

Understanding Strategic Partners

The financial affairs of an affluent client can unfold like the production of a dramatic stage play. In our analogy, the client is the Audience. The script was written for his or her critical eye. The Financial Advisor is the Director. They make the recommendations and plan for the best possible outcome. The financial plan serves as the script - a well thought-out plan of action. Finally, the other professionals who help to implement the plan are your supporting actors. Since most affluent clients are supported by a network of outside professionals who look after different aspects of their financial life, we refer to this group of professionals as your Strategic Partners.

Think of your best client. Who is the Director of his or her wealth management? The answer should be you, and in keeping with our analogy, as the Director of a production you should be in direct contact with the other actors so that you are actively involved in implementing and coordinating all aspects of the comprehensive wealth management plan. Our approach is about making **you** the trusted Director.

One of the greatest threats to a Financial Advisor can be when their client gives another Advisor the opportunity to look at his or her wealth management plan – or the other Advisor offers to review their plan and your client says they don't have one.

How does this happen?

It would be easy to say that clients allow this to happen because they don't have a relationship with their Financial Advisor based on an inherent level of trust. In truth, it's the opposite. Advisors allow this to happen because most of them haven't made the effort to build trusting relationships with their clients.

How do other Advisors access your clients?

Affluent people talk to other affluent people. Most of these types of contact are the result of a personal recommendation made by a family member or friend. Another important source of these types of contacts are professional recommendations. For example, an Accountant or Lawyer may recommend a Financial Advisor to their client. Clients are open to this type of professional recommendation because they already trust the professional who is making the recommendation.

However, if you attend to your role as their Director, this type of incident is less likely to occur because you become the link between your clients and the financial professionals involved in implementing their plan.

Should a Financial Advisor recommend an accountant, a tax preparer, a lawyer, a banker or an insurance professional to a client? Why would I want to go to that trouble?

Yes - absolutely! It's easier than you think to recommend one of your Strategic Partners if you know and trust them. After all, you should be developing open lines of communication with your clients regarding all matters pertinent their wealth management. It is your responsibility to recommend necessary professionals who do excellent work.

The Power of Professional Introductions



You will see three key benefits to building a network of Strategic Partners:

1. You secure your position as the primary relationship with your high value clients (ie. competitor-proofing them) in relation to the other financially-related professionals they may work with.
2. Your client will benefit from your solid, reliable and trustworthy network of Strategic Partners, so they will recommend you to other likeminded people who seek this type of comprehensive wealth management service.
3. The professionals you recommend are more likely to remain loyal to you as a source for business. This increases the probability they are willing to send their clients to you.

More about Your Strategic Partners

Keep in mind these important facts about higher net worth clients and their other professionals:

- These clients rely on more than one professional for their financial affairs. Typically, a Financial Advisor will deal with investment advice but will defer to other professionals for tax preparation, estate planning, banking, and insurance. Do you know who the professionals are that work with your high value clients? You should be the one who coordinates their services and recommends professionals to your clients when appropriate.
- In many cases, a client will have a lawyer, accountant, tax preparer, banker, or insurance agent that they are using or have used in the past. However, it is not an absolute that they are satisfied with the services provided by these professionals. It is best not to make assumptions here. Ask the important questions, as you may be surprised.
- Usually, a client's other financially-related professionals work in isolation. Proactive Financial Advisors take the lead by integrating these other professionals so that they are working together collaboratively to help their clients achieve their wealth and lifestyle goals.
- Each financially-related professional has a unique ability that adds value to the wealth management process.
- Like Financial Advisors, other professionals encourage and welcome recommendations and introductions to prospective clients.
- Most of the time, a client is recommended to a financially-related professional by a friend, family member, associate, or by another professional they currently work with. You should make every effort to be the person directing these recommendations. The Client-Advisor relationship should be the primary relationship within this network of professionals.
- The effort is well worth it, though. Your relationships with your high value clients will be strengthened, and the levels of advocacy will increase, as you build high levels of trust through developing relationships with Strategic Partners.

You Have INTERNAL Strategic Partners

Works within your organization
May have access to shared client information
You may see them frequently
Financial or other related professionals
There may be internal incentives that promote or discourage referrals
Organizationally structured partnership



You Have EXTERNAL Strategic Partners

Works outside of your organization
May have mutual clients
You probably don't see them frequently
Financial & other related professionals
No specific financial incentives to refer clients to each other
No formal partnership – relationship based



Take Care of All Your High Value Relationships

Creating, directing, and supporting a small, exclusive group of professionals – your Strategic Partners - is not an easy task. It's similar with developing a solid base of high value clients through the process of building client confidence and encouraging client recommendations.