

MODULE 5

Establishing Connection



ADVISOR ADVANCEMENT INSTITUTE

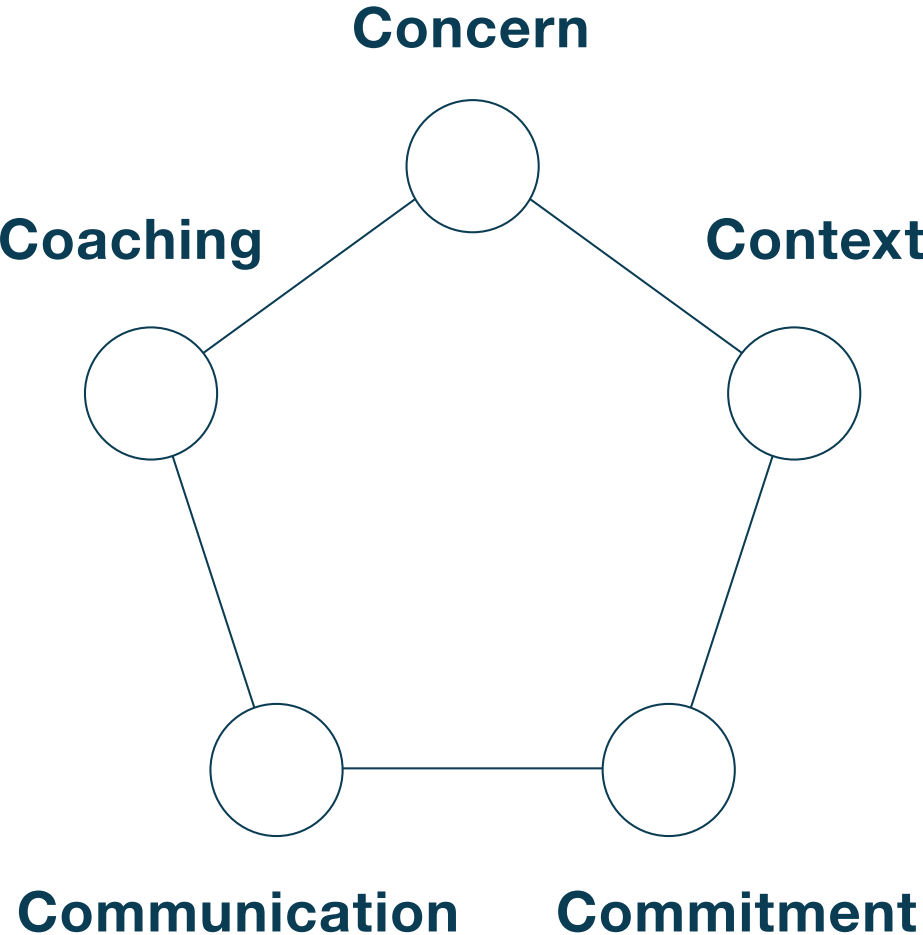


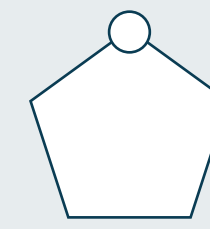
INVESTMENTS

Why Connection?

- The ability to build long standing connections is imperative for the success of any advisor.
- This is especially true as we've seen the importance of relationship and coaching increase within our industry.
- While there is no hard and fast rule on how to build strong connections, our research shows that they are formed through 5 key attributes.

The 5 Key Attributes





Concern

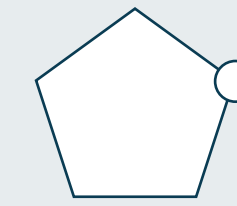
Showing concern and empathy is incredibly important, as clients demand to know that you genuinely care about them and their families.

Our research shows that when women fire their financial advisor, almost 1/3 do so because they perceive a lack of concern - they feel the advisor isn't interested in building that real, personal relationship.

During our research, half of our participants questioned whether their advisor was even capable of showing concern. When they are looking for a new financial advisor, showing concern ranked as the 2nd most important factor, right behind being knowledgeable about investments.

Tips for Concern:

- Show that you are taking their concerns seriously
- Treat them with respect- be careful not to sound patronizing
- Don't use financial jargon- simplify your messaging
- Show that you truly understand their needs and concerns- don't generalize
- If you are meeting with a couple, make sure to direct your questions and comments to both of them; don't favor one party over the other
- Be inquisitive: ask lots of questions
 - What is important to you?
 - What keeps you up at night?
 - What are you looking forward to in the next 6 months or year?

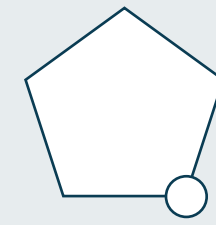


Context

Context is critical as it helps people understand why we do things. How our specific actions impact the big picture. Clients don't want to just talk stocks and bonds anymore, they want advisors to show them how their financial plans fit into the context of their lives, even down to their day to day existence.

Tips for Context:

- Encourage comprehensive discussions about their financial lives, with you and with their families:
 - How are you feeling about your short term, medium term or long term goals?
 - How are you handling today's financial challenges, such as budgeting, paying bills, managing debt, and insurance?
 - What's your view on risk? Are you willing to take short term losses for potentially greater long term financial rewards?
 - Could the financial situation of your parents or your children throw your financial plan off track?

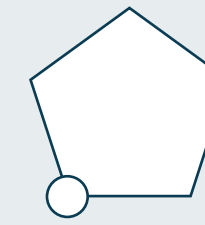


Commitment

One of the most concerning findings in our Women & Investing research was just how many participants didn't fully trust their financial advisor. In particular, almost half of our participants said that their advisor didn't understand their goals.

Tips for Commitment:

- Continually demonstrate a rock solid understanding of their financial goals: use the word “goals” in every conversation
- Be transparent on fees & explain them in layman terms: basis points aren't natural to most human beings!
- Introducing Sustainable investment solutions is a way to show alignment. It shows that you understand not only their financial goals, but also their values. Identifying ways that they can align their portfolios to their personal values and beliefs takes commitment to another level.
- Demonstrate commitment by regularly asking:
 - What is important to you beyond investing?
 - How can I be a better partner?
 - What's one way I can be more helpful?
 - Are there any investment or planning ideas that you would like to share?

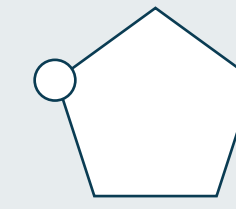


Communication

Clients want a lot of proactive communication. Most advisors are probably underestimating the desired frequency of contact, a point proven by client survey results - as much as 40% of HNW clients are disappointed by the frequency of communication from their advisor since the COVID crisis began.

Tips for Communication:

- Studies show that in order to get high satisfaction ratings from clients, advisors need to proactively communicate about 25 times a year.
- Plan out your communication calendar by quarter: 2 weeks before quarter end, look at the next quarter and determine the 6 reasons or topics and how you will reach out on them.
- Satisfaction rates go up when you mix non-business topics into your communication plan- they also go up when you vary the delivery method.
- Other ways to improve communication with clients:
 - Ask them what their preferred method of communication is- and then use it. Make sure your whole team knows how to best reach them.
 - Ask them when is the most convenient time to meet? Note if it's in person or virtually.
 - Use video calling as much as you can: seeing them greatly improves connectivity
 - Use an agenda in client meetings, especially when dealing with couples. It sets the stage for a more productive and inclusive session. Take it a step further and have your client help create the meeting agenda- getting their buy in on discussion topics in advance. We have tools to help with this
 - Don't be afraid to ask what their communication expectations are



Coaching

A recent study showed that over 80% of women cannot pass a basic financial literacy test. Education is empowering: coach clients to understand HOW to achieve better financial outcomes. Our research shows that advisors who do this are more likely to get unsolicited referrals:

Tips for Coaching:

- Identify what clients know and don't know. Give them a financial literacy test if they aren't sure of their knowledge (or lack thereof). We have a client approved literacy test that we can send you.
- Once you have a clear understanding of their level of literacy, make an education plan for them: outline topics and seed information to them. Be an information curator: send them specific information on topics most important to their learning journey.
- Call out their blind spots. Our Married Breadwinner research showed that women who are the primary or sole earners for their household tend to be extremely busy, trying to balance home and work lives. Combine that with a general lack of financial literacy- and you get financial blind spots: underinsured or even zero life insurance (40% of high earning married breadwinners in our survey didn't have any life insurance).
- Challenge them to be more engaged.
- Host regular educational events for clients and their families/friends. Make it part of your brand.
- We currently have more than 10 turnkey client educational seminar packages - each topic has an invitation, short slide deck and one pager handout. We can deliver the content for you or you are free to use the content on your own.



INVESTMENTS

newyorklifeinvestments.com

This material is intended to be educational and informative in nature and is subject to change.

It is not intended to provide any warranties, investments or legal advice and is intended for educational purposes only.

Dr. Kevin Elko is not affiliated with New York Life Insurance Company or any of its affiliates.

The Advisor Advancement Institute is a program within New York Life Investments.

New York Life Investments is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company.