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At Home With An Advisor

By Mitch Anthony

"Home is any four walls that enclose the right person." – Helen Rowland

I often talk with successful people working in different fields, going on the assumption that many principles of success are portable across industry lines. If an idea works in one industry, it just might work in another.

Recently, I spoke with a top real estate professional and indeed discovered that his ideas could hit many advisors close to home. If you think financial advice is a crowded marketplace, pick up the real estate supplement in your weekend paper and study the sea of faces staring back at you. With frozen smiles and wide eyes, their ads proclaim they will find you the home of your dreams. (Some of the pictures look scary!)

I asked the real estate agent how he differentiated himself from his competition.

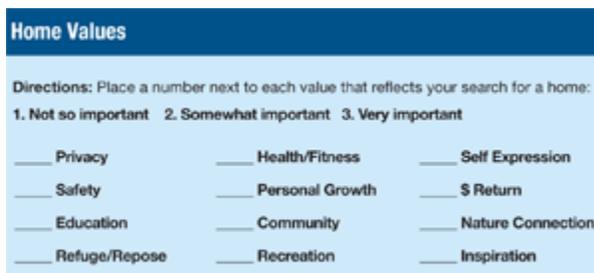
"Most [real estate agents] start by asking people about their price range, size and type of house desired and move on from there," he said. "I think that's foolish."

That's because people buy houses for more important reasons than the price and number of rooms, he said. "You have a much better chance for a happy client and a return client when you find the home that satisfies their inner longings rather than just their eyes."

They want to stay within budget. But they also want a house that reflects their values.

He showed me what this meant with the following checklist that he has prospective clients fill out. He asks the clients to place a number next to each value they put on a

home: a “1” for not so important; a “2” for somewhat important; and a “3” for very important. (See Figure 1.)



Home Values

Directions: Place a number next to each value that reflects your search for a home:
1. Not so important 2. Somewhat important 3. Very important

<input type="checkbox"/> Privacy	<input type="checkbox"/> Health/Fitness	<input type="checkbox"/> Self Expression
<input type="checkbox"/> Safety	<input type="checkbox"/> Personal Growth	<input type="checkbox"/> \$ Return
<input type="checkbox"/> Education	<input type="checkbox"/> Community	<input type="checkbox"/> Nature Connection
<input type="checkbox"/> Refuge/Repose	<input type="checkbox"/> Recreation	<input type="checkbox"/> Inspiration

This approach, exploring a person’s values before exploring the real estate listings, acknowledges that people have different priorities, depending on the stage of life they’re in, their experiences, their age, etc.

For example, my neighbor once told me he moved into our neighborhood with three-acre lots so he wouldn’t have to interact with anyone after a full day in the retail world (I felt good he even stopped to tell me). Some people want proximity to nature and inspirational views while others want proximity to the places they regularly go (to the health club or to a church, etc.). Others want to be near a great school with room for a growing family. In other words, when it comes to making an important choice (such as buying a home), one’s place in life and formative experiences have as much to do with the choice one makes as any other factor.

Finding a home, within budget, that fulfills as many of those values as possible is a powerful idea that I can see using in the realm of financial advice, because deciding to trust someone with all your worldly assets is a pretty darn important choice as well. Why have your clients selected you as their financial advisor? I wonder how clearly they would be able to articulate the answer to this question. It also occurs to me that many clients would not know how to articulate the values that are most important to them in a relationship with a financial professional. There are things they may be feeling, but they struggle to find the language to express those feelings. Maybe we could help our clients and our practices by pouring solid footings for the relationships that do get established.

What if we began a conversation with a prospect in the same fashion the real estate agent did—by asking the client what he or she thinks is important to them when they are establishing a relationship with a financial advisor, the things they value the most? Their “value” checklist might look like this (Again, put a “1” for not so important; a “2”

for somewhat important; and a “3” for very important.) (See Figure 2.)

Advice Values

Directions: Place a number next to each value that reflects your expectations of your financial advisor:

1. Not so important 2. Somewhat important 3. Very important

____ Privacy regarding personal information

____ Safety/protection of funds

____ Transparency regarding fees

____ Communication during tumultuous events

____ Regularly scheduled meetings

____ Education/understanding how investments work

____ Stability of investment firm

____ History of firm and advisor

____ Research/due diligence before investing

____ Level of \$ return

____ Understanding level of risk in all investments

____ Likability of the people I interact with

As I think about why I chose my advisor, I realize it is because we, at a number of levels, have a values match. We agree on some very important matters. When we first met, without any prodding from me, he said, “One of the first things I like to discuss is fees: how I get paid, why I get paid and how often I get paid to look after your financial business. I don’t want there to be any mystery about that.” Little did he know at the time that transparency was one of the most important values to me in a financial relationship, and in five previous interviews, no one had even come close to demonstrating it.

When it comes specifically to what each client values in his or her advisor, I don’t think we can afford to assume or prognosticate. Unless you have ESP revealing what every prospect or client is thinking or feeling, it would be wise to inquire. Let your clients tell you what is important in the advice they are seeking. After all, it’s their money, isn’t it? And we know they value their money.[]

Mitch Anthony is widely regarded in the financial services industry as an expert on building client relationships and has been recognized for his pioneering work in Financial Life Planning. His innovative tools for strengthening client relationships are available through his Advisor Insights™ at mitchanthony.com.