



THE ELITE WEALTH MANAGER

BUILD A SIMPLE AND ELEGANT WEALTH MANAGEMENT BUSINESS

WORK WITH THE RIGHT AFFLUENT CLIENTS

DEFINE YOUR IDEAL
CLIENT PROFILE

VIDEO TRANSCRIPTION

John Bowen: Define your ideal client. I just like the sound of that, going ahead and defining your ideal client. See, if we're going to be successful on purpose, we're going to attract that client so that they come to us, we're not going to go out and try to sell and pitch and all this. We're going to attract them. But the only way we can do that is, we have to be clear on who it is. So, as we go into this module, what we find is that we've done really some of the heavy lifting already. We've got our client avatar, we just went over that, and you have a pretty good feel of who your client is. Now what we want to do is incorporate this avatar into a larger, more formal framework so we know our ideal client profile. So, this is going back to our motto, what we're talking about.

We're in the third accelerator, hero identity. And we're really thinking through working with the right strategy three. So, the accelerator's hero identity, the strategy is strategy three, and what we're looking at is how can we find the right affluent client that's going to go ahead and really help us accelerate our success even more. So, let's do that. So, as we do that, we're always looking to work as much as possible, only with optimal clients, and it will become very clear. I mean, to attract the right clients and serve them extremely well, you've got to be laser focused. We can't say yes to everyone, we've got to be able to say no. And one of the things you'll find as we go up the hierarchy, depending on what level you want to ultimately be at.

When we go through the client levels, what's happening is we're seeing all along the way is that the C's are changing. The scale of who they're working with, just on investible assets are changing. And what we have to be careful of is... One of the things we should be doing is thinking to be successful on purpose, we should define it now. Now, you may not be ready to go all the way up to the elite level and let's say have a minimum investible of \$5 million for instance. That may be too uncomfortable and that's okay. But we want to start that progression, particularly depending on your... And it's got to be influenced obviously in your market. What's the market look like? So, to say you want to serve affluent clients is not nearly enough. You got to get very focused and we want to ha... You know, the beauty of our business is we only need a few clients.

I mean, we really don't need that many clients coming in each year if you do that right, per financial advisor. So, there's eight characteristics that we focus on. The first is, just a general description, who are the ideal clients you want to attract? And this is, the standard demographic, the ideal client, a stage of life, retired or retired working that, a growing family, an empty nester, a married family status, in the industry, occupation, age, interest, values and goals. And then geographic, and this is one I got to tell you, I feel really strongly about. We have a lot of advisors, particularly in the major wire houses where they're willing to hop on planes to get together with clients. And particularly if you're in a major metropolitan market, and I'll never forget what, we had one advisor who was a superstar at one of the major firms but he was flying

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all over the place, he's based in the greater New York metropolitan area and had a lot of clients in California and Dallas and Chicago.

And we just... One of the things, I asked him why, and he said, "Well, that's how they're kind of coming in." And I said, "What if we put a marketing plan together, wealthy client pipeline plan together, that you could get clients in your area, your geographic area? Would that improve the quality of life?" And the answer was a resounding yes. And we did it and it's changed his life totally. He had young kids and it made a big difference in lifestyle. So, think about what you want. The other thing I see often is sometimes, you'll live in one area and I'll never forget, a woman advisor in Chicago and she wanted, she loved skiing, which I'm passionate about skiing. She bought a house outside of Vail and decided to open up an office there and I'm going, "why go through all that effort" type thing.

Let's make the Chicago market extremely successful and then have that be the vacation. And there's some other tax things we can do, we can get into. But the big thing is, think of your quality of life, what you're looking to do. And more often than not with traffic and everything else. Certainly, I live in Silicon Valley. There is a lot of traffic here. I wouldn't want to have clients all over the Bay area. I would want them in my market. So, think about that for you. You know, where are they ideally located? The amount of investible assets. I mean, this is again going up the hierarchy. When we take a look at this, what level do we want to play at? Now there is a rule of five. This can be a helpful guide. It depends on where you are now, but you take your top 20% and calculate the average and then multiply by five and that's going to push you and it's going to push you.

So, if your average was now 500,000, five times would be, you'd be targeting two and a half million. I want to be careful because if you're already up at the higher level, that may not be the right side. I would be more likely to go on the hierarchy of advisor's success and say, "Where do I want to be? Where am I now? Where do I want to be? How far up can I push myself and be a little uncomfortable?" And talk with your coach, your market and start thinking about where that comes together. Okay.

And then minimum assets, minimum fees. Again, something we feel really important. I always like having minimum assets. And the reason for it is not, it prevents us from doing foolish things, taking clients that we really shouldn't serve. So, if we go to the hierarchy of advisor success, what we'll see is as we move from the experimenter to the Rainmaker, what happens, we start getting client referrals and referrals from clients are typically lateral, meaning that they either net worth and investible assets are either, roughly equal, but more often than not they're down.

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So, we're required to have in my mind a minimum asset level. So, that we don't take too many of the wrong size clients and overstress our business. And also, us. At the same time, what happens is that there are going to be some people who don't have a lot of assets, particularly entrepreneurs where they have, advanced planning areas, which we'll get into when we get into, the second lever. So when we go back, as we start talking about the world-class client service, which is, we're going to start talking about in the next section, is what we'll find is that they are very much, they're going to have less, they'll have a higher net worth, but less manageable assets. So, one of the things I really like is a minimum fee.

Let's keep it simple. Let's say that you have a minimum of \$1 million, is your asset level that you've decided on. And let's... I'm going to use this so I can do the math, 1% fee. So, that's a \$10,000 minimum fee. Well, what you would do then is simply you would have a minimum fee of \$2,500 per quarter. Now you may be at 5 million and you know, whatever it is, but let me stay with the 10,000 so if somebody didn't have \$1 million to invest, but you could add value with what you're doing at \$2,500 a quarter, then I would go ahead and do it. But I would always have a minimum fee that you're working on. Whatever level you choose to do.

Okay. Financial challenges. Again, very important. What are the key concerns of this ideal client? And this happens depending on, who the client avatar is and the industry, what you're working with, they're going to have very similar challenges, which is great because we can get to know them, we can solve them.

So, understanding what challenges are you going to address? And then the source of acquisition, how are they finding you? Well, one of my biggest preferences is client introductions that your clients share you with the people they care about. Where you get your best clients, and we've talked about this as we're moving up the hierarchy, when we get to the elite level, it's almost always the big driving force is COI introductions and Rainmakers. It's client referrals. So, this is, how are you going to do it? What's the focus? Now we're going to go ahead throughout this program, sharing with you how, what you can do to achieve all this. So, it's more what do you want to do? Also, one of the things that I love is this concept of private events and particularly when I'm on other people's stages, but it can be a whole bunch of other things and we'll go over that as well.

And then high net worth personality, compatibility, and profitability. We covered this earlier, think about what is, who do you going to enjoy working with? Typically, you work better with the, one high net worth personality over the other. And I shared with you in that section that yeah, there's three personalities I think you should avoid. Fortunately, these are the smallest ones, the accumulator, the gambler, and the innovator are typically not good clients of financial advisors that are doing wealth management.

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Okay. Passion and commitment. This is something important because we all got to get up in the morning. Who do you want to be passionately surveyed? And I always think of this hero, are you committed to doing what it takes to be their hero? There should be a resounding yes. And this makes it so easy to do.

So as you go through, what we ask you to do here is do an exercise where, we'll do it in session, but you can do it ahead of time, in the group session, is document your ideal client profile and take these eight characteristics, in your avatar and start thinking, "okay, what should we write down?" And what this is going to do, and we're going to use this in three ways to help you assess your existing clients and segmentation we should have, going forward to accept only ideal clients, and then to shape the conversations you're going to have. Remember mastering framing, so important.

So, here's an example. Sample ideal client profile, really that I would have had when I was an advisor. I grew up professionally in a small town in upstate New York, but moved out to Silicon Valley, kind of the right place, right time with two partners and built the advisory business.

And this would be the type of clients that I was working with. You know, the description, working senior executives, high tech companies, really focused on Intel and HP, and then a little bit more detail here, geographic, greater San Jose area, investible assets. Initially I was one to five in our assets under management program. Then moved at the end of the curve. Well over 5 billion, a minimum. You can see the... And I had a little higher fee, at one and a half. Financial challenges, so often these were executives that either had founder's stock oftentimes or stock options and we'd help them with their transitions. A source of clients, this is... My favorite was introductions. I was very good at client referrals. Also had two great strategic alliances with CPA, one with a CPA and one with a private client lawyer.

So, this is where it really comes together. High net worth. What we're looking for here is, I was most compatible with both the independent and the family stewards. And then passion, yes, I loved working with successful entrepreneurs that could make a huge difference. Okay, so where are you in all of this? This is our opportunity to build and get very clear with our team who it is we want to work with. So, we've painted the picture of the avatar. We now have the demographics and psychographics with the ideal client profile. So, where are we going to take this? Well, let's take it a little further, and when we look at the next module, when we get together, I'm going to start working with the value of a net, to identify those really talented great places to hang out, for your clients. I'll see you there.