, as we talked about, it used to be investment management. I mean, for most of my professional career, I could do that, and I loved it. It was straight, and I could show these nice pie charts, and everything else. You show a pie chart in a presentation, an asset allocation one, everybody's head goes down, if they don't go out the door. There really isn't the perceived value there.

So, when you offer a stress test, to really review their financial situation, that's something of value. That's something of very key value. And let me just define how... what Russ and I think of stress testing.

Stress testing challenges the wealth planning a client has implemented or is considering implementing, to assess the likelihood of the efficacy in different scenarios and at delivering the expected results. And we're not talking about respected returns on results. It's everything.

Russ, you see this over and over again. And the temptation is to make the offer, then not do it, for many advisors. It's like many advisors talk about wealth management, wealth planning. The whole industry is talking about it. Every TV ad is talking about it. But so often, people aren't doing it.

VIDEO TRANSCRIPTION

What is, really, stress test? How does this definition come together?

Russ Alan Prince: Everybody throws out the terminology. When you're really doing stress testing, what is really happening here is that you're looking at their world as it is, you're identifying what they want to achieve, and you're making sure everything matches up.

Now what tends to happen is that it doesn't match. There's a lot of gaps. There's a lot of, "I thought we would get this result," and it's more likely to get a different one. It's not getting what they want to accomplish. Not how they're getting there, it's the result.

So, stress testing, first, is all about making sure they're getting the results they want, and at the same time, it's making sure they're not missing any opportunities that are important to them. That is what stress testing does, and is... You mentioned, John, it's a process. It is less about a particular product, or a specific service, or a certain type of idea that they can pitch out. It's really about a process where you don't know the answers until you go through the process.

John Bowen: And it's also not... A stress test isn't just going over the investment account and doing some kind of Monte Carlo simulation or scenario analysis. It is the whole personal wealth.

Russ, who is the stress test right for? I mean, you're doing it for the super-rich, \$500 million or more, for billionaires. Does it come down? And you and I know, both, it does. That's what we're doing this.

But who's right to make this offer to?

Russ Alan Prince: Stress testing tends to be more desired by and worthwhile to people who have complex situations. And by definition of complex, it's how they define complex, not how I might define it, or you might define it. If they think their world is complicated, and it can be complicated because of business interests, it could be complicated because of family concerns, many times it's really complicated because there's family concerns. If they have uncertainty, and it's complicated, then stress testing is absolutely phenomenal, and they really... the clients, the prospects, the wealthy, really find it amazingly appealing. Like you said, it's irresistible.

That's what tends to drive it: Their uncertainty, and the fact that their worlds are just not black and white and simple.

John Bowen: And really, it's almost universal. My experience is that people want stress tests. So, it's up to us to make sure it's someone that we can serve and that we want to bring in as the right affluent client.

VIDEO TRANSCRIPTION

Let me go over a definition here. And Russ, I want to... Well, instead of reading to him, why don't we go over it, Russ, together.

You know, how would you... You and I talk about stress tests and second opinions. In the Breaking Through coaching program, we've really done a lot on second opinions. It's really great. And this is kind of a new introduction, the stress testing. We've been doing it with some of the round table members and the elite wealth council members, but how does that differentiate?

Russ Alan Prince: When you get right down to it, you're doing the same thing, but you're doing it at two different times. Second opinions usually occur before you've actually taken action. So, you're about to put some plan in place, for example, you're supposed to put some asset protection trusts in place, some other types of trusts, you're trying to coordinate all this planning. And before you actually pull the trigger and make that decision and do it all, you're asking for a second opinion, somebody to look it over, to make sure what you're doing makes sense, in your context.

Stress testing occurs because you've done all these things. You might have done it a couple of years ago, you could have done it even recently, it could have been a long time ago. And you're wondering, "Does it work for you now, and will it get you the results you want?" That's stress testing. We were taking what exists today, putting it under stress, seeing if it works, and if not, fixing where it doesn't.

John Bowen: And one of the reasons why I like stress tests a little bit better than second opinion, is second opinion, they have to be considering something. So, before they move ahead, they're going to review it with you. That means it's just at the right time, you have to show up.

Stress testing, one of the things we know, with everything going on politically, economically, and socially, it's very unlikely that they're not at least thinking about whether they have everything in place. And then, what you're doing is saying, "You're going to review the big picture. We're going to show you exactly what that means."

Okay. So, what we've done now, is we've gone through it and we've talked about the compelling value of stress testing. In the next video, Russ and I are going to go over framing the offer. Mastering framing is one of the things that really, when we study advisors who are consistently, year after year, netting over \$1 million, they're able to frame exactly the conversation to be clear to the client and inspire action.

We're going to show you how to do that in the next video. We'll see you there.