



COMMUNICATION IS CRITICAL IN CHALLENGING MARKETS

You should be contacting 35 clients a week for a brief conversation in the name of relationship maintenance—and this time, it's personal

BY CHRIS PARISI AND MATTHEW LEUNG

THE FEAR IS PALPABLE. AS ANY financial advisor will tell you, the last 12 months have represented one of the most tumultuous eras in our industry's history. Watching wealth deteriorate like sand against the current will weaken the resolve of every client in your book.

During these times, clients either contact their advisors frequently, expressing varying degrees of anxiety or concern,

or, conversely, they worry alone and wait for their advisors to reach out to them. Although it may seem that your entire client roster has called your office, that's likely *not* the case. A substantial percentage of your book has been worrying in silence.

It's up to you to keep the lines of communication open with all clients during every market cycle, especially

during more emotionally intense periods—such as the current market environment—where fear and uncertainty are spreading throughout the investor community.

As Dale Carnegie said a long time ago: "If you want to conquer fear, don't sit home and think about it. Go out and get busy."

Those words are as true today as

Forty-two percent of branch managers said that “lack of face time” was advisors’ biggest failure.

they were when written more than 75 years ago. Yet according to the nation’s top branch managers, communicating in tough markets remains a principle that’s often preached but seldom practiced. And the lack of communication is costing advisors.

As part of the inaugural *On Wall Street* Branch Manager of the Year Awards, sponsored by MainStay Investments, the honorees said that advisors fail most often by not spending enough face time with clients. In fact, 42% of them called it the single greatest impediment to having advisors reach their true potential. Furthermore, advisors can improve client satisfaction levels simply by improving communications, according to a majority of the managers.

Consider the following comments from some of the nation’s best branch managers:

- *Advisors are consistently selling to the client and not listening to what the client really wants.*
- *Products are just tools to achieve the client’s goals. If you don’t know what the goals are, product knowledge isn’t going to help.*
- *All of the products across the financial industry are similar. The way we differentiate ourselves is determined by how we serve the client.*
- *Silence is bad: Continually communicate with each client.*

To have a working relationship with clients that’s mutually beneficial, advisors need to heed the call from managers and clients to ask, listen—and *then* respond. As one branch manager put it: “As an industry, we need to develop a way to

ask the right questions to clients [about] what their goals are. And then we have to do a good job educating them.”

Regular communications can go beyond simply helping advisors to counsel clients more effectively. They can lead to more business for the advisor, both from the client and from the client’s network of family and friends. Thirty-nine percent of branch managers said that meeting with current customers to review financial plans was a very effective way to build one’s business; only “referrals from clients and other professionals” was cited more often (41%). In identifying the most effective business driver for advisors, one branch manager said that no marketing can beat portfolio meetings—and added that financial reviews and portfolio updates will pay off more than other activities.

Advisors who are unsure of how to upgrade their communications with their clients should turn to their branch managers for support and guidance. The branch managers recognized that sitting down with clients is not always easy, but they insisted they’re available to help. In fact, the branch managers ranked “superior client service” as the most important attribute that they bring to advisors, followed by their ability to recruit and retain talent, and the ability to provide mentoring skills.

Good Times, Bad Times—They All Want Their Share

Advisors should be anticipating the rocky periods and strategize accordingly. But this is easier said than done, according to the conflicting responses of some of

the branch managers. One noted that clients are more prone to contact advisors during downturns and that his company pressed advisors to contact clients in good as well as bad markets. Another said that there’s *not enough* client contact during tough times, something he has to remind advisors to redress.

You should contact 35 clients a week. Make a list and call a few each day. Contact them in the morning and keep the conversation short and to the point. Tell them you’re calling your best clients to let them know you’re monitoring their portfolios and that everything is okay. Acknowledge the current market, and tell them that they shouldn’t panic.

Regardless of the prevailing sentiment, it will cost you less than an hour a day to help your best clients feel more confident about their fiscal well-being. The key to making this work is to make it personal. Most clients just want to be reassured. So why not send a handwritten note highlighting key points regarding each client’s portfolio (good or bad)?

So get busy. Managing expectations will help you conquer your clients’ fears while helping you avoid the realization of yours—the sudden and permanent loss of client assets. ■



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