The Confident Advisor

How to Thrive in the New World of DOL Fiduciary Standard, Digital Advisors, and the 5 other Critical Industry Disruptions

Bill Bachrach
Contents

Introduction. It’s a GREAT Time to Be a Financial Advisor! ............................................... i
Ch. 1. Disrupted.......................................................................................................................... 1
Ch. 2. Thrive and Profit in the Age of Exponential Disruption ................................. 36
Part II. Speaking the Language of Trust ............................................................................. 55
Ch. 3. Conversation #1: How to Connect with Anyone, Anywhere, Anytime ............. 62
Ch. 4. Conversation #2: Scheduling the Appointment......................................................... 77
Ch. 5. Conversation #3: The First 60 Seconds of the Client Interview ...................... 98
Ch. 6. Conversation #4: Making an Emotional Connection ............................................ 104
Ch. 7. Conversation #5: Helping People Define Targets..................................................... 122
Ch. 8. Conversation #6: Financial Benchmarking............................................................... 134
Ch. 9. Conversation #7: Articulating Your Value Promise and Getting Hired.......... 145
Ch. 10. The Implementation Meeting................................................................................... 159
Ch. 11. Conclusion: Get Into the Dojo................................................................................. 168
Introduction

It’s a GREAT Time to Be a Financial Advisor!

“A sentient being’s optimal chance at maximizing their utility is to live a long and prosperous life.”
Mr. Spock

The purpose of this e-book is to help you “live long and prosper.” Despite the disruptions, distractions, and changes that are out of your control, THIS is a GREAT time to be a Financial Advisor! That’s right… I said it: THIS is a GREAT time to be an advisor!

No, I don’t have my head in the sand about the Department of Labor (DOL) Fiduciary Standard, robo-advisors, fee compression, and volatile markets. I’m aware that some experts predict that machines will replace 58% of advisors in the next 10 years, and that competition to acquire and retain clients is stiffer than ever. I still say that it’s a GREAT time to be a Financial Advisor because what is NOT changing, and will NEVER change, is that PEOPLE need HELP with their MONEY. They need planning, advice, and accountability to achieve their goals as much as ever. That’s what you’re in the business of providing.

Do you know what else will NOT change? The fact that YOU control your income, your time freedom, and the degree to which you help people. Do you know someone in this business who is more successful than you, and do you look at him or her and think, “If they can do it, anybody can succeed”? But the bottom line is that for you to reach the kind of success you want, you’ll need to tap into more of your potential. (If you’re completely honest with yourself, you know you have untapped potential, right?) You’re going to need to upgrade your skills, or your services, or your client relationships, or perhaps all three.
Throughout this e-book you’ll see links to videos, webinars, and articles designed to enhance the book’s content. Here’s the first one: a video clip from a conference about exactly why you’re in a great business.

It’s A Great Time To Be A Financial Advisor

What’s completely certain is that, to be successful in this new world, you CANNOT keep doing things the same old way. If you do adapt to the new world, however, you are likely to be one of the few advisors who achieves the **Big 3**:

1. **Ideal Life Income.** This is all the money you need to pay for your *ideal* lifestyle, to get your own financial house in order, and to accumulate enough money to achieve all of your financial goals.

2. **Time Freedom.** This is time to do everything you want to do outside of work. Time to be fit and healthy. Time to be with your family and friends. Time for holidays. Time for spirituality. Time for philanthropy. Time for adventure.
3. **Help People.** You will maximize the value you deliver for your clients so you help them achieve their most important goals and fulfill their most deeply held values.

Even though the Big 3 are available to every advisor in this business, many blame events out of their control for their failure to achieve them. The markets. The economy. The government. The media. Taxes. World chaos. Terrorism. Global warming. The Fed. The company. The products. But let’s face it: every Financial Advisor (FA) lives under the same “rules.” The markets are the same for everyone, right? The government is the same for everyone, right? Everyone has access to the same products, right? So why the huge disparity in results?

**The Big 3 rewards are earned by the few who take charge of their business and their life.** Every generation of advisors has to adapt to a new world or die. In every generation, more fail than succeed. But, harsh as it sounds, every FA succeeds or fails because they CHOOSE to. Today we’re at another crossroads. Some advisors will adapt and some will not. Some advisors will succeed at high levels in every way success can be measured. Others will not. The choice is right where it’s always been: in your hands.

![Image](image.png)

**You Have The Ability To Transform Your Business and Create Your Ideal Life**
For over a quarter of a century the best advisors in the world, and those who aspire to be, as measured by value delivered to the client, financial success, and quality of life, have come to us for training and coaching. The patterns of success are clear. In an industry where only a fraction are willing to invest in themselves at all, these committed advisors from all over the world invest $5,000 per month on a four-year contract, travel to San Diego, CA, four times a year for six days of intensive, immersion-style training to master Ideal Client Service, Ideal Client Acquisition, Leadership, and Time Management. Between quarterly sessions they are held accountable to implement by their personal accountability coach. The goal is for these advisors to create their Ideal Life by building an Ideal Business exclusively with Ideal Clients.

Why should you care about a crazy group of high-performing overachievers who invest so much time and money in their professional and personal development? Because everything you learn from this e-book and the Advisor Roadmap™ Virtual Training Platform is derived from the lessons learned from the businesses and personal lives of advisors who are committed to being in the top 1% of Financial Advisors in the world. We want every advisor with a desire to elevate their client value, build a better business with better clients, and earn the money necessary for a great life, to have easy, low-cost access to the most powerful success content that exists in our industry today.

As the saying goes, “a rising tide lifts all boats.” Our goal is for this e-book and the Advisor Roadmap™ Virtual Training Platform is to raise the tide for every client, every advisor, and every organization supporting their success by helping them transition from the old world to a new world of truly comprehensive values- and goals-based financial planning.

Remember, this book is about thriving in the new world! So, don’t be discouraged by some of the scary facts that need to be discussed. If you are a veteran, you can adapt. If you are a mid-career advisor or a rookie, you can “rescue” clients from the veterans who are unwilling to adapt. If you are a middle-of-the-pack advisor, you can break out and achieve your true potential. And no
matter what your current level of experience and success, you too can have the income level and time freedom you want by maximizing the value you deliver to your clients.

So let’s get the facts about the industry disruptions, scary or not, out of the way first. Then throughout the rest of the book will discover the skills needed to thrive in this new and exciting world.
You may be as surprised as I was to discover that Kodak invented the digital camera. I assumed that they went bankrupt because another company created and brought the digital camera to market while Kodak stubbornly held fast to their film, paper, and chemical businesses. In reality, Kodak invented the digital camera in 1975, regularly considered and rejected the idea of bringing it to market, and didn’t realize the potential until it was too late. They’re not alone.

You know that Netflix disrupted Blockbuster out of business, but were you aware that in 2000 the founder of Netflix approached the CEO of Blockbuster with a partnership proposal? With thousands of retail stores, millions renting videos, and huge profits, Blockbuster passed.

The list of companies that have been “disrupted” out of business goes on and on. Some would call them “victims” of digital disruption, the Internet, and technology that made their business models obsolete — but truthfully, most of these companies simply ignored the handwriting on the wall. They were unwilling to adapt.

Why should you care? The question is, could you be doing something similar in your business? Are disruptions happening right now in the financial services industry that you are unaware of, ignoring, or underestimating? Probably.

In case you haven’t noticed, the financial services industry is in the middle of a tsunami of disruption. Everything is changing. And the change isn’t linear: it’s
exponential. Your old, safe ways of doing business may not work for much longer. In fact, they probably aren’t working right now. Today, unless you are actively looking for the ways the world is changing exponentially, you’re going to be left behind, just like Kodak and Blockbuster.

X Prize founder Peter Diamandis (you’ll hear more about him later) interviewed Ed McNierney, the founder of Digital Strategy for Kodak. McNierney had a lot to say about why Kodak missed the boat on digital technology, and how you can avoid disruption in your business. Click on the link below.

To illustrate my point, let’s talk about what “exponential” really means, and then we’ll discuss the 7 most important disruptions happening to the financial services industry right now.

What is “exponential?” As a rookie Financial Advisor I was asked a question designed to teach the power of compound interest: “Would you prefer to have $1 million cash right now or a penny that doubles every day for 30 days?” I
suspected it was a trick to prove a point, but I couldn’t wrap my brain around the idea that a doubling penny could be worth more than $1 million in 30 days, and so I picked the million dollars cash.

I was wrong, for a very good reason: human brains are designed to think linearly, not exponentially. That’s why most of us don’t see these disruptions coming in advance and tend to underestimate their impact, especially when it’s our own business.

Here’s a video that describes the difference between linear and exponential:

The Law of Accelerating Returns

Let’s look at the reason a doubling penny for 30 days is better than $1 million cash. For most of those 30 days the growth is far from impressive. By day 18 the penny has doubled to just $1,310.72. How is it ever going to get from there to $1 million in just 12 more days? The power of exponential growth, that’s how. After 27 days the doubling penny has reached $671,088. On the 28th day it breaks the million-dollar mark and hits $1,342,177. On day 29 it eclipses $2.6 million, and on day 30 it is $5,368,709. From one penny to over $5M in 30 days:
that’s more than 5 times the hypothetical million dollars I received a month ago. Whoa!

That’s an impressive lesson in the power of compounding and exponential growth. Interesting… but what happens to the doubling penny in the next 30 days? On the 60th day, what started as a single penny is now worth $5,764,607,523,034,235. More than $5 quadrillion, which is over five thousand trillion dollars!
When it comes to technological progress, we’re living in the second 30 days. In other words, change in the next 30 years is NOT going to be like the change of the past 30 years. It’s going to be much, much, much more significant. Exponential.

In 2001 scientist, futurist, and visionary Ray Kurzweil described this technological compounding effect as the law of accelerating returns. He wrote, “As exponential growth continues to accelerate into the first half of the twenty-first century, it will appear to explode into infinity, at least from the limited and linear perspective of contemporary humans.” The next several years, Kurzweil says, “will transform the concepts that we rely on to give meaning to our lives, from our business models to the cycle of human life.”

In other words, prepare for exponential disruption — in your life, in your client’s lives, and in your business.

We are in the midst of 7 significant disruptions in the financial services industry. In the same way it was vital that you understand the principles of compound interest to do the best for your clients, you must understand the upheavals this industry faces so you can do the best for yourself, your clients, and your future.
Disruption #1: Technology

“The technological singularity is an occurrence beyond which events may become unpredictable, unfavorable, or even unfathomable.”

Wikipedia

Technology has the power to completely disrupt an industry, in some cases rendering the old model obsolete, or so unprofitable that nobody wants to be in that business any longer. And no industry is immune. Taxis versus Uber and Lyft. Amazon versus retail stores. Travel agents versus Kayak, Expedia®, and Priceline.com®. Accountants versus QuickBooks™ and TurboTax®. Stockbrokers versus e*Trade®. The Sony Walkman versus the iPod. And today, the same kind of technological disruption is happening in the financial services industry.

On the positive side, powerful financial technologies give advisors the potential to be much more effective and efficient. However, low adoption, low utilization, and low success rates plague even the most powerful and easy-to-use technology tools available to Financial Advisors. While companies pay big money to give their advisors the best technology advantages, most advisors still use only a fraction of the technology’s capability, if they use it at all. One of the major reasons we wrote this e-book and created the Advisor Roadmap™ Virtual Training Platform was to increase the adoption, utilization, and success rates of existing technologies that can help advisors be more successful by helping their clients be more successful. Ironically, in a world of enormously powerful technology, people skills are the catalyst for turning technology into results.

New competition in the form of digital or “robo-advisors” has many industry leaders and advisors concerned. For the most part, machines are currently just digital money managers or turnkey asset management programs (TAMPs). But as the machines get better and better at increasing their capability, and as user
interfaces get more friendly, it’s possible that machines will be able to do sophisticated financial planning and give advice without a human interface.

Naïve advisors discount the machine as a legitimate competitor. But machines are as dumb right now as they are ever going to be, and their capability is increasing exponentially, not linearly. How many humans do you know who are twice as smart, twice as fast, or twice as effective as they were a year ago? Competition from technology will continue to get stronger and faster, and those advisors who try to compete on the basis of “hard skills” that machines can do better — things like crunching numbers, aggregating data, automating follow-up, portfolio construction and management, creating reports, etc. — will likely not survive.

Smart human advisors will not try to compete with the machines’ “hard skills.” Instead, they recognize that highly intelligent, fast machines can help them deliver on their client value promise while reducing expenses. Then smart advisors work on getting great at the things that machines can’t do: the “soft,” or “people skills.”

As a big rock music fan, I equate what’s happening with technology in our industry today with what happened when bands started to use drum machines.
back in the 1970s and 1980s. Bottom line, if you’re great at your job like the drummers for Led Zeppelin and Cream, you’ll never be replaced by a machine.

Don’t Be A Drum Machine, Be Like Neil Peart: How To Avoid Disruption In The Financial Services Industry

No matter how good the machines get, a caring human with great people skills and powerful machines with incredible technical skills will be the winning combination. The machine can be programmed to do the technical work, but it’s unlikely the machine will ever genuinely care whether the human clients get out of debt, accumulate adequate emergency reserves, own the right amount of all types of insurance to protect against the inherent risks of life, save and invest enough to achieve their goals, reduce their taxes, and complete their legal docs and estate planning. Even if technology improves to the point where machines can offer financial advice, there is a big difference between being programmed to emulate compassion and actually being compassionate. The losers will be the technician advisors who try to compete with the machines on their turf instead of further developing a competitive advantage with their people skills. In this e-book you’ll begin to understand and master the critical people skills that will set you apart from the machines as well as your human competitors and help you to succeed in the midst of disruption.
Disruption #2: Competition

“I have been up against tough competition all my life.
I wouldn’t know how to get along without it.”

Walt Disney

It used to be that once you had a client, chances were that you could keep them for life. Your only competition came from other independent, brokerage, bank, or insurance company Financial Advisors. You were not too concerned about the competition because your products, services, and pricing were equal to or better than everything else out there. Even if you didn’t do much more than put your clients’ money in a “set it and forget it” asset allocation, you could get away with collecting 1%+ every quarter.

It was good while it lasted. Today your clients have access to all of the financial information that exists online, and the competition for financial planning, wealth management, and insurance advice is strong. You used to be competing with other humans for business; now you’re competing with Betterment, Wealthfront, SigFig, Learnvest, Personal Capital, other technology-driven financial services firms — AND with really good humans who are very effectively using powerful technology. Not to mention powerhouses like Charles Schwab, Vanguard, TD Ameritrade, and Fidelity, all of which have cutting-edge technology and employed advisors while supporting independent advisors with their technology and services.

This webinar discusses the competition human FAs are facing today.
Competition is good for the consumer because it drives prices down while driving value up. How cheap will it get? At the recent INSIDE ETFs conference, the CEO of etf.com, Matt Hougan, presented a slide with his personal, globally diversified, tax-efficient, easy-to-sleep-at-night, set-it-and-forget-it portfolio. The total cost: 8 basis points. Charles Schwab recently introduced Schwab Intelligent Portfolios™: automated investment management for… FREE.

And how about Vanguard Personal Advisor Services? They make the following promise to potential clients:

*We reinvented personal financial advice to help you earn more over time and pay less when you partner with a Vanguard Advisor.*

*Step One: Get to know you, your goals, and your unique financial situation.*

*Step Two: Partner with you to create a custom-tailored financial plan.*

*Step Three: Put your plan into action and manage your portfolio, allowing you to be as involved as you want to be.*

*Step Four: Work with you to keep track of your plan’s progress.*

*Step Five: Rebalance your portfolio as necessary and partner with you to revise your plan when important changes in your life occur.*
Sound familiar? How much does Vanguard charge for this? 30 basis points. Given the number of technically competent Certified Financial Professionals (CFPs) and advisors who don’t know how to run a business, lack the skills to acquire clients, or are just plain afraid of competing in the new world, Vanguard will have no trouble growing a big, capable, employee-based, machine enabled, advisor force. Vanguard CEO, Bill McNabb, tries to reassure independent advisors that they aren’t really competing with advisors because their focus is the mass market. What do you think? I haven’t heard Vanguard describe the client they turn away, have you? They have a minimum $50,000 investment, but no maximum. Do you think Vanguard would be happy to take over any of your potential or even current clients?

Investments in Financial Technology quadrupled from $3 billion in 2013 to more than $12 billion in 2014, with the two biggest investors being Intel and Google. (Take note of that: it’s not the banks and brokerage firms that are making the biggest investments in financial technology. It’s tech firms.) In a 2014 article on Google’s ambitions to enter the financial services industry, portfolio and industry consultant Mark Melin wrote, “Google doesn’t want to play in the existing sandbox. If Google enters the financial services arena it is likely to entirely change the nature of the playground. Google walking into what is an arcane industry and reinventing business, changing the playing field is the likely outcome.”

Outsiders see the financial services industry as an arcane industry ripe for disruption. What if Google becomes your next big competitor? What if it’s Apple? Or Amazon? Or Tesla? Or IBM? Not long ago IBM announced plans to monetize its super-smart supercomputer Watson. In 2014 it launched its first initiative to use Watson’s big data analytics technology to upgrade health care. The company also plans to do the same thing with several key vertical industries, including insurance. What if financial services were to be IBM’s next target for “upgrading”?
And what about the tens of thousands of State Farm, Allstate, and Farmers Property & Casualty (P&C) insurance agents? Where does USAA fit into this picture? Do you think they are going to fold up shop and allow the autonomous car to put them out of business? All of these companies already offer most financial services products. The smart P&C agent is looking a lot more like a financial planner and a lot less like an auto insurance agent.

Keep in mind that these 7 disruptions are just the new facts of life. Don’t be discouraged. While we have to realistically assess the risks, most of this e-book and the Advisor Roadmap™ Virtual Training Platform are dedicated to helping you thrive in the new world!

Disruption #3: Client Longevity

“What I'm after is not living to 1,000. I'm after letting people avoid death for as long as they want to.”

Aubrey de Grey

What’s the primary goal of most of your clients? To have enough money to maintain their lifestyle for the rest of their lives and pass on the remainder to their heirs or charity, right? So, the question in goals-based financial planning is, “How long do you think you’ll live?”

Here’s a discussion of this topic from a recent keynote speech:
How Long Will You Live?

So, how long should your clients estimate they will live? In meetings with Financial Advisors, the conversation usually goes something like this:

**Advisor:** So, when would you like to retire or for work to become optional?

**Clients:** Around 62 would be good.

**Advisor:** And how long do you think you’ll live?

**Clients:** Well … our fathers lived into their late 70s and our mothers into their mid-80s … so we’ve got pretty good genes. We’re taking good care of ourselves and people are generally living longer these days. I’d say we should make it into our late 80s or early 90s… maybe 95 to be on the safe side?

**Advisor:** Okay, then. We’ll create a plan so you don’t run out of money until age 95.

**Clients:** That works for us.
What just happened? The client pulls a somewhat random number out of the air and the advisor creates a financial plan for them that will almost certainly fail — because the fundamental assumptions underlying these plans are likely to be incorrect. What happens if your plan covers the client up to age 95 and the client lives 10, 20, or 30 more years? (Wait until the discussion about the Fiduciary Standard disruption!)

“Impossible,” you say? Not according to the scientists and businesses that are working to extend the length and quality of human life. One such company is Human Longevity Inc. (http://www.humanlongevity.com/), co-founded by the founder of the X Prize, Dr. Peter Diamandis, genetics wizard, Dr. Craig Venter, and stem cell pioneer, Dr. Robert Hariri. These are not science fiction writers: they are experts with credentials and a track record. They say:

Aging is the single biggest risk factor for virtually every significant human disease. Our goal is to extend and enhance the healthy, high-performance lifespan and change the face of aging. For the first time, the power of human genomics, informatics, next generation DNA sequencing technologies, and stem cell advances are being harnessed in one company, Human Longevity, Inc., with the leading pioneers in these fields. Our goal is to solve the diseases of aging by changing the way medicine is practiced. It’s not just a long life we’re striving for, but one that is worth living.

I hope they succeed, don’t you?

The Methuselah Foundation (www.mfoundation.org) is another group doing interesting work in this area. Their website states, “By advancing tissue engineering and regenerative medicine, we want to create a world where 90-year olds can be as healthy as 50-year olds – by 2030.” 90 as the new 50? Cool.

You see it every day. We are living longer and staying healthier every year. Today men and women in their 70s and 80s regularly finish Ironman distance triathlons (2.4 mile swim + 112 mile bike + 26.2 mile run) within the 17-
hour cutoff time. vi Here's a photo of one of them: 84-year-old Lew Hollander, the oldest man to finish an Ironman race:

![Aging Wonder: Lew Hollander's Record Finish](image)

**The oldest man to finish an IRONMAN race achieves his 2014 goal: to start the 85-89 age category in Kona next year.**

Medical and scientific breakthroughs will continue to extend life while delaying the affects of aging. Remember, the future is not linear: it’s exponential. What if your clients added another 20 or 30 healthy years to their lives? What if it’s more? Then what happens to your financial projections? Instead of leaving money to their kids, will they buy a replacement kidney or heart or genetic treatments to reverse the affects of aging? Or will they simply need all of their money to continue their lifestyle? Will people go back to work at 90? If 90 then is like 50 now… that’s not a problem, right?

In 2015 Ric Edelman and I appeared at a conference on Exponential Finance conducted by Diamandis' Singularity University. Read this article for some of the insights we shared.
Can you see how the prospect of greater longevity will completely disrupt our long-standing assumptions of the planning, management, and transfer of wealth? The Baby Boomers and the older Gen Xers will likely control most of the money for much longer than expected. Sorry, young Gen X and Millennials, you’re going to have to make your money the old-fashioned way: earn it. To make it even more interesting, longevity favors the wealthy. As Josh Zumbrun reported in a 2014 *Wall Street Journal* blog: “Economist Barry Bosworth at the Brookings Institution crunched the numbers and found that the richer you are, the longer you’ll live. And it’s a gap that is widening, particularly among women.”

Perhaps this will help you make a better decision about your target market.

(On the flip side, greater longevity means that, if you treat your clients well and help them produce the results they want, they will be your clients for much longer — meaning more fees and a more stable client base! Once you understand these 7 disruptions, you can use many of them to your advantage.)

**Disruption #4: Your Longevity**

“If I knew I was going to live this long
I would have taken better care of myself.”

Mickey Mantle
If your clients are living longer, guess who else will be living much longer as well? That’s right: you. If you are a veteran advisor, how will this affect your, business decisions, your future, and your retirement plans? If you are a mid-career advisor, how will this affect your business decisions and your future plans? If you are just getting started, what should you be thinking about as you embark on your career?

Every advisor should revise the math for their personal financial plan. Add another 10, 20, or even 30 years to the forecast to have enough money to maintain your lifestyle forever. How much do you need? How much do you have? What business decisions do you need to make today to bridge the gap?

At a recent webinar an advisor asked whether he needed to pay attention to all of the changes in the financial services industry because he planned on retiring in five years. If you think you’re in a similar situation, you’d better listen to the answer.

How to Overcome Robo-Advising: Should I Even Care?

For veteran advisors, it’s pretty simple:
1. **Plan to work longer.** One of the great things about our business is that it’s a great business to operate for a long time, even part-time. Finally, once and for all, do what you’ve always known you should do to have the business you really want.

2. **Focus on your Ideal Clients.** Your best clients are going to live longer and want to keep their money and their lifestyle for their entire life, so it’s not as important as many would have you believe that you have to “suck up” to their kids in order to keep the assets on the books. It’s much more important that you have a high-trust relationship with both spouses. 70% of widows leave their advisor within a year of their husband’s death. That’s the problem worth fixing.

3. **Elevate your client experience and value promise.** Embrace true values- and goals-based financial planning. Your client needs more than asset management or “Financial Planning Lite” to prepare for and navigate the future. When mid-career and younger advisors realize that your clients control most of the money now and will be keeping it much longer than previously believed, the competition for your clients will heat up.

   The advisors who work with us learn to “rescue” high net worth ($2 million to $20 million) Ideal Clients from apathetic veterans. Too many veteran advisors are ACE: Arrogant, Complacent, and Entitled. They arrogantly think nobody can steal their clients. This makes them complacent about improving their client experience and delivering a better client value promise. Many veterans feel entitled to an easy ride in their “golden career years” because they worked hard for decades. Who else might that sound like? Kodak and Blockbuster, right? The younger to mid-Gen X advisors who were hoping that their clients would inherit your clients’ money are reading this book too. If you don’t step up, they will be happy to continue to learn from us how to relieve you of your clients.

   And what about the Millennial advisors? Not all of them want to plug into the Vanguard matrix and work for a salary trying to serve hundreds of clients via
Skype. They will be looking for the answer to the question, “How do I get those ‘old’ people as clients rather than waiting 20 to 30 years for my generation to accumulate their own money?” Much of this generation is sharper than they get credit for. They’re not all living in their parents’ basement until they’re 35!

4. **Harness technology.** If it’s over your head, make sure your staff gets it. It’s crucial to not compete with the machines. The machines are better at the hard skills and they can help you streamline your operational efficiencies and some of your client deliverables. For about $1,000 / month you can have all the best financial planning and client service technology you’d ever need to acquire and serve ideal clients.

5. **Improve your “people skills.”** As mentioned earlier, the differentiator from other skilled humans and the ever-improving machines is to have amazing people skills. You must ask great questions, listen with empathy, make an emotional connection, build high-trust client relationships, counsel individuals and couples to establish goals that are crystal clear and well-defined, tease out their core values and other emotional drivers, inspire people to take the action required to achieve their most important goals and fulfill their most deeply held values, coach clients to stick to the plan during uncertain economic times, and hold clients *accountable* to do what needs to be done… especially when it’s not comfortable and they don’t feel like it.

That’s my prescription for veteran advisors. For mid-career advisors, your action items are similar. For you it’s vital to focus on high net worth (HNW) Ideal Clients. Make it your business to develop the client experience and value promise combined with excellent communication skills so you can get appointments with the HNW Ideal Clients who are currently working with other advisors and institutions, create a superior experience, and inspire them to leave all of their other advisors and institutions to consolidate all of their financial affairs with you.
New advisors, you have similar action items as well. Don’t let limiting beliefs about being young prevent you from going boldly into the future, and be careful about older advisors passing down their limiting beliefs to you. Here’s a little secret: most of the veterans and mid-career advisors will ignore everything you’re learning in this e-book and/or they will fail to implement well. I’m not being critical, just stating the facts. The “competition” in this industry is much weaker than you might think. Given the fact that most advisors choose to be average, it’s only “competitive” in the middle. Choose to be one of the best and the competition is thin. Don’t fight for a small piece of the middle market. Get your act together, become a GREAT Financial Advisor, and build your ideal business with ideal clients.

Disruption #5: Your Business Model

“It is difficult to get a man to understand something when his salary depends upon his not understanding it.”

Upton Sinclair

In the soon-to-be old world, most advisors do something that looks like “Financial Planning Lite.” Financial Planning Lite is a little retirement planning, a little college funding, some asset allocation, and a few insurance sales. It sometimes comes with an “annual review.” Most advisors doing Financial Planning Lite give away the planning, charge about 1% of assets under management (AUM), earn commissions on occasional insurance sales, and sometimes meet their clients in person. The cornerstone of Financial Planning Lite is gathering assets or placing “investable” assets on a platform that pays the advisor a percentage of those assets gathered. Even though most advisors using this approach have too many clients to do truly comprehensive, values- and goals-based financial planning and to meet those clients frequently enough to really hold them accountable to stay on track, for about three decades this has been the “nirvana” business model. The mantra of most advisors is something
like, “If I can get $100 million of AUM I’ll earn $1 million / year… forever. My business will then pretty much be on cruise control!” As though the world would never move off of a 1% of AUM model. Sorry, it moved, and the movement is happening in two directions: (1) to a lower percentage, and (2) to a fixed-dollar fee.

With a business model based on gathering assets, it didn’t matter if advisors had stratified clienteles of a few “A” clients and a bunch of “Bs” and “Cs.” Advisors got paid 1% of total AUM no matter what they did or didn’t do for each individual client. Advisors steeped in this model use impersonal language to describe their success: “We have $100 million, $1 billion, or X amount of assets under management,” rather than client-centered language like, “We are helping X number of clients / families achieve their financial goals.”

If you are this kind of advisor, you’d better wake up — fast. Technology, the Internet, and digital advisors have created transparency and simplicity that are blowing up this traditional AUM model. Combine this with ever-increasing client expectations for comprehensiveness, transparency, and simplicity, along with increasing government regulations, and you understand why this is a “tsunami” of disruption to the old “percentage of AUM” way of doing business.

The other factor challenging this business model is the decreasing perceived value of investment management and performance. There are at least three reasons for this. First, there is a significant amount of high-quality investment management that is being done completely or primarily by machines using algorithms. Even active managers rely heavily on computer programs to implement their investment strategies. Machines operate more efficiently than humans, so this drives down the costs. Transparency of costs is eliminating the “consumer ignorance arbitrage” that enabled our industry to charge 1% without adding much value for so long.

When you charge a percentage of AUM, even if you have client deliverables beyond investment management (IM), it’s understandable for clients to perceive that your primary function is to beat the market. That’s probably why most Financial Advisors (FAs) whose compensation is tied to AUM do attempt to
beat some index after fees, either by managing the portfolio themselves or by employing a “manager of managers” strategy to outperform a benchmark. However, these strategies result in failure the vast majority of the time. Research consistently reports that 80%+ of professional managers do not beat their index, and it’s hard to predict who will and who won’t in the future because there is little, if any, consistency of managers beating the market. Last year’s winner is often this year’s loser. If that’s the data for the pros, how are most “advisors as Portfolio Managers (PM)” doing?

The second key factor is that most of your clients don’t care about beating the market: they care about achieving their goals. If you don’t need to beat the market in order to achieve your goals, what difference does a benchmark make? Here’s a great question to ask a client: “If you can achieve your goals without beating the market, is that okay with you?” You can expect the answer to consistently be, “Of course!” On the other hand, how do you think a client would respond to this question, “If you consistently beat the market, but fail to achieve your goals, would you be happy?” You know the answer.

Goal achievement has much more to do with controllable factors like living within your means, paying yourself first, dollar-cost averaging, staying in the market through ups and downs, being adequately insured, tax minimization, debt management, having emergency reserves, legal docs in place, etc. Behavioral finance consistently proves the point that people are much more averse to loss than they care about gain. So, do you want to be in the goal achievement business of helping people make the control-able choices required to achieve those goals? Or do you want to be in the predict-the-future / beat-the-market business, getting whipsawed by all the factors out of your control that determine market performance… trying to persuade your clients every quarter or every year they should keep their money with you? (By the way, have you noticed that you can do everything “right” and still fail to beat the market? Have you noticed how hard it is to predict the future?)

And it’s not just consumers who are figuring this out. A fast-growing segment of the advisor community is tired of playing the predict-the-future / beat-
the-market game. Instead, they are building client value promises based on planning, advice, and accountability, and getting paid in a way that’s aligned with their true value. Value promises that train clients to “take what the market gives them” and achieve their goals by making better choices in the areas they can control are becoming the norm. How else would you explain the massive migration by advisors to Vanguard and Dimensional, and the explosion of beta and smart beta ETF strategies?

The third reason for the decreasing perceived value of investment management is the ability of the big companies to offer such services at minimal to no cost. For example, Schwab Intelligent Portfolios™ charges nothing for portfolio management. How can that work? When you’re a big company like Schwab, you have many other services that are profitable, allowing you to give away investment management for free. What an entire segment of the industry has depended on as a source of income, another segment can use as a loss leader. What if Amazon started offering investment management as an Amazon Prime member benefit because they make can money from everything else you purchase through Amazon?

Think about this in terms of the valuation of your business. Today most Financial Advisors use a multiple of about 2x recurring revenue, calculated as 1% of AUM. If you can get that for your business today you might want to sell immediately. If 50 basis points or less becomes the new normal for investment management, then the value of your business being cut in half is also the new normal.

Bottom line, your business model is in jeopardy, and change is coming faster than you think. Listen to the following Q&A from a webinar to see what may be on the horizon.
Later in this book we’ll talk about ways you can tie your fees to the value you provide rather than the assets you manage, thus decoupling your compensation from the ups and downs of the market and tying it more directly to the quality of the advice you give and your skill in helping your clients set and achieve their financial and life goals.

Disruption #6: Client Expectations

“Clients have every right to expect personalized, institutional quality portfolio management plus financial planning. Financial Planning will be the distinguishing feature vis-à-vis online advice firms.”

Chip Roame, Tiburon

A key point to consider here is that the robo-advisors (who are really digital money managers / TAMPs) will own the money management space in short order. This can be done at scale for very low, or even no, cost. As covered
earlier, clients are not likely to place a high value on human involvement in investment management. Transparency in this area means that it will soon be impossible to charge a human price for what a machine is doing or could be doing. Money managers are not the first profession to be eliminated or displaced by machines and won’t be the last. It’s simply the free market at work. It’s not personal.

However, this state of affairs creates an opportunity for smart, nimble advisors to shift to getting paid for the value of what only the human can do. The machine is better at the technical / hard skills, so the human advisor is going to have to be able to create an ongoing experience for the client that the client is willing to pay for above and beyond what the machines do. These are the so-called soft, or people, skills. In the new world, the soft skills are what generate the hard cash.

This does not mean that everything you do for your clients has to be online or virtual. It means that your value promise and client experience has to be better than what they can get online or virtually. Otherwise, there is no reason to pay you. Not too long ago we interviewed Alex, a High New Worth individual who had some frank observations about the ways his expectations were not being met by financial advisors. Watch and learn.

High Net-Worth Individual Interviews FAs
Your clients’ expectations are changing radically. That means that you have to get very clear on exactly what your value promise will be in this new and disrupted world. You are not just competing with the other humans, but also with machines that are as dumb as they are ever going to be… and getting smarter and smarter and smarter daily.

The human value is: Planning. Advice. Accountability. Your ability to provide all three for your clients will set you apart from the machines and allow you to meet your clients’ changing expectations with confidence.

Disruption #7: The Department of Labor (DOL) Fiduciary Standard

“The real worry is that these new rules and regulations create a risk factor or a timidity that is so severe that... [businesspeople] sit on the sidelines worrying more about rules and regulations than they do about making money.”

Thomas Donohue, President, U.S. Chamber of Commerce

“What’s the big deal? Doesn’t the Fiduciary Standard simply mean that we put our clients’ best interests first? Haven’t we always done that?”

Yes, that’s what it means — and no, most advisors probably haven’t been doing that to the degree that complies with the letter of the law of the DOL Fiduciary Standard. If it were that simple the leaders of just about every financial services firm wouldn’t be so stressed out right now. Even if you have already made the switch to pure Registered Investment Advisor (RIA) and, as such, have opted in for the Fiduciary Standard, you may be a little fuzzy about your actual liability.

One significant mistake being made by RIAs is thinking that, because they have already adopted a Fiduciary Standard under their RIA, the new rules don’t apply to them. The mistake is that the ERISA / DOL Standard is higher than the
RIA Fiduciary Standard. The RIA Fiduciary Standards states that conflicts have to be disclosed. The ERISA / DOL Fiduciary Standard mandates that conflicts be eliminated.

Given the degree of technicalities and legal minefields, comments on this subject will be kept at a high level. To learn more, check out www.fi360.com, or watch this informative webinar.

Webinar:
The New Fiduciary Rules:
What do you need to know and do now?

The New Fiduciary Rules

The bottom line is that more disclosure, more transparency, more paperwork, more supervision, more risk, more expense, and more uncertainty have many firms and advisors on the back foot. This is never a good place to be when you are growing and running a business. More government regulation of this nature is not unique in the United States. In fact, the U.S. financial services industry is a bit late to this party. The U.K. has the Retail Distribution Review (RDR), Canada has the Client Relationship Model 2 (CRM2), and Australia has the Future of Financial Advice (FoFA). All have adopted various forms of legislation designed to protect the consumer.
For those advisors who have already adopted the Fiduciary Standard (and truly understand what that means), this may not be much of a disruption at all. If you are one of the few advisors already operating in this space, you have a competitive advantage over a large portion of the industry. Make the most of it.

We have a government that believes consumers have been, and continue to be, taken advantage of by the Financial Services Industry (FSI) and FAs. They believe that most consumers don’t really understand what they’re getting and how much it costs. They believe the only solution is absolute transparency, full disclosure, and the complete elimination of every possible conflict of interest. They don’t like advisor bonuses, contests, rewards, trips, or perks of any kind. They view financial services more like a profession rather than a sales force with traditional incentives for selling a lot of something or meeting quotas. If U.S. Senator Elizabeth Warren visited the exhibit hall at your company conference she would likely believe that the pen or the foam football you picked up at the vendor’s table could motivate you to recommend an inferior or over-priced product to your client. If she attended a hospitality suite with a fantastic spread of food and an open bar… well, you can imagine what she would conclude. And there’s no way she would believe that you qualified for that trip to Hawaii by only doing what’s best for your clients.

Sadly, she would be right often enough to justify her opinion. I’m no fan of government intervention, but you can see their point. How would you feel if your eye doctor would earn a trip to Europe if she could sell just one more laser surgery this month… and you were her last appointment on the last day of the month?

Just to illustrate the potential complexity of this issue, one element of the Fiduciary Standard is the somewhat broad and ambiguous statement, “It’s imprudent to waste money.” This probably means the client’s money, don’t you think? What does this mean for you? Could that mean that you have a fiduciary responsibility to be aware of every single expense associated with every product and service you recommend and make sure it’s low, or even the lowest? If two things are equal in client value, but one is less expensive, would you have a
fiduciary obligation to make sure the client gets the one that’s less expensive? If one platform takes a bigger basis points cut of your clients’ assets, would you have a fiduciary responsibility to know that, and change platforms?

Consider this example. Recently the mortality tables for life insurance changed, thus lowering the cost of insurance for most policyholders. A good FA would review all of the clients’ insurance, proactively work to exchange the old policy for the new policy, and get this done for all the clients who would benefit. That’s what Susan did. In one case, she did some homework and worked to exchange the old single-premium whole life policy for a new policy with the same insurer. By reducing the internal cost of the insurance, more money would accumulate to the cash value of the policy. Nice job, Susan! Not so fast. Susan happens to be a fee-only advisor who would not earn a commission from the life insurance transaction. The service she performed was included in her annual fee.

Her client asked, “I know you don’t earn a commission on this transaction, but just out of curiosity, is this one of those ‘no-load’ insurance policies?” The answer to the question was no. In fact, there was a $15,000 commission built in to the policy, which Susan would not receive. So, where does that money go? Even though Susan would not collect the commission, the client would not get to keep it either. The insurance company keeps the $15,000.

Under the “prudent man” rule, would Susan have done enough for the client? Maybe. Under the Fiduciary Standard? Maybe not. Might this fall under the “it’s imprudent to waste money” area? Susan had proactively worked to move her client into a better position. The new insurance policy was better than the old policy — but it still wasn’t the best policy. How far should an advisor go to determine what it means to act in the client’s best interest? Not their good interest or their better interest, but their best interest?

After a bit more research, Susan found the best policy had an even lower underlying insurance cost and no commission. This meant an additional $15,000 of cash would accrue to the policy’s cash value upon the 1035 exchange than would have accrued with the other policy. Depending on the length of
accumulation this could be many tens, or even hundreds, of thousands of dollars more for the client.

And what about that longevity example used earlier? If you base a client’s financial plan on their best guess of how long they will live and they run out of money because they live much longer than your plan provided for, are you liable?

Are you beginning to understand why so many leaders and companies have worked to stop this Fiduciary Standard from going into effect? On the one hand, no financial services leader wants to go on record opposing the “client’s best interest.” On the other hand, most have also funded lobbying efforts to kill the ruling. Even though there is a sense of inevitability that there will be a Fiduciary Standard, one broker / dealer president recently told me, “The best outcome is for it to stall in 2016 and the new administration kills it in 2017.” This may also partially explain why so many broker / dealers are up for sale… and not having many bidders. Experts estimate the cost of compliance to the Fiduciary Standard to be $1 million to $5 million per year for each firm, depending on the firm size. For many firms that already operate on thin margins, this can be a significant amount, or even all, of their profit.

This example illustrates the potential for the Fiduciary Standard to become a much bigger responsibility than many advisors may be willing to accept, or even know how to implement, and very challenging for many organizations to supervise.

Keep in mind that these 7 disruptions are just the new facts of life. When you understand and realistically assess the changes you and your business are facing, you’ll be more prepared to deal with them effectively, and to know the skills you will need to develop to succeed in the new world of business.
Bottom Line: “Good” May No Longer Be Good Enough

“Disruptive innovation can hurt, if you’re not the one doing the disrupting.”
Clayton M. Christensen, Professor, Harvard Business School

Look, I get it. You care about your clients and you’re doing a great job for them. You have (or you’re building) a nice financial services practice that pays your bills, and you’re helping people.

As a veteran you’re considering your options so you can finish your career strong. If you’re in the middle of your career, you want to be smart and pivot in the right direction. If you’re just starting out, you want to make the best choices to build a strong foundation for success.

You’re doing your best to keep up with the latest trends in financial planning, money management, insurance, taxes, estate planning, financial technology, and everything your clients need to achieve their goals.

But will that be enough? Unfortunately, we don’t get to define the rules of the game.

The world has changed and change continues. The financial model that you planned your future on is in flux. The speed of technological change, government intervention, consumer choice, and fee compression are disrupting your business like never before. Your competition used to be other human Financial Advisors who often lacked technical skills and/or people skills. And because the competition wasn’t that strong, you were able to succeed even without performing at your absolute best.

What about the advisors who have not been especially successful? There are masses of advisors stuck between $200k and $500k of annual production, much of it in first-year commissions and Gross Dealer Concessions (GDC), dependent on high front-end load products or transaction fees, and yet these advisors are still barely staying afloat. Instead of cruising into financial independence to enjoy their “golden years,” they will have to play to catch-up. It’s not comfortable.
Whenever an industry faces disruption, the people at the low end of the bell curve disappear quickly. The ones in the middle of the bell curve, those who putter along making a decent income, hang on for a while. But we’re at the point now where puttering along is a very dangerous place to be. In today’s world, you’re going to be competing with people who are younger, stronger, faster and smarter than you. You are also competing with highly motivated veterans with great people skills who know how to delegate the technical work to machines and technical subject-matter-experts. Finally, you’re competing with “digital advisors” that are smart and getting smarter every day. As they evolve from algorithms to Artificial Intelligence and Virtual Reality, robo-advisors may be able to create a consistent, holistic, values- and goals-based planning client experience sooner than we think. And they won’t get sick, they won’t get tired, they won’t forget to ask a question, they won’t forget to make a key point, and they won’t drop the follow-up ball.

You may have been ignoring the disruptions discussed in this chapter. Maybe you saw these disruptions coming but didn’t believe they would affect you and your business. Maybe you thought you had more time or you’d be retired before these events affected you. Remember how that doubling penny went from $600,000 to over $1 million on day 28? That million-dollar mark had been coming for 28 days, but it didn’t look serious for a long, long time. That second 30 days of exponential growth dwarfed the same period of time that had immediately preceded it. The financial services industry might be at day 27 right now. Or maybe we’re already in the second 30 days.

All this being true, I’m sticking to my guns: It’s a GREAT time to be a Financial Advisor… at any level of success or experience! There is one simple universal principle of success that has not changed: **If you’re willing to the do the work, you can succeed at whatever level you choose.** This e-book and the [Advisor Roadmap™ Virtual Training Platform](#) will provide you with a roadmap for success.
You can adjust your business and your approach to your clients that will help you be more successful in our disrupted world. That’s the focus of our next chapter.

Key Points:

- The financial services industry is in the middle of a tsunami of disruption. And the change isn’t linear: it’s exponential. There are 7 significant disruptions Financial Advisors face today.

- **Disruption #1: Technology.** Robo-advisors are challenging human advisors with their ability to do sophisticated financial planning. Advisors should not try to compete on the basis of “hard skills” (crunching numbers, aggregating data, automating follow-up, portfolio construction and management, creating reports, etc.). Instead, they should become great at things machines can’t do: the “soft,” or “people skills.”

- **Disruption #2: Competition.** Financial Advisors are competing not just with each other but also with websites like Betterment, Wealthfront, SigFig, Learnvest, Personal Capital, etc, and firms like Charles Schwab and Vanguard, which offer financial planning services for low- to no cost. You need to be prepared to distinguish yourself and your services based on the unique value you can provide.

- **Disruption #3: Client Longevity.** Medical and scientific breakthroughs will continue to extend life while delaying the affects of aging. This means your clients may live much longer than you or they projected, and their money needs to last longer too. Greater client longevity also means that, if you treat your clients well and help them reach their goals, they will be your clients for much longer — meaning more fees and a more stable client base for you.

- **Disruption #4: Your Longevity.** If your clients are living longer, so will you. Advisors should re-do the math for their personal financial plans.
They also should plan to (1) work longer, (2) focus on their Ideal Clients, (3) offer true, values- and goals-based financial planning, (4) harness the new technology that can help them run a more efficient business, and (5) improve their people skills.

- **Disruption #5: Your Business Model.** The old business model based on gathering assets and charging 1% of AUM no longer works. The perceived value of investment management and performance is decreasing, and the industry as a whole is moving in two directions: (1) to a lower percentage, and (2) to a fixed-dollar fee. You’re better off tying your value to helping clients achieve their goals instead of linking it to market performance.

- **Disruption #6: Client Expectations.** As more clients become aware of the kinds of services offered by machines, you need to shift your value promise to getting paid for what only humans can do. Human advisors will have to create an ongoing experience for clients that is better than anything they can get online, with the kind of planning, advice, and accountability that clients will pay highly for.

- **Disruption #7: The Department of Labor (DOL) Fiduciary Standard.** The new fiduciary standards will mean more disclosure, more transparency, more paperwork, more supervision, more risk, more expense, and more uncertainty. In this changing regulatory environment, it’s more important than ever for Financial Advisors to base their recommendations on the clients’ goals and values.

- “Good” is no longer good enough. In today’s world, you’re going to be competing with tech-savvy advisors as well as machines, websites, and companies that are all eager to charge less for financial planning. You must change your business model and your approach to clients to focus on your unique value promise.
Share, *The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions*, with a friend or colleague by clicking here.

Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Thrive and Profit in the Age of Exponential Disruption

“More than rich, more than famous, more than even being happy…

I wanted to be great.”

Bruce Springsteen

After my speech at a recent conference, a frustrated advisor — let’s call her Lisa — asked for my help. Lisa is very smart, but her recent failure to win the business of several multimillionaire clients perplexes her. She prepares for meetings with high net worth (HNW) potential clients by involving experts from the home office. They have a good discovery process and then they create a very impressive slide deck and a written report. She and the home office experts make impressive presentations about all the reasons the prospects should hire her, followed by Q & A. But more often than not, prospective clients choose to work with someone else.

What do you think the reason is?

Today, “smart” is just table stakes: it gets you in the game and that’s all. Granted, all Financial Advisors need some technical, or hard, skills. The problem is that your competitors, machine and human alike, bring those same skills to the table every time they go after a client. Smart isn’t a differentiator, nor is any other hard skill. While technology and technical skills can make your business more efficient and help you deliver on your promise after you get hired, they won’t consistently win clients.

Remember, anything a machine can do is a hard skill. Hard skills are about technical competence: constructing portfolios, asset allocation, re-
balancing portfolios, tax loss harvesting, account aggregation, etc. All of the details of financial planning are technical, or hard, skills. Knowledge. Information. Facts. Figures. Charts. Graphs. But your goal is not to compete with the machines on the basis of your hard skills. Instead, you want to provide value that machines can’t match. And that value has less to do with the numbers and far more to do with emotional connection.

Compare Lisa’s experience with the valuable lesson in this short video of Debbie describing how she earned a $12 million client.

Did Debbie win the business because the other advisors were terrible? Did the competition make weak presentations? Were their slides uninformative or sloppy? Was their track record poor? Quite the opposite: all the presentations were at the level you’d expect from a group of qualified professionals competing for $12 million. They all made compelling cases with supporting facts about why they were superior to their competitors. They were all smart. From a hard skills perspective, they were all excellent. Technically there was no distinction. In fact,
according to Debbie, her competitors had more experience working with foundations than she did. She won the business because of her people skills. The foundation said that they placed $12 million of assets with Debbie, and not one of the other excellent firms, for one distinct reason: “We just felt like you got us.” While Lisa tries to impress people with “smart,” Debbie makes an emotional connection.

Without upgrading their people skills, the technician-centric advisors will consistently lose business to advisors like Debbie. Whether you are competing for clients with $50,000 or $50 million, your people skills make the winning difference. People skills are your most valuable asset and competitive advantage when it comes to acquiring clients, especially HNW Ideal Clients.

Imagine having the skill and the confidence to talk to anyone, anytime, anywhere. Wherever you meet them, people engage in meaningful conversations with you and never feel like they are talking to a creepy Financial Advisor trolling for business. People are inspired to want to talk to you again, not because of your “elevator pitch,” but because you connected on a heartfelt, human level. How would that help you grow your business?

Imagine that you have the people skills to inspire prospects to come to your office… both spouses with all of their financial documents. How would that impact your success? Then imagine taking both spouses through a process where they become clear on what’s most important to them, not just financially but also in life. They are emotionally engaged as they set goals based on these values, they are inspired by the future you have helped them to picture — and they believe you should be the “point person” to help them reach their financial goals and create that future.

Now, imagine being able to articulate your client value promise in a way that inspires people to consolidate ALL of their financial affairs with you. You confidently answer their questions about how much it costs and what they get in a way that moves the needle on the “trust dial” in the right direction. As you communicate with candor and transparency, they no longer think of you as just someone who is managing their assets for 1% and selling them insurance.
Instead, they view you as indispensable in their lives. You become their Financial CEO. You take care of their money while they focus on what matters most to them: enjoying the mental and physical freedom to live their lives without any stress about their finances.

Imagine being a totally Trusted Advisor, inspiring your clients to consistently do what needs to be done to get and keep their financial house in perfect order, so that no matter what happens with the markets or the economy, they have a 10 level of confidence they will achieve their goals.

Imagine forging an unbreakable bond of trust with both spouses / life partners, so that when one passes away the other would never think of using a different Financial Advisor. (Remember, 70% of widows fire their advisor within 12 months of losing their husbands. That will never happen to you when you have great people skills.)

Imagine becoming so referable, and so comfortable having referral conversations, that your Ideal Clients happily introduce you to their friends, family, and colleagues. You create such a deep level of trust with your clients that they are willing to risk their personal relationships by connecting you with the people they know. Imagine that referrals are the only form of client acquisition you need to build your Ideal Client community! With great people skills, you’ll be relaxed and confident when you make your follow-up calls to speak with these referrals.

Your people skills also can help you elevate existing clients to become truly Ideal Clients. Using these skills, you shift existing client relationships to full-service, truly comprehensive values- and goals-based financial planning clients who happily pay for the value of YOU. You move clients from a commission-based relationship to a fee-based relationship, or from a fee-based relationship to a fixed-fee-for-service relationship.

And we’re not just talking about existing clients. With great people skills, you can easily rescue Ideal Clients from other advisors who are making a conscious choice to under-serve their clients by offering only Financial Planning Lite or so-called “wealth management.” Instead of mass marketing, where you
HOPE to show up when the “money is in motion,” you have the power to move people who were NOT in motion… until they met you. They were happy, or at least content, with their advisor and institution, until they discovered they could be happier being one of your Ideal Clients. Nobody sits in coach when they can fly first class, so who wouldn’t want to upgrade their advisor relationship to you?

The so-called great advisors in your community are going to hate you when their best clients stop working with them and start working with you. But that’s not your problem. All you did was to elevate the client value and create a superior experience for their clients. If other advisors can’t match the value you provide, they don’t deserve to hold on to the clients they have.

This is NOT a fantasy. It can be the reality for any advisor who commits to mastering people skills. These skills are learnable by everyone — extrovert, introvert, and in between. Watch this webinar clip for a fresh perspective.

Let me be clear: this level of confidence is not attainable with better technical skills. Today, being able to deliver excellent goals-based financial planning, institutional quality portfolio management, estate planning, tax planning, and risk management, etc., are just TABLE STAKES. Every advisor in
America, indeed the world, has the tools to do the technical work. The reason there are such dismal rates of adoption, utilization, and success of fintech is… that’s right… a lack of great people skills. People skills monetize fintech because they drive more adoption, more utilization, and more success.


Every Financial Advisor can instantly be on par with every other when it comes to technology by paying the money and switching it on. Some great firms have 5,000, 10,000, and even 15,000 advisors who all have access to the same technology, the same training, and the same subject-matter-experts. Most still wash out of the business in the first couple of years. Many others remain stuck in a no man’s land of $250k to $750k of production per year for decades — even though they would like to make a lot more. Only a handful of advisors come close to building the clientele and the business they’re capable of building. Very few advisors invest the time and money to become brilliant communicators. Be one of the few who do and you will thrive in this new world… and ANY next new world the future becomes.
What makes the difference? *Developing your people skills.* Here’s a discussion with Kevin Knull (President, MoneyGuidePro®) about the necessity of people skills in the new world of financial technology.

Have you noticed that the best communicators attract the best clients? They are putting their people skills into action. What are people skills? We talked about them in chapter 1. They include asking good questions, effective listening, empathy, emotional connection, trust, aligning advice with goals and values, accountability, counseling people through difficult times, building meaningful relationships with clients… in other words, things that are uniquely human and that no machine can offer.

Unfortunately, very few human advisors have GREAT people skills. Before you get defensive because you believe you are already a people skills superstar, let’s “review the tape.” As part of our Committed Advisor Program, advisors record their prospect and client meetings. Then they review those recordings, self-coach for improvement, and send some recordings to me for coaching. Trust me, nobody listens to audio or watches video of themselves conducting prospect
and client meetings and is *cocky* about their people and communication skills. *Everyone* has room for improvement in this area.

For example, most advisors talk waaaay too much. They interrupt prospects and clients in mid-thought or sentence, over-explain, over-educate, wax on about markets, economics, politics, the Fed, world events; they tell irrelevant stories about themselves and their other clients, and force people to look at charts and graphs they’re not interested in. Prospects and clients ask simple questions, and they get an economics lecture instead of a simple answer! Too many advisors also ask “gotcha” questions, like, “If there were a way to get a better investment return and pay less tax, you’d want to know about it, wouldn’t ya?” Or, “Do you believe Social Security will be strong enough, long enough for you to see any benefits?” Or, “So, Mr. Johnson, if you were to die prematurely without enough life insurance, how would it make you feel to look down from heaven to see your wife turning tricks and your kids selling drugs?” Or one of my favorite examples: “If your investments fail to keep up with inflation, you could live too long and run out of money, becoming a burden on society or your family. How do you feel about the idea of being a burden?”

It’s remarkable how poor many advisors are when it comes to offering a clear, concise explanation of how much their service costs and what the client gets. Why do you think most prospects say, “We’ll have to think it over?” That’s what people say when an advisor creates confusion instead of clarity. Why do you think one spouse or the other doesn’t even want to attend the regular client meetings?

Imagine if someone followed you around with a video camera and recorded all of your conversations with prospects and clients. How would you feel about having those videos posted online for all to see? Would you volunteer to have your prospect and client recordings projected on the big screen at your company conference? Feel that lump in your throat? Welcome to the club. We can ALL improve our people skills and enjoy a competitive advantage as a result.

People skills are sometimes referred to as “soft” skills, but in reality they are the “hard truth” about thriving in the new world of fiduciary standard, digital
advice, and the other disruptions. You can only be a confident advisor when you have great people skills.

The Competition-Killing Client Value Promise

At the dinner the night before my keynote speech for a group of top advisors (27 advisors with $5.5 billion of AUM, client minimum of $1 million) the CEO, Bob, introduced me to their “top advisor,” Mark. After shaking hands, I said, “Congratulations, Mark, on being the top advisor here.” He said, “Thank you very much.” Then I asked, “Mark, you are the top advisor… how do you measure that?” In the ensuing awkward silence, I imagined they were thinking, “This is our keynote speaker and he doesn’t know what ‘top advisor’ means? Where did we find this moron?”

Mark finally said, “Well, Bill, I have the highest production, I bring in the most assets, and I have the most AUM at the company. That’s why I’m the top advisor.” Bob nodded in agreement. I replied, “That’s fantastic Mark, congratulations on your success.” Then I looked at the CEO and said, “Bob, I’m really glad to meet Mark, and I’d also like to meet your top advisor as measured by value delivered to the client. Who would that be?” There was another long, awkward pause before Bob said, “Uh… we don’t measure that.”

“Hmmmm,” I said, “Well, as a client, do you think I would be more interested to work with the top advisor based on production, or the top advisor based on the value delivered to the client?” To his credit, Mark asked, “Can I sit with you at dinner to talk more about this?”

There are three morals to this story. First, if you want to grow your business, start by being a truly better advisor whose primary success metric is value for the client. Second, since most advisors are much more focused on gathering assets, it’s relatively easy to rescue their clients away from them with your better client value and experience. Third, your so-called competition is not as good as you may think they are, especially those serving HNW clients. I am completely baffled as to why so many advisors believe that the HNW are well
served. It’s a myth. Most advisors have made a conscious decision to under-
serve their clients. It’s a rare advisor who is successfully implementing the kind of
comprehensive values- and goals-based financial planning that HNW clients
need.

For some advisors this could be because they were raised in a culture of
production or gathering assets or selling insurance. Others may be in survival
mode and living paycheck to paycheck, leaving them too little time to elevate
their client value promise to the level they really want. Some advisors only want
to provide a certain range of financial services, regardless of how much more
their clients actually need to achieve their goals.

What does a “conscious decision to under-serve clients” look like in
action? It’s the “wealth manager” who doesn’t do much more than write an
investment policy statement and gather the assets to manage (advisor as PM) or
outsource the investment management. It’s the “financial planner” who uses
financial planning software as a sales tool for annuities or mutual funds or to
justify the sale of some other product. It’s the insurance agent who could be
helping her clients with all aspects of financial services but chooses to only sell
life, DI, LTC, CI, car, home, auto, flood, fire, liability, or other insurance. It’s
anyone with a bigger title on their business card than what they actually do for
their clients. It’s the illusion of full service. And it’s only through sheer luck that
most clients have not had an event that exposes the holes in the “value” they’re
not getting from the “advisor.”

The point is this: How hard could it be to “rescue” clients from advisors
who have made a conscious decision to under-serve their clients?

The truth is, all you have to do to be one of the best advisors in the world
(as measured by value for the client) is to do two things. First, fully use the tools
you already have. Most advisors never even come close to fully utilizing what
their planning software is capable of delivering for the client. Every financial
planning software manufacturer has the data to prove how poorly most
“planners” use these tools. Financial planning software isn’t supposed to be a
sales tool: it’s supposed to be the foundation for delivering maximum value for
the clients. And because money follows value, advisors who do real financial planning also make more money.

Second, to be one of the best advisors in the world, you must consistently use top quality people skills to deliver value to your clients. If the competition is weak, then choosing to be a brilliant communicator AND delivering a truly comprehensive client value promise puts you in a position to rescue HNW Ideal Clients from advisors who have made a conscious decision to under-serve them.

Outcomes First, Process Second

Your communication and people skills are woven into the fabric of your ability to create and deliver a superior client value promise and experience. Most advisors tend to talk too much about the process: “This is how we do planning, this is how we manage money, this is our investment philosophy, this is how we manage risk, this is how many times we meet every year, this is the agenda for the meetings, these are the cool fintech tools we use…” blah, blah, blah. Surely you’ve heard the old saying about people buying drills because they want holes, right? Clients want outcomes, benefits, and value. I know because my wife and I are actually clients of a great Financial Advisor. We pay for the outcomes, not the process.

What are the outcomes clients can expect when they do business with you? Finish these sentences:

- “As a result of working with us you will…”
- “Our clients experience more or better…”
- “12 months from now you will…”
- “The impact of what we do for you will be…”

Have you ever considered that one of the main benefits for a couple to hire a comprehensive financial professional is because it creates greater marital
harmony? When I speak at client events for the advisors in our Committed Advisor training and coaching mastermind program, I ask the clients, “What’s been the benefit of so-and-so being your Financial Advisor?” Couples consistently talk about their improved marital harmony. They describe in detail how much better their relationship is since working with their advisor. I’ve heard many reasons for this. I’ve heard wives who were less involved in the finances talk about how much they enjoy seeing a more relaxed husband since he no longer feels the burden of co-managing the money with the advisor, and how he no longer feels compelled to watch the news and doesn’t get stressed about how day-to-day events might affect their money. Less stress in his life means more harmony in their lives. I’ve seen spouses who come in for the first appointment together and share with each other about the values that are most important to each of them for the very first time. Some say they learned more about their partner in that hour than they have in all the prior years of their relationship! Then, when that same couple sets goals together based upon their values, they experience both harmony and excitement as they contemplate the future. I’ve also heard husbands who believe they will likely die before their wives speak as their voice cracks with emotion about how relieved they are to know that someone “has their back” and will make sure their family will experience a smooth financial transition when they’re gone. I’ve listened to husbands and wives both joke about how much happier they are now that their “financial amateur” spouse is no longer trying to manage their family finances. How much is that worth?

You want to move away from promising outcomes like, “let us manage your money and we’ll beat the market.” Your value promise should be based on what’s controllable. Here are a few examples of better value promises.
#1: “We’ll take care of everything related to your finances so you can live your life. All of your financial choices will be aligned with your most important goals and your most deeply held values. 12 months from now your entire financial house will be in perfect order and you’ll keep it that way forever. You will have a 10 level of confidence that no matter what happens in the markets, the economy, politics, or the world you will achieve your financial goals. How does that sound to you?”

#2: “When you work with us, we become your Financial CEO (NOT your personal CFO!). You two get promoted to chairpersons of the board and we take over the day-to-day operations. You no longer have to work directly with financial subject-matter-experts or hold them accountable to perform. We’re going to hold them accountable to generate the best advice possible for you and we’re going to hold you accountable to implement. This gives you both the mental and physical time freedom to focus on the things that matter most to you and still have the confidence that no matter what happens in the market, the economy, or the world you will achieve your goals. How does that idea appeal to you?”
Planning, advice, and accountability are the three hallmarks of the best client value promise. The best advisors help clients prepare for the future and help them have more confidence in the present about the future. The best advisors facilitate conversations about clients’ core values, help them define their goals, dreams, and aspirations, benchmark their current financial reality, create a game plan to mitigate risks and achieve goals, and hold them accountable to implement the advice of the plan. Then they continue to hold the clients accountable to do what needs to be done to achieve their most important goals and fulfill their most deeply held values, especially when that’s emotionally challenging. The best advisors also hold their technical subject matter experts accountable to produce the work product / deliverables so the clients continuously receive the best advice possible to stay on track to achieve their goals. As a result, the clients are more confident about having a secure, free, fulfilled, and happy future.

On a recent webinar someone asked a question about how Trusted Advisors interact with their clients to help them achieve their goals. Here’s the explanation.
This client value promise is effective because it’s based on the universal principle that financial success is never a function of what’s out of our control. Success is always the result of making good fundamental choices in order to be financially successful in any market, economic, political, or world-event climate. Not everyone went bankrupt during the Great Depression, and many who did rebounded. The market recovered after the economic crisis of 2008 – 2009, right? Other than those people who actually lost their jobs, for all the anxiety and stress experienced during that period, if one had simply ignored the noise and stuck to their plan, it was uneventful. No external event is the determining factor of financial success or failure. The determining factor was, is today, and will always be the personal choices made before, during, and after these events.

Smart advisors and clients don’t try to predict future events. Instead, they prepare strong financial foundations and build robust personal economies that position them to move through negative events without catastrophic consequences. While the day-to-day ride is sometimes bumpy, the trajectory of our world overall is consistently up. Cable news and political posturing is not an accurate depiction of everything that’s happening in the world. We hear about the worst events with the most negative spin possible because that’s what boosts ratings, sells advertising, and gets votes. The most rewarding aspect of our business is when we help people make better choices at some of the most crucial moments in their lives and world history, and to develop the financial habits that put them in a position to weather any storm in the nation or the world. We help clients ignore distractions and stay focused on building their own, strong personal economic foundation and enjoy life.

You are so much more valuable when you help people develop a plan, give them good advice based on the plan, and hold them accountable to implement the advice, especially when that’s emotionally difficult. That’s why managing money is being delegated to machines. Machines can manage money, but they can’t lead people. What’s much more important is leading people to
make good choices. Your future in this business depends on your skill and confidence to do just that. Here’s a video discussion on the topic.

“The most successful firms will be those companies and firms that embrace outsourcing and technology to achieve scale in servicing and advising clients, focus on goals-based planning while keeping in mind a client’s aversion to loss of assets, and remains close to the client by discovering the right mix of technology-based and in-person communications. Advisors should consider outsourcing some — or all — aspects of investment management for their clients. Money management is time-consuming; it keeps advisers riveted to their computer screens instead of engaging with their clients.”

Jeff Cerulli, Cerulli & Associates

The “Advisor as Portfolio Manager” value proposition, which is based on trying to predict and beat the market, is a dying approach. You can try to hang on to it if you like, but the truly comprehensive, values- and goals-based, full-service financial professionals are much more likely to retain their best clients and win new clients from advisors who are slow to adapt to the new world. Perhaps some
old dogs will take solace that a few stockbrokers survived the last seismic industry shift to professionally managed money, but who really wants to hang their hat on that rationale?

True, comprehensive, values- and goals-based financial planning has always been a good idea, but now it’s becoming the only practical option to successfully compete with the best human advisors, the ever-improving robo-advisors, and the big financial institutions that can give away money management as a “loss leader.” The strongest position is when your clients pay for the value of YOU.

But, if everyone finally jumps on the financial planning bandwagon, how will we differentiate ourselves? By actually being GREAT. That’s what the next chapters will help you do.

*Wisdom is knowing what to do next.*

*Skill is knowing how to do it.*

*And virtue is doing it.*

David Starr Jordan

**Key Points:**

- Today, “smart” is just table stakes. Your “hard,” or technical, skills will get you in the game, but that’s all. To win the game, your people skills are what will help you get clients and keep them happy and on track.
- People skills will…
  - Give you the skill and confidence to talk to anyone, anytime, anywhere.
  - Inspire couples to come to your office and bring all their financial documents.
• Help you engage prospects emotionally as they express their core values and set goals based on those values.
• Allow you to articulate your client value promise in a way that inspires people to consolidate ALL of their financial affairs with you.
• Show you how to confidently answer their questions about how much it costs and what they get in a way that moves the needle on the “trust dial” in the right direction.
• Help you to forge an unbreakable bond of trust with both spouses / life partners, as evidenced by the fact that when one passes away the other would never think of using a different Financial Advisor.
• Allow you to become so referable, and so comfortable having referral conversations, that your Ideal Clients happily introduce you to their friends, family, and colleagues.
• Help you elevate existing clients to become truly Ideal Clients who happily pay for the value of YOU.
• Position you to easily rescue Ideal Clients from other advisors who are making a conscious choice to under-serve them.

People skills include asking good questions, effective listening, empathy, emotional connection, trust, aligning advice with goals and values, accountability, counseling people through difficult times, building meaningful relationships with clients… things that no machine can offer.

All of us can improve our people skills. Most advisors talk too much, over-explain, ask “gotcha” questions, and fail to offer a clear, concise explanation of how much their service costs and what the client gets.

To be one of the best advisors in the world, you must (1) fully utilize the financial planning tools you already have, and (2) consistently use top quality people skills to deliver value to your clients.

Clients want outcomes, benefits, and value first, and process second. You want to move away from promising outcomes like, “Let us manage your money and we’ll beat the market.” Your value promise should be based on what’s controllable.
• Planning, advice, and accountability are the three hallmarks of the best client value promise. Your job is to help people develop a plan, give them good advice based on the plan, and hold them accountable to implement the advice, especially when that’s emotionally difficult. Your future in this business depends on your ability to lead people to make good choices.

Share, The Confident Advisor: How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions, with a friend or colleague by clicking here.

Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Part II

Speaking The Language of Trust

*Trust is the glue of life. It’s the most essential ingredient in effective communication. It’s the foundational principle that holds all relationships.*

Stephen Covey

In the mid-1980s in La Jolla, a wealthy suburb of San Diego, my career as a Financial Advisor began. It was evident, very quickly, that product knowledge, reading the financial newspapers, and understanding the company’s systems were NOT the keys to success. The key to success was to develop the “people” and communication skills to connect with financially successful individuals, engage them in conversation (on the phone and face-to-face), and convert some of them to clients.

My challenge was simple: I had no contacts in the community and no experience with wealthy people. Having grown up on military bases, hanging out with millionaires at the country club or charity balls was not in my DNA. And, unfortunately for me at the time, my company, my sales manager, and my manager did not have a process to teach me how to get rich people in La Jolla to become my clients. Their advice? Work in your *natural* market. Really? You mean other broke 26-year-olds? I was on my own.

It was also very obvious that the way most Financial Advisors try to “engage” people actually alienates them. The typical sales approach, using a “fact-finder” or “needs analysis” followed by fear, greed, and pain tactics, doesn’t work to acquire the clients you really want. The goal is to become their Trusted Advisor, not their financial products salesperson. That means speaking the *language of trust* — to build a real, emotional connection so people feel that you understand who they are as human beings, rather than as “needs to be met” or “assets to be gathered.”
Through an arduous process of trial and error, scripting and re-scripting, real-world application, audio recording, reviewing, and refining prospect and client meetings… I developed a repeatable process for engaging prospects and consistently converting some of them to ideal clients. It worked for me, it’s worked for many thousands of Financial Advisors from all over the world, and it will work for you.

Specifically, there are 7 Critical Conversations to be mastered in order to acquire Ideal Clients. Speaking the “language of trust” is integral to all of them.

Everyone has an imaginary “trust dial” embedded in their subconscious mind. Everything you say and do moves the needle on their trust dial in one direction or the other.
What moves the trust dial most effectively is an *emotional connection* that comes from understanding who people are and what’s truly important to them. When you learn to speak the language of trust, you can very quickly create a relationship where people trust you enough to do business with you in a fairly short period of time. Trust is not a function of how much time passes, but rather a function of the events that occur between 2 people.

In 2016 I had a conversation with Kevin Knull of MoneyGuidePro® about the importance of emotional connection and empathy to building a strong relationship with clients. Here’s a clip.

![Video: The Importance of Emotional Connection and Empathy to Building Strong Relationships with Clients](image)

Another metric of trust is when your clients consolidate ALL of their assets and financial business with you and take action on all of your advice about everything they need to do to achieve their financial goals. You have some clients like that, right? What would your life be like if *all* of your client relationships were that strong? The highest trust metric is when your clients are happy to introduce you to their friends, family, and colleagues.

Here’s a video on the metrics of trust that can help you understand the importance of this measuring tool.
The Metrics of Trust

(For more details on “The Metrics of Trust,” and a spreadsheet that will help you assess how much trust your current clients place in you, click here.)

There are 3 elements to speaking the language of trust.

1. **You must know the right questions to ask and when to ask them.**

   You build trust by listening to their story, not by telling yours. This means asking great questions that lead to deep and meaningful conversations. The better your questions, the more likely people will feel good about you, even trust you.

   These are NOT questions that create superficial chitchat about how long they’ve lived in the neighborhood, the weather, or their favorite sports team. Bad conversationalists tend to talk about sports and the weather. Good conversationalists ask questions that tap in to what’s most important to people. You’ll be amazed at how quickly you can build trust simply by asking a few great questions.

2. **You must listen with empathy.**

   Listening with empathy means that you’re hearing what’s actually being said and making an emotional connection with the person and the substance of
what they’re talking about. What prevents us from listening with empathy, as much as we could, is the tendency to be formulating in our minds what we are going to say next, while the other person is talking. By engaging people in meaningful, important, significant, and compelling conversations, and truly listening to what they say, you’ll quickly discover what matters most to the other person. This will put you in a good position for #3.

3. **When it’s your turn to talk, you must be able to articulate your ideas and give your advice with conviction, so your clients, and your prospective clients, respond positively and take action.**

Whether it’s an incoming or an outbound phone call or a face-to-face conversation at a business networking or social event, at some point you are going to put an offer on the table to take the next step. For example, at the end of the initial client interview, if you want to be hired, you will put an offer on the table for them to become a client. In other words, action is required. No action, no results — for them or for you.

When it comes to the 3 elements of speaking the language of trust, we all have room for improvement. Everyone can ask better questions in a more effective way. Everyone can improve their empathic listening skills. Everyone can communicate with more confidence and give their advice with more conviction. How would having better questions and being more skilled at asking them give you more confidence to engage financially successful people? How would increasing your empathic listening skills help you be more effective in both client acquisition and client service? How would being able to articulate your advice with more conviction help you generate more prospects and convert the best prospects into your next Ideal Clients?

**What you say, how you say it, and when you say it makes all the difference in the world to your success, failure, or mediocrity.** The best advisors do not have secret technology, a secret value proposition, secret financial planning software, or a crystal ball. What gives the most successful
Financial Advisors have a distinct advantage: their ability to speak the language of trust to quickly make a strong emotional connection and to turn that connection into the next conversation, transform that conversation into a face-to-face meeting, and get hired at that face-to-face meeting.

### The 7 Critical Conversations

In order to acquire clients, especially Ideal Clients that lead to having an Ideal Business and an Ideal Life, you need a repeatable process for engaging people to become prospects and a way to bring prospects through your pipeline so some of them become Ideal Clients. That is the basis of the 7 Critical Conversations. Each Conversation is a carefully designed interaction proven to give you the skill and the confidence to talk to anyone, anywhere, anytime.

Watch this webinar where we discuss the ways the 7 Critical Conversations can help you to build a better business.

These 7 Critical Conversations will help you to engage prospects more effectively, convert prospects into clients, and inspire clients to do all of their business with you. You'll make more money from up-front planning fees and ongoing advice fees; you'll make more money from assets under management, and from all of your advice being implemented; and you'll get more referrals. You
will work with more successful and enjoyable clients, getting paid for the value of YOU. You will do the best work that you’ve ever done for clients who appreciate it, which gives you more gratification, satisfaction, and fulfillment.

Turn the page to learn about the first Critical Conversation: developing a real connection with anyone, anywhere, anytime.

Share, The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions, with a friend or colleague by clicking here.

Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Conversation #1:
How to Connect with Anyone, Anywhere, Anytime

Mastery of the First Conversation

… the defining work of a business is conversation — literally.
David Weinberger, The Cluetrain Manifesto

Connect with anyone by asking the right questions, listening with empathy, hearing what’s most important to the other person, and then making an offer that’s free, relevant, and easy so they will want to have a further conversation with you.

Imagine that you have been invited to a charity event. Everyone there is financially successful. They all meet the money criteria of your Ideal Client Profile. How confident are you that you will leave the event with appointments? NOT just contact information to follow up, but actual appointments? On a scale of 1 to 10, how would you rate your skill level at asking the right questions, maintaining an engaging conversation, and being able to pivot to making a
compelling offer that is warmly accepted, all without coming across like a schmucky Financial Advisor trolling for business?

If you’re like most advisors who begin working with us, chances are the very idea of having to go to a charity event to get appointments with financially successful people makes your heart palpitate, your palms sweat, and your throat dry. It might even make you want to throw up! Why is that? Why can’t most financial professionals, after years of experience in the business, enter a room full of rich people with level-10 confidence that they can engage them in conversations that lead to some appointments? The purpose of this chapter is to help you develop the skill and confidence to do just that with anyone you meet, on the phone or face-to-face.

You meet people at dinner parties, at business networking events, at weddings and fundraisers. You sit next to people on airplanes or chat with people after church. You meet people on the golf course or the tennis court, or when you’re sitting in the bleachers of your kids’ soccer games. Any of these people might be your next Ideal Client, so you brush up on your killer 30-second elevator pitch so you’ll be ready. Right?

Wrong. No elevator pitch will get you the Ideal Clients you seek. Instead, you must engage people in conversations that are stimulating and interesting enough so the other person will say, “I want to talk to you again,” or when you offer to schedule the next conversation, they agree. You must master the art of having meaningful conversations that turn impromptu encounters into appointments, easily and naturally.

This Conversation is definitely not simple-minded chitchat about the weather, sports or news headlines of the day. Nor does it mention money, investing, the markets, economics, or financial planning. In fact, the goal is not for you to talk about yourself or your services at all. Instead, Conversation #1 gets people emotionally involved and moves them a step closer to possibly becoming your client without them feeling like you are selling, convincing, persuading, or manipulating. Conversation #1 doesn’t require you to be outgoing, or charming, or a great salesperson. In fact, in this Conversation your goal is
simply to ask questions and say as little as possible during the first 5 to 8 minutes! Mastering this Conversation will make it easier for you to converse confidently with people at every income level, people you know currently and new people that you meet, either serendipitously or through your prospecting and marketing activities.

There are 3 steps in Conversation #1.

1. Ask a great opening question. Listen.
2. Ask follow-up questions that take the conversation deeper, and continue listening for what’s truly important to them.
3. When it’s your turn to talk, make an offer that’s free, relevant, and easy for them to accept.

On the Advisor Roadmap™ Virtual Training Platform there are video examples of Conversation #1 in different settings and using a variety of questions and offers, with lists of questions and talking points that will help you engage anyone you meet, anywhere you meet them, in meaningful conversations. As an e-book bonus, you can access this example of Conversation #1 with “Connie,” someone I might meet at a party with friends. Let’s go over the steps of Conversation #1 so you can begin to use these skills immediately.
Step 1: Ask a Great Opening Question.

The easiest way to start a conversation with a stranger, after the standard exchange of names, is to ask a question — preferably something less bland than, “How are you doing?” or, “What do you do?” There are better questions that create better conversations that can lead easily and naturally to an offer to talk again (Conversation #2).

Great opening questions have 4 characteristics. First, they’re relevant. In many situations, there’s an obvious relevant opening question. Recently my wife Anne and I went to a wedding. At the reception we were seated at a table with 8 people we didn’t know. The obvious first question was, “Are you a friend of the bride or the groom?” In other social situations, you could ask, “How do you know our host/hostess/the honoree?” If you’re at a fundraiser or charity event, you could ask, “How did you get involved in supporting this cause?” At a conference, convention, or business-networking event, you could ask, “What do you hope to learn at this conference and how will that help you?”

Second, great opening questions get and keep people talking about themselves. Therefore, questions should be open-ended and require more than a
one-word answer. In the wedding example, after I asked, “Are you a friend of the bride or groom?” I followed up with, “And how do you know him/her?” That question requires a much more detailed answer.

Third, your questions should get people to focus on the positive. Old-school, “sales-y” FAs would ask questions focusing on problems and fears. However, trusted advisors inspire people about the future, not scare them. One of my favorite positive questions is, “Tell me something good that’s happening in your life today.” If you just ask, “How’s it going?” no telling what kind of response you might get. But when you ask, “Tell me something good,” even if someone has had a bad day, it moves him or her into a more positive emotional state.

Finally, ask questions about topics that are likely to lead to more extended and meaningful conversations. There are 7 reliable topics that will get and keep people talking on subjects that are meaningful to them. I call them the 7 “F’s” (yes, I know that the last starts with a P, but it sounds like an F):

- Family
- Friends
- Fun
- Fitness/health
- Finances/career
- Faith
- Philanthropy

Suppose you were to ask somebody, “What do you do for fun?” and they answer, “I play golf and I raise money for cancer research.” Which topic do you think would be more meaningful? Might there be a bigger emotional connection behind the choice to raise money to fight cancer? Even when you ask about fun, sports, or hobbies, choose questions that focus on more meaningful aspects of the topic, such as, “What have been the best lessons you learned from (the sport/fun/hobby)?”
In the finances/career area, try to avoid the standard question, “What do you do for work?” Instead, ask something like, “What’s a business goal you have for the coming year that you’re excited about?” This gets people thinking about their goals and the future. Go for the topic that will lead to deeper, more meaningful conversations.

I asked some of the most interesting and successful people I know to send me their favorite conversation-starter questions. To download a PDF called, “Kill the Elevator Speech and Master the Art of Interesting Conversation,” with their ideas and a summary of all of the steps in the process for Conversation #1, click on the link below.

Kill the Elevator Pitch

The real art in Conversation #1 is in step 2, when you deepen the discussion.
Step 2: Ask Follow-Up Questions that Take the Conversation Deeper, and Listen for What’s Truly Important to the Other Person.

My friend and colleague, Rick Barrera (author of the bestseller *Overpromise and Overdeliver: How to Design and Deliver Extraordinary Customer Experiences*) speaks of the importance of “going deep” — meaning, going deep *emotionally*. In this step, you ask questions about topics that are *meaningful, important, significant, and compelling* to the other person, and thus are more emotionally engaging.

Let’s go back to the wedding example. Suppose a friend of the groom tells me they were fraternity brothers in college. Instead of asking about their beer pong adventures, I might ask, “You two met at a very important time in your lives. What are some of the life lessons you and Michael learned while you were in college together?” In the video, Connie talked about volunteering to work with the California Highway Patrol for 5 years. After asking a few questions about her experiences with the CHP, I asked, “It sounds like you want to be involved with something in the community. What drives or motivates you to want to be so involved?” She answered that it was our duty as citizens to give back and to support our country. The emotion in Connie’s voice was palpable, and our conversation took a more meaningful turn.

There are 3 kinds of questions that will help you take the conversation deeper. First are *clarifying* questions: “What do you mean by _____________?” Clarifying questions provide more detail. Imagine that you’re on an airplane, and you strike up a conversation with the person sitting next to you with the comment, “Tell me something good that’s happening in your life today.” She answers, “My kids are going back to school!” A follow-up, clarifying question could be, “What do you mean by *going back to school*?” She tells you that her twin sons have been working all summer, living at home, and she’s looking forward to them getting back to college to start the next chapter in their growth and, as much as she...
loves having them at home, she’s also happy to have more time for herself. The clearer you are about the context, the easier it will be for you to go deep. Based on her response, what question would you ask next?

While clarifying questions elicit detail, expanding questions provide a wider range of information. Great expanding questions include, “Tell me more about ________________,” and “What else?” When Connie mentioned her work with the CHP, I said, “Tell me more about that; what’s been a memorable experience that you’ve had as a volunteer?” She got quite emotional describing the death of a young man at an accident scene on her first day as a volunteer.

The third category, impact questions, takes what they have told you during the conversation so far, and brings it to a crescendo. Here are a few examples:

- “What impact will that have on your life?”
- “How does that affect your life and the lives of your family in a positive way?”
- “Once you have achieved _______________, what will be the result in your life?”

Notice the level of emotion being expressed. Every time you ask a question, imagine that there’s an emotion meter above the person’s head, and notice where the emotion went higher, where it was flat, and where it was lower. Your goal is to go deep into topics that bring up emotion and have meaning. The more positive the emotion, the more the needle on their trust dial tends to move in the right direction.

In our conversation, Connie described how much she enjoyed going shopping with her great-granddaughters. We could have talked about where they shop and what kinds of toys the girls like, but instead I chose to ask, “As your grandchildren and great-grandchildren grow up, what kind of impact or influence do you hope to have on their lives?” That question led us into a much more meaningful conversation about how she would like the girls to remember her for instilling good values and teaching them life skills.
The secret to Conversation #1 is to pay attention and listen with empathy for what’s meaningful, important, significant, or compelling to them. While you may not remember everything the other person says, you’ll remember the highlights. Then, if you want to move to step 3, you’ll be able to mention those highlights as a way of demonstrating value and putting your offer into context. I recommend that you make notes afterwards so you can use what you have learned in subsequent phone calls/meetings.

Try to say as little as possible outside of the questions. If the other person asks you a question, keep your answer very brief, and then ask them another question. If they ask what you do for a living, for instance, you could say, “We help people achieve their goals. Tell me about one of your important goals.” The last thing you want to do is attempt to explain what makes you a better Financial Advisor than your competition. Simply answer the question briefly and then get them talking about something that’s meaningful to them.

Remember, you build trust by listening to their story, not by telling yours. Your goal is to create a connection where people think, “Even though I don’t know much about this person, I’d certainly talk to them again.” Advisors who have mastered this skill tell us that some people actually say to them, “I don’t know what you do for a living, but I’ll bet you’re very good at it.” Successful people know that people are much more impressed by someone who asks great questions and truly listens, than someone who talks about themselves. Imagine how much more receptive people will be to your offer to take the next step if they have enjoyed talking to you about something that’s meaningful in their lives!

**Step 3: When It’s Your Turn to Talk, Make an Offer That’s Free, Relevant, and Easy for Them to Accept.**

Notice that nothing in any of the previous conversations has anything to do with money. You haven’t asked a single question about finances or whether
the other person has a Financial Advisor currently. So, how might you pivot and create an opportunity to talk again?

First, consider whether this person is someone you might like to have as a client. You don’t have to make an offer to everyone. It’s perfectly acceptable to end the conversation gracefully.

Let’s assume you would like to explore the possibility of having this person take the next step to becoming a client. After they’ve talked 5 to 8 minutes about themselves, you simply make an offer to provide something of value to them that is F.R.E. — free (it costs nothing to take you up on it), relevant (related to whatever they’ve told you is meaningful, important, significant, or compelling to them), and easy (little effort is required on their part).

This is not an offer for them to become a client, nor is it something investment- or finance-focused, like a portfolio review. The goal is to move them from having a conversation with you in a social situation to having another conversation in the near future (Conversation #2).

Here are 3 examples of pivots:

#1: “Based on what you’ve told me about ______________________, ______________________, and ______________________ being important to you, I think you would benefit from ______________________. Would you like me to send ______________________ to you and have a follow-up conversation about the implications for you?”

#2: “Based on what you’ve told me about ______________________, ______________________, and ______________________ being important to you, the next logical step is ______________________.”

#3: “As a person who is so passionate about ______________________, you’ll find it valuable to ______________________.”

In my conversation with Connie, I said the following:
“Based on some of the things that you told me about being involved in your grandkids’ lives and the influence you want to have on your kids and grandkids, and the impact you would like to have on the community and the sense of service that seems to be instilled in you, you’re obviously very, very busy. I was thinking that in my world — I’m a Financial Advisor — there are ways that we can help people like you organize your life so that you have more time to do the things that really matter to you. There’s an article that I think you would find interesting. I could mail it to you or send it to you in an email as an attachment. It’s only 3 pages long, so it won’t take much time to read, and then perhaps after you read it, you and I can discuss it over the phone. Would you like me to send it to you?”

For most people, especially financially successful people, time is their most precious commodity. Making an offer that will save them time and positively impact something specific that’s important to them is practically irresistible. Any financial professional can do the technical work. Instead, make an offer that has a bigger impact on their lives.

Notice that I didn’t ask Connie to make an appointment with me to go over her finances, nor did I mention financial planning. Instead, I focused on the outcome of helping her to free up time to do the things that matter to her. I mentioned specific areas that I knew were meaningful to Connie. Then I offered her something of value that is free (an article), relevant (about saving her time so she can do something more important), and easy (it will come to her via mail or email, and it’s short enough it will take very little effort on her part to read). If you think about it, it would be difficult for her to say no!

Here’s another example from a webinar where someone asked a question about pivots.
There are many different options for your offer of something free, relevant, and easy. Put together a small library of articles and resources that you feel might be useful to people that you meet and that will create good discussions that can lead naturally to a follow-up conversation. For many years Financial Advisor students of Values-Based Financial Planning™ have offered the book, *Values-Based Financial Planning*, as a gift in these kinds of situations. In the Advisor Roadmap™ Virtual Training Platform there are more examples of articles and resources to use.

Once you’ve made the offer of something that’s free, relevant, and easy, the person will either accept it or not. The worst-case scenario is that you got more practice having interesting, meaningful conversations. The good news is that many people *will* accept, as long as you’ve followed each step in order. Each small step leads to the next, and all of them lead to scheduling the next conversation.

Here are a few coaching tips to help you succeed with Conversation #1.
• Leave your “money glasses” at home. Talk to people like people, not as assets to be gathered.

• Always go meaningful rather than superficial, and positive rather than negative.
• When in doubt, ask more open-ended questions.
• Don’t be too eager to “close.” Listen for at least 5 to 8 minutes before you make your offer.
• Don’t be afraid to go deep. When people talk about what’s meaningful, important, significant, and compelling, they get emotional, in a good way.
• Notice what they’re passionate about, and then tie your offer to that.
• Always make it all about them.

Conversation #1 is based on the universal principle that people would rather talk about themselves than listen to you talk about yourself or anything else. You ask good questions and listen attentively to what they have to say. This, alone, will make you unique in the world and one of the most interesting people they ever encounter. Financial Advisors with great people skills gently lead the people they’re speaking with to talk about the most meaningful, important, significant, and compelling things in their lives. Then they make an
offer of something that is free, relevant, and easy, so they can add value and continue to build the relationship in the next, deeper Conversation.

**Key Points:**

- No elevator pitch will get you the Ideal Clients you seek. You must master the art of having *meaningful conversations* that turn impromptu encounters into appointments easily and naturally.
- Conversation #1 gets people emotionally involved and moves them a step closer to possibly becoming your client without them feeling like you are selling, convincing, persuading, or manipulating. In this Conversation your goal is simply to ask questions and say as little as possible during the first 5 to 8 minutes!
- There are 3 steps in Conversation #1.
- **Step 1:** Ask great opening questions. Great opening questions: (1) are relevant, (2) are open-ended, (3) get people to focus on the positive, (4) focus on topics that are likely to lead to more extended and meaningful conversations.
  - 7 reliable topics for meaningful conversations include family, friends, fun, fitness/health, finances/career, faith, and philanthropy.
- **Step 2:** Ask follow-up questions that take the conversation deeper and listen for what’s truly important to the other person. Questions should be about topics that are meaningful, important, significant, and compelling to the other person.
  - 3 kinds of questions that will help take the conversation deeper: (1) clarifying questions, (2) expanding questions, and (3) impact questions.
- The secret to Conversation #1 is to pay attention and listen with empathy for what’s meaningful, important, significant, or compelling to them. While you may not remember everything the other person says, you’ll remember the highlights.
- Try to say as little as possible outside of the questions. If the other person asks you a question, keep your answer very brief, and then ask them another question.

- **Step 3:** When it’s your turn to talk, make an offer that’s *free, relevant, and easy* for them to accept. This should not be an offer of financial planning, but something of value to the other person that will lead to the next conversation.

---

**Share, The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions,** with a friend or colleague by clicking here.

---

**AdvisorRoadmap**

Virtual Training for Financial Advisors

Become a member of the **AdvisorRoadmap**™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Conversation #2: Scheduling the Appointment

Intent reveals desire; action reveals commitment.
Dr. Steve Maraboli, behavioral scientist

Schedule appointments to be in your office, with both spouses, and with all of their financial documents, so they have a better experience and you have a higher conversion rate of prospects to clients, and clients who take action on your advice.

Think of Conversation #2 like a second date. The reason someone agrees to a second date is because he or she enjoyed the first “date” (Conversation #1), right? You asked excellent questions, you really listened to them talk about what was meaningful, important, significant, and compelling to them, and you offered something of value that could have a positive impact on what matters to them. You also offered an opportunity to discuss how what you gave them (typically an article or a book) could positively impact what matters to them. Because you
provided something of value after Conversation #1, and because you created a connection by listening to what is meaningful to them, people are more likely to be happy to speak with you again.

So, what are they expecting on this “second date?” A similar experience. When this second date goes well, the chances are high that they will accept your invitation for the third “date” — that is, a face-to-face meeting.

At the end of Conversation #2 (which happens on the phone), you will probably put an offer on the table for them to come to your office for an appointment. If Conversation #1 happened as it was supposed to, the offer you make at the end of Conversation #2 will be relatively easy — much easier than the usual “come to our office to hear why we’re better than your current advisor” approach. The key to success for this phone conversation is asking quality questions that stimulate responses that are compelling enough, emotional enough, and personal enough for them to then want to come in for an in-person meeting.

Conversation #2 contains the following elements:

1. A logical opening that renews the relationship you established in Conversation #1 and starts the call on a positive note.
2. A discussion about how the article or book you sent them after Conversation #1 can have a positive impact on their life, and the lives of those they care about.
3. A pivot to the offer of a face-to-face meeting that will be valuable for them whether you do business together or not.
4. Answering their questions, scheduling the appointment, and setting clear guidelines for how they should show up for the meeting in order to have the best possible experience (with their spouse / partner, at your office, and with all their financial documents).
Step 1: Renew the Relationship and Start the Call on a Positive Note.

Before the call, review the notes you made following Conversation #1 to remind yourself of what’s important to this person. Begin the call by re-introducing yourself, mentioning where you met, and asking a question that sets a positive tone for the call.

Let's use Connie as our example. Here's what I would say in my phone call with Connie:

“Hello, Connie, this is Bill Bachrach, calling to follow up on our conversation from Benny and Tracy’s party. Tell me something good that’s happening in your world today.”

Just as you did in the first Conversation, listen attentively and with empathy to their answers. Even over the phone, people can tell whether you’re just going through the motions or really listening to what they have to say.
Step 2: Remind Them of the F.R.E. Item and Discuss Its Implications for Their Life.

Now you mention the article or book you sent them and discuss its connection to their life. We'll use the example of an article from *Time* magazine about the Singularity and the prospect of how this event could extend people’s lives significantly.

2045: The Year Man Becomes Immortal

Check in with them to see if they read the article or book. If they did, ask what they thought about it, and listen to their response. Whether they read the article or not, you can continue the conversation in a meaningful way.
The key is to connect the contents of the article to what you learned in Conversation #1 about what is meaningful, important, significant, or compelling to them. For example, I might say to Connie:

“When we met last week at Benny and Tracy’s, I sent you the email link to that article, and we agreed to have a conversation about how the subject of that article could have an impact on your having more time to do the things that really matter to you, to have more positive influence on your grandkids, make a difference in the community, travel more, and contribute even more at the church. Was there something you found interesting about the article?”

Next, go deeper into how a particular element of the article or book is important to them by saying:

“One reason I thought this would be valuable for you is because _________________ (fill in this blank with something relevant from the article) is directly related to _________________ (fill in this blank with something they said mattered to them). What are your thoughts about that?”

The Time article, for example, focuses on greater longevity, so you could say, “I often find that people who read this article start thinking about what would happen if they did live significantly longer and with a great quality of life and health. When you think about the prospect of living much longer, how do you picture your life?” Again, let the other person talk, and ask questions to explore how living longer would impact what’s important to them.

Another great question is to ask if the article or book brought up any “ahas,” epiphanies, or ideas. When I asked Connie about any “ahas,” she talked about how the concept of much greater longevity from the article got her thinking about her upcoming marriage to Bob, their financial goals, combining finances or keeping them separate, and so on.
With good people skills, and your ability to really hear what someone has to say, you can take this conversation deep quickly. Listen especially for something you can link to saving this person time or making their lives easier — anything that will lead naturally to step 3.

**Step 3: Pivot to the Offer of a Face-To-Face Meeting with You in Your Office.**

Assuming that this person is someone you believe you can help and might like to have as a client, you now pivot to make the offer of a face-to-face meeting. Here are a few examples of pivots:

#1: “In the time we’ve gotten to know each other, it sounds like your favorite way to spend your time is doing __________ [whatever is meaningful, important, significant and compelling to them]. Is that true?”

#2: “In speaking with you, it seems that you’re serious about planning for your future so you can concentrate on what’s meaningful to you. Is that true?”

Next, you describe, the *outcome* and *benefit* of the meeting for this person and his or her spouse / partner. The next meeting is the third “date,” and must be valuable for them whether or not they do business with you. Stay away from technical jargon about investment management, insurance reviews, or financial planning. Instead, make an offer that’s connected to what’s valuable, meaningful, and personally important for them, based on what you have learned during this second “date.”

What are the positive things that happen for people who meet with you face-to-face for your initial client interview or meeting? How does this help them, whether they do business with you or not?
Here’s an example of what could follow the beginning of the pivots illustrated above:

“What we’ve learned from our discussion today is that before you make any important decisions, including financial ones, it’s really good to have clarity about what’s important to you. Does that make sense? So, the next logical step is for you and ________________ to come to our office for a deeper discussion, with the both of you, about what’s important, your tangible financial goals, and your current financial reality. The outcome is that you end up on the same page with regard to your shared vision for the future and the role your finances play in making that future a reality. You will find the experience to be valuable, whether we decide to work together or not. What do you think about that idea?”

Notice that your offer is to have a discussion about their future, not about economics and markets; most normal people find those things dull. However, no one finds their own goals, dreams, and future plans dull.

Notice also that you’re not proposing, at this point, that they hire you as their Financial Advisor. (You don’t know yet if you want to take them on as a client anyway!) All you’re offering is for them to come to your office for a meeting that will be valuable for them. And, as you’ll see in the subsequent Critical Conversations, what happens at this meeting will be valuable for them whether or not they become your client.

Step 4: Answer Questions, Schedule the Appointment, and Set Clear Guidelines.

Once you’ve made the offer of a meeting, answer any questions they may have and schedule the appointment (typically sometime within the next two to three weeks). Then tell them how they can get the most value from the experience. First, it’s important for the meeting to be in your office. I know that
some FAs make house calls, and perhaps it may be more convenient for the client — but convenient is not better. It may be more convenient for your surgeon to come to your house for the operation, but that’s not where you’ll get the best outcome! When you attempt to conduct this interview at their home or office, the probability for disruptions and distractions is extremely high. Phones ring, kids or pets or staff interrupt, the table where you have the conversation may or may not be conducive, and there can be many visual distractions in the environment.

Today people are used to meeting online, via Skype or other streaming services. (Even grandmas and grandpas talk with their grandkids via Skype!) However, an online session has the same (and sometimes greater) potential for distraction as a meeting at someone’s home. It’s also much more challenging to make a strong, emotional, and human connection through the computer screen.

On the other hand, your office is an environment that has been deliberately created for people to have the best experience possible. At your office you can limit distractions and help prospects focus on the experience. What’s more, there’s a greater emotional connection created when people are sitting in a room together. Human connection is the reason we still go to dinner with family and friends and attend concerts, seminars, and workshops: the experience of being with others has more impact.

A meeting at your office sets you up as a serious, committed professional. People go to the dentist; they go to the doctor; they go to the lawyer, the banker, and the accountant. If you expect to be treated like a true professional, you must act like a professional. This means being able to articulate the benefit of coming to your office. Yes, it’s a bit more work for them, but it also makes this meeting more of an occasion, one that can have profound value for their future.

I know that you know you can create a better experience for your clients by having the meetings in your office. Now, imagine, how much more successful you will be when you have the skills and the confidence to articulate how meeting at your office is such a better experience for them. Imagine how much more seriously they will feel about this meeting when it’s in your office. Remember, Trusted Advisors don’t make house calls.
The second requirement is that if the person making the appointment is married, engaged to be married, or in a committed relationship, both spouses or partners must come to the meeting. Sometimes you hear something like, “Oh, my spouse is not interested in finances,” or, “I handle the finances and all the money.” But this meeting isn’t about finances; it’s about having meaningful conversations, facilitated by you, that clarify their most deeply held values and define their most important goals. This meeting, when you follow the process you’ll learn from us, is about helping them plan their future together, and it’s vital that both spouses / partners be there.

The advisors we train and coach say something like: “This meeting is not about the boring details of financial planning, investments, finances, economics, or the markets. It’s about planning your future, and making some very important decisions so that you will both have the future you really want.” You might also add, with a smile, “We’re not marriage counselors, but we’ve found that couples who plan their futures together…. have a higher probability of having one.” When appropriate, you might offer to speak with their spouse or partner to explain how they’ll enjoy and get value from the meeting. Can you do that?
One of the biggest mistakes made by Financial Advisors, even successful advisors, is not including the spouse / partner in the process. On the Advisor Roadmap™ Virtual Training Platform there is a demonstration of Conversation #2 with a very interesting, and successful, gentleman named Alex. (That’s him, on the right, in the above photo.) After we finished shooting the video where I put this offer on the table and scheduled the meeting in my office, with his wife, Lisa, and all their financial documents, Alex shared his experience “interviewing” 3 Financial Advisors who were recommended by his wealthy friends. He did not hire any of them.

Why not? According to Alex, they all had impressive credentials and were clearly qualified, successful financial professionals. They all failed to get hired because he was disappointed that NONE of them expected, insisted, or even recommended that Lisa come to the meeting. He knew how important it was for her to be there when they discussed their future, to be involved in the decision about which advisor they hire, and Alex wanted to be totally comfortable that their advisor was going to take care of his family financially, if / when he couldn’t.

The logic of having a both spouses present for a meeting of this nature is unassailable. Imagine how much more successful you’ll be when you have the skill and confidence to clearly articulate to either spouse / partner the value of them both coming to your office for what will be a very interesting discussion about their future, the role making smart choices about their money plays in having more confidence about their future, and how you may be able to help them create and implement a plan to make it happen.

These are the people skills that very few advisors master. Mastering them will put you in a position to “rescue” clients from advisors who lack these skills. How many financially successful people like Alex are still looking for an advisor or could be easily taken from the advisor they are currently settling for?

There’s no shortage of data illustrating the importance of couples working together effectively when it comes to their finances. A 2015 study of 1,051 couples from the Baby Boomer, Gen X, and Millennial generations showed that 4 in 10 couples could not correctly identify the other partner’s income, 48% had no
idea how much they would need to save to maintain their current lifestyle in retirement, and 52% had no idea about the amount they could expect to receive in monthly retirement income. What’s worse, only 2 in 10 (21%) couples have a detailed retirement income plan to help ensure they don’t outlive their savings. For the full report, produced by Fidelity Investments, click on the link below.

The final requirement is for the couple to bring their financial documents to the meeting. I’m shocked when advisors resist the idea of having clients bring their documents. When asked, advisors always tell me that the meeting would be better if the prospects bring their documents, but they just don’t now how to clearly articulate the value to the prospect without feeling they are risking them opting out.

A metaphor that we like to use is, “Bringing your financial documents to a meeting with a Financial Advisor is like bringing your teeth to an appointment with your dentist. Just like your dentist can’t do his or her work without your teeth, it would be difficult, if not impossible, for us to provide you with the greatest value in our time together without your financial documents.”

Whether they do business with you or not, the process of getting their documents together can be valuable, simply because doing so will help them be better organized and could save them even more time in the future.

Do what you can to make it easy for them to get their documents together. Send them a checklist of everything they will need to bring. We work with some
top advisors who even send a staff person to their home to help them organize what they will need for the meeting to be of the highest quality.

You may be wondering what to say to a person who has some concerns about showing you their financial documents at the meeting. Here’s a clip from a recent webinar that gives you some ideas of how to respond.

When Someone Expresses Concerns About Bringing their Financial Docs to the Meeting

Being successful at scheduling appointments is all about bringing them back to the benefits of the meeting FOR THEM, whether they do business with you or not. They have to be confident that there will be value and that the meeting is not going to just be a sales pitch! Your want this meeting to be an experience that will provide them with greater clarity about their future, stronger marital harmony about their finances, and more time to allow them to do the things that are meaningful, important, significant, or compelling for them.

Remember, the purpose of Conversation #2 is to deliver on your promise from Conversation #1, where you offered something of value, the book or article, and a discussion about how the concepts in that book or article would positively impact them. In the process of delivering on that promise, you continued to build
a connection with this person by learning more about them and listening to what they have to say. If it seems like they would get value from your face-to-face initial client interview, and that they might be good clients, pivot and make the offer for that meeting.

Of course, the next logical step is that you can deliver on your promise of an excellent face-to-face initial client interview. Critical Conversations 3 through 7 are the vital elements of such a meeting.

Key Points

- The key to success in Conversation #2 is asking quality questions that stimulate responses that are compelling enough, emotional enough, and personal enough for people to then want to come in for a face-to-face meeting.
- Conversation #2 contains 4 elements.
- **Step 1:** A logical opening that renews the relationship you established in Conversation #1 and starts the call on a positive note. Just as you did in the first conversation, listen attentively and with empathy to their answers.
- **Step 2:** A discussion about how the article or book you sent them after Conversation #1 can have a positive impact on their life, and the lives of those they care about. Link the contents of the article to what you learned in Conversation #1 about what is meaningful, important, significant, or compelling to them, and then go deeper to focus on the implications of the article in their life. You also can ask if the article or book brought up any “ahas,” epiphanies, or ideas. Listen especially for something you can link to saving this person time or making their lives easier — anything that will lead naturally to step 3.
- **Step 3:** A pivot to the offer of a face-to-face meeting that will be valuable to them whether or not they do business with you. Stay
away from technical jargon about investment management, insurance reviews, or financial planning, and don’t propose that they hire you as their Financial Advisor. Instead, make an offer that’s connected to what’s valuable, meaningful, and personally important for them.

- **Step 4: Answer their questions, schedule the appointment, and set clear guidelines** for how they should show up for the meeting in order to have the best possible experience. The meeting must be in your office, with both spouses / partners present, and couples must bring all their financial documents with them.

*The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions,* with a friend or colleague by clicking here.
Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Conversation #3:
The First 60 Seconds of the Initial Client Interview

Simple and to the point is always the best way to get your point across.
Guy Kawasaki

How to open the initial prospect or client interview in a way that elevates your credibility, distinguishes you from other advisors, and prepares them for a positive experience with you.

In the movie Jerry Maguire, there’s that memorable scene where Jerry bursts into the living room and delivers the heartfelt speech to his wife, Dorothy, about how important she is to him. At the end of the speech, Dorothy looks at him and says, “You had me at hello.”

That’s your goal: to have them at “hello.” Remember that imaginary trust dial? Everything you say and do moves the needle on the trust dial, one direction or the other. Trust is not the goal, however. Trust is the by-product of how you interact with your clients and prospects. Earning their trust is a response to all of your signals, verbal and non-verbal. You can be the most technically competent,
trustworthy, and well-credentialed Financial Advisor on the planet. But, you will never get, or keep, your fair share of the best clients without conducting inspiring meetings. This is why it’s so important that you develop great people and communication skills.

You Had Me at Hello

Existing clients will notice a subtle shift upward in your professionalism and communication skill as you set the stage to introduce your "new world" way of doing business. Every meeting with an existing client reinforces their decision to continue to do business with you or opens the door to other advisors to recruit them away. Always remember, your clients are every other advisors' prospects.

For new clients, this is where they discover, in the first minute, that you operate at a higher level of professionalism than their current advisors. It’s the beginning of the door opening to you having the opportunity to “rescue” them from their current advisors who are not as effective.

You have heard the famous quote by Emerson: “What you do speaks so loudly that I cannot hear what you say.” For both new and existing clients, it is important that you show up with the right “way of being.” You are relaxed, calm,
and focused. You make consistent eye contact without staring. All of the
distractions and concerns of the rest of the world fade into the background while
you create a great experience for them. One of our Academy faculty, Max Dixon,
calls this “showing up ready to be no place else.”

The physical environment is also important. This is sacred time. Allow no
interruptions from your staff or phones or any other noise. How can you have this
meeting in a place in your office where no sights or sounds from outside could
penetrate this room and distract your guests from having the best possible
experience? You may be used to working in this environment and able to tune
out the background noise, but this meeting is not about you. It’s all about them.

On the Advisor Roadmap™ Virtual Training Platform there are videos and
scripts for 2 different initial client interviews. One is for new or referred clients —
that is the interview we’ll be covering in this e-book. The second is for existing
clients who you would like to “upgrade,” either to Ideal Client status or, at least, to
a more full-service values- and goals-based financial planning relationship.

Let’s say that you are meeting with a married couple, Ted and Lynn,
whom you met at a social function. You took them through Conversation #1, and
then sent them an article or book that was relevant for them. You followed up on
the phone a week later, had Conversation #2, and they agreed to come to your
office for a face-to-face meeting, bringing all of their financial documents with
them.

There are 3 key elements of the first 45 to 60 seconds of your meeting:

1. Acknowledge and compliment the fact that they took time out of their busy
   schedules to prepare for and attend this meeting.
2. Introduce the tools you will use to help them make good decisions,
   including recording the meeting, and explain the reasons that it’s for their
   benefit.
3. Transition to the Values Conversation™ (Conversation #4).
Before you read the entire script for conducting an effective opening, let’s expand a bit on each of these key elements.

1. Acknowledge and Compliment the Fact That They Took Time Out of Their Busy Schedules to Prepare for and Attend This Meeting.

   It’s more effective, and appropriate, to compliment people for coming to your office, rather than thanking them for coming. When you thank someone for something it’s because they did something for you. Your prospects and clients do not come to meetings for your benefit. They come for some reason that benefits them. Therefore, thanking them for coming to the meeting is inappropriate and indicates that your focus is in the wrong place: on you instead of them. Your mindset should NOT be, “Thank you for coming in so I can make some money today!” It sounds so obviously wrong when you think about it, doesn’t it? Yet, most advisors start meetings with prospects and clients by saying, “Thank you for meeting with me today.” Here’s a recording from the Advisor Roadmap™ Virtual Training Platform of the reasons never to start your meeting by saying “Thank you for coming.”
You build trust by listening to their story, not by telling yours. There is no “selling of yourself” by talking about your background, credentials, years in the business, or how great the company is. That is a 1970s sales technique that should NOT be employed by Trusted Advisors well into the 21st century. There will be an opportunity, later in the meeting, for clients to ask questions about your background, or your credentials, or anything else they need to know in order to do business with you.

Don’t be surprised when they don’t ask you about any of those things after you have created a highly professional and profound experience that moved the needle on the trust dial to the 8 – 10 zone. Remember, trust is a feeling. They either feel it or they don’t. If they don’t feel it, you can’t talk them into it. Have you ever been in a meeting with someone who you KNEW was really good at what they do because of how well they handled themselves? That’s your objective: to be so effective at the experience you create when leading meetings that people KNOW you are highly competent and totally trustworthy.

An agenda of the meeting is not presented either. This isn’t a high school speech where you tell them what you’re going to tell them, tell them, and then tell
them what you told them. The goal is a short, sweet, setting of the stage to get them into talking about what’s important to them as quickly as possible. The sooner they are talking about what’s important to them, the better.

You will also notice the absence of small talk, chitchat, or superficial conversation of any kind. Superficial conversation leads to superficial relationships, and meaningful conversation leads to meaningful relationships. The primary purpose of the opening is to set the stage for the Values Conversation™. The sooner they are talking about what’s important to them, the better.

2. Introduce the Tools You Will Use to Help Them Make Good Decisions, Including Recording the Meeting, and Explain How It’s for Their Benefit.

The next step is to frame how you will help them have a great experience and do the best possible job for them.

Be deliberate when you introduce the recorder. Allow your hand to linger on it as you explain its purpose. This conveys a level of confidence that having a recording of this meeting helps you help them. You and your team having the opportunity to listen to the recording again, maybe several times, will assure that everyone on the team hears what the clients want, in their own words, with their emotional inflection. Recording all prospect and client meetings has always been a good idea. In a DOL – ERISA Fiduciary Standard world, it helps you deliver on the promise of their best interests.
You can record with the app that’s already on your phone. If you want something a bit more sophisticated, I like https://itunes.apple.com/us/app/voice-notes-pro-recorder-notepad/id590013870?mt=8

Here’s a video example that demonstrates how to conduct the first 60 seconds of the meeting.
Recording communicates to your clients and prospects that you operate at a higher standard than most other advisors. You will find that clients are impressed that you record the meetings, not threatened or uncomfortable at all. There is a 30-year track record of success with this script and process. When you read the script, imagine being a prospect or client and consider how recording meetings increases credibility. Recording the meeting distinguishes you as a detail-oriented professional and emphasizes your desire to listen as part of working for them. People will be impressed by your thoroughness and professionalism. In the first minute of the client interview, the needle on the trust dial is moving in the right direction.

You’ll rarely ever have a prospect or client question recording the meeting. Here’s a discussion of how to respond if that should ever occur.
How to Handle Questions About the Recorder

There are 2 additional benefits to recording the meeting. First, in the new world of the fiduciary standard, Compliance officers love the fact that there is an actual record of all of your meetings with your clients. You have evidence that you not only did a great job of asking questions and learning about them, but all of your advice was appropriate for the clients and in their best interests.

Second, the recording is a learning and improvement tool for you. When you listen to recordings of your actual meetings you will hear things that will help you do a better job for that client, and you’ll improve your skill in these Critical Conversations, which will make you better for all of your clients.

3. Transition to the Values Conversation™ (Conversation #4).

The last part of the opening is the transition to Conversation #4, the Values Conversation™, where you will facilitate each spouse / partner through a series of questions designed to elicit their core values.

Here’s the full script:
Advisor: Hi, Lynn and Ted. The fact that you’re here today, made time in your very busy schedule, and gathered all of your documents, tells us that you’re serious about making smart choices about your money. Is that true?

Lynn: Yes.

Ted: Absolutely.

Advisor: That’s good, because we are too. You’ll notice that we ask a lot of questions and take a lot of notes. I’ll use this big, visual worksheet — the Financial Road Map® — to put everything into simple perspective for you. And I’ll also be recording our meeting to make sure we don’t miss anything. Do you know how you can watch a movie a second or a third time and see things you didn’t see the first time through?

Lynn and Ted: (Smile and nod in agreement.)

Advisor: That’s why we record. Helping you is a lot more important than just watching a movie. So, should we decide to do business together, my team and I will listen to this recording at least once before we give you advice so we make sure all of our advice is… just right for you.

The first thing we’re going to do is to get each of your perspectives about the importance of money. Who wants to go first?

Ted: I’ll go first.

Advisor: You know, Ted, I learned a long time ago to start with the person who doesn’t volunteer. So, Lynn, let’s start with you. What’s important… About Money… to You?

The reason for starting with the person who doesn’t volunteer, is because you want get the person who may tend to be less gregarious or talkative engaged. The worst-case scenario is to take the more extroverted or dominant
person up their values staircase (the lesson in the next chapter), only to have their spouse / partner say, “Ditto, same for me.” Starting with the “less dominant” person precludes that from happening. It’s also refreshing for the person who may tend to be quieter to be so overtly included and listened to. Remember that needle on the trust dial? It has to move, in the right direction, for both of them.

The entire opening of the client interview takes 45 to 60 seconds. In that time your credibility went up; you came across as a professional who knows what he or she is doing; you communicated that you respect their time; and you offered a physical demonstration of your commitment to ensure you capture their information accurately by recording the meeting.

You and your prospective clients are now ready to get into the “meat” of the interview: their values, goals, and current financial status. It starts in Conversation #4, where you will uncover the emotions that drive all of their important financial decisions.

**Key Points:**

- Remember, it’s all about *them*. All of your words and “way of being” are aligned to communicate that you truly listen to what matters to them.
- Use both names to encourage participation and include both spouses / partners.
- Do NOT discuss your background, credentials, company story, or prematurely start presenting or educating.
- Stay away from needless chitchat, especially about sports, the weather, or politics. Don’t waste their time. Be warm and professional.
- Record and listen to all of your prospect and client meetings. You will do a better job for your clients and become a much better communicator, which will help you elevate your client value for all of your clients and grow your business more rapidly, with the Ideal Clients.
Share, *The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions*, with a friend or colleague by clicking here.

Become a member of the [AdvisorRoadmap™ Virtual Training Platform](#) community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results [click here](#) to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Conversation #4, The Values Conversation™:

Making an Emotional Connection

“Values are like fingerprints. Nobody’s are the same, but you leave ‘em all over everything you do.”

Elvis Presley

Values are the emotional “why” that inspire people to make their most important decisions, including their financial choices. By facilitating each spouse / partner to explore and verbalize their most deeply held values, you help them develop a compelling, inspiring vision of their future. You also create an experience that makes you the obvious choice to be their most trusted financial advisor.

As a rookie financial advisor, I was obsessed with creating a repeatable process that could be consistently implemented to acquire financially successful clients. Through massive trial and error, script writing and re-writing, recording and studying the recordings of prospect and client meetings (which is enormously uncomfortable, by the way), the “code” was eventually cracked and Values-Based Financial Planning™ was created. There was no grand plan for me to become an author, speaker, trainer or coach to other FAs. It just turned out
that other advisors wanted to produce the same results, and it was fun to help them. Over the past 30 years, thousands of financial professionals have found Values-Based Financial Planning™ to be a very effective way to acquire and serve clients, especially Ideal Clients.

The crux of the Values-Based Financial Planning™ initial client interview is the Values Conversation™, or Critical Conversation #4. You facilitate a powerful experience where both spouses / partners have an opportunity to articulate what’s important to them while their spouse / partner listens. Done well, this conversation tends to move the needle on the trust dial in the right direction.

You can have the Values Conversation™ with or without the Financial Road Map®, and there are training videos on the Advisor Roadmap™ Virtual Training Platform demonstrating the initial client interview both ways. However, capturing values on the values staircase on the Financial Road Map® has proven to be the most effective.

Many successful Financial Advisors have opted to use the Financial Road Map® with excellent results.
“I have been using the Financial Road Map® for many years. As a person who is obsessed with keeping track of what works, I can tell you that I get hired 98.7% of the time that I conduct a Financial Road Map® Interview — 77% of the time at the first meeting.” — Chris P.

“We have 185 clients with $225M of AUM. Every single client was acquired using the Financial Road Map®.” — Don V.

The Values Staircase
(part of the Financial Road Map®)
This 17 x 22-inch, one-page worksheet puts everything a client needs to make a good choice about moving forward with comprehensive, values- and goals-based financial planning in one place. It’s simple. It’s visual. It’s compelling. It’s interactive. It’s engaging.

The Financial Road Map® is often called a “relationship shifter,” because advisors who complete them with their existing clients experience a shifting of the relationship to a deeper, stronger emotional connection that often motivates clients to (1) tell their advisor about ALL of their financial affairs and assets, (2) consolidate all of their business with the one advisor, and (3) take action on all of their advice. What would your life be like if your best clients did ALL of their business with you and more quickly implemented all of your advice? This deeper relationship can also be the difference between being referred or not.

Here’s one of many valuable articles from the Advisor Roadmap™ Virtual Training Platform that you might find helpful to shift your client relationships to a deep level of trust. Enjoy with our compliments.

The Relationship Bridges
The Value of the Values Conversation™

Values are defined as *the emotions, qualities, and principles that are meaningful and desirable to a particular individual*. Values are things like security, freedom, providing for family, making a difference in the community, leaving a legacy, a sense of accomplishment, satisfaction, pride, personal gratification, fulfilling one’s purpose in life, happiness, nirvana, inner peace — those are all values words. They represent what’s most important to people and tend to evoke personal, powerful emotions.

Watch this short clip about the Values Conversation™:

Introduction to the Values Conversation™

Traditional financial planning starts with goals — *what* the clients want and when they want it. While goals are the tangible results being sought, values are the intangibles, or the emotional payoffs, that make the pursuit of those goals meaningful. Financial advisors tend jump too quickly into asking clients about their goals, needs, or wants without laying an emotional foundation of why they want what they want. *Why* always comes before *what*. 
Goals conversations are more effective after values have been discovered and discussed. Roy Disney, Walt’s brother, famously said, “When your values are clear, your decisions are easy.” You are more valuable when you make it easy for people to hire you in the first place and easy for them to take action on your advice. Connecting your offer to be hired and your advice to their values is a powerful way to make decisions easy.

Here’s a discussion about the way the Values Conversation™ creates an emotional connection. It’s one of the many video lessons that are available with your membership to the Advisor Roadmap™ Virtual Training Platform.
thousands of values conversations with real prospects and clients, the evidence is overwhelming that people love to talk about what’s important to them. The main reason prospects and clients haven’t told their advisors what’s important to them is because they haven’t been asked. Most financial advisors know some things about their clients’ interests or businesses or families, but they rarely take the time to go deep. For example, you may know that a client snow skis; however, you may not be aware that he is passionate about skiing because his sister, Susan, who taught him how to ski, passed away, and now he feels closest to her when he’s on the slopes.

Meaningful conversations like the Values Conversation™ are what distinguish humans from machines. If you’re not willing and able to get personal, then what really distinguishes you from a machine? As more and more aspects of financial planning and financial services are done by machines, the more important it becomes to be effective at engaging humans in personal, meaningful conversations, and then helping them make smart choices about their money that align with their most important goals and their most deeply held values.

Values are best discovered in conversation. It’s not something you want to try to automate by inserting some kind of values survey into a pre-interview questionnaire or asking prospects to fill out a “form” on their own. The Values Conversation™ helps people get clear on their values, of course, and it creates an emotional connection with you. It’s a rich experience that moves the needle on the trust dial in the right direction.

There are 3 steps to the Values Conversation™. This is not complicated, but it does require practice in order to build skill. Take one spouse / partner through all 3 steps and then follow the same process with the other spouse / partner.

**Step 1:** The First Question: “What’s Important… About Money… to You?”

**Step 2:** The Follow-up Questions: “What’s Important… About [the last answer] … to You?”

**Step 3:** The Values Summary
Step 1: The First Question: “What’s Important… About Money… to You?”

The Values Conversation™ immediately follows the opening, which was explained and scripted in Chapter 5. An effective way to transition into this Conversation with existing clients is by saying something like, “Ted and Lynn, over the years that we have worked together I have developed a sense about what’s important to you. Today, we are going to have a more overt conversation about what’s important about money to each of you. Lynn, let’s start with you. What’s Important…. About Money… to You?” (Remember, always start with the person who you know from experience is the less dominant partner.)

The “What’s Important…. About Money… to You?” question has been carefully proven and tested to produce the best results, so don’t change the question to something like, “What does money mean to you?” or “Why is money important?” or “What do you value in life?” or “What do you like to do with money?” Ask the question exactly as written, and always emphasize the words, “to you” at the end, as this makes it more personal.

Three important notes about step 1. First, ask the question and then be quiet. It may take a person a few seconds to come up with an answer. Don’t try to ask the question a different way, or interject your own ideas about what might be important to them, while they are thinking. Just be quiet and give them the space and time to answer the question.

Second, listen closely to what they say. Sometimes people will come up with a clear answer; other times they may talk around the topic a little: “I don’t know, I don’t think of money as ‘important’…. I guess maybe I feel like if I had enough money I wouldn’t be stressed or worried all the time…. It is important to have money to keep the wolf from the door.” You should listen for the words and images that seem to have the most meaning and emotional impact for the client.
Third, you don’t have to write down every word they say, but every word you write should be a word they actually said. In other words, do not paraphrase their words — use their actual words.

Watch this video of a Values Conversation™ with Clive at a financial planners’ conference in Sydney, Australia.

“What’s Important… About Money… to You?”

There are 3 types of values responses during a Values Conversation™. Level 1 is what I refer to as “lower self.” These answers tend to be more about what psychologist Abraham Maslow would call survival. Answers like, “safety,” “security,” “paying the bills,” or “achieving our goals,” characterize level 1 responses. Level 2 answers are about others. This is where you hear responses like, “taking care of my family,” “making a difference in the community,” or “having an impact on the world.” Level 3 answers are “higher self,” or what Maslow calls “self-actualization.” These are the words that end to describe the emotional payoff of satisfying level 1 and level 2. Level 3 answers are always about being rather than doing and having. You’ll hear words and phrases like,
“satisfied,” “fulfilled,” “proud,” “my reason for being,” “being the best I can be,” “nirvana,” “one with the universe,” “connected to God,” and “inner peace.”

Simply continue facilitating the conversation and writing their answers on the steps of their values staircase on their Financial Road Map® by following the process in step 2.

**Step 2: The Follow-up Questions: “What’s Important… About [the last answer] … to You?”**

Take a second to turn the notepad or the Financial Road Map® to face them so it’s easy for them to see what you’ve written so far. This confirms to them that you are listening, validates their responses, and makes it easier to process your next question. Then ask, “What’s Important… About [the last answer] … to You?”

Continue up their values hierarchy until they have said several level 3 answers. At the top, there will usually be from 7 to 9 values. There could be more, but seldom fewer.

Take a look at Clive’s values hierarchy.

- Feeling good
- Fulfillment
- Achieving something meaningful
- Knowing I’m here for a reason
- Leaving behind something that lasts
- Legacy
- Taking care of family and setting goals
In step 2 you are building the client’s emotional connection to what’s most important to them — an important platform as you move into step 3.

Step 3: The Values Summary

The final step in the Values Conversation™ is to summarize the most deeply held values of each spouse/partner and help them start to see the connection between making smart choices about their money and fulfilling their core values.

Here is the language you use to introduce the values summary:

“My role in your life as a Financial Advisor is to help you make smart choices about your money so you can experience [walk them up the values hierarchy, starting at the bottom]. Let’s say that we created a strategy that has this kind of impact on your life. Is that the kind of strategy that you could get excited about and the kind of relationship you’d like to have with an advisor like me?”

In almost every case, prospects and clients will agree that they would love to have that kind of relationship with their advisor. Who wouldn’t — considering that you are simply telling them that you can organize their financial life in a way that aligns with their core values? Once they’ve responded affirmatively, you simply say, “That’s good, because that’s the kind of relationship we’d like to have with you.”

Here’s a debrief of the Values Conversation™ with Clive:
You’re not done, of course; you still have the other spouse’s values to discover. However, only after you’ve finished the values process with one spouse or partner do you turn to the other and say, “Okay, [spouse], now it’s your turn. What’s Important… About Money… to You?”

If one partner tries to put words in the other’s mouth, tell them, “You’ll get a turn, I promise. In the meantime, let’s let _______________ answer for himself / herself.” This is vital because every person’s values hierarchy is different. Couples may value some of the same things, and they may use different words to express their values.

Here’s another example of a values summary for a different couple:
It usually takes 5 to 8 minutes per person to do a full Values Conversation™, or 10 to 15 minutes of the initial client interview for both. It’s a relatively small amount of time for an exercise that has an enormous impact on people being inspired to want a comprehensive financial plan, to hire you and your team to create the plan, and then to implement the advice generated by the plan.

Here are a few tips to help you succeed, as well as a few things to avoid:

- Start with the Financial Road Map® fully open and facing them.
- Have your pen handy but not physically in your hand, looking like you are more eager to write than you are to listen.
- Stick to the structure of the questions and ask them exactly as indicated.
- Let them answer at their pace. Don’t rush them. Your silence is an indicator that you respect them enough to give them time to answer. If
they look stuck or go off-track, simply ask the question again: “What’s Important… About [money or their last answer]… to You?”

- Ask the questions in such a way that people never feel like they’re being pressured or interrogated. Ask with a sense of curiosity, in a relaxed state yourself, and enjoy the conversation. Smile!
- Don’t make any suggestions or put words in people’s mouths. Never make any judgmental comments or have a judgmental expression on your face.
- Listen carefully. You do not have to write everything they say, but everything you write must be something they actually said.
- Write legibly.
- Don’t chat about their answers. Simply write down the key words of their answer, and then ask the question, “What’s Important… About [the last answer] … to You?”
- Keep asking the question and capturing their answers until they are using words like fulfillment, living my purpose, doing what I’m meant to do, and so on.
- When you deliver the values summary, follow the order of their values exactly, starting from the bottom and going to the top of the list, using their words.

The success of what you are currently doing is built on the foundation of what immediately preceded it. The stage was set for a good Values Conversation™ by an effective opening, which was preceded by people coming to your office, with their spouse / partner, and all of their financial documents. Next, you will have a productive conversation about their tangible goals, followed by benchmarking their current financial situation. Then you are in a position to put an offer on the table to become a client (or upgrade if they are an existing client) by articulating your client value promise in a way that aligns with their personal core values. Instead of selling features and benefits, handling objections, and
closing hard, you inspire people to action with their most important goals and most deeply held values.

Luckily, you don’t have to be perfect at this. All you need to do is to practice listening carefully for the few key words that represent what’s most important to the clients, and then capture those words on paper. Then, when you summarize their values, you’ll quickly see how much these emotions mean to people. And from there, it’s an easy transition to talking about “what” they want in order to feel those feelings — in other words, their goals.

You also may find it helpful to read *Values-Based Financial Planning*. There is a complimentary Financial Road Map® included in the book.

As has been mentioned before, this e-book and the Advisor Roadmap™ Virtual Training Platform were created as a pair of resources to help you elevate your client value and grow your business. You will almost certainly find that the Financial Road Map® and 7 Critical Conversations courses alone easily justify the tuition to join the Advisor Roadmap™ Virtual Training community. Just one existing client who brings over all of their business and starts referring easily creates your ROI.
Key Points

- In the Values Conversation™, you facilitate a powerful experience where both spouses/partners have an opportunity to articulate what's important to them while their spouse/partner listens.

- You capture someone's values on the Financial Road Map®, a 17 x 22-inch, one-page worksheet puts everything a client needs to make a good choice about moving forward with comprehensive, values- and goals-based financial planning in one place.

- Values are defined as the emotions, qualities, and principles that are meaningful and desirable to a particular individual. Values are the emotional “why” that inspire people to make their most important decisions, including their financial choices.

- Traditional financial planning starts with goals — what the clients want and when they want it. But why — the emotional payoffs that make the pursuit of those goals meaningful — always comes before what. The why comes from the individual’s values. Goals conversations are more effective after values have been discovered and discussed.

- People love to talk about what’s important to them. The main reason prospects and clients haven’t told their advisors what’s important to them is because they haven’t been asked. The Values Conversation™ helps people get clear on their values while it creates an emotional connection with you. It’s a rich experience that moves the needle on the trust dial in the right direction.

- Always start with the person whom you know from experience is the less dominant partner so both partners will express themselves fully.

- There are 3 steps to the Values Conversation™.

- Step 1: Ask the first question, “What’s Important… About Money… to You?” Ask the question exactly as written, and always emphasize the words, “to you” at the end. Once you’ve asked the question, be quiet and give the person the space and time to answer. Then listen closely to what
they say, especially for words and images that seem to have the most meaning and emotional impact for them. Finally, write down their words — don’t paraphrase.

- Step 1 of the Values Conversation™ will give you 3 levels of answers: survival, answers about others, and answers about the higher self.
- In Step 2, you ask the follow-up question, “What’s Important… About [the last answer]… to You?” Continue up their values hierarchy until you have several level 3 answers.
- Step 3 is the Values Summary, where you summarize the most deeply held values of each spouse/partner and help them start to see the connection between making smart choices about their money and fulfilling their core values.
- Once you’ve gone through all 3 steps with one spouse / partner, do the same process with the second.

Share, The Confident Advisor: How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions, with a friend or colleague by clicking here.
Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Conversation #5, the Goals Conversation:

Helping People Define Clear Targets

Mastery of Helping People Define Targets

“Not having a clear goal leads to death by a thousand compromises.”
Mark Pincus, founder of Zynga

A powerful discussion with both spouses/partners about their tangible goals. The combination of their most important goals and most deeply held values creates a sense of ownership in people while it builds trust with you as their advisor and guide.

Goals are the tangible “what” people want, built on the foundation of their values, or “why” they want it. The good news is, once you’ve helped clients define their values, it’s easier to help them choose goals that have real meaning. And when they know their values and have created meaningful goals, it’s also more likely people will make smart choices about their money and be inspired to take the actions necessary to achieve their goals for the reasons that are important to them.
In our many years of coaching recordings of live advisor / client initial interviews and reviewing discovery meeting processes, we have found that many FAs make 2 critical mistakes that lead to uninspiring goals and clients who are not motivated take action on their advisor’s recommendations. First, many advisors tell instead of ask. They say something along the lines of, “If you’re like a lot of people your age, you’re probably concerned about retirement. Is that one of your goals?” Or, “As a parent who loves your children, you probably want to set aside some money to help with their education or get started in life, right?” While these things may be true, if you put words in the clients’ mouths, are you likely to discover what they really want, and therefore what they’re more likely to put in the effort to create?

The second mistake FAs make is to assume their clients want, or should want, the same thing the advisor wants. If you’ve always owned a home, for example, you might assume that’s the preferred way for your client to ensure they have a place to live. But some people (maybe those who lost big in the mortgage meltdown of 2007) don’t want to be burdened by home ownership and would rather rent. You might believe that parents should put aside money for their children’s education so the kids can be totally focused on learning, don’t have to stress about money, and will graduate without a lot of student loan debt. However, your client might believe that good parenting is actually teaching children to be resourceful, and that paying their own way through college will prepare them to be more successful in life. Neither view is right or wrong — but if you make the wrong suggestion to a client, you will quickly move the needle on the trust dial in the wrong direction.

The same thing is true in when you project retirement as a goal, rather than ask. I do workshops for prospects and clients as well as advisors, and I often ask the audience, “How many of you have a negative association with the word retirement?” In a typical audience, more than half the people in the room raise their hands. In a room full of more financially successful people and business owners, it’s more like 80%. Think about that: I'm asking a room full of
people that you would like to have as clients if they have a negative association with the term retirement — and most of them do!

I follow up by asking, “What are the words you associate with the term retirement?” Their responses are words like useless, unproductive, irrelevant, death, out to pasture, redundant, the end of everything, and bored. Every time you say “retirement,” your best prospects or clients might be seeing themselves as irrelevant and closer to death! Can you see why you have to be very careful about putting goals in your clients’ mouths?

Click on the image below to watch a video on this subject.

[Video: Tips and Lessons to Master Defining Clear Targets]

Now, many people do have goals that you might classify as “retirement,” only they’ll say things like, “I want to be financially independent,” or “I’d like for work to be I recently coached an advisor client interview where the prospect described it as f____ everyone money!” Maybe that’s not how you would phrase, but it’s not your goal. Be careful about projecting your words onto people. Instead, ask questions so clients can tell you what their goals are in their own words.
What about clients or prospects who are already retired or financially independent and no longer working... or financially independent and still choose to work? Yes, these people still have financial goals — and it’s your responsibility to help them define those goals clearly. During the Q&A of a recent webinar, an advisor asked a question about this situation:

Do Retired or Financially Independent People Still Have Goals?

The most effective FAs have conversations with their prospects and clients about goals in a bigger, more effective, and compelling way. In Conversation #5, the Goals Conversation, both spouses / partners will discover 3 or 4 tangible goals that require money and planning to achieve, that align with their values, have specificity, and emotional impact.

There are 4 crucial elements for every goal:

1. The client’s name for the goal.
2. The date by which they want to achieve it.
3. The amount of money wanted for that goal.
4. A few emotionally compelling words to describe what they’re thinking and feeling now that they have achieved that goal.
Unlike the Values Conversation, where each spouse/partner answered separately, the Goals Conversation is a collaboration, as both spouses/partners come to agreement on the goal, the date, and the amount of money wanted. This Conversation often produces interesting discussion between partners. You lead clients through all 4 steps for each goal before you move on to the next goal.

In this Conversation, you want to create an environment where your clients and prospects have the time and the space to actually think about what their goals truly are. Here’s a discussion of the reasons why.

**Introduction to Critical Conversation #5: Defining Clear Targets**

**Step 1. Discover the Client’s Name for the Goal.**

You begin by transitioning out of the Values Conversation and into the Goals Conversation. Point to where you’ve written the clients’ values and say something like this:

“Now that we’ve discussed what’s important to you, the next logical step is to talk about your tangible goals. As you look down the road, what’s a tangible goal that requires money and planning to achieve?”
Notice that the question is open-ended, not suggesting a particular goal that you think the client should have. This question also links the goal to their finances. I’m all for goals like being happy, creating great relationships, and so on, but for the purposes of this meeting, you need people to focus on the things they want that will take money and planning to make happen.

This first question also gets people to move their focus to the future. Too often people get stuck in the problems of today and the myopia of the daily drumbeat of bad news from the media, challenges with business, their kids and so on. As leaders and advisors, we need to pull them away from all the distractions and inspire them about the future they want to create for themselves.

Usually people will give you a description of the goal they want: “We’d like to move out of our current house into something smaller and on one level.” “Our priority is to make sure our disabled child is taken care of after we’re gone.” “We want to be able to travel and do whatever we want when we want it.” Your job is to get them to come up with a specific name for that particular goal by asking:

“What would you call this goal if you were to put a name on it?”

Sometimes people will continue to talk around the goal and you must help them get clarity. Let’s use an example from the conversation I had with Larry and Robin, a couple who told me their goal was to have enough cash flow in retirement to live comfortably with all the expenses of their current lifestyle covered, and also to have funds above that to have fun, travel, buy some cars, go out to dinner, and have no stress about money. I suggested that covering their living expenses was one goal and having money above that was a separate goal, and they agreed.

So I asked, “What would you call these 2 goals?” They decided that the first one was called “living comfortably,” and after they considered various names (“extravagance,” “F.U. dollars,” “lifestyle”), they agreed to call the second goal “fun money.” Remember, it’s not your job to suggest a name for their goal. Listen and then help them decide on the name of the goal for themselves.
Once there is agreement on the goal and you’ve written it down, you’re ready to move to step 2.

**Step 2. The Date by Which They Want to Achieve It.**

This step takes the future represented by their goal and makes it very real by establishing a specific day, month, and year when they reach it. It’s not “10 years from now,” not “on my 60th birthday,” and it’s not “when my kids turn a specific age.” Having a specific date is much more compelling: if you want to be inspired, put a day, a month, and a year in your calendar for the future. The question you ask is:

“By when do you want to achieve this goal?”

It’s even more powerful if you repeat the name of the goal back to them; for instance, “By when do you want to be financially independent?” If they say something like, “A couple of years from now,” ask, “What year will that be?” Once they give you a year, follow up with the question, “And what day in 20___ would you like to [whatever the name of the goal is]?” Once they have given you a month and day, end with the clarifying question, “So, that will be [state the full month, day, and year or day, month, and year, depending on how it works in your part of the world]?”

It’s interesting that even people who haven’t thought about this before usually have no trouble giving you a precise answer, often a significant date such as a birthday, anniversary, or the first of the year. In Larry and Robin’s case, when I asked them for the specific date they would like to achieve their fun money goal, they answered July 18, 2018 — which happens to be Robin’s birthday. Make sure to write the specific date directly below the name of the goal, and then show both to the client. Seeing it in writing will make the goal feel even more real to them.
By the way, if the clients start asking questions like, “How can we make that goal in that amount of time?” tell them not to worry about the “how” for the moment. That will come later in the process of working together.

Step 3. The Amount of Money Wanted.

Your next question to the clients is:

“How much money do you want to fund this goal?”

For example, if the client’s goal is to be financially independent, ask, “How much net spendable money per month or per year do you want to have once you are financially independent?” In Larry and Robin’s case, I asked, “How much net spendable money do you want in fun money? And do you want it per month or for the entire year?” They told me, “We would want $100,000 per year in fun money.”

Notice the question is about the amount of money they “want,” not “need.” “Need” describes the minimum amount and is a mindset based on security and stress. Financially successful people think about what they want, not what they need. Asking how much money they want is a more abundant mindset. Again, if clients start asking about inflation, or how they’re going to come up with this net spendable money, tell them that will all come later as part of creating the plan to reach this goal. Right now, they just need to get absolutely clear on the goal itself.

Step 4. A Few Emotionally Compelling Words to Describe Their Lives When They Reach It.

This step sets the Goals Conversation apart from most other financial
goal-setting processes. In step 4, you are going to get them to associate to the feelings they will have once they actually have reached the goal. Here’s what you say:

“Imagine it’s [the date they told you in step 2] and you’ve achieved this goal. What are 2 or 3 words that describe what you’re thinking and feeling now that you’re there?”

Write down whatever the clients say underneath the name of the goal, date to be achieved, and amount of money wanted.

For example, with Larry and Robin, I said, “Okay, let’s say that you’re there. Let’s say it’s July 18, 2018. You have $100,000 net spendable income for fun money. What are 2 or 3 words that describe what you’re thinking and feeling now that you’re there?” The words they used were “ecstatic,” “happy,” “comfortable,” and “satisfied.”

This is one of the most enjoyable moments in the client interview, as you get to watch people’s faces as they put themselves into the future they would love to have. You often hear words like “free,” “stoked,” “blown away,” and “fulfilled.” Sometimes they’ll say things like, “Yahoo!” or “Yippee!” When you define clients’ goals specifically in terms of date and money, and then link them to the emotional payoff they’ll receive once they attain them, their goals become significantly more meaningful and inspiring.

Here’s a video example from the Advisor Roadmap Virtual Training Platform that demonstrates going through the process of discovering one of the goals Larry and Robin want to achieve. You can see each of the 4 steps illustrated in this example. Members of the Advisor Roadmap Virtual Training Platform community also receive scripts and other examples of how to help clients discover their goals.
When orchestrated properly, the Goals Conversation makes their goals look and feel “real” to clients. It creates a greater sense of ownership and commitment to achieving the future they have laid out for themselves. The more real and emotionally compelling their goals, the more likely they are to follow your advice to make those goals a reality.

**Key Points**

- Goals are the tangible “what” people want, built on the foundation of their values, or “why” they want it.
- FAs make 2 critical mistakes in talking with clients about their goals. (1) They tell rather than ask. They talk about retirement, financing children’s education, etc., putting words in the clients’ mouths rather than asking what the clients truly want. (2) They assume the clients should want the same thing the advisor wants.
- In the Goals Conversation, you will help clients discover 3 or 4 tangible goals that require money and planning to achieve, that align with their values, have specificity, and emotional impact.
There are 4 elements of every goal, and 4 steps to discover these elements.

Step 1: Discover the client’s name for the goal. Your job is to help the client get clear on the goal and their name for it. Both partners / spouses should agree on the name.

Step 2: The date by which they want to achieve it. This must be a specific day, month, and year in the future. If the clients ask how they can achieve that goal, tell them not to worry about the “how” — that will come later in the process.

Step 3: The amount of money wanted. Not the amount of money needed — that is not the mindset of financially successful people. Instead, ask the clients for how much they would want in order to fund that goal.

Step 4: A few emotionally compelling words to describe their lives when they reach it. This gets the clients to associate emotionally to how they will feel when they reach this goal. When you define clients’ goals specifically in terms of date and money, and then link them to the emotional payoff they'll receive once they attain them, their goals become significantly more meaningful and inspiring.

Share, *The Confident Advisor: How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions*, with a friend or colleague by clicking here.
Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.

---


Conversation #6, the “All the Money” Exercise:

Financial Benchmarking

Do what you can, with what you have, where you are.

Theodore Roosevelt

Artfully organize the clients’ financial documents and benchmark their current financial reality in a way that increases your credibility, confirming their initial impressions of your competence and trustworthiness.

You’re now 20 to 25 minutes into the meeting. You’ve listened to both spouses or partners express what’s important to them, and you’ve built their values hierarchies; you’ve helped them define 3 or 4 tangible goals, each of which has a name, target date, amount of money wanted, and a couple of words that describe what they will be thinking and feeling once they’ve accomplished that particular goal. They’re looking at a powerful, positive financial future, laid out in front of them in a visually compelling manner. Their emotional connection with you, and with each other, is strong.
The next logical step is to naturally transition into **Conversation #6**, benchmarking their current financial reality. Here’s an example of that transition:

“Larry and Robin, we’re making great progress. We’ve had a good conversation about what’s important to each of you and defined your tangible goals. So, let me take a look at your financial documents and do a little math to determine where you are right now. This will put everything into perspective and help us decide how to proceed. It just takes about 5 to 10 minutes. While I’m doing this, feel free to relax and reflect on the conversation we’ve had so far.”

The core of Conversation #6 is a 5- to 10-minute “All the Money” exercise that establishes their current financial position. In essence, you are visually illustrating where they are now, where they want to be (their tangible goals), and the emotional payoff enjoyed when achieving goals (their values). When these 3 elements are completed you are in the perfect position to make an offer to be hired to create and implement their comprehensive financial plan.

The mistake that many Financial Advisors make at this point is to attempt a more thorough analysis than is necessary. You can do the thorough analysis after you’re hired. Right now you just establish a baseline. When you handle this Conversation correctly, your skill in organizing their financial documents with finesse conveys your competence without words.

At a recent workshop I spoke about the problems you inadvertently create when you attempt a more thorough analysis during the initial meeting:
In the “All the Money” exercise, the clients’ current financial reality is distilled into just 4 numbers.

#1: *Cash reserves:* the amount of cash in savings, checking, and money market accounts earmarked for emergencies.

#2: *Debt* from all sources: mortgages, car loans, credit cards, student loans, etc.

#3: *Insurance* of all types: life, disability, long-term care, health, liability, property and casualty, homeowners, fire, earthquake, flood, etc. Because you can’t add different kinds of insurance policies together, there’s a separate worksheet where you will benchmark the amount of each kind of insurance.

#4: *Growth / income or “goal money”:* This is not their entire net worth, but it does include all of the assets that will be used, or are currently being used, to fund their goals.

Here’s a discussion from a recent webinar that describes the different benchmarks you’re establishing in the “All the Money” exercise:

Description of Different Benchmarks You’re Establishing During the ‘All the Money’ Exercise

During the “All the Money” exercise you learn 2 important things. First, you can see what documents they have and don’t have. Are they missing critical
information? Are there insurance coverages they don’t have but should? Do they have a will, a trust, a general durable power of attorney, advanced health care directives, and so on? It becomes very evident, very quickly, who needs a plan and who doesn’t. As you can imagine, most people need a plan! It’s very rare to see someone who has no gaps in their current documentation. This is important because it gives you greater confidence that planning in and of itself is enormously valuable. Planning really should not be a “loss-leader” to gather assets and sell insurance. Instead, it is a critical service that you as a financial professional can provide to your clients — and get paid for, too.

Here’s an example of what happens when some of the clients’ documents are missing. Listen and hear how you can ask for them elegantly.

Second, you’ll learn whether these individuals fit the financial requirements of your Ideal Client profile. This will help you determine whether or not you will invite them to become clients. Thus, you’ll avoid another pitfall that Financial Advisors can fall into: doing business with too many clients who don’t generate much revenue.

Once you’ve distilled these 4 numbers from the clients’ financial documents, you’ll write the totals on a piece of paper, or on the same Financial Road Map® where you previously have written their values and goals.

Here’s what it looks like on the Financial Road Map®:
### Where I Am Today

<table>
<thead>
<tr>
<th>Cash Reserves</th>
<th>Growth/Income Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Now $75,000</td>
<td>Be $4.2M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debt</th>
<th>Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Now $800,000</td>
<td>Be</td>
</tr>
</tbody>
</table>

---

**Powerfully Presenting the Clients’ Current Financial Reality**

While you’re demonstrating your expertise to the clients by summarizing all of their financial documents into just 4 numbers, it’s the people skills you use to present those numbers that make this Conversation powerful. Here’s a video of the process of summing up the clients’ current financial reality:
Let’s review what you just saw on the video. You start by saying to the clients something like this:

“So, Larry & Robin, I have enough to get a snapshot of your current financial positions, and this is what I’ve come up with so far.

[Pointing to each number:] “These are the available cash reserves you have. And, based on what’s here, this is the total amount of debt that you’ve accrued over the years. Here’s what we call your ‘goal money’: that’s money to be used to fund your goals. And this is how much insurance coverage you currently have.

[Pause, then ask:] “Is that everything?”
[Listen. Then ask:] “Any surprises so far?”

Most people are impressed that you have turned their entire financial reality into just 4 numbers. You have done what they don’t want to take the time to do (or don’t feel capable of doing themselves) and made it seem easy. They feel more organized, and you look like a financial genius! But you’re not done, because your next question reminds them of the other work you’ve done together in this session. Now, you ask:
“So, Larry & Robin, as you sit back now and take a look at the relationship between where you are now financially [pointing to the financial benchmarking] and what your goals are [pointing to their goals] and what’s important to you [pointing to their values], what’s been the benefit to you of the conversations that we’ve had so far?”

This is when it’s really important for you to RELAX and really, really, really LISTEN. Both clients are about to explain to you how you have already made a huge, positive impact on their lives, how much they want to be more financially organized, and how much they need a plan to have more confidence about the future and achieving their goals. If you SHUT UP, LET THEM TALK, UNINTERRUPTED, AND LISTEN... all you have to do next is to make the offer they hope you’ll make.

In addition to what you gleaned while listening to them share their values, discuss their goals, and review their financial benchmarks, their answer to the question, “What’s been the benefit to you of the conversations that we’ve had so far?” tells you everything you need to know about whether or not these people are truly going to be the kind of clients you want. Most of the time you hear things like, “We’ve never looked at our numbers like this,” or “Even though we’ve been together for a long time, we haven’t discussed our values and goals as a couple before,” or, “It seems our goals are really attainable,” or, “Even though we’re organized people, this isn’t something we enjoy doing; that’s why we’d pay someone to do this for us,” or, “This is great, but how do we get from where we are today to our goals? Or, “We really need to take our planning to the next level. Can you help us with that?”

What’s clear to them now is the following. First, you’re good at what you do — not because you say so, but because you behaved like a real pro. Second, they don’t have a truly, comprehensive financial plan to achieve their goals. The miscellaneous things they’ve done to “organize” their financial life is not enough. Third, even if they may have a plan, or parts of a plan, they don’t have anyone to hold them accountable to implement. And fourth, because we value people who simplify our lives and save us time, you have demonstrated all the time, effort, and hassle you will save them when they become a client. And, fifth, IF their other advisors were ever going to do
something as valuable as what you have just done for them, they have had plenty of opportunities to do so. It’s time to consolidate all of their financial affairs with their most trusted advisor: YOU.

A few coaching tips:

- Handle their financial documents with finesse. Even if they hand you a disorganized stack of who-knows-what, simply go through them and organize them into the 5 categories: cash reserves, debt, goal money, insurance, and miscellaneous (wills, trusts, tax returns, etc.).
- Remember, this is not a thorough analysis. That will come after they hire you.
- Learn what not to say. If you cross the line and start giving advice or trying to show off how smart you are by talking about investments, the markets, world events, politics, etc., you’re more likely to confuse them. Your goal is to create clarity, not confusion.

Here’s a discussion of how important it is to say only what’s needed and to avoid confusing your potential clients:

Avoid Confusing Your Potential Clients by Saying Only What’s Needed
• Make no judgmental comments about their financial status or any “holes” in the provisions they’ve made for their financial future. This Conversation is designed simply to give them a snapshot of their current financial reality, without comment, judgment, or recommendations.

• Don’t give financial advice during this exercise. This is not the time to show off your expertise by suggesting investments or commenting on the investments they already have. Successful Financial Advisors have a “line of demarcation” between what they will do for free and the advice they get paid for.

Here’s a discussion of this point from a recent seminar:

These 4 Conversations — the opening, the Values Conversation, Goals Conversation, and the Financial Benchmarking Conversation — put you in the perfect position to put an offer on the table for comprehensive financial planning / services. That’s the subject of the next Conversation, where you articulate your value promise, get their commitment to hire you, and to implement your advice.
Key Points

- In this Conversation you are benchmarking the clients’ current financial reality with a 5- to 10-minute “All the Money” exercise that establishes their current financial position and visually illustrates where they are now, where they want to be (their tangible goals), and the emotional payoff enjoyed when achieving goals (their values). This is NOT a thorough analysis. You are merely establishing a baseline for the client and demonstrating your competence in handling their financial documents.

- The “All the Money” exercise distills the clients’ current financial reality into 4 numbers: (1) cash reserves, (2) debt, (3) insurances, and (4) growth / income or “goal money.”

- During this Conversation you usually will see gaps in their current documentation, which can give you greater confidence in the value of the planning services you provide. You also will learn whether these people fit your Ideal Client profile and help determine whether or not you will invite them to become clients.

- Once you’ve captured all 4 numbers on a single sheet of paper, use your people skills to review the numbers with the clients, who will be impressed that you have distilled their finances into an easily understandable form.

- Finally, review the financial benchmarking numbers along with their goals and values, and ask, “What’s been the benefit of our conversation so far?” You must really, really, really LISTEN to what the clients have to say. You usually will hear that they believe they need a comprehensive financial plan, which leads naturally to your offering to provide them with one.

- Don’t give financial advice during this exercise. Successful Financial Advisors have a “line of demarcation” between what they will do for free and the advice they get paid for.
Chapters 9 and 10 are coming soon! We’ll keep you posted.

Share, *The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions*, with a friend or colleague by clicking here.

Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Conversation #7:
Articulating Your Value Promise and Getting Hired

“Commitment is what transforms a promise into reality.”
Abraham Lincoln

How to articulate your client value promise in the context of their most important goals and most deeply held values and answering the 2 key questions, “How much does it cost?” and “What do we get?” Then establish their commitment to implement the advice that aligns with their most important goals and their most deeply held values.

You’ve done excellent work to get to this point. You’ve asked powerful questions, you’ve listened with empathy, and you’ve helped your clients or prospects have valuable discussions about the things that matter most. Now it’s “crunch time.” When prospects don’t become clients, you’ve wasted time and energy, and they walk away without having the benefit of a quality financial plan and the support of a caring, competent financial professional. When existing clients don’t upgrade to full-service, values- and goals-based planning you leave money on the table and they don’t get the most value from your relationship.
While you may have had them at “hello,” you can easily lose them here. Very few Financial Advisors ever master the art of articulating their value promise in a way that makes it easy for people to say “yes.” You want to be one of them.

A proven tool for inspiring clients and prospects to action is the Financial Road Map®. It’s big. It’s visual. It’s compelling. It puts everything that matters in perspective on a single sheet of paper so it’s easy for people to make a good decision about getting, or upgrading to, a quality financial plan — something every family would benefit from.

The most common mistakes advisors tend to make at this point are to over-explain, prematurely talk about or try to sell specific products, and / or get too deep into planning details. Another big mistake is to launch into a lecture about economic principles, the fundamentals of investing, the value of insurance, the importance of health care or estate planning, or the effects of unrest in the world on personal finances. One of the worst things you could say is, “People don’t plan to fail, they fail to plan.”
Give it a rest. Most people find all these details incredibly dull. They know they have to make good financial choices, but they want to think about it as little as possible, and they definitely don’t want to hear condescending clichés like, “People don’t plan to fail....” They want someone to help them get their financial house in order as quickly as possible so they can go live their lives.

Do you remember the example of Lisa and Debbie from chapter 2? Your job is to inspire people to take the next step to create, or upgrade, their financial plan so they have a higher probability of achieving their goals for the reasons that are important to them — NOT to demonstrate how smart you are. By now, they probably have already decided to hire you. Your goal is to not screw that up.

The reason so many people at this point say “We have to think it over” is because their advisor or prospective advisor confuses them with too much information to process. As the saying goes, “The confused mind says ‘no’.” The most skilled communicators make it easy to say “yes!” Help your clients focus on the outcomes of having a comprehensive financial plan... not the process or the details that will easily overwhelm and confuse them.

Advisors with good people skills tell prospects and clients enough to help them make a good decision. They don’t overwhelm people with too much information. They offer their client value promise in the context of everything the clients have shared about their values, goals, and current financial reality. They clearly answer the 2 common questions: “How much does it cost?” and “What do we get?” They get 2 commitments from clients: a commitment to hire and a commitment to implement. And they do all of this in a way that is totally transparent and consistent with the fiduciary standard.

**Conversation #7** is the language to articulate your client value promise. When you master this Conversation, you’ll be more likely to hear “Let’s get started” instead of “We’ll think it over.”

There are 4 steps to Conversation #7.

**Step 1:** Frame the decision and put the next step on the table.
Step 2: Articulate your value promise using their current financial reality, goals, and values (in that order), and then ask prospects to hire you and clients to upgrade to a more comprehensive, planning-based relationship.

Step 3: Effectively answer the questions, “How much does it cost?” and “What do we get?”

Step 4: Get their commitment to implement your advice.

Step 1: Frame the Decision and Put the Next Step on the Table.

At the end of Conversation #6, the all-the-money exercise / Financial Benchmarking, you asked your prospects or clients:

“As you sit back now and take a look at the relationship between where you are now financially [pointing to the financial benchmarking] and what your goals are [pointing to their goals] and what’s important to you [pointing to their values], what’s been the benefit to you of the conversations that we’ve had so far?”

After listening to their response, you are going to show them how they can make that future a reality by hiring you, or upgrading to a full-service financial planning relationship.

To illustrate, I’ll use Ted and Lynn’s Financial Road Map®. There’s also a video demonstration of how it’s done.
As you show them the Financial Road Map® that you’ve created during your session so far, you say something like this:

“So, Lynn and Ted, what you’re looking at is your road map for living your life on purpose. We’ve come to the point in our time together where the next logical step is to decide whether or not you’d like to hire us to create your financial strategy.”

If Lynn and Ted are existing clients, the language is slightly different:

“So, Lynn and Ted, what you’re looking at is your road map for living your life on purpose. We’ve come to the point in our time together where the next logical step is to decide whether or not you’d like to upgrade our current business relationship and hire us to create an even more comprehensive, written financial strategy for you.”

Step 1 frames this as the time to make a decision, and hiring you or upgrading as the best path to attain everything that’s laid out in front of them. The language is simple, direct, and
without equivocation. The title of this book is *The Confident Advisor* for a reason. And no place is it more important for you to be confident than right now.

**Step 2: Articulate Your Value Promise Using Their Current Financial Reality**

Here you describe what the clients get when they hire you. The description has nothing to do with specific financial products or strategies and everything to do with helping them achieve their outcomes. Your value promise offers to help bridge the gap between where they are now and where they want to be for the reasons that are important to them. Note that you are *not* talking about strategies or tactics; you *are* offering benefits and results.

Continuing with Lynn and Ted, here’s the value promise offer.

“Lynn and Ted, let me tell you exactly what you’re going to get. We will tell you how much you should have in cash reserves and how to get it, and keep it, there. We’ll take a look at your debt and give you specific advice on how to reduce and / or eliminate your debt on a schedule that works best for you. We’ll take a look at every type of insurance that exists and tell you three things: (1) should you have it all; (2) if you should have it, how much should you have; and (3) what’s the right type of that kind of insurance for you. Then we will take a look at how your assets are allocated and give you advice on how to best deploy those assets. And we’ll do all of this in a way that’s tax-considerate and tax-efficient. We’ll also take a look at all of your estate planning to make sure that your legal documents are all in order.”

*Pause, smile, and continue.*

“What you end up with is a comprehensive plan that gives you the highest probability of achieving your goals [point to their written goals and pause]. For you, Lynn, having achieved these goals is the evidence that you have made smart choices about your money so you can experience freedom, having variety in your life, a sense of balance, the ability to give freely to others, so you can be the best you can be, and enjoy more happiness and peace. And for you, Ted, having achieved these goals is the evidence that you have made smart choices about your money so you can experience a life where you have more choice, expression, and fulfillment,
you are making your contribution, living with compassion and love as a way of life so you can live a more serene and simple existence. So, Lynn and Ted, the question on the table is pretty simple: would you like for us to create your plan?"

If you are already an expert financial planner, then it’s obvious to you that this script does not cover every possible element of truly comprehensive financial planning. These things may come up in Q&A after you put your offer on the table. And you will definitely cover them when you get into the planning process, fully utilizing your software and your subject-matter-experts. At this point, you just put a compelling, outcome-oriented offer on the table without overwhelming them with too much data. Make sense? Remember, the confused mind says “no” or “we’ll think it over.”

Here’s the video demonstration of Step 2.

Step 3: Effectively Answer the Questions, “How Much Does It Cost?” and “What Do We Get?”

People ask many different versions of these questions: “What’s the fee?” “How do you charge?” “What services do you actually provide?” “What’s the process if we become clients?”
and so on. But at heart they’re all basically the same 2 questions: what do your services cost, and what will we get for our money.

The needle may be right where you want it on their trust dials, but if you are vague or wishy-washy about how much you get paid, or how you get paid, the needle can plunge in the wrong direction. Transparency is critical to trust.

Over the years I have listened to thousands of hours of recordings of prospect and client interviews by advisors in our coaching programs. It’s astonishing how some advisors tap-dance around the simple question about what they charge and how they charge for their services or how inarticulate they are when this crucial moment arrives. This creates a big problem. If you’re not comfortable talking about your fees, you will make your prospects and clients uncomfortable, and you’ll feel the needle on their trust dial spinning backwards. Just tell the truth about your fees succinctly and directly. Be confident about what you charge and how you charge. The work you do is valuable and you should be paid for your value. While we don’t dive deep into the various compensation methods in this book, we do recommend that you charge an up-front fee for the financial planning, if you are able to do so.

Sometimes a client will ask for more details about how you get paid. Again, just answer the question. If it’s not yet possible to quote exact figures until you go deeper into the planning process, your response could be something like this:

“Beyond the up-front planning fee, right now we cannot quote you exactly how much it will cost to implement every element of the plan. That’s one of the key reasons why we create a personal plan. What I can tell you is that we charge industry standard fees and commissions, which I will fully disclose at the implementation meeting when I give you advice. Is that fair?”

Once you’ve stated what your services will cost, it’s natural for people to ask a couple of questions about what they will receive for their money. At this point many advisors put people into a state of confusion — and remember, the confused mind says “no.” This is not a description of every detail of the plan you’ll create and the incredible work you’ll do for them. Instead, your answer must focus on the benefits they’ll get from the work you do and the value
they’ll receive. After answering each question, you should ask a question like, “Does that answer your question?” Or, “Would you like to get started?”

Here’s a proven response to the question, “What happens next?”

“Lynn and Ted, what happens next is that my team of subject-matter-experts and I are going to go to work for you. Using a brilliant financial planning software program called MoneyGuidePro® [or whatever you use], we’ll dive into your financial documents and really crunch the numbers for what it will take to actualize your Financial Road Map®. Two weeks from now we’ll have our next meeting. At that time, you will get our first level of advice on the most important things that you should do immediately to give you the highest probability of achieving your goals for the reasons that are important to you. Are you ready to get started?”

Inspire them with benefits and outcomes, not details and process. Your Ideal Clients want you to help them achieve their goals for the reasons that are important to them. As a result of working with you their financial life will be much simpler, which means they can focus their physical time and mental energy on things that are more important and bring more meaning to life than dealing with their money.

By having a comprehensive plan and you, supported by other smart people and powerful tools, you give your clients the best gift a financial pro can give: more confidence about the future. Imagine all of your clients having the confidence that no matter what happens with volatile markets, bad government, or chaotic world events, they have put themselves in the best position to achieve their goals. Nobody can prevent negative things from happening in the future. But everyone can be better prepared. That’s what values- and goals-based financial planning has done for tens of thousands of people, and it can do the same for your clients.

Once they’ve said “yes” and you’ve completed the paperwork that memorializes your hiring, you’re not quite done! There’s one final step that will bring your Advisor / Client relationship to a better place: getting their commitment to implement.
**Step 4: Get Commitment to Implement the Advice.**

An Ideal Client isn’t just someone that has enough money to hire you and enough assets to make working with them worth your while. Ideal Clients are also people who act on your advice. How frustrating is it to create excellent plans and give appropriate advice only to have clients procrastinate or reject the advice? You really hate that, don’t you? That’s why it’s a good idea to get their commitment to implement in advance.

Step 4 prepares them to implement the advice you will deliver at the next meeting. This is so important that we recommend you call the next meeting the “Implementation Meeting” rather than the plan review or plan presentation meeting. This is a totally candid discussion about how action is required to achieve results, and how their actions will drive the success of their plan.

Here’s language that many advisors have found effective to increase advice implementation and client results.

“Congratulations, Lynn and Ted. You’ve just done something that very few people ever accomplish in their lives. You’ve gained insight into your goals and the values upon which they’re based and committed to getting (or improving) a plan to make it all happen. How do you feel?”

*[Just relax and listen. Make sure that both spouses / partners respond.]*

“Well, the next conversation that we have is probably the most important because this is where all the results come from. Just like thinking about exercise won’t make you physically fit, it’s implementing the plan that produces the results. So, tell me about your commitment to implement your plan once you have it.”

*[Just relax and listen. It’s important that both spouses / partners participate.]*

This step is valuable for 4 reasons. First, it lets clients know that your relationship with them will be a partnership, where they must do their part to be successful. Second, it shows that you are serious about helping them actually achieve their goals, not just selling them planning, products, and services. Third, it sets the expectation that in your next meeting they
won’t be overwhelmed by a boring presentation; instead, they will receive the advice they need to achieve their goals and they are agreeing to put that advice in to action. Fourth, it establishes the accountability nature of the advisor / client relationship. Your best value is in making sure people do what they need to do, especially when they don’t feel like it. The best advisors understand that managing the people is much more important than managing the money. Remember: Planning. Advice. Accountability.

Once you feel confident that your clients are committed to implementing your advice, schedule the Implementation Meeting, give them whatever “homework” is necessary, and you’re done. “Homework” means whatever you need from them in order to deliver on your promise before the next meeting: risk tolerance exercise, the balance of any financial documents they may not have brought to this meeting, contacting accountants or lawyers to let them know you may be in touch with them and to authorize them to speak with you, etc.

The Advisor Roadmap™ Virtual Training Platform has more scripts and video demonstrations for various compensation methods — up-front planning fee, flat annual fee, percentage of AUM, commissions, and combinations of fees / commissions.

Here are a few coaching tips to help you succeed in Conversation #7.

• When people don’t step up to hire you for full financial planning and you can’t afford to walk away, you can offer a more transactional next step. For example, “Perhaps we should at least... review your portfolio, assess your insurance coverage against your needs, review your estate plan, explore ways to generate more retirement income...” or anything that is relevant for them and aligns with the products and services you offer.

• During this conversation you do more talking than you have done earlier in the interview, but there are still many opportunities to be a good listener. Take advantage of them.

• Be careful to not over-explain and over-educate. Financial services interest you a lot more than it interests them.
• Answer questions succinctly and directly and in a way that’s all about them. Then ask, “Does that answer your question?” or “Would you like to get started?”

• Sometimes one spouse / partner will take the lead in asking or answering questions, but you ignore the other spouse / partner at your peril. Ask the quieter one, “What are you thinking? What’s on your mind?” They may help to confirm the decision to hire you, or they may have unanswered concerns that you need to respond to. Make sure to include both spouses/partners in the discussion.

• Always offer your advice with conviction. The client is looking to you for leadership. Make sure it’s clear that you are 100% confident that your advice is good for them.

Members of the Advisor Roadmap™ Virtual Training Platform have forums where they can ask me questions. Here’s an audio recording where I answer some of the common questions from advisors about this Critical Conversation. I hope you find it helpful.

1.) How to handle the situation if they already have an advisor.
2.) Testing their ability to answer ‘Yes’ or ‘No’ to hiring you.
3.) Do you try to discover their “pain?”
4.) Do you give advice in the first meeting?

With these 7 Critical Conversations, and your ability to ask good questions and listen, in less than an hour you will establish a high level of trust and earn the right to be hired by your Ideal Clients and for your existing clients to upgrade a higher level of service.

Key Points

• Very few Financial Advisors ever master the art of articulating their value promise in a way that makes it easy for people to say “yes.” You want to be one of them.
• The Financial Road Map® is a proven tool for inspiring clients and prospects to action because it puts everything that matters in perspective on a single sheet of paper so it’s easy for people to make a good decision about getting, or upgrading to, a quality financial plan.

• When articulating your value promise, don’t over-explain, prematurely talk about or try to sell specific products, get too deep into planning details, launch into economics lectures or use clichés like “People don’t plan to fail, they fail to plan.” Advisors with good people skills tell prospects and clients enough to help them make a good decision. They don’t overwhelm people with too much information.

• There are 4 steps to Conversation #7.

• Step 1 is to frame the decision and put the next step on the table by showing the client their Financial Road Map® and saying something like, “So, what you’re looking at is your road map for living your life on purpose. We’ve come to the point in our time together where the next logical step is to decide whether or not you’d like to hire us to create your financial strategy.” The language is simple, direct, and without equivocation.

• Step 2 is to articulate your value promise using their current financial reality, goals, and values (in that order), and then ask prospects to hire you and clients to upgrade to a more comprehensive, planning-based relationship. You are not talking about strategies or tactics; you are offering benefits and results. You put a compelling, outcome-oriented offer on the table without overwhelming them with too much data.

• Step 3 is to effectively answer the questions, “How much does it cost?” and “What do we get?” If you are vague or wishy-washy about how much you get paid, or how you get paid, the needle on the clients’ trust dials can plunge in the wrong direction. Just tell the truth about your fees succinctly and directly. If clients ask what they will receive for their money, your answer must focus on the benefits they’ll get from the work you do and the value they’ll receive.

• The final step is to get their commitment to implement your advice. Step 4 prepares them to implement the advice you will deliver at the next meeting. Your best value is in
making sure people do what they need to do, especially when they don’t feel like it. Remember: Planning. Advice. Accountability.

Share, *The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions*, with a friend or colleague by clicking here.

Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
The Implementation Meeting

“Ideas are a dime a dozen. People who implement them are priceless.”

Mary Kay Ash

How to confidently and effectively conduct the Implementation Meeting so that your clients implement the advice that will help them achieve their goals for the reasons that are important to them.

Your highest value, which cannot be commoditized, is delivering planning, advice, and accountability. It’s at the Implementation Meeting where you give the advice that’s based on your planning and hold your clients accountable to implement the advice so they have the highest probability of achieving their goals for the reasons that are important to them. No implementation, no results.

Notice that this meeting is deliberately called “The Implementation Meeting.” It’s also deliberately NOT called “the plan presentation meeting” or “the client education meeting.”
Let’s review what happened during the last meeting. You facilitated a conversation where both spouses or partners described what’s important to them (their values) and defined their tangible goals. Then, by doing the math from their actual financial documents, a clear benchmark of their current financial reality emerged. By capturing all 3 of these elements on one simple to understand, single sheet of paper — the Financial Road Map® — everything necessary to make a decision to hire you for planning was in perspective. Because you asked good questions and listened with empathy, the needles on their trust dials moved in the right direction.

At this point it was obvious that what’s missing is a written, personal plan and you to help them implement. You articulated your offer in way that aligns with their most important goals and most deeply held values, and you answered their questions about what they get and how much it costs with total transparency and confidence. As a result, they hired you.

After you completed whatever documents are necessary to officially be hired, you gave them “homework” (for example, collecting any documents they haven’t already given you, completing a risk-tolerance exercise, or contacting their attorney or accountant to let them know you’ll be calling, etc.) and you scheduled their Implementation Meeting.

Before the Implementation Meeting, you have some work to do. Are you using financial planning software to prepare a plan and advice for the clients? Are you consulting other subject matter experts, like home office resources or outside accountants, attorneys, money managers, or insurance people? Will you have all of your advice ready to go for the clients, or will you be using your financial planning software to collaborate with the clients through “what-if” scenarios?

During the Implementation Meeting, you will follow these steps.

**Step 1:** Review their Financial Road Map® again to remind them of their values, goals, and current financial situation.
Step 2: Summarize what they asked you to do, and bring them up to date on what you have accomplished on their behalf.

Step 3: Give your advice.

Step 4: Complete the paperwork, set the next meeting, and ask for referrals.

Step 1: Review the Financial Road Map®.

When the clients come to the Implementation Meeting, you should have their personalized Financial Road Map® (the one you completed during the Initial Client Interview) open on the table. Begin the meeting by greeting the clients and restating the purpose of the meeting. It sounds like this:

“At our last meeting you told me what’s important to you. Lynn, you said... [go all the way up her Values Staircase deliberately and at a relaxed pace].

“Ted, you said... [go all the way up his Values Staircase deliberately and at a relaxed pace].

“Your goals are... [go through their goals].

“And this is your current financial situation...[refer to the numbers].”

Your clients have been busy living their lives since their last meeting with you. Reviewing their values and goals brings them back to that same positive emotional state, reconnects them with you, and gets them focused on the purpose of today’s meeting.
Step 2: Summarize What They Asked You to Do and Bring Them Up to Date on What You Have Done.

At the end of the Initial Client Interview, you made a commitment to the clients about the actions you would take before you saw them again. After you’ve reviewed their Financial Road Map®, you should summarize what you said you would do, and then bring them up to date on the actions you have taken on their behalf.

Here’s what to say.

“At the end of our last meeting I made an offer to do [comprehensive planning or some specific situational or transaction work] for you, and you asked me to do that. Since our last meeting I have done [whatever actions you have taken on their behalf]. Today, I have some advice for you that will have a positive impact on you achieving these goals [point to goals] for the reasons that are important to you [point to their values on the values staircase]. Are you ready?”

This step does 2 things. First, it shows you are someone of your word and you have already done work on their behalf. Second, you’re showing them that your work will help them achieve their most important goals and fulfill their most deeply held values.

Step 3: Give Your Advice.

The process of analyzing their situation and their goals with your software, other analytic tools, and subject matter experts, whether on your own or in collaboration with your clients, yields action items. Think of it like a prioritized checklist. It boils down to you giving advice that’s aligned with their goals and values and holding them
accountable to act on the advice. This is the purpose of this meeting. No implementation, no results.

Be careful about over-educating or over-explaining. Remember, the confused mind says “no.” Give your advice and answer their questions, succinctly and directly, and in a way that’s all about them.

When it comes to answering questions about cost, it’s vital to be totally transparent and confident. Your answers will vary depending on whether you charge a flat fee for ongoing advice, are paid a percentage of AUM, and / or receive commissions.

Here are some examples:

“My advice is that you ____________. Here’s how doing ______________ will help you achieve your goals for the reasons that are important to you…”

“My advice is that you increase your property and casualty insurance coverages to these amounts. The reason is to lower the risk that an event out of your control could divert funds that you need to be going to your goals. Do you have any questions about that?”

“My advice is that you allocate your assets like this: _______________. The reason is because it will give you the highest probability of achieving these goals [point them in writing] for the reasons that are important to you [point to their values]. Do you have any questions about that?”

“My advice is that you complete your estate planning and other legal documents as soon as possible. We can call the lawyer right now and schedule an appointment. The reason is because having these documents will give you more confidence about achieving your goals, and, in the event something unexpected happens to either of you, your wishes will be in writing... making it much easier on the people you care about to get things done on your behalf. Do you have any questions about that?”

Answer their questions about each item, including telling them how much implementing this specific advice will cost. “The total cost for this is ________. I am paid
and there are other fees of __________________ which go to
______________.” Does that work for you?” Answer their questions and complete the
paperwork or electronic process to make it happen.

I know, some of this advice is for things you don’t get paid for or you are not
licensed to do. That’s why you have other subject matter experts. If you can’t do P&C
insurance, you can send them to their P&C agent or someone you recommend. If you’re
not a lawyer, you can send them to one. If you’re not an accountant... etc. Your job is
not to do the technical work. Your job is to make sure it gets done and the clients take

What do you do with people who can’t afford to implement? Well, that’s a big
problem, isn’t it? The most obvious solution is to choose to work with people who can
afford to implement their plans and achieve their goals. That, by the way, is what the
most successful advisors do.

You can work with clients to play “what-if” games with your software to
determine the pros and cons of various trade-offs until you come to a sub-optimal but
financially viable checklist of advice. This is what the masses of advisors in the middle
tend to do.

You can counsel people to reduce their spending so they have more money for
insurance, investments, and the other things that financially responsible people pay for.
Good luck with that. This, by the way, is what the most frustrated and least successful
advisors do.

Every choice helps people. Some choices are just more profitable than others.
Step 4: Complete the Paperwork, Set the Next Meeting, and Ask for Referrals.

The next step is for the client to complete any necessary paperwork, including all required disclosures. It’s vital that you have filled out everything you can in advance, so all the clients have to do is to review the documents and then initial and sign where indicated. The goal is to make this as effortless for the clients as possible.

Once the paperwork, or electronic process, is completed, you schedule (or confirm) your next meeting. Then you highlight any action items from the Implementation Plan that the clients need to complete before your next meeting, and confirm the due dates for those actions. Remember, you will always start and end every meeting on time, and stay focused on the business at hand during the entire meeting so as to honor the value of your time and your client’s time.

The last agenda item of every meeting is to have a referral conversation. The process for this is outside the scope of this book, however we recommend you have a scripted, repeatable process for building your business by referral.

Confident advisors know the value of the services they offer and are comfortable asking clients and others to refer their friends and family. Clients of confident advisors are happy to refer their friends, family and business associates, because they know the advisor will provide others with the same excellent service and advice they themselves have received. That’s why referrals are a virtuous circle — one that benefits clients and advisors alike.

Key Points

- At the Implementation Meeting you give the advice that’s based on your planning and hold your clients accountable to implement the advice so they have the highest probability of achieving their goals for the reasons that are important to them.
• Before the Implementation Meeting, you have some work to do: preparing a plan, consulting other subject matter experts, etc.

• Step 1 of the Implementation Meeting is to review their Financial Road Map® again to remind them of their values, goals, and current financial situation. This brings them back to the same positive emotional state they had at the end of the Initial Client Meeting, reconnects them with you, and gets them focused on the purpose of today’s meeting.

• In step 2, you summarize what they asked you to do, and bring them up to date on the actions you have taken on their behalf. This shows you have already done work for them that will help them achieve their most important goals and fulfill their most deeply held values.

• Step 3 is where you give advice that’s aligned with their goals and values. Be careful about over-educating or over-explaining. Give your advice and answer their questions, succinctly and directly, and in a way that’s all about them.

• When answering questions about cost, be totally transparent and confident.

• The final step is to complete the paperwork, set the next meeting, and ask for referrals. Highlight any action items from the Implementation Plan that the clients need to complete before your next meeting, and confirm the due dates for those actions.

Share, The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions, with a friend or colleague by clicking here.
Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.
Conclusion: Get in the Dojo

“Practice makes perfect. After a long time of practicing, our work will become natural, skillful, swift, and steady.”
Bruce Lee

Has this book stimulated your thinking? That’s good, but stimulated thinking doesn’t produce results. Action produces results. So, what’s next?

Disruptions create huge opportunities, at least for those who aren’t disrupted out of the business. Between the DOL Fiduciary Standard, Digital Advisors, and the 5 other disruptions discussed in this book, there has never been a better time to create your Ideal Life, by building your Ideal Business with Ideal Clients. Large numbers of advisors are leaving the business, many more than are entering. Some will retire because they can afford to and want to. Many more will leave the business because they can’t, or won’t adapt. Either way, their clients need an advisor. Why shouldn’t that advisor be you?

This was a lot of skills-oriented content to put in a book, even an enhanced eBook. Hopefully, by now, you’ve gotten an enormous amount of value and inspiration from what you’ve read, listened to, and watched. Perhaps you’ve said to yourself, “Wow... if this is how much value Bill Bachrach and his organization will give me for free, I wonder how much value I will get when I become a client of theirs?” If what you’ve learned from this eBook resonates with you, then you will LOVE what you learn and the growth you’ll experience by being a member of the AdvisorRoadmap™ Virtual Training Platform community. It’s organized into the 4 crucial elements every advisor needs to master to tap their true potential: Client Acquisition Mastery, Client Service Mastery, Leadership
Mastery, and Time Management Mastery. It’s not free, however, it is very affordable for all advisors. Click the link to check it out: [www.billbachrach.com/advisor-roadmap](http://www.billbachrach.com/advisor-roadmap)

The Advisor Roadmap™ community is similar to martial arts, where like-minded people go to the dojo to build skill and confidence through practice.

I wish you all the best. See you in the dojo!

---

Share, *The Confident Advisor; How to Thrive in the New World of the DOL Fiduciary Standard, Digital Advisors, and 5 Other Critical Industry Disruptions*, with a friend or colleague by clicking here.
Become a member of the AdvisorRoadmap™ Virtual Training Platform community to experience a self-guided, online virtual training platform packed with interactive training courses, videos, scripts, demonstrations, and high-value resources to help you master the communication skills that are crucial to acquiring and serving Ideal Clients. State-of-the-art gamification techniques and adult learning theory increase engagement, retention, implementation, success, and results. For even faster results click here to learn about the 3-day Client Acquisition Mastery Workshop + Advisor Roadmap Virtual Training Platform combo package. For a fraction of the value of one good client you get a lifetime of proven training to attract and serve ideal clients.