

The Word that Defines Effective Communication

By Dan Richards
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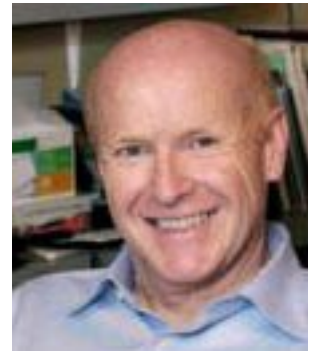
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Every quarter, Merrill Lynch commissions a survey of 1,000 affluent Americans with investments of at least \$250,000.

Among the questions in their survey in June was one about the importance of various financial advisory services.

Here were the top-rated responses from affluent investors:

- Provide proactive updates about whether they're on track with their financial goals (71 percent).
- Be proactive with investment advice (69 percent).
- Offer advice on how to maximize a 401(k) (68 percent).
- Understand the role their personal values play in their financial goals (67 percent).
- Provide holistic financial advice (66 percent).
- Help with ensuring necessary cash flow and liquidity (63 percent).
- Provide support with decisions regarding Social Security, Medicare, long-term care, etc. (60 percent).



The impact of proactive contact

There are a couple of notable insights from this list.

First is the breadth of financial issues on which affluent investors want advice – going well beyond just investments.

And second, the top two results both related to an advisor being proactive the one word that defines effective communication, more than any other,

A business owner's take on advice

One of the keys that busy clients look for in an advisor is someone who monitors their situation, so they don't have to.

A \$1 million-plus business owner I talked to put it this way:



"I've got a lot of balls to juggle in my business.

What I look for in all of my professional advisors – my accountant, lawyer and financial advisor – is that they're on top of things and will be in touch if there's anything I need to know.

Because I'm confident they're worrying about my situation, I don't have to be concerned that I might be missing something."

Proactive contact in action

Many investors give advisors much more credit for a conversation if it's initiated by the advisor than if it's in response to a call that they place.

Here's an example.

As you're reviewing an important client's file, you notice that they're overdue to make a contribution to their children or grandchildren's 529 plan.

As you reach for the phone to call them, it rings and the client you were about to call is on the phone, asking about making their 529 plan.

Chances are that you'll have exactly the same conversation as if you'd initiated the call ... the difference doesn't lie in the conversation, but rather your client's perception of that conversation.

Fairly or not, if they initiate the call, many investors believe that the conversation wouldn't have taken place otherwise ... even though it's precisely the same conversation, advisors get much more goodwill and credit if they take the first step in making that call happen.

Building proactive contact into your day

Many advisors underestimate the impact of being proactive.

But even among those who recognize the value of a proactive call, a common barrier is finding the time for this in a day that's already packed.

Remember two things, however.

First, chances are that you're going to have that conversation with clients anyway – the time commitment will be the same, the only question is whether you take the initiative and get lots of credit or have the same conversation in response to a call from your client and get much less credit.



Second, as busy as we all are, there are few of us that couldn't find 15 minutes a day for a high-value activity.

Build a 15 minute time slot into your daily calendar – whether it is at 10 am or 4 pm.

In that time slot, pick up the phone and call one important client who you haven't spoken with for a while.

That conversation could be specific – “I'm calling to talk to you about rebalancing your portfolio .. adding global bonds ... increasing your allocation to a market-neutral fund ... your 529 plan ... your Roth IRA.”

Or it could be more general – “I wanted to chat about your portfolio in light of recent markets,” or “I'm calling to see if you have any questions about your recent statement or about the market in general.”

Chances are that this 15 minutes will replace a conversation that you're going to have at some point in any event ... but, by taking the initiative to make that conversation happen, you reassure clients that you're on top of things and reinforce the value that you provide as their financial advisor.

Click [here](#) to view the press release on this study.

Dan Richards conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries and to reach him, go to www.strategicimperatives.ca.

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