

# HOW IT'S DONE



## The Wealth Manager & the Wealth Management BluePrint

What makes you really different from other advisors? By calling yourself a financial advisor or a wealth manager or a salesperson, you instantly put yourself in the commodity category. How do you move from being a commodity, which is required by your compliance department, to a person of distinction? The answer is a solid value statement about who you are and what you really do for your clients.

Think about it. Is there really anything that you do that is different from other advisors? If you could come up with a unique value statement, how long would it be before it was copied by others? Herein lies the challenge and the opportunity.

The simple answer that differentiates one person from another is in the ability to execute; the ability to DO what you say you will DO. Are you delivering on all your promises? Are you using all your knowledge and talents to deliver real value to your family and clients? Most clients are lost because there is a perception by the client that the advisor is not delivering on his/her promises. It may be a communication problem, a systems problem, a service problem or a performance problem.

Real value is a moving target; not everyone values the same things. You must be able to tailor your value statement to your audience so that it has context and resonates with them. The best tools to help you craft your value statement are contained in two books: *mirror, mirror on the wall am I the most valued of them all* by Leo J. Pusateri and *The Rules of Attraction* by Mark Deo. Purchase copies of these books and create a plan to implement what you learn.

The first step in delivering real value is to do what you say you will do. It is about putting your knowledge and skills, literally, to work. What promises have you made to yourself, your family, and clients? Have you kept all your promises?

Second, your clients have the same problem – delivering on their promises. Are they doing everything they can to meet their goals and keep their promises to their families? A wise person once told me that as a dad, he had three responsibilities to his family: first to provide them with a descent lifestyle while they were growing up, second, to give his children an opportunity in life through an education, and third, to leave them a mother who can come to visit, but doesn't have to stay. I think most people would agree with this. Talk about this statement with your clients. Find out what they really value, what they want for themselves and their family and then tell them: *"I am the person who is going to help you get it done and help you do the things you haven't done."*

The best value statement I can think of is this: *"I help people keep the promises they made to their families."* It is ultimately about accountability. It is a two-way street. You need to be held accountable and at the same time, you need to hold your clients accountable.

### Action Steps:

1. Find someone who can hold you accountable, someone who will challenge you and help you grow.
2. Find out what is really important to your clients and then create a relationship that allows you to hold them accountable; a relationship that will help them get the things done that they need and want to do.

According to a study completed by CEG Worldwide, it was determined that only 1 in 15 people who call themselves Wealth Managers actually DO the work of a wealth manager. What is the job of a wealth manager?

CEG Worldwide defines it as: ***“A holistic financial advisor who takes a comprehensive approach to meeting their clients’ needs. They are highly consultative in nature and construct integrated personalized solutions for each client, based on the client’s values, goals, relationships, assets, advisors and interests.*”**

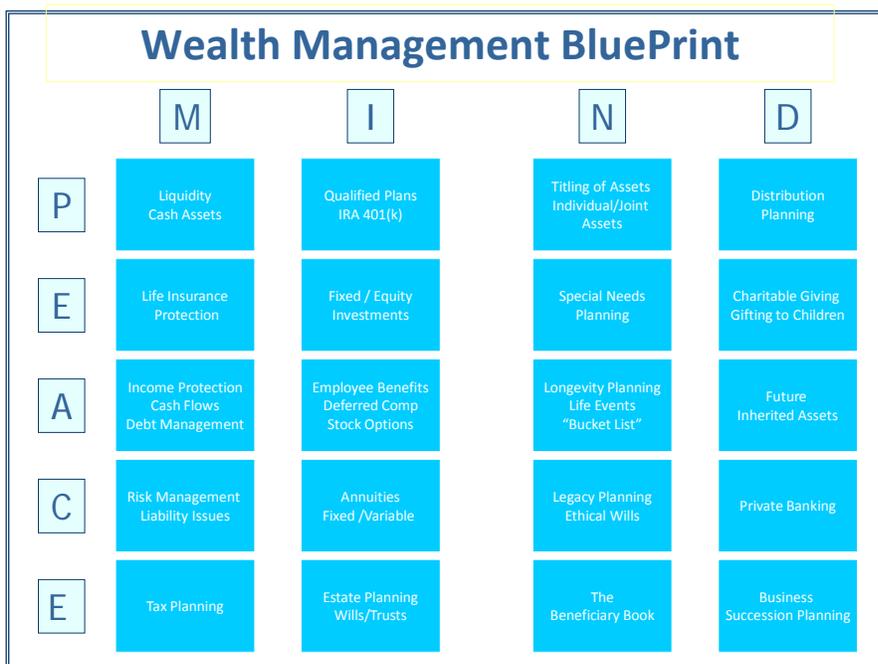
***Investment generalists by contrast, may offer a suite of possible products based on their client’s needs, and are more focused on the transaction than on consulting.”***

The Society of Financial Services Professions defines wealth management as: ***An advanced type of financial planning that provides high net worth individuals with private banking, estate planning and asset management.”***

Mitch Anthony, author and developer of Financial Life Planning defines it this way: ***“To be relevant, a financial planner must start with life as the central focus and then move outward to the services and the products that fit the specific needs of each person.”***

Sounds good to me, but what does this mean to a new prospect or a client? What is it that a wealth manager actually does?

Here is a chart of the topics that are covered by a true wealth manager:



The true wealth manager’s first task is to understand the client’s lifestyle, his/her hopes, dreams, needs, and wants. So rather than start with a balance sheet, start with a conversation about life. Where have they been? Where are they going? What events do they need to deal with now and in the future? Not every client needs to deal with every box above; some may have been completed, some are in the process of completion and some may not apply. Don’t make the mistake of knowing more about your client’s money than you know about them.

## How to Use the Wealth Management BluePrint

After you know more about the client, his/her family and what is going on in their lives, you can use the BluePrint to explain the scope of your business and you can use it as a checklist to track what the client has done, those that are in process of completion, those that are unresolved and those that do not apply. The list is somewhat in chronological order, starting with the left column. The far left column is all about cash flow. It is about analyzing how it is allocated and how it is protected. Cash flow is protected for the family with life insurance; it is protected against the “living death” with disability insurance. A discussion about property and liability insurance is next in protecting against disasters. Tax planning involves making sure that taxes are kept as low as legally possible and making sure that the right amount of withholding is paid to avoid refunds. Once all the protection items are in place, the conversation can move to savings and investing. The general rules are to save at least ten percent of income and to build a liquid reserve equal to six months of income.

The second conversation is to review your client’s company benefits to make sure they are taking full advantage of their employee benefits and coordinating them with their personal savings, insurance and investments as well as making good use of tax favored investments such as qualified plans.

The third conversation is to take an inventory of what your client or prospect has done about basic estate planning, such as wills and revocable living trusts, Healthcare Declaration, HIPAA Authorizations, and Powers of Attorney. If they do not have an attorney or accountant (CPA), you may want, at some point, to introduce them to professionals on your resource list.

Other items on the BluePrint may or may not apply to each client. Scratch off items that do not apply.

## Professional Prospecting Using the Wealth Management BluePrint

You may also want to use this BluePrint with CPAs and attorneys. The BluePrint is a discussion tool about the scope of your work with your clients. The conversation can go something like this:

***“As you can see on this BluePrint, there are some items where my clients need legal or CPA assistance. Since I do not do tax planning or legal work, there are times when I need to recommend people like you to my clients. I am wondering if you would like to be on my list of trusted professionals, so that I can recommend you to my clients. To be fair and balanced, I like to suggest three people to my clients when legal or CPA services are required.”***

Most professionals would be willing to work with you on this basis. Ask them for business cards and, when appropriate, give them to your clients.

Do not approach lawyers and CPAs with the idea that they are going to refer you anytime soon. You need to demonstrate to them how good you are first by inviting them in to work with your clients. Typically, after two or three cases with you, they will be comfortable with you and your work ethics. They will be more inclined to refer you to their clients once they are willing to put their reputation on the line for you.