

KEEPING CURRENT IS CRITICAL IN CHALLENGING MARKETS

Clients' needs rule the day, so take advantage of existing educational sources, even in disparate areas of your work life

BY CHRIS PARISI AND MATTHEW LEUNG

ONE OF THE THEMES THAT emerged from *On Wall Street's* inaugural Branch Manager of the Year Awards, sponsored by Mainstay Investments, was that clients expect advisors to understand the uniqueness of their circumstances, offer appropriate solutions and manage expectations accordingly. That means advisors are expected to increase their knowledge and skill set to continually meet the clients' needs, according to the nation's top branch managers. But given the time constraints on advisors today, where should they focus their attention? Here are some specific training and education topics that branch managers identified as keys to advisors' success in the current market.

Focus on Your Clients' Needs

The financial industry is entering new territory, where customer needs rule the day. Describing this sentiment, one top branch manager told us: "Clients today are looking for their advisors to give them superior advice on things other than the stock or bond markets. They want and appreciate help on issues such as family and health." And statistics bear that out. People are living longer than ever and are carrying increased financial responsibilities, with respect to their own retirement, their child's education or even their parents' medical needs. So after working so hard to build their assets, clients need



to preserve their wealth and generate a steady stream of income, often over a long period and in different market cycles.

Since each financial phase comes at a different stage of a client's life, no cookie cutter set of advisor solutions can address them all effectively. One branch

manager said, "We're managing many more challenging clients. It's not like it used to be. We're actually going a lot deeper in terms of service. The business is a lot more complex." As a result, top branch managers ranked wealth preservation, estate planning and investment

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diversification among the top areas where advisors need more training. Branch managers also indicated that education on elder-care issues and client healthcare costs was becoming increasingly important to supporting today's clients. "Advisors need more training on learning how to understand the needs of the clients and their goals," according to one manager. "We're not just there to invest their money, we're there for their peace of mind. We're there as an emotional advisor."

Keep up with New Products and Technology

The complexity of available products and technology is another area where advisors need additional training, according to branch managers. Financial consultants today have a great deal of technology sitting directly in front of them and in many cases don't know how to use it, said one branch manager, who echoed the sentiments of many others. That technology ties directly into the financial plans that many companies now offer and it is imperative that brokers become familiar with all of the technology that their firms offer, the branch manager said.

The tools being introduced to manage clients' changing portfolios are pointless if advisors do not learn how to use them effectively. "Advisors are attempting to run a wealth management business and clients are expecting more," according to one manager. "It is difficult to deliver without leveraging technology. It wasn't much of a challenge five to 10 years ago in our industry. Branch managers today have a challenge bringing an advisory business up to date with speed."

Looking ahead to the next big event, successful advisors also have to plan for the business' future. "High-net-worth investors no longer value only managing money, but also the softer elements of personal coaching and instruction," according to one manager. "These clients expect their advisors to ask questions. Training advisors on this aspect of the business is critical."

Failure to properly plan for the next evolution of your business can wreak havoc on your current client base and create unnecessary asset retention issues.

Take Advantage of Available Resources

Ultimately, it is the responsibility of the advisor to get the necessary training and education, which are available in multiple venues. One manager noted: "The most undervalued resource is utilizing all the tools that my firm offers." The more common training tools to consider are trade shows, external and corporate training programs, networking, executive coaching sessions and trade and general business publications.

The time-pressed advisor who is unsure of which resources are ideal should take a cue from the nation's top branch managers, who said the best ideas come from advisors' peers, followed by company training programs and executive coaching. External coaches are incredibly valuable and they are quickly utilized, the managers said.

Indeed, the financial advisory industry is well aware of the need to keep its advisors trained, and has developed multiple forums for advisors to get the education they need to stay current.

Another top manager offered this tidbit: "Some of the most underutilized resources I see are the wholesalers and investment firms that visit the office. People don't realize the training programs these firms have developed. I have found them very beneficial."

While not all programs are created equal, wholesalers often bring tools and resources to enhance your practice. As one manager said, "A lot of the wholesalers or outside sales partners have value-added training and we don't take advantage enough of it. I've seen good programs on the topics of referral building, meeting with mutual fund managers, presentation skills and estate planning. There are a lot of programs that these companies offer that we just don't know about."

So be selective. Look for the specific tools that help you fill gaps in servicing your clients. If you are more product-focused, for example, then look for programs that will help you to become more customer-focused. There is no magic moment to invigorate or restart your training. Advisors looking to win the wealth management race must take it upon themselves to stay abreast of the tools and resources available—and use them. ■



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