

Introduction to the Handbooks for the Professional Financial Advisor Series

I see myself as a client advocate who believes the best way to help financial services clients is to help the advisors who give independent financial advice. For the purposes of this series, I will define a financial advisor as an individual looking to provide services relating to investments, financial planning and/or insurance to individuals and small businesses. I believe that clients are best served by continuous long-term relationships with human advisors who seek to understand and work with the client to achieve the client's goals. The following quote from a note I received from a couple upon my retirement confirms that belief:

"In wishing you the best, we want to thank you and your team for looking after our investments so well over the last 20 years. With a high level of professionalism, you have guided us through good times and bad with the consistent proven good advice to 'stay the course'. Throughout, you have communicated openly, proactively and reviewed and reported on our circumstances consistently. Not only did you provide guidance with our investment portfolio but also took the time to advise us in the overlapping areas of tax issues, insurance benefits, estate planning and will preparation. Lastly our yearly reviews were not only extremely helpful but cemented the personal relationships. Thank you!"

—retired couple

I believe that by helping advisors succeed, I will help financial services clients succeed. I am also hoping that management of advisor firms, regulators and industry product/service suppliers will read these handbooks to gain a deeper awareness of the uniqueness and needs of both advisors and advisors' clients.

A financial advisor's job has always been stressful due to the unpredictability of financial markets and the people issues of any service industry. I believe the job is even more difficult today because of increased competition, the expansion of potential services (financial planning, etc.) and the growing number of investments available as well as increasing regulatory requirements. The good news is that advisors who use constantly evolving fintech and processes to improve their services and efficiency are able to increase the capacity and profitability of their practice while making advice available to more people.

I have written these handbooks to coach and assist advisors hoping to help reduce their stress and increase their productivity. I present ideas and processes relating to all aspects of a financial services practice with an emphasis on services, organization and preparedness. Preparedness reduces the stress of encounters with clients, prospects, markets, etc. Having a clearly articulated business plan, sharing the workload with a team and having a succession plan in place all work to reduce the stress of the business while making it easier to serve more clients effectively and profitably. The ideas are intended to help all advisors regardless of their unique approach to investing and client service, their unique clientele and their practice size. I hope to make it easier for advisors to serve their clients well, to the benefit of all stakeholders in a strong, sustainable financial advice industry (clients, advisors, advisors' firms, product providers).

As you might expect, this means sharing my experiences from my 33-year career as a financial advisor and showing what I learned from my mistakes. However, it also means sharing many templates and calculators (downloadable from my website) to help advisors easily implement the ideas that I share. During my career, I attended many practice management seminars agreeing with much of the advice given, but failing to implement the ideas because it would take too much time to do so. I am going to provide templates and calculators using my practice as an example, but I fully expect advisors to edit, modify and customize them to match their personal

approach and the needs of their unique clientele. My customizable templates will help an advisor implement the ideas quickly as it is much easier to edit, modify and customize than it is to create from scratch.

“I really like your approach and, in particular, all the useful templates and checklists you provide. It is far more practical than many practice management books I have read over the 32 years I have been in the industry.”

—Gary Mayzes

Senior management of a Big Five Canadian Bank

I have been asked if these handbooks are intended to be “best practices for financial advisors.” I hope they are “good practices for financial advisors” handbooks. I can’t possibly claim “best” practices as I know there are many techniques and processes created by many advisors and/or firms that I am not even aware of.

I enjoyed helping many advisors over the years, sometimes formally under a firm inspired mentor program and sometimes through seminars sanctioned by management. However, most of my mentoring was “ad hoc” primarily for advisors within my own firm whom I met at conferences or within my own branch. These books are an opportunity to provide more complete and thorough mentoring for more financial advisors with practices in all financial services channels ranging from the large bank dealer to the financial planner operating as a sole practitioner.

“I have been in the business for 25+ years working in various management roles. I have worked with many investment advisors in my career and must tell you from a ‘client first mindset’, Chris is one of the best. ... We could all learn a thing or two from Chris.”

—Wilma Ditchfield

Senior management of a Big Five Canadian Bank

Handbooks in the Series

As I write this introduction to my series of handbooks for financial advisors, I have essentially completed handbooks regarding business models, team building, and transitioning clients and the retirement exit decision. I expect to complete another handbook about presentations and processes in the near future.

These books will reflect my strong belief that the “win-win” approach builds happier, sustainable relationships with all the stakeholders of your practice (clients, team members, branch management, service/product providers and senior firm management). The win-win concept does not mean that you compromise your own benefits but rather you grow the size of the pie to be shared so that all parties receive more—it is winning alongside each of the other stakeholders of your practice.

I recommend reading the entire series of handbooks once even though some areas may not seem immediately applicable to your practice. For example, you may think you are too young to consider the chapters relating to retirement or transitioning a clientele; however, you are likely not too young to think about pursuing a group referral of clients from another advisor. An advisor approaching retirement may initially see no need to read the business models handbook; however, upon reading it, they will see how they can easily articulate and compare their business model to that of the appropriate successor advisor. I have provided a detailed table of contents in each book to provide a quick overview and to help you easily refer to specific topics as the need arises over time.

Business Models for Financial Advisors

“You have set a great example for others running a very strong and successful practice.... I always knew your clients were very well taken care of.”

—Steve Geist

Former Group Head - Wealth Management
Canadian Imperial Bank of Commerce

A well-articulated, written business model is a valuable tool for advisors at all stages of their career. An Advisor’s deeper understanding of their own practice and who it serves best, will lead to sustainable relationships based on a win-win business model. I will define an advisor’s business model as the articulation of who the advisor’s most compatible clients are, the services and products that the advisor offers those clients, how those products/services are provided, how clients are charged and how the advisor is paid. I show how advisors in all stages of their careers can benefit from a well-defined business model, even those about to retire. The handbook provides a checklist process to quickly articulate, develop or analyze an existing or desired unique business model. I provide an example of the process by showing completed checklists based on the final years of my practice and the resulting printed business model. I include discussions regarding many of the required decisions as we progress through the checklists for the various business model components. I also discuss household capacity of practices and provide an analytical tool and checklists to facilitate the segmentation of clientele. This handbook includes appendices “Why Advisors are Not Interchangeable”, “Why Many Full-Service Independent Revenue Sharing Advisors Have and Deserve Above Average Incomes” and “The Average Advisor of Various Financial Advice Channels.”

Team Building for Financial Advisors

“Chris always seemed to gather people around that seemed to know what they were doing, they were young and learning the business, but they always struck me as being competent. But more than that, they seem to recognize the interests of the client, and they look after the client just as well as Chris does. In other words, they reflected her.”

—Dennis Dack (client of 30 years)
Retired Director of Strategic Policy
Advisor to the Chairman of the Board
Ontario Hydro

My team played a huge part in my overall success. I believe that my business would have plateaued at about 20% of my final practice (assets under management and revenue) if I had not built a team. This handbook focuses on the benefits of team building, delegating, supervising, outsourcing, hiring, training, team structure, compensation, motivation, turnover, etc. Team building is another classic example of a win-win approach to business. All of the stakeholders in an advisor’s practice (clients, team members, advisor and firm) win from the advisor’s ability to work with and delegate to team members. My willingness to build and nurture a team allowed me to expand my service to existing clients and pursue more clients resulting in a bigger and happier clientele, which naturally produced more revenue to be shared by myself, my team members and my firm.

Transitioning Clients and the Retirement Exit Decision

“Chris cared and continues to care about her clients - absolutely evident in her approach to her team and her solid plan for her retirement and the transition of her clients to the RIGHT advisors. The final proof is her two successors’ very high client retention rate three years after her retirement.”

—Wilma Ditchfield
Senior management of a Big Five Canadian Bank

I retired with the largest assets under management and highest annual revenue of my career. I believe this was partially due to high client retention in my later years as clients were aware of my succession plans years before I actually announced my retirement. Three years after my retirement the assets and revenue generated from the clients transitioned to my successors were higher than when I left.

The handbook contains three interrelated topics:

- 1) Seeking Group Referrals from Another Advisor
- 2) Transitioning Your Clientele to Your Successor
- 3) The Retirement Exit Decision

The need to transition clients from one advisor to another advisor can be triggered by many different circumstances. An advisor will make group referrals to a successor advisor when they are retiring, reducing their clientele or changing their business model. The key to a successful transition of clients is compatibility between the successor, referring advisor and the clientele being referred. I believe this compatibility is more likely to be achieved when the successor and the referring advisor understand each other’s positions and business models. Reading all three topics will provide the reader with needed insight and understanding in addition to providing step-by-step processes and tools to complete the transition.

Deciding when to retire is a very personal decision. I give my own reasons in “Why I Retired” as well as what I enjoy most about being retired. In “Hints That It May Be Time to Start Preparing for Retirement”, I have provided a list of possible reasons for retiring that I have experienced or learned from others in the financial advice industry. I then point out many of the personal and business dangers of waiting too long to retire. Finally, I outline several steps that I recommend in preparation for an advisor’s retirement.

Future Handbook on Processes and Presentations

I have gathered much of the content but have yet to complete the handbook relating to processes and presentations. This book will provide a lot of the “nuts and bolts” needed to implement an advisor’s business model. Our presentations and interactions with clients showed them that we understood them and their needs making it easier for clients to trust us and understand our advice. The use of systematic processes and templates by yourself and your team will enable efficient delegation and supervision of the performance of many of the activities needed to find and service your sustainable client base and help you run your practice. During my career, my team and I developed many detailed presentations and processes including templates, calculators and macros for all six of the business model components with an emphasis on the major categories of the service model. These processes along with a good contact management system (client relationship management software or CRM) allowed me to grow my clientele and expand both my team and services. This handbook will discuss processes and presentations in great detail for each business model component and provide tools and templates to help advisors easily implement and customize the ideas that appeal to them.

I hope these handbooks leave advisors with a lot to think about, some ideas relevant to their practice and the means to implement those ideas.

“I have found all three of these books to be very thought provoking, not only as it relates to the information provided, but also from looking forward within the context of my own practice and my own personal plan for the next stage of my life.”

—Rollie Guenette

Financial Advisor for over 25 years

Chairman’s Club member

Big Five Canadian bank owned brokerage firm