



## How to Consolidate Client Assets

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No business goal is cited more often than consolidating accounts held elsewhere, based on my recent workshops with advisors.

Wanting to do this is a good start. The key question is how best to go about this.



Becoming the exclusive financial advisor for key clients has always been a priority for advisors. These days, however, this is even more important because advisors are looking to regain some of the assets lost in last year's market decline. It's also because of the recognition of the risk that if you don't act, another advisor you share a client with might.

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Here's what I've learned from talking to clients who have more than one advisor.

Investors who have accounts with multiple financial advisors and financial institutions fall into two categories - the first group is those who have made a conscious decision to spread their relationships around, and the second category is those for whom this is more of a historical accident.

The first group will be a tougher sell when it comes to centralizing their financial affairs. In some cases, they have long standing relationships with other advisors that they don't want to abandon. Other times, they have sought out different advisors for specific expertise (e.g., working with one advisor for investments and another for insurance).



In other instances, investors are concerned about control or confidentiality if one advisor has all their money. Confidentiality becomes a bigger concern in smaller communities, where personal information has a tendency to spread more rapidly.

Then there's the second group – those who work with more than one advisor either because no one has ever suggested bringing all their finances under one umbrella or, if one of their advisors brought this up, they failed to give them a good reason to do so.

Regardless of which category your client falls into, consider a three pronged approach to a conversation about consolidating a client's financial affairs.

Start by pointing out the advantages. Depending on the client, these might include better constructed portfolios by eliminating duplicated positions, more efficient tax management, lower bills for tax preparation, less paperwork to keep track of and generally simplifying their lives.

The second prong is to make moving as simple as possible, by taking on as much of the paperwork and follow-up as you can. Whenever you ask a client to do something, expect the client to measure the gain versus the pain. It's not enough to talk about increasing gain - you also have to focus on reducing pain.

The third prong is your fallback strategy.

Even if a client declines your offer to bring all of their financial affairs under one roof, keep the lines of communication open. One way to do this is by offering to help them summarize their investment reports - simply by having your assistant call them once a quarter to arrange to get all of their statements and preparing a consolidated version. Not only will you be doing your client a service, but you'll eliminate the possibility that another advisor your client is working with will beat you to the punch.

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