How to Get Beyond the Numbers With Our Clients

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The Problem

- $30 to $100 trillion will be passed to future generations over the next 50 years.
- 70% to 80% will fail by the end of the third generation.
- We are dealing with people in the most sensitive and challenging aspects of their lives, family and money.
The Importance of Loyal Clients

One important finding from the research: There is a very big gap between how financial advisors perceive wealthy clients and how the clients perceive themselves. For the most part, financial advisors do not really understand their middle-class millionaire clients. Overall, only 13.8% of the clients defined themselves as loyal to their primary financial advisor.
The Importance of Loyal Clients

- If clients perceived that the advisor understood eight out of eight core areas of their life story, they entrusted that advisor with 100% of their investable assets and offered an average of 4.1 referrals.

- If clients perceived that the advisor understood five out of eight, they entrusted 72% of their investable assets and made 1.7 referrals.
The Importance of Loyal Clients

- If clients perceived that the advisor understood only two of the eight areas, the AUM% fell to 50% and the referrals fell to zero.

- Russ Alan Prince - Cultivating The Middle Class Millionaire
What Is Important to Clients?

What are they concerned about?
What Do I Encounter?

- Struggles with communication and family dynamics
- Purpose / Meaning
- Legacy
- Values
- Shirt sleeves to shirt sleeves
- Kids / Grandkids
- Philanthropy
- Spirituality
- Health
- Asset Protection
The Client

Based on our list, what should we focus on and what tools will work?
Axioms of the Intersection

1. All humans have purposes, concerns, and circumstances.

2. When people perceive you are unaware of or opposed to their purposes, concerns, and circumstances they resist, producing waste.

3. When people perceive you are aware of and sensitive to their purposes, concerns, and circumstances they communicate and collaborate, producing value.
Establishing Trust and Asking the Right Questions

- What are the non-financial assets of the family (human, intellectual and social)
- What is the purpose of your wealth?
- How wealthy should your children be?
- What is important for me to know about you?
Establishing Trust and Asking the Right Questions

- Who has had the most important influence on your life?
- What were their values?
- The 50 year question.
- What do you want your legacy to be? How close are you?
- What are you most concerned about?
THREE KINDS OF INTERSECTIONS

Purpose

METHOD

RESULT

SOURCE OF VALUE
Developing Listening Skills

Ladder of Listening

1 point - Content
2 points - Compassion
3 points - Essential Intent
4 points - Intersection
0 points - Bio Reaction
What do you bring to a client relationship?

- Presence - is the ability to be in the conversation rather than oscillating between it and your internal conversation. It includes but is not limited to availability and devotion.

- Empathy
Summary
Questions?