



Ask Bev: Lessons from the Human Side

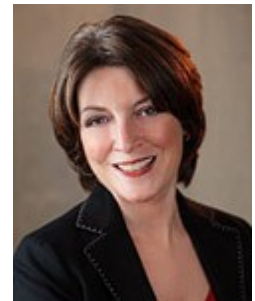
By Beverly Flaxington

June 26, 2012

What follows is the initial installment in what we hope will become a regular column from Beverly Flaxington, a practice management consultant. She will answer questions from advisors facing human resource issues. To submit your question, email us [here](#).

Advisor Perspectives welcomes guest contributions. The views presented here do not necessarily represent those of Advisor Perspectives.

The financial business is all about numbers. Or is it? Human capital is the most valuable resource in most firms. And the “soft skills” to engage deeply with clients and build loyalty are critical for generating referrals from existing relationships. Centers of Influence have their own preferences and needs.



So, even this numbers-driven business is all about the people! This column is dedicated to helping financial advisors deal with the people issues in their firms. Whether yours is a small firm with one administrative partner or a worldwide financial services conglomerate, people will always make the difference.

Let's get to your questions.

Dear Bev,

I run a small firm of five people. Every person plays a key role, but one of my most important staff members has terrible communication skills. When this person is involved, clients' phone calls aren't returned and they often don't understand information when they do get called back. Clients have complained to me on several occasions, and yet I need this person on the front lines. There just aren't enough people to go around!

How do I get this person to communicate effectively with clients?

Jim S., Investment advisor; Portland, OR



Dear Jim,

Several issues underlie your question. One is the need for the five people in your firm to play a number of different roles. The truth is that sometimes a very analytical, quality-control-focused person, who is responsible for making sure client reports are on time and correct, will not also possess strong communication skills. It might behoove you to take another look at the roles within the firm. Is there any way that someone else could have more client-facing interaction and this person could remain more behind-the-scenes? Or could another team member, more adept at personal interaction, partner with this person?

Another consideration: Do you have an effective tracking system, where information is stored and shared in a customer-relationship management (CRM) system? Are your clients hearing back about their questions and concerns? Maybe you need a process in place to log in client requests and crosscheck to make sure someone has followed up.

Lastly, be sure that the requirements for everyone's roles, whatever they are, are clearly defined. It is possible that your employee does not believe it is part of his or her job to interact and communicate with clients! It may be clear to you, but often such problems simply arise because employees are confused about expectations!

Dear Bev,

In our firm, all of the portfolio managers manage client portfolios. They are all credentialed professionals with CFAs or CFPs. Each person has his or her own client base and his or her own compensation plan. I need them to work together. Last week, we had a situation with a client who had a wealthy brother to refer. The brother would be better suited to one of my portfolio managers in another area, but the manager with the current client insisted on keeping the referral. How can I move them towards working together more effectively?

Susan R., wealth management firm founder; New York, NY

Dear Susan,

This situation is likely rooted in your compensation program and the incentives facing your portfolio managers. When each person is running his or her own business, with goals and objectives and compensation all clearly linked to personal performance, it's natural that these managers will focus on themselves first. The portfolio manager who "kept" the brother's new account has absolutely no incentive to refer to his/her colleague.

First you have to ask: Do you want to incent team performance? Do you need the portfolio managers to work together, or is it rare that they would need to do so? If you want team



performance, you do need to examine the plan and ensure they are compensated both for their own results and for those of the entire team.

The behavior you see when it comes to new business almost always traces back to a reward system that is driving that behavior one way or another. If you aren't getting what you want, examine the plan and modify it according to your business needs.

Dear Bev,

We have a business development person who has a year of experience with us, and five years total experience in similar roles. He had success at his last firm, but in his first year here he's has not done that well. What are the factors we should be investigating to help him improve – and make us both happier?

Fred C., investment advisory firm managing director; Atlanta GA

Dear Fred,

There are several things you could assess:

- Does the employee in question have a clear job description and compensation plan, which outlines expectations for the role and incents the right behaviors? You'll want his compensation plan to align with your business plan and key goals for the firm. Make sure it doesn't incent low-priority work.
- Is he tasked with client management/service or other functions that are not business development-focused? Remove things that get in the way of bringing in new business.
- Is he the right cultural fit for your firm? Does he work well with your other employees and generally fit in? Seek feedback from him and others to learn if there are obstacles to fully integrating him to your team.
- Does he have all the selling tools and material necessary to truly get the job done? Ask him if he has everything he needs.

The business development role is often a hard one to "get right" in wealth management firms, as it does not naturally fit with the more analytical aspects of the firm's other roles. By evaluating this person and role in light of these questions you can maximize the opportunity for success.



Beverly Flaxington co-founded [The Collaborative](#), a consulting firm devoted to business building for the financial services industry in 1995; in 2008 she co-founded Advisors Trusted Advisor to offer dedicated practice management resources to advisors, planners and wealth managers. She is currently an adjunct professor at Suffolk University teaching undergraduate students Leadership & Social Responsibility. Beverly is a Certified Professional Behavioral Analyst (CPBA) and Certified Professional Values Analyst (CPVA).

She has spent over 25 years in the investment industry and has been featured in Selling Power Magazine and quoted in hundreds of media outlets, including the Wall Street Journal, MSNBC.com, Investment News and Solutions Magazine for the FPA. She speaks frequently at investment industry conferences and is a speaker for the CFA Institute.

www.advisorperspectives.com

For a free subscription to the Advisor Perspectives newsletter, visit:
<http://www.advisorperspectives.com/subscribers/subscribe.php>