

How to Get in Front of High-net Worth Prospects

By Dan Richards

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Last week, I got a call from an advisor who used a simple idea to set up meetings with three \$2 million prospects. This advisor, Jon, used some research from one of my recent columns to jumpstart conversations about critical issues for the wealthy.

In May, I wrote about a US Trust research study of 450 high-net worth Americans with investments of at least \$3 million. This study identified significant gaps in estate and financial planning and substantial communication issues with spouses.



Creating the impetus to meet

For some time, Jon had been cultivating eight affluent investors, each with at least \$2 million. He used this survey to approach these prospects with a unique offer – and had already got in front of three of them as a result. None of these were cold; in every case he had been cultivating them for some time and already had a low-level relationship.

That being said, he had found it a struggle to set up meetings.

Jon's first step was to create a list of 21 areas where the US Trust survey showed many wealthy investors had substantial shortcomings in their financial and estate plans or in communication with their spouse.

Next, he mailed the eight prospects a hand written card, saying that he had just come across some new research with almost 500 wealthy investors, identifying significant gaps in 20 aspects of their estate and financial plans. He then promised to call within the next week, to see if they'd like to sit down for 30 minutes to get a reading on where they stood in these areas compared to the participants in the study.

When Jon called, he got voice mail in seven of the eight cases. In the one instance where he got a prospect live, they agreed to meet for a coffee the following week at the prospect's office. In the next few days, three of the seven prospects with whom he'd left messages called back, curious to learn more; he set up meetings with two of these, while the third asked him to call back in June.



Making a meeting worthwhile

When they met, Jon first explained the background to the study; just in case, he had a copy of the press release and the full study in his briefcase. Then he pulled out a checklist with four columns.

Column one listed the 21 important areas that should be covered. Column two showed what percentage of wealthy investors in the study had actually done this. The final two columns said “yes” and “no” – depending on whether the prospect had this issue covered.

Jon gave the prospect a checklist and they went down the list in about 10 minutes; each prospect had at least six or eight checks in the “no” column. Then he asked the prospects whether they were surprised by the results ... and sat back and listened.

Asking for the order

After they’d met for 25 minutes, Jon said that he was sensitive to the fact that their time was almost up. He then asked the prospects if they’d found this process useful. Universally the answer was “yes” – and not a going-through-the-motions polite yes, but an emphatic yes.

Jon went on to say that he looked forward to continuing their conversation at a later date. He also told them that if they were open to the idea, he’d welcome the opportunity to review their portfolios, with a view to providing them with an alternative point of view.

One of the three said yes and they met in June. The other two demurred for the moment, but agreed to Jon’s suggestion that he call back in September.

Key lessons

There are at least two lessons here for advisors when it comes to attracting clients at the top of the market. The first is the need to provide prospects with unique, tangible value in order to get a meeting. Second is the critical role of patience –the process of cultivating prospective clients simply cannot be rushed, you have to operate at the prospects’ pace, not yours.

Jon finished by thanking me for making him aware of the US Trust research saying:

“I really felt like I’d been spinning my wheels with these prospects, just couldn’t think of a compelling reason to meet. Time will tell – but I think this has substantially increased my chances. In fact the prospect who agreed to a second opinion said his advisor had never done anything like this, I think that’s a pretty positive sign.”



I congratulated Jon on the early success of this initiative and asked for two favors. First, I asked if he'd be okay if I summarized our conversation in an article, he immediately said yes – which is why you're reading this.

Then I asked if he'd allow me to reprint his checklist. He hesitated for just a moment and then agreed; the checklist arrived within minutes.

For anyone interested, the checklist is below.

Here's the [article](#) that inspired Jon.

And here's a [link](#) to the US Trust research study.

My thanks to Jon for calling and for giving me permission to share his story – and if anyone reading this has similar success stories, I'd be most interested in hearing those also.

Financial health checklist

| | <i>Wealthy Americans</i> | <i>You</i> | |
|---|--------------------------|------------|-----------|
| | | <i>Yes</i> | <i>No</i> |
| <i>Estate and financial planning:</i> | | | |
| <i>Estate plan is comprehensive</i> | 61% | ___ | ___ |
| <i>Gaps in understanding of some aspect of estate plan.</i> | 46% | ___ | ___ |
| <i>Use of sophisticated planning tools</i> | | | |
| <i>Durable financial power of attorney</i> | 69% | ___ | ___ |
| <i>Revocable trusts</i> | 52% | ___ | ___ |
| <i>Irrevocable trusts</i> | 38% | ___ | ___ |
| <i>Life insurance trusts</i> | 22% | ___ | ___ |
| <i>Charity trusts</i> | 12% | ___ | ___ |
| <i>Have documented value of assets & possessions</i> | 44% | ___ | ___ |
| <i>Have documented distribution of personal property</i> | 49% | ___ | ___ |
| <i>Financial plan factors in the impact of long-term care and/or end-of-life healthcare costs</i> | 61% | ___ | ___ |
| <i>Heirs understand wishes on dividing property</i> | 33% | ___ | ___ |
| <i>For business owners:</i> | | | |
| <i>Have documented a business succession plan</i> | 3% | ___ | ___ |



Communication among spouses – Have discussed in past year:

| | | | |
|--|-----|---|---|
| <i>Investment decisions / risk tolerance</i> | 78% | — | — |
| <i>Content / location of important documents</i> | 76% | — | — |
| <i>Family budget</i> | 75% | — | — |
| <i>Charitable giving</i> | 74% | — | — |
| <i>Names on joint accounts</i> | 72% | — | — |
| <i>Income needs in retirement</i> | 71% | — | — |
| <i>Each others debts and obligations</i> | 67% | — | — |
| <i>Details of estate plan</i> | 60% | — | — |
| <i>Long-term care plans</i> | 54% | — | — |

[Dan Richards](#) conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries, go to www.clientinsights.ca. Use A555A for the rep and dealer code to register for website access.

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