

Results-Driven Solutions August 2009 Newsletter

by Sarah E. Dale and Krista S. Sheets

*"The ultimate success of a financial services practice means maximizing ROP -
Return on People and Return on Process"*

Sarah Dale and Krista Sheets

This month's topic, *Expanding Your Opportunities: Developing Multi-generational Relationships*, is a good reminder for all of us to constantly focus on organic growth opportunities. So often we work with advisors who have not yet fully capitalized on the "low hanging fruit" in their practice, leaving their future profitability and business value insecure. Please feel free to share the content of this newsletter with anyone to whom you feel it may be of value.

Financial Planners Association Annual Conference – Anaheim, CA 10/9-10/13

If you will be attending, please be sure to stop by and say hello to Krista during her session – *Five Steps to Five-Star Service for Financial Professionals* on Monday, October 12th, 8:15-9:30. She looks forward to seeing you!

Dream Teams

Sarah recently read this month's edition of **On Wall Street** magazine, which has a great lead article entitled **Dream Teams**, which we thought we would let you know about. As you know, we focus much of our work on helping both firms and advisors achieve the ultimate ROP (Return on People). We help you work through a due diligence process to ensure that you set the foundation for long-term TEAM success. The article, written by Susan Konig, reinforces our ongoing message and contains valuable information about what makes some teams thrive as well as five reasons why teams often fail. For those of you looking to expand your current team or those who perhaps are experiencing challenges on your current team, please give us a call and we'll help ensure that you address the critical factors in taking your team to the next level. You can read the article here: www.ParagonResources.com/library/ows_dream_teams.pdf

TIP: Add Value to Your Client Relationships NOW

Last week Krista spent some time with her nephew during the final days of his summer vacation. He was grumbling about his days of swimming, sun, and fun coming to an end and how soon he would be doing homework again. Even though some kids have already gone back to carrying their backpacks and lunches to school, much of the country goes back to school after Labor Day. Why not send out an email to all of your clients giving them some tips on how to make this time of the year a little bit easier? It's a great way to connect with parents and grandparents on a topic that is dear to their hearts...their family. Below are a few links for useful back-to-school information that may be of interest to you and your clients. Don't miss out on this opportunity to add *non*-investment value to your client relationships.

American Academy of Pediatrics: www.aap.org/advocacy/releases/augschool.cfm

National Association of School Psychologists:

www.nasponline.org/resources/home_school/b2shandout.aspx

Scholastic: www2.scholastic.com/browse/collection.jsp?id=72

www.SchoolFamily.com

www.CollegeTipsForParents.org

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Expanding Your Opportunities: Developing Multi-generational Relationships

Are you still defining your ideal client relationships as individuals? Successful advisors define their clients in terms of “family” or “household”. Historically, the male was the breadwinner and dominated most financial decisions, but the times are changing! By 2010, www.AgeWave.com estimates that at least 62% of the wealth in the U.S. will be controlled by women. A decade ago, consultants and coaches began to suggest that advisors build a relationship with their client’s wife. Statistically, the female outlives the husband, so without a strong relationship with this key person it is highly likely that an advisor would lose assets after the husband’s death. Remember that clients with investable assets of \$500,000 to \$5 million have two or more financial advisors 60% of the time. It is therefore likely that the wife would transfer the account to the advisor who DID spend the time getting to know her!

Today, spousal relationship building is not enough. You need to establish relationships with as many people in the family as possible. Thriving advisors concentrate their efforts on connecting with the parents, children, grandparents, and grandchildren of their clients. Unless you have an extremely specialized niche, we highly recommend you focus your energy on building multi-generational relationships immediately if you haven’t already done so! Current demographics suggest the need to deepen relationships to ensure long-term asset retention.

Whether your clients are from the baby boomer or sandwich generations, you can always approach the subject of legacy, introduce them to an estate planning attorney, encourage family financial meetings, and so on. Additionally, summer is typically the season for more family reunions and fun time with loved ones. Capitalize on the opportunity for a family-themed event, whether it be educational in nature, one where you show your appreciation for their business, or a combination of the two.

"What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others."
Pericles

Take Action!

Fact Finding – The best way to get started is to learn as much about your clients as possible, thus the process of profiling or fact finding becomes that much more important. Fact finding will provide the information you need to develop and implement relationship-building and marketing strategies to deepen the household and grow organically! Review your current fact finder or develop a simple family profile to uncover more information about your clients' family members.

Conduct Annual Family Financial/Heir Meeting – All appropriate family members should be present, but be aware of the occasions when the parents may not want the children to know what they are doing with their assets! However, in this environment of eroding social security, expanding life expectancies, and complex estate planning issues, the more the children know, the better prepared they will be for the inevitable. You should include their attorney and other pertinent advisors. This type of meeting provides the opportunity to talk about more than finances; you can talk about legacy, which is vital to many in the older generation. According to Ken Dychtwald, President of market research consultants Age Wave, “many people wrongly assume the most important issue among families is money and wealth transfer – it’s not. An inheritance focuses primarily on the money, but a true legacy also includes memories, lessons and values you teach to your children over a lifetime.” This type of meeting opens a new door to deepen the relationship

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with different generations. Yes, this does take an investment of time with your clients; however, it increases your likelihood of retaining the assets through the generations and shows your concern for the overall family.

Conduct a Family Update Meeting – These meetings may be with your primary clients within households or include other family members. Use this opportunity to learn what is going on in their lives and careers to uncover any major life occurrences or celebrations that the family may be experiencing. Knowing that the grandfather is about to go into a nursing home or that the daughter is about to leave for college will help you craft your plan of action to help them. You can also discover any life desires that have not yet been attained.

Promote a Family Seminar – Conducting a ‘family seminar’ is a great way to further deepen your relationship with the different generations. Rotate topics so they become applicable to multiple family members and generations – planning for college, the dangers of debt, estate planning, long-term care, charitable giving, etc.

Create a Family Appreciation Event – Depending on the demographic you serve, you may have clients with both very young children and older children. Obviously, you need to customize your appreciation event to your specific market. This is also an opportunity to think about your community and what it offers... community theatre, parks for family picnic, tables at local sports/arts events, etc.

Getting Started:

The best way to get started is to learn as much about your clients as possible.

- 1) **Develop a list of clients with whom you believe you can deepen the relationship with other members of the household.** Use your contact management system or client filing system to help you review your client or household awareness. Develop a list of clients who may be receptive to your efforts to learn more about their family. Start with your joint accounts. Review what you know about each relationship and the family structure. Then move on to your individual account relationships and corresponding assets; think about your knowledge of those clients. You may have to dig deeper into the *data and knowledge* you have of these relationships to decide whether they should go on the contact list.
- 2) **Give your CSR or sales assistant the list of clients to call to set up a Family Update Meeting.** The purpose is to better understand your clients and their family members. You can also position this as a client satisfaction survey meeting where you are also asking for their assessment of your performance, advice, and service. Our preference is to really focus on the family and not portfolios, though! This is a time to build a stronger personal connection with your client.
- 3) **Conduct the Meeting & Fact Find.** During the meeting, review your relationship with them and ask appropriate questions about their family members. Use your fact finder or family profile to uncover the information you have deemed important. Be sure to gather all of the names, birthdates, passions and interests, as well as the contact information. Don't forget to include all of the family members, i.e., children, grandparents, brothers, sisters, etc. Take good notes and obtain as much information as possible. Remember that it is important to approach this from a planning perspective and caring standpoint, not a hard core sales push!

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- 4) **Set a plan with the client according to the information that you uncover.** Note that although you may not immediately retain other family members as clients, with your new information you can start sending them birthday cards, your newsletter, invitations to seminars, etc., so the relationship begins to evolve.
- 5) **Follow Up!** Multi-generational marketing can go a long way towards deepening your existing relationships and uncovering organic growth opportunities if you FOLLOW UP and act on opportunities to add value!

DRIVE REVENUE WITH 5-STAR SERVICE Workshop for Branches, Firms, and Industry Associations!

In order to retain ideal client relationships and attract new ones, SERVICE is paramount. You must have a service model in place that adequately articulates, demonstrates, and validates your value proposition. Our workshop provides participants with a simple process and enumerable tools which lead to dramatic results including:

- An increase in both assets managed and revenues generated
- An increase in asset retention, client retention, and loyalty
- An increase in referrals
- A more efficient practice and team

This program is being offered to branches, firms, and industry associations as a ½ day, 1 day, or 1½ day program.

Visit our website at: www.paragonresources.com/services/knowserviceworkshop.php for more information.

PRACTICE MANAGEMENT EXPERTISE

Are you a firm leader who is interested in further developing your practice management offerings? We provide corporate consulting, train-the-trainer(s), and program content based on our **People + Process = Performance™** and our **Find-Grind-Mind Model for Financial Professionals**. Please contact [Krista Sheets](#) at 770.319.0310 or [Sarah Dale](#) at 757.258.0008 to discuss your specific needs.

If you have any comments or suggestions on how we can better assist you and your practice, please know that we welcome your input. If you are looking for assistance on a specific project, please feel free to contact us so we can craft the best solution for you using our own expertise or that of our strategic partners.

Warmest regards,

Krista and Sarah

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