ceg worldwide LLC

THE ELITE WEALTH MANAGER

BUILD A SIMPLE AND ELEGANT WEALTH MANAGEMENT BUSINESS

NAIL THE WEALTHY CLIENT EXPERIENCE

KEY SUCCESS FACTORS IN ASSET CAPTURE

John Bowen: Key success factors in asset capture. I mean this is really important. If we're going to go through, do the rediscovery meetings, and then ultimately go and do a whole bunch of discovery meetings for the foreseeable future, we want to know what really works. And guess what, we've got a lot of experience in this. So, let's go ahead and take a look at what we've got here. So, what we find is the benefit to the asking for additional assets. So, imagine now that you've done the rediscovery meeting, and with the rediscovery meeting you've got all the information, and one of the things that we know we find over and over again that so often the clients, what they have is they've diversified by advisors.

And I got to tell you that most of us think that's not the case. When some of the research a few years ago we did on this, the last time we did it, when it was easier to survey the affluent, we asked them how many advisors did they have? And if somebody had over $2 million of investible assets or financial assets, what happened was on average, I think it was 94 and a half percent had over two advisors. Okay, when we go to five million of financial assets, the average affluent individual with five million of investible assets told us they had an average 5.7 advisors. Now I know that's not true for you, but what we know is the research is out there. So, with your existing clients, there's an opportunity to serve them better because of this diversification.

So, what we have is a real opportunity. Now, what our research found, which was really interesting, is those who regularly, repeatedly, each regular progress meeting is brought up that they could serve them better by having all the assets in one area did so much better. It's amazing if you don't ask, you don't get type thing. And so often we can add a lot of value. So, without prompting, what we found over and over again in the research, it didn't happen. So, one of the things that you want to do is you want to continuously cultivate the relationship. Now, what do we mean by that? Well, what we're saying here is that there's a real opportunity when we know that, we're going to be likely one of many advisors and if we're not one of many, what we are is that we're likely... We're competing.

And as we're competing with others, one of the things we know, is never going to be the absolute best investment advisor out there, the money management part. So, it becomes relationship very much. And this is why laying the groundwork with a discovery meeting is so important so that you have connected emotionally first, and then you can justify this with logic. With our research, what we found is investment performance isn't the reason most people leave. The reason the vast majority super majority leave is because of the relationship, the service experience that we're receiving. So, we want to make sure they're very satisfied throughout this. Also know the other assets.

We want to understand the assets away from you, and the value you can create by bringing them together. Now what happens is there's going to be triggers along the way and the triggers that happen, we can look at these, in life events, divorce, remarriage, grandchildren, they're going to want to come in, and look at the big picture. Okay, so you make sure you're doing that. The same with if they're retiring, they got a big rollover or an inheritance that's going to happen as well.

Excuse me. And then in a market where there's major swings, they may want to get together, we're going to try to develop a portfolio so they're confident through, no matter what the market is. Again, that's an issue. And then obviously tax laws, all of these are real big opportunities. Okay, and the other is you just got to remember to ask. And, one of the things that I find over and over again is, we think we're doing a disservice by asking. And, the reality is we're doing a disservice by not asking why? Well, because by bringing the assets together, you can do a much better job. So, always recognize that and then always make sure the offer here is a dynastic review of the assets. So, when I look at this, I always think of the whole process, let me grab my whiteboard here.

I think this will be helpful is that as we go through, think of, from a standpoint, what we have is we have an opportunity to improve their situation. So, what I always look at is, if there's four drivers. If you think about that diagnostic, what are you going to do? Where we're going to look and see if we can improve their situation, I guess make it a little less red by cost. And, by bringing the assets to you, most of us work on a blended rate. So, the more assets we have, the cost go lower. So that's a huge opportunity, as we think about it also what we find is taxes, and I probably should have put those in red.

Taxes we're talking about here, this whole concept of tax management. When people have diversified by advisor, oftentimes they use the same methodology. So, the asset class is all kinds of redundancy. By bringing it together you have much more efficient tax management. And then, it's the class where we all talk about is risk and return. And what we have here, these are the four drivers. And, you think of risk returns. The whole concept of modern portfolio theory that we're going to have portfolios typically that are either lower rate, we could have lower risk and have the same rate of return. So, we could go there and have lower risk, the same rate of return or at the same level of risk, higher returns. And this is where you're adding a lot of value. So, whatever methodology you do, it's really those four things. Thinking about cost, we don't always guarantee higher rate of return. If we can bring down the cost, all other things being equal.

Taxes, we have a not too silent partner. I live in California, so we've got double partners here. Your risk return, it's so important to do this and this is where we can add a lot of value if after each meeting, if we've got assets away from us is offered it diagnostic, and then always thank your clients for having confidence in what you are doing. So, the confidence that they've entrusted with you is what you're really thanking them for. Okay, where are we now? Well, we've gone through a whole bunch to this nailing the wealthy client experience, and it is really critical to get very good at this. If we're going to deliver, the experience that we want, and build this great business. We're going to race up the hierarchy here.

What we have to do is be able to deliver this World-class client experience. And this is critical and we're getting really good at it. But now we're starting to expand our relationship with the existing clients. I want to go into the second opinion service. Now, what we find is when we ask advisors whether they ask for referrals, most say, "yeah, I do it." When we asked affluent clients, if you ask for referrals, we hear a resounding for the most part, no. And so, most of us are uncomfortable, I mean, clients are paying us a lot of money. I know when I was doing it, I always felt like if I'm delivering a great experience, they will naturally do it.

And I've got to tell you, I did get referrals but never as many as I thought I should, until I created the system to do that. And this is where I want to bring in the second opinion. We've improved it dramatically since those days. But this is where you can create the systems. So that you are providing an offer for your existing clients. So, they'll want to introduce you to the people they care about. I'll see you in the next video.