

Partner Up

By Marty Miller



Three advisors tell us how they have built a great client experience – and how the partners/vendors that serve them can do the same.



Hello and welcome to Advisor Insights! Our purpose for this column is to share the wisdom and experience of advisory firms that are seeking continual improvement and new capabilities with the future in mind. Each quarter, we will explore relevant issues and learn how different firms are evolving, thinking, and taking action in order to achieve a bigger future.

In this edition, we learn from three advisors I know and respect, how their firms are creating an outstanding client experience and how industry partners and vendors can do the same.

I asked two simple but important questions:

1. In creating your client experience, which components have your greatest commitment?
2. How do your industry partners, such as custodians, broker/dealers, product and tech providers, help or hinder your ability to deliver at this level?

I think their insights are extremely valuable, and hope that you do, too.



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How To **Build Trust, Confidence and Peace of Mind** According to a Tenured CFP®

Keith Lichtcsien, CFP®, AEP®, is founder and president of Resource Strategies, Inc.

Approximately 25 years ago, I personally surveyed my most important clients. These were conversations, maybe 20 over a couple years, and the feedback I received validated and cemented my beliefs and philosophy to this day regarding our client experience.

These conversations were done before automated online surveys turned people into monkeys. In recent years, I have been confronted by such surveys, and have even completed a few. I now pass, regardless of the organization. In one instance, after being assured of the survey's importance and that it would be stud-

ied, I devoted significant time providing thorough and thoughtful feedback. I never heard from the surveying organization, not even a receipt response. Seemingly, in their attempt to be more efficient, they suffered the consequences of expediency which axiomatically always proves to be costly and counterproductive.

Going back to my client conversations, my greatest learning from these conversations was in response to this question: "What are the most important things you are getting, or would like to get, out of this business relationship?" It took persistence to get beyond the common, superficial answers we typically hear. Once done, the overwhelming answer was trust, followed by confidence and peace of mind. Having deeper understanding, my focus became how we establish trust, confidence and peace of mind over time.



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Fast forward over the years of living what we learned and building it into every facet of our business, and here's what I can tell you about creating trust, confidence and peace of mind:

First of all, you need to be highly competent, and committed to lifelong learning and growth. Competence is the first component of trust and there is no shortcut. As a firm, we must have a breadth of knowledge in many areas, including entrepreneurial business, finance, psychology, tax law, asset protection and estate accumulation and preservation. This enables us to see patterns and likely future outcomes for our clients that they simply can't see. We also need expertise in investments and insurance products, which I consider among my tools as are the strategies we develop – and we have many tools. Unlike us, accountants and lawyers are generally not oriented or focused on long-term outcomes, nor the psychological component of helping people help themselves. It is our responsibility to become and remain highly competent.

Early in my career, people were not happy with my commitment to professional study. They wanted me to focus only on selling to make money for them in the short term. I did well, but knew the importance of subject matter expertise. I earned my CFP® designation and then started my own firm the following year. Things are always changing, often dramatically, so knowledge is a core value in our firm. A current example of change is the passage of the Secure Act, which is causing us to re-evaluate and modify our strategies for stretching IRAs, especially in trusts.

Secondly, you need to be an effective communicator. Often, it is difficult for people who have important knowledge to know when to stop talking. You need to develop excellent communication skills and, to my way of thinking, this equates to being a great salesman without being perceived as a great salesman. If you

can't intellectually embrace this, you won't develop the skills necessary to help people discover and act on what they need to do – to help them agree to allow you to implement appropriate strategies.

When working with people, you have to ask important questions and go slowly enough so that you are able to listen, understand and let it sink in. By going slowly and truly listening, you allow people to gain a comfort and trust level and then share what is important to them. My most influential mentor, my beloved father, when trying to help me temper my teenage judgmental nature, often advised me to, “Put yourself in the other person's shoes.”

People need you to first understand and then help them with their fears and pain, but you have to help them discover what is important, because most have difficulty translating feelings into words that have the right meaning. It is important to get agreement at every step, otherwise you will have to backtrack. This is how to be the leader of the process. You cannot move forward until there is understanding and agreement at each step.

As Albert Einstein advised, keep things as simple as possible – but no simpler. Technical discussions are tailored to an individual's background, attention span, intellect, style and personality type. If you are over-explaining or under-explaining, that won't work well. We always want to enable the client to discover our level of expertise without it looking like we are overtly demonstrating our expertise – we all know how that looks and feels. It is so important to keep clients emotionally engaged, and if you over-explain, emotional engagement is lost, and they cannot listen anymore, but if you under-explain, trust may suffer. Our goal is for people to discover that we are experts beyond what they have previously experienced (and that it matters), while staying emotionally engaged.



Third, integrity is not optional. One of my mentors taught me the three fundamental components of integrity:

1. Show up on time.
2. Do what you say you are going to do. You can promise something if you know you or your team can follow through. Internal structure and accountability allow that to happen consistently. Never make a promise for others with whom you do business, such as product companies, broker/dealers, custodians, lawyers, accountants, etc. Only make promises when you have control over the outcome.
3. Finish what you start. In the past, we had some trouble in this area and lost some potential clients. We engaged them at a time when we were swamped taking care of our existing clients. Our capacity was diminished. We were not able to keep the initial planning, analysis and communication moving in a timely fashion. The process strung along too long, and all was lost. It requires discipline not to take on a client until your operation can handle it effectively. If you don't handle it effectively on the front end, you'll be scrambling to establish trust thereafter.

Everything counts. The human mind is always judging, comparing and contrasting. What happens when your clients walk in the door? What happens on the phone? What is the quality of your written communica-

tion? My wife recently received a beautiful handwritten letter from a friend she had helped through a difficult time. She showed it to me and said, "In five years you will never see this" – meaning a handwritten thank you note. But I beg to differ: In five years, there will still be handwritten notes coming from me and others at RSI. When I studied John Naisbitt's No.1 best-selling book "Megatrends" in 1983, it taught me that high tech would not replace the need for high touch in maintaining quality relationships. I agree with Naisbitt. Our philosophy is that the more things become high tech, the more we need to focus on high touch. This has become increasingly important. Emails and texts have their place, but do not discount their deleterious effect on the quality of your interpersonal relationships.

Always be of increasing value. This requires the diligence and discipline to reanalyze every client's situation over time and not to let important relationships become stale. Asking important questions, understanding what new confidence clients may need, and persistence in coaching client behaviors, are integral to increasing value over the long term. While interacting with clients, we try not to look, act, sound or feel like most other advisors. For example, words like "solutions" and "service" have become nothing more than banal platitudes for use by the uninitiated and have, frankly, lost all meaning.



My advice to all the companies and intermediaries that we rely on is that they should not think of us as part of their distribution network, but instead **think of us as professionals that help people**, and to the extent that these organizations are helpful to us, we will be able to do more business, **driving greater success and revenue for them.**” — Keith Lichtcsien

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We should be on the same side of the table. Many years ago, this galling yet pervasive belief indelibly

stained my consciousness when I read the opening sentence of a letter written by the then president of a broker/dealer network. He was ostensibly apologizing for a transgression against me and my client. His letter began: “You are an important part of our Distribution Network.” At first, I was stunned as it was antithetical to how I viewed my professional role, yet it was tremendously revealing and in retrospect a truly enlightening gift.

Perhaps some of the people at the top understand the real role of our profession, but they need to indoctrinate the entire organization to this way of thinking, because these are the people that advisory firms depend on. We have to be relentless advocates for our clients. If there is a problem with tax reporting or an insurance product, we need to find it and we need to fix it; the fact that the client may never have known about it is irrelevant.

Ideally, when we call custodians, broker/dealer, technology and product companies with a problem, they should first seek to understand the facts and then either agree that we need their help and work as our advocate or, if the problem is not important to them or in their scope of work, tell us, so we can move to resolve the issue another way. It is essential that they train and empower their people to be problem solvers and advocates for us. Think about your past experiences. How often do you get someone who either does not understand the issue or is not able to solve or elevate it, but does not reveal that fact? When that happens, it effectively becomes a form of reverse delegation or an example of what we call “the cram down” – which depletes our most valuable resource, our time.

My strong belief is that companies we rely upon should make understanding our goals and problems primary and fundamental to their operation to create a win/win result.





What One Advisor Has on His Wish List When it Comes to **Industry Partner Support**

Don Garcia is president and owner of California-based Pinnacle Consulting Group.

We have a core value of genuine care for our clients, which is a combination of listening, responsiveness, meeting deadlines, and collaborating internally on our client's behalf. Our equally important core value, which we are always excited about, is results. Our clients depend on us, and they trust us.

As a firm, we are highly focused on issues that drive relationships and results. The depth of the relationships and the results are completely entwined. We engage with clients in a way that builds trust and allows them to be comfortable sharing everything. We ask very good questions and listen deeply. We learn what they are doing and why. We need to understand why they are saying what

they're saying. The first answer people give to a question is often not the most important; what's most important is usually found in the second and third answers.

I had a mentor in my early career who suggested we talk less and listen more. That was terrific advice! Think about how nice it is when someone in your life asks you a question that lets you know they are very interested in you and what you have to say. How often does that happen? Results occur when we understand our clients, then they follow our advice and take action. Engagement is very important.

In contrast to the pressure many advisors have experienced to sell and close, I intentionally do not think about selling and closing in the traditional sense. I have the mindset that I'm a terrible salesperson; I'm a terrible closer, which creates a situation where clients will close themselves.



Technology in general is an enormous challenge. As a team, we don't have the time to sort through the multiple technology options and make the decisions that best support our sophisticated analytical processes. We are aware of the **great advantage and time savings with integration and automation,** however this just makes technology decisions even more complex.” — Don Garcia

Our greatest commitment is treating our clients with excellent care and achieving results that give them peace of mind for their future. When I think about it, other components – such as extra touches beyond the things we've been talking about – aren't of great importance to me. I want the things that matter to be our entire focus.

Industry partners, such as custodians, broker/dealers, and tech providers, can help or hinder our ability to deliver at this level.

On the helpful side, I value the resources that our strategic partner provides in supporting our depth of financial planning. Planning is at the core of our process and we appreciate the tools and specialists available when needed.

Regarding obstacles that hinder, there are so many. There are many restrictions or delays caused by basic bureaucracy; there are many times when data or statements are incorrect, or information we use has not been updated correctly. We find ourselves building manual work-

arounds, which as you know, are very time consuming. Sometimes our broker/dealer will send a letter that we aren't aware of to the clients and we receive unanticipated questions. There are a lot of punches being thrown at us; I guess you have to expect that. I can't entirely blame the industry companies, as they have their own set of challenges, and I believe they want things to be right and certainly they want to have success.

Technology in general is an enormous challenge. As a team, we don't have the time to sort through the multiple technology options and make the decisions that best support our sophisticated analytical processes. We are aware of the great advantage and time savings with integration and automation, however this just makes technology decisions even more complex and out of our reach.

Our pattern has been to use what our strategic partner provides, but we know that there are solutions out there that would be better and faster. It's stunning to me, the lengths we go to in order to be as thorough as we require. I'll ask the team, "Why don't we have this?" (usually some information we need); and they are as amazed as I am. I'm sure that we are spending unnecessary time, on a daily basis, pulling everything together.

Part of the solution lies in expanding the traditional roles within our firm to include a team member with capability in the area of technology selection and the time to train our team on the purpose and use of technology tools. I'm highly committed to investing in and using technology, but it will never be a good use of my time to select the tools. We're currently making progress with our CRM, because we have dedicated some specific resources to this.

Streamlining our technology is a struggle, but in the meantime, we find ways to accomplish what we need to for our clients. We don't have time to cry about it; we just keep finding a way. I think that flexibility is professionalism.





How Industry Partners Can **Stay Close, Add Value** According to an Established RIA

Ben Langel, CFP®, CPA (inactive), is a partner and financial advisor at Phillips Financial Management, LLC, an SEC registered investment advisory firm based in Indiana (1Phillips.com).

Our first commitment to the client experience is the ease of doing business. We subscribe to Einstein's thinking that everything should be made as simple as possible but not simpler. We want our processes, deliverables, and interaction with our clients to create tremendous confidence for them in making decisions and in bringing those decisions to life. Our clientele ranges from 30 years old to 80 years old. There are differences in style, intellect and tech capability, so it is important to take this into consideration and to meet them where they are.

We've just embarked on a firmwide project to further evaluate and improve our client experience. We are looking at our process in its entirety, from onboarding, planning, implementation, service, and so on and asking ourselves good questions. Are we providing the right amount of interaction, in the right ways? What currently creates the greatest value and connection, versus what might still exist because it's always been that way? We never want to assume we have it all figured out; we want to assume there's always room for improvement.

Another key component of our client experience is our philosophy of "play it forward." This provides a clear view of the future so our clients know what's going to happen or what could happen before it actually happens. We do this very proactively to increase their sense of clarity and fulfillment.

We also look carefully at our backstage processes that support this experience. What is the most effective way



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to deliver the very best version of us, that allows for customization, but standard enough that we can scale? We consider modes of communication, timelines, and the impact of our deliverables. When a client receives an email from us, we want them to say this must be something I need to read. We don’t want to overdo anything beyond its value.

I can’t move on from the subject of client experience without mentioning two simple things: character and competence. If we act with character and are highly competent in our knowledge, that is a great combination. This is foundational to all of our thinking.

Industry partners, such as custodians, broker/dealers and tech providers, can help or hinder our ability to deliver at this level.

Connectivity and integration is the biggest frustration for us. The tech companies are struggling to do this, probably because everything changes at the speed of light and it’s an ever-evolving process, but the more integrated our technologies are, the more capable we are of delivering a high-quality service without tremendous manual effort.

It’s very difficult to get your CRM to talk to your performance software, to talk to your planning software and so forth. There are some integrations but, the reality is, it’s far from complete. Our team spends a tremendous amount of time manually maintaining our workarounds.

Our planning software provides client access to their own portal and app, where clients can see their accounts and documents. We want that to be as useful and valuable as possible, but it comes back to the fact that the tool is good; it’s not perfect. It comes back to the advisors and the team needing to be the middleman, and buffer the quality of the experience. And guess what? Our performance software now offers the same type of portal services, and our CRM also has some of the same capabilities. In an ideal world there would be a universal

application. These three systems don’t quite talk to each other the way we would like; things are not streamlined the way we envision, and it takes a lot of manual work hours.

As an RIA firm, I’ve heard other advisors speak highly of our custodian, but personally we have very little interaction with them. It may be that, as a firm, we are not engaging enough, so I probably shouldn’t expect them to be a great partner. I’m not even aware of the tools we may be missing out on. This is something I would like to engage with more in the future.

There are three companies that are creating outstanding value for us:

Holistiplan, which was featured in Bob Veres’ March 2020 edition of Inside Information, is sophisticated tax software that is very helpful and saves a significant amount of time. You scan a 1040; it quickly searches the text, and provides a professional one-page summary of where the client is in the tax table, what they qualify for, what they don’t qualify for, and provides additional observations and recommendations. Previously, I was maintaining a manual spreadsheet with tax calculations that required expertise. With Holistiplan, I am now able to leverage others in our firm to produce the analysis. It took us 20 minutes to register and put our logo on the Holistiplan reports. I highly recommend this software.

JourneyGuide is making huge strides as a retirement income optimizer, utilizing simulations. It is terrific, and we also love the company’s commitment to improvement and seeking our input. They hear us, and I don’t know what more you could ask for in a technology partner.

Totum Risk is the third company I want to mention. We like this very much and have adopted this as our new risk tolerance and IPS software.

Overall we plan to stay close to our industry partners and keep a clear vision of the outcomes we want. ■