

# SENIOR CONSULTANT

The Voice of the Investment Management Consultant

## Mega Producers: Part VII – Positioning Your Services

Steven R. Drozdeck

In this segment of the Mega Producer series, we deal with two main topics: (1) how we can/should position ourselves with our clients and (2) expanding last month's Lifestyle Profiling information.

A symphony orchestra offers a useful analogy. An orchestra is comprised of many excellent musicians who play their individual instruments in concert with each other. Each is an excellent practitioner, often with years of training and experience, capable of playing wonderful music. The conductor orchestrates the entire concert. The conductor may or may not play an instrument as well as any of the individual musicians he/she leads. Yet, it is the conductor who gets the major acclaim of the audience. It is the conductor that is synonymous with the orchestra. It is the conductor who is in the public's eye and who is the difference that makes the difference. Yet, each musician is an important component and can even be a star performer.

Within the financial services industry, there are hundreds of thousands of practitioners who can carry a tune with their chosen instruments – although all too many limit themselves to playing the kazoo. These practitioners are what we call "C-level advisors." They constitute the vast majority of advisors.

The concert musicians of our industry, who are capable of providing high level advice in their area(s) of expertise, whether manager selection, 401(k), estate planning or charitable giving, are the top producers and mega producers of the industry – the "A-level advisors." For the most part, they are readers of this publication.

The "conductors" of our industry are those rare individuals or team practices who can orchestrate the work of multiple, expert, internal and external advisors to help clients achieve desired complex outcomes.

Conductors provide high level, comprehensive, expert advice. But, what exactly does that mean? It includes the ability to do the following:

1. Determine precisely what a client's desired outcomes/objectives are.
2. Evaluate all of a client's finances – insurances, real estate holdings, financial investments and private holdings – in light of the client's objectives and the big picture.
3. Consider the tax and legal consequences of each individual item or group of items held by the indi-

vidual or within different legal entities/structures. Alternative approaches should also be considered.

4. Employ appropriate technologies.
5. "Know what you don't know" and be willing to bring in additional outside expert advice to assist in attaining client objectives. That is, using a team approach when appropriate.
6. Orchestrate all the expert knowledge and efforts to produce effective results.
7. Develop precise, written plans to accomplish macro and tactical goals.
8. Develop contingency plans.
9. Monitor approaches employed against changing conditions.
10. Adapt plans when necessary.
11. Ensure the goals to be accomplished, even without your direct help. (Written plans of action, including contingency plans, is an important step. You must also have other people who can step into your shoes if you are unable to provide on-going direction. Remember, the ultimate objective is the attainment of the client's objectives.)
12. Make sure that the client understands the essence of your plan(s).

**DO YOU WANT TO BE A  
MUSICIAN OR A  
CONDUCTOR IN  
YOUR CLIENT'S  
ORCHESTRA?**

### Positioning Considerations

This first part deals with an extremely important question: *How important a role do I want to have in helping my clients achieve their goals? That is, do I want to be a musician or a conductor?*

Most advisors, almost by definition, are musicians who can play a number of instruments relatively well. They label themselves based upon the category or box into which they fit: retirement specialist, tax expert, CIMA, CLU, CFP, stockbroker, banker, etc. However, you have the choice of providing more expert and comprehensive services within your specialties, or expanding your services and essentially stepping out of the box to allow the client to enjoy higher level, more comprehensive and expert advice. Consider the following.

By becoming more of an expert in a limited number of specialties you add depth to your practice. You can attract more sophisticated, demanding, hopefully wealthy clients who need the additional depth of knowledge/sophistication that you offer. (By becoming

[ G r a p h i c o m i t t e d ]

an expert's expert, you become an increasingly big fish in a smaller and smaller pond. There is nothing wrong with this. Just make sure that the demographics of your target market allow you achieve your own compensation goals.) The problem with this approach is that you are only offering a part of the solution to the client's overall goals – perhaps a greater or lesser part, a first fiddle or second fiddle – but only one player in a larger orchestra.

The other alternative is stepping "out of the box" by offering a wider array of services to the client so that you lead the orchestra – or at least help in composing the music. The danger for most financial practitioners is that they begin offering advice or delve into areas in which they are ill-equipped. They may be unconsciously incompetent in the new areas and actually do more harm than good.<sup>1</sup> Those of us who already are high level financial practitioners rigorously avoid giving advice in areas where we are consciously incompetent. So, we tend to stay "in the box." There are actually two solutions to this dilemma: (1) become competent in additional areas, and (2) develop strategic alliances to form a team of highly competent individuals.

1. Developing additional personal competencies. Going this route may require a big effort on your part by delving into many new areas of study. You can also hire additional staff members to support your efforts as many of the Mega Producers have chosen to do as they expanded their business. Time, effort and/or money will be spent. But, your ability to deal with high net worth and ultra high net worth individuals will be expanded tremendously, and the rewards are generally worth the effort. (Some argue that we are best served by becoming more expert within our specialty and niche market(s). This only makes sense if one cannot or chooses not to develop a competent team which would add extraordinary value, or if you're satisfied with your current business and do not wish to play a bigger role in helping clients identify, define and achieve a larger portion of their life goals.)
2. Developing an competent outside team via strategic alliances.<sup>2</sup> In my mind, this is the most logical alternative – a way that you can have it all. By carefully choosing strategic

alliances with high level advisors with various investment backgrounds (insurance, real estate, legal, etc.), you can create a formidable team comprised of "A-level" specialists. If each member of the group is able to explore the lifestyle questions (perfect calendar, mission/value questions, etc. – see previous issue), each can take a turn as the team leader or conductor for an individual client. Over time, you will develop additional trust in your individual competencies. Developing, following and constantly refining processes will help ensure consistent quality. Perhaps the one who initiates contact with the client will play the role of conductor, while other team members are the musicians. Regardless, you

**MAYBE, JUST MAYBE, IT IS NOT JUST THE FINANCIAL ADVICE YOU GIVE THEM BUT HELPING THEM TRULY UNDERSTAND WHAT THEY WANT TO DO WITH THEIR LIVES**

have created a win-win situation for the client, your strategic partners and yourself. You have penetrated a market in which there are very few viable competitors and there is a huge need for your services.<sup>3</sup>

By staying "in the box," you can add quality and depth within a particular market. By expanding "out of the box," you can bring quality and depth to a significantly expanded market. Yes, there are risks to any approach. But, history favors the innovators who go beyond/outside the norms.<sup>4</sup> Another point that you should consider is whether you want your wealthiest clients to think of you as the one who can orchestrate their financial futures – their maestro – or as one of their key service providers/advisers/musicians/tools – or simply a product salesperson.

### Lifestyle Profiling

There's an old joke that having extra money doesn't mean happiness. After all, people with \$10 million aren't necessarily happier than

those with only \$9 million. While this may not be true, many wealthy people are working too hard to be happy – often living lives of quiet desperation. In reality, money doesn't buy happiness, but it can help. People are happy and/or fulfilled, regardless of income/wealth, if they are fulfilling their life dreams, are making a difference by whatever standard, are spend their lives doing what they want to do, are positively affecting the world – even if it's a very small part, or, if they just feel good. Gandhi, Jesus, Mother Theresa are examples. So are hundreds of thousands of "regular folks" who have families and who meet their bills. They may be firemen, auto mechanics, parents, students, street sweepers, doctors or whatever.

Interestingly, relatively few of the rich are truly happy. "What in the world is wrong with them? Heck, if I had X million dollars, I'd be happy!" The problem, according to Stephen Covey<sup>5</sup> is that many people have spent their lives climbing the ladder of success, only to get to the top and find that they had put their ladder against the wrong wall.

My friend, Bruce Wright<sup>6</sup> has taken the Covey idea and changed the landscape of the entire financial services industry by creating a turnkey process which empowers advisors to help clients discover the right wall and then put their ladder against it. It allows those who take the appropriate training and adopt key strategies to make a huge difference in the lives of their clients.

So, how do we make a difference in lives of these people? Maybe, just maybe, it is NOT just the financial advice you give them but helping them truly understand what they want to do with their lives. Perhaps the greatest service you can perform is allowing people – rich or poor – to self-actualize! This, ladies and gentlemen, is the key to working with people – helping them realize their dreams.

In the previous issue, the discussion concentrated on helping people identify and define their goals. We concentrated on the first phase of lifestyle profiling, that is the identification of a perfect calendar, mission and values, and the seven key questions to ask to explore financial needs and circumstances. For your review and convenience, a brief summary of last month's article follows, or to read the entire article, [click here](#).

[ Graphic omitted ]

According to Bruce Wright, the basis for much of this material on Lifestyle Profiling ultra high net worth clients is: "*The real game is about the quality of life.*" (Bruce regularly works with clients having over \$100 million in assets and assists many financial advisors in working with their wealthy clients. If interested in having Bruce present before your group, contact me for more information at [SDrozdeck@TheProgressCenter.com](mailto:SDrozdeck@TheProgressCenter.com).)

Ultra high net worth clients have the ability to create their perfect calendars and live an ideal lifestyle. The problem is that the same people are so conditioned to hard work that they often forget that they don't have to work as hard as they do. They actually need to be brought to the understanding that there may be a better way. This is where we can step "out of the box" and help these people self-actualize. By asking questions regarding their personal mission and values, and mentally and physically creating perfect calendars, they can finally come to the realization that they can have it all. You then help them orchestrate the rest of their lives and attain their life goals.

When working with clients, it is helpful to have additional tools (questioning processes, metaphors, approaches) to use during your meetings.

(Remember, if you are part of a strategic alliance of professionals as previously described, then each of you should be able to conduct these interviews with equal ease. Perhaps, as your team develops, someone will be chosen the "point person" to conduct most of these interviews.

### Tools You Can Use

The first tool is actually based on a story about several blindfolded gurus who were asked to describe an elephant after touching only one portion of the animal. One felt the ear and described the animal as a huge fan; another touched the tail and thought an elephant was more like a snake; the third guru only felt the elephant's side and pictured the animal like a big wall; others described the elephant as a tree trunk or a spear or a thick vine. Of course, each was right and each was wrong. None had seen the whole elephant and yet each extrapolated based on the one part he touched.

Isn't that the problem with most financial advisors? The insurance professional sees the

insurance portion of the client, the CPA the numbers, the stockbroker the portfolio. Yet, the client's real picture is a compilation of many aspects. If you can see the whole person – their finances, dreams, values, charitable interests, family goals, etc., then you have the "big picture" and can help them achieve their dreams.

You should tell them the story and explain to them that they are elephants. You want to get the whole picture – not some small financial snapshot. At that point, you don't have any competitors. It's a prime reason for stepping "out of the box."

By the way, we are all elephants. How many people know the whole you? Most people probably have only a tiny idea of who you really are. Aren't those who have the most complete pictures our most trusted friends, advisors and

**YOU [CAN] BECOME [YOUR CLIENT'S] MOST TRUSTED ADVISOR RATHER THAN JUST ANOTHER PROFESSIONAL SERVICE PROVIDER**

family members? That's the place you attain in your client's lives when you get them to talk about their missions and values and ideal lifestyles. You become their most trusted advisor rather than just another professional service provider.

### Lifestyle/Mission/Vision Questions

You want to start asking the "great/thought-provoking/revealing" questions such as the sampling<sup>7</sup> below. You'll notice that many of these are closed-ended questions requiring a simple, short answer. Whenever possible, get the client talking with "why" or "how" questions. This will give you greater insight into their personality, values and objectives. Also remember that creating the appropriate mindset and excitement level is also important.

**Values.** What are the principles, values and virtues that are most important to you. Why? How and with whom do you intend to share them? Some clients may wish to affect their immediate family, others the world. They almost always need assistance identifying

specifically what they want to accomplish in a realistic, attainable manner. Asking how a person wishes to be remembered and then discovering the reason(s) behind it can also add insight.

**Community/Country/World.** What things in your community, country or the world that you would like to change, preserve, protect or re-establish? How important is this to you and how do you intend to accomplish this? What resources will be enlisted to assist you? Is what you are trying to accomplish within your control?

**People.** Who in your life do you most want to impact? Why? What are the most effective ways to do so? What are the alternatives? How do you want to impact them? How will that affect them? What procedures do you have in place or intend to put into place to help ensure that your wishes are fulfilled?

**Approaches and Vehicles.** Do you wish to have "hands-on" control or do you wish to empower others, such as establishing a foundation, to accomplish/pursue your goals? Are there any organizations (community, charity or political entity, etc.) that are pursuing similar ends? How can you work with them? How would you like these organizations to remember you?

**Resources.** How much time, effort and money are you willing to or able to devote to the accomplishment of your goals? Which goals are more important than others? That is, what are your priorities? Which additional internal and external resources can you enlist to support your efforts?

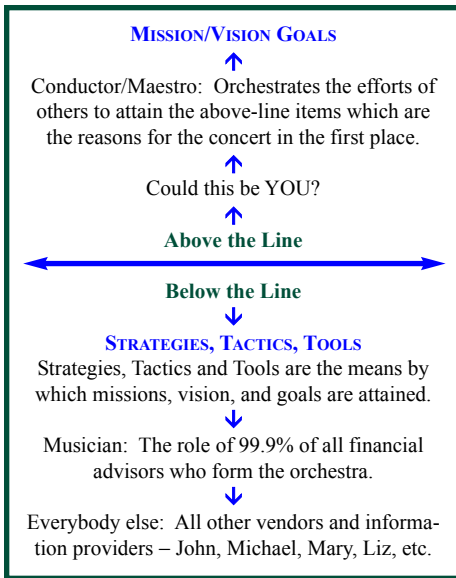
**Support Resources.** Who can you turn to for help, support or guidance in the dynamic execution of your life goals and perfect calendar? How will they help you? What else can they do? Why are they doing it?

### Above and Below the Line

This entire article has been designed to help you provide, what Bruce Wright calls, "above the line" assistance. Helping clients identify, define and achieve their goals starts with indepth discussions regarding lifestyle goals provide "above the line" information – what is required to be their maestro.

By having the answers to these types of questions and the understanding of your client's psyche, you and your team can provide a

written document listing the Vision/Mission and Goals for that client. This is what Bruce Wright has defined as a Macro Strategic Plan™ and the 100-year vision for self, family and mission. In a sense, it is like a Corporate 5-Year Plan, except that you're helping the client influence generations to come. You are setting the direction or guiding principles by which future decisions are made. Specific products and services are accepted or rejected based upon their compatibility with these guiding principles or objectives. The vendors chosen to offer investment advice or to implement the plan are also determined by their ability to accomplish the goals. The strategies, tactics and tools employed are the means by which the Mission/Vision and Goals are accomplished.



### In Conclusion

We can choose the level of advice we offer our clients. We can choose to be a musician or a maestro based upon the depth and breadth of our knowledge of our client. Specific needs and limited understanding or comprehensive lifestyle understanding are the choices. Stay "in" or "step out of" the box. The correct approach is based on the amount of value you wish to bring to the relationship and how you want to differentiate yourself from the competition.

By asking key questions regarding guiding principles, purpose and ideal lifestyles, creating a written macro plan, then taking appropriate action, you can differentiate yourself from all competitors by helping clients achieve their dreams. ■

### Notes

<sup>1</sup>In my opinion most of the "financial advisors" that I've ever met provide low level advice, based on limited knowledge. They offer simplistic solutions from an array of pre-packaged product solutions created for the generic client. These simple, non-

integrated, solutions for simple situations may be appropriate for the less discerning and some smaller clients, but when dealing with the most discerning affluent, high net worth, ultra high net worth and/or institutional clients, the vast majority of financial advisors are out of their league. But does that stop them from trying to generate a commission and offer their "expert" advice? Not at all! To the man with a hammer, the whole world looks like a nail.

<sup>2</sup>See "The Power of Alliances" by Susan Konig, *On Wall Street* magazine, January 2002, pp. 51-56 for key considerations when forming strategic alliances.

<sup>3</sup>A huge need for your services may mean nothing unless you have an effective marketing campaign in place. "A good marketing campaign promoting the capabilities of a powerful team gives you a great competitive edge," according to Jerry Rosenstrach who helped develop both the Merrill Lynch and Bache (now Prudential) marketing departments. He offers effective marketing courses to small groups as well as individual coaching through The Progress Center.

<sup>4</sup>Of course, some of the most spectacular failures occur from history's innovators.

<sup>5</sup>Stephen Covey is author of the international best-seller, *The Seven Habits of Highly Effective People*.

<sup>6</sup>Bruce Wright is a popular speaker and author of *The Wright EXIT Strategy. Wealth: How to Keep It and Use It*. If you need help in obtaining a personal copy, e-mail me at [SDrozdeck@TheProgressCenter.com](mailto:SDrozdeck@TheProgressCenter.com).

<sup>7</sup>This sampling of questions from Bruce Wright's training program are part of an entire system. You must have the skill sets, the training and the infrastructure to use the questions effectively. If the client wants to go to the next level of discussion with you, you'll need additional questions and specific "how-to's." to implement the plans you and your team develop. While I don't have permission from Bruce Wright or his company to share all of its intellectual property, the information will be available on a forthcoming web conference conducted by Bruce Wright through The Progress Center. For more information about this web-based conference, e-mail me at [SDrozdeck@TheProgressCenter.com](mailto:SDrozdeck@TheProgressCenter.com).

### About the Author

Steven Drozdeck has been involved in the financial services industry since 1974. He has trained over 55,000 financial professionals in all aspects of their profession and written over nine books and numerous courses. In 2001 he formed The Progress Center. He and 25 other financial experts deliver over 300 courses at different levels of sophistication and depth, dealing with such topics as Sales Strategies, Practice Management, Product Knowledge and Motivation. From Rookies to Top Producers and from Sales Associates to Sales Assistants, the courses are designed to increase productivity and professionalism. For more information about these courses, visit The Progress Center at [www.TheProgressCenter.com](http://www.TheProgressCenter.com) or call 435-753-8848 for information. Steve is also available for speaking engagements via Financial Forum (435-750-0062).

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