The Future of Advising Our Clients

Six Challenges

Forcing Advisors Towards Extinction

CHALLENGE 1

The Value Promise is Collapsing

CHALLENGE 2

New Market Segments are Emerging

CHALLENGE 3

Client IS The Family

CHALLENGE 4

Moving From Technician To Clinician

CHALLENGE 5

Disruptive Technology

CHALLENGE 6

Tenured Advisor Retention

Challenge 1
The Current Value Promise is *Collapsing*

Challenge 2

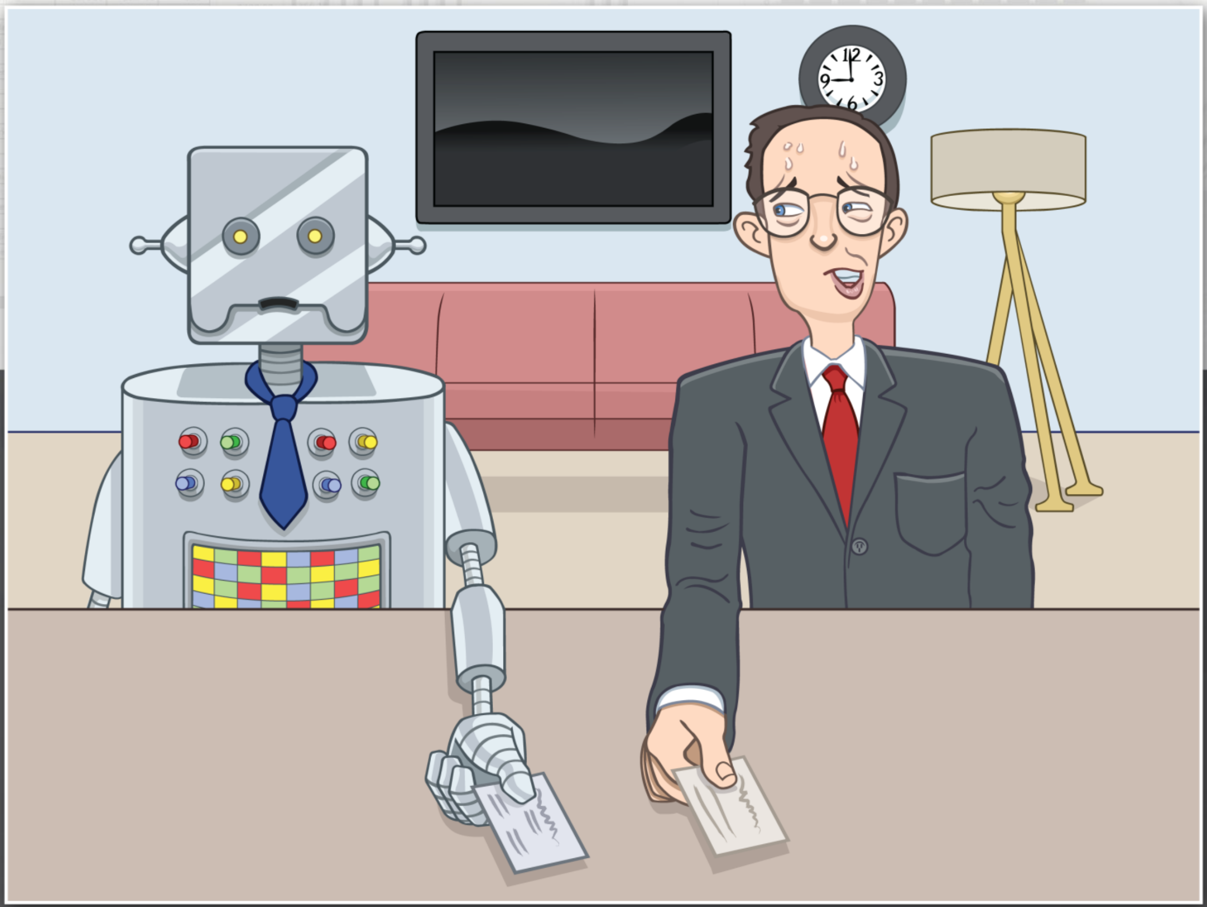
New Market Segments Are Emerging

Challenge 3

Today's Client is the *Family*

Challenge 4

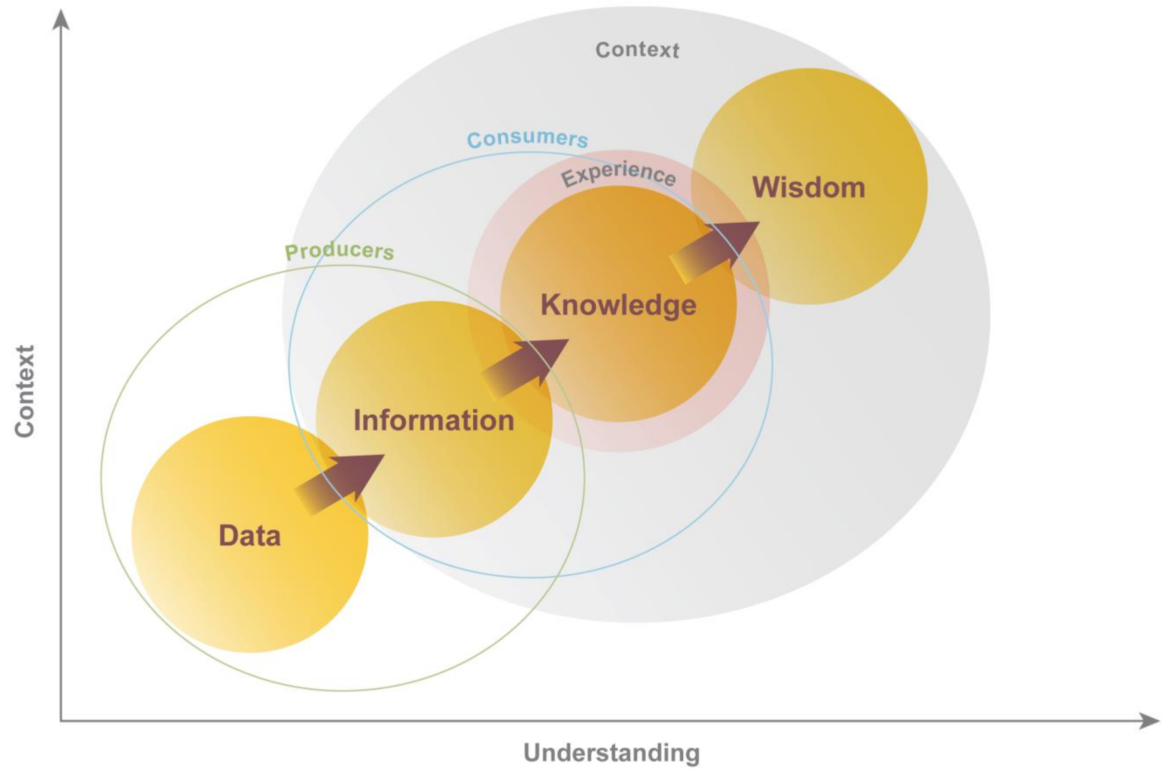
Today's Value Promise Requires Advisors to Shift from the Role of Financial Technician to *Clinician*



Challenge 5
Disruptive Technologies Create New *Opportunities*

Challenge 6

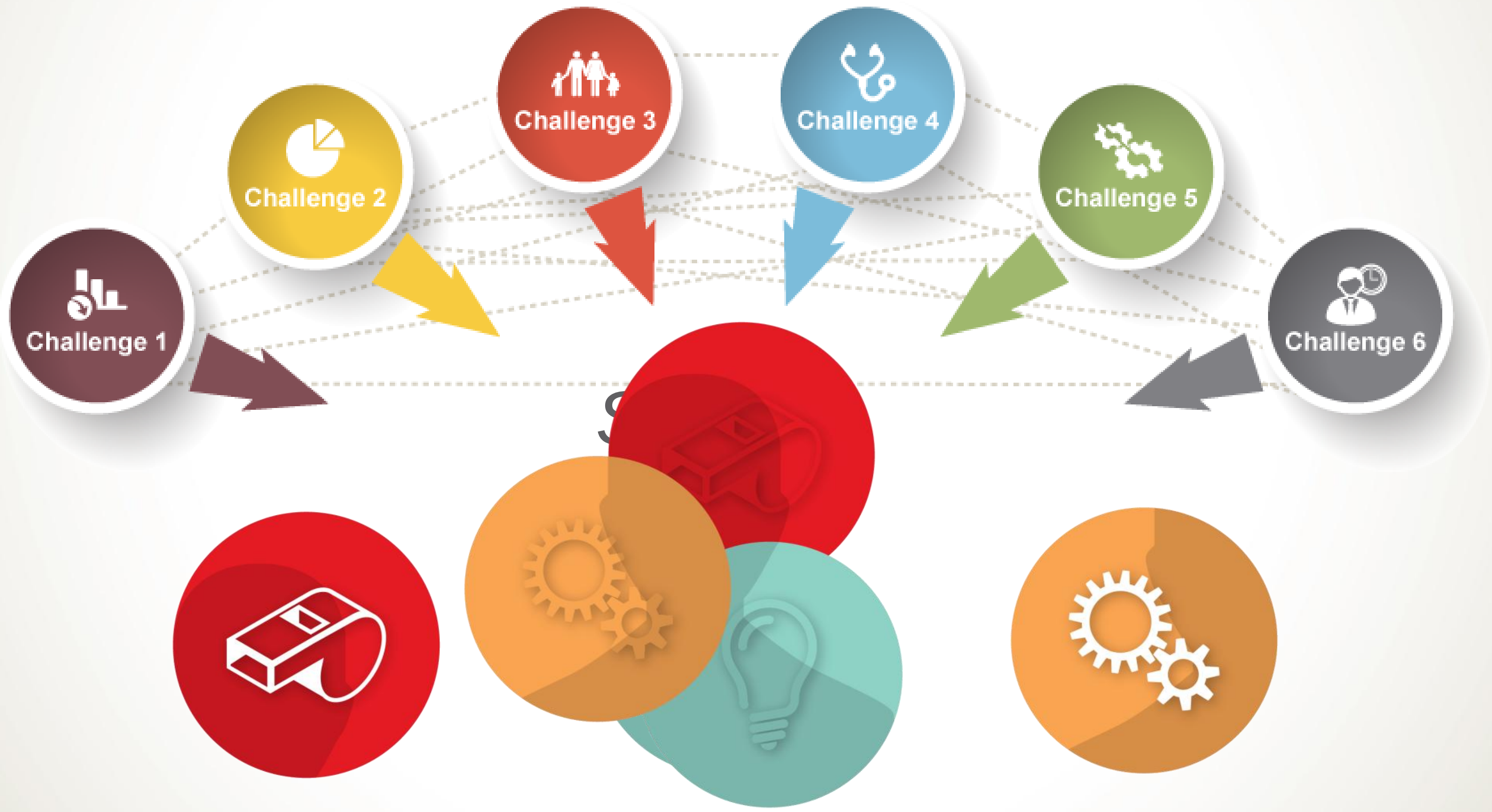
Tenured Advisor Retention



Ackoff, Russell (1995); Moursund, David (1999)


7th Challenge
Challenge 6
Solution 6
Challenge 1
Solution 1
Challenge 5
Solution 5
Challenge 3
Solution 3
Challenge 2
Solution 2
Challenge 4
Solution 4

A Solution System



3 New Capabilities **Behavioral Coaching**

Behavioral Coaching

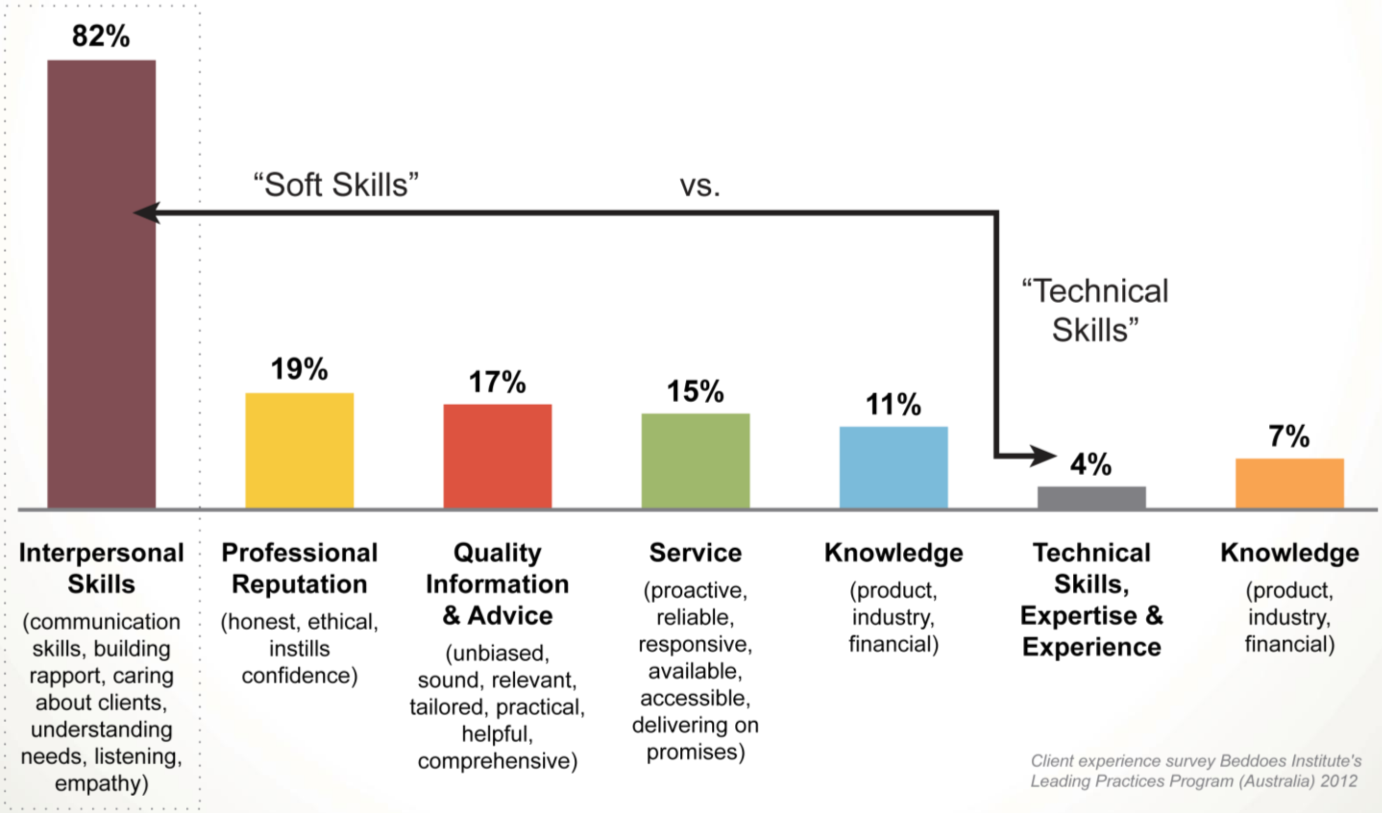
- Clarifying the client's aspirational life
- Identifying and prioritizing goals to achieve
- Identifying biases and blind spots that lead to poor decisions

- Executive Coaching Approach
- Specific clinical based techniques
- Valid Behavioral Assessments

Challenge 4
Technician to Clinician

Move to Clinician Role through Behavioral Coaching

1. Provide a holistic life issues approach - bespoke solutions
2. Deeper connections identify more meaningful outcomes



Behavioral/Financial Coaching Keystones

Behavioral Awareness

Blind Spot Recognition

Counselor's Listening Skills

Couple Planning Discussions

Conflict Mediation

Family Meetings

Innovation Break

- Improve existing offer

A SINGLE CLOUD-BASED BEHAVIORAL INTELLIGENCE PLATFORM TO KNOW, ENGAGE AND GROW EVERY EMPLOYEE AND CLIENT

DNA Behavior®

Financial DNA

Communication DNA

Business DNA

Behavioral Finance Suitability Compliance for Complaint Reduction	Behavioral Marketing Deeper Relationships for 23% Revenue Growth	Behavioral Talents Advisory Team Improve Productivity 40% to 70%
Financial Personality Know Your Client Goals-Based Planning Behavioral Biases Risk Tolerance IPS Wealth Mentoring	Communication Styles Learning Styles Workflow Management Selling Styles Buying Patterns Client and Employee Messaging	Employee Personality Talent Management Hiring Team Development Culture Leadership Succession Planning

Research shows that 93.6% of an advisor's role is the behavioral management of clients

http://dnabehavior.com

3 New Capabilities Innovation Skills

Incorporate Innovation

- Flipping business orientation to external
- Adopting a portfolio of business models not products

- Participation in innovation incubators
- Building new business models

Market has Morphed

Facing 3 Generational-Based Markets

- Generation Xers are wealth creators
- Millenials are income earners
- Boomers are transitioning

Age of Consumerism is defining what it takes to win

- Why one size fits all does not work

Non-financial industries are defining new expectations for the client experience

- Relationships
- Communication
- Products and Services

The Innovation Framework

Be Curious

Innovation Incubator

What is unusual?
What is the implication?
What should we do?

Be Creative

Design Thinking

What customer segment?
What lobs need to be done?
What Value Proposition solves?
What Business Model delivers profitably?

Be Disciplined

Use the Tools

Be Consistent

CMMI Approach

Aware
Know
Do
Embody
Teach

The Innovation Framework

Be
Curious

What is unusual?
What is the implication?
What should we do?

The Innovation Framework

Be
Creative

Design Thinking

What customer segment?
What jobs need to be done?
What Value Proposition solves?
What Business Model delivers profitably?

What’s Needed?

CURRENT ISSUE

September 2016

Consumer Insight: What does your customer really want?

FEATURING

Why Your Company Needs a Foreign Policy

Know Your Customers’ “Jobs to Be Done”

How to Tackle Your Toughest Decisions

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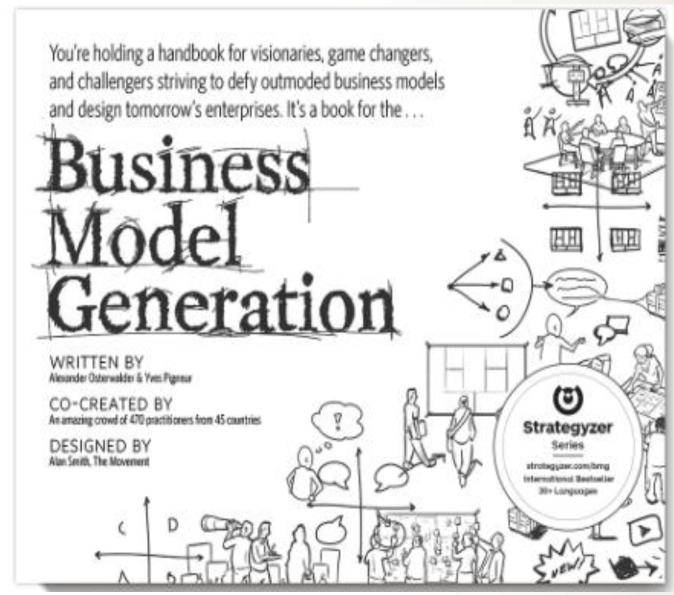
The Innovation Framework

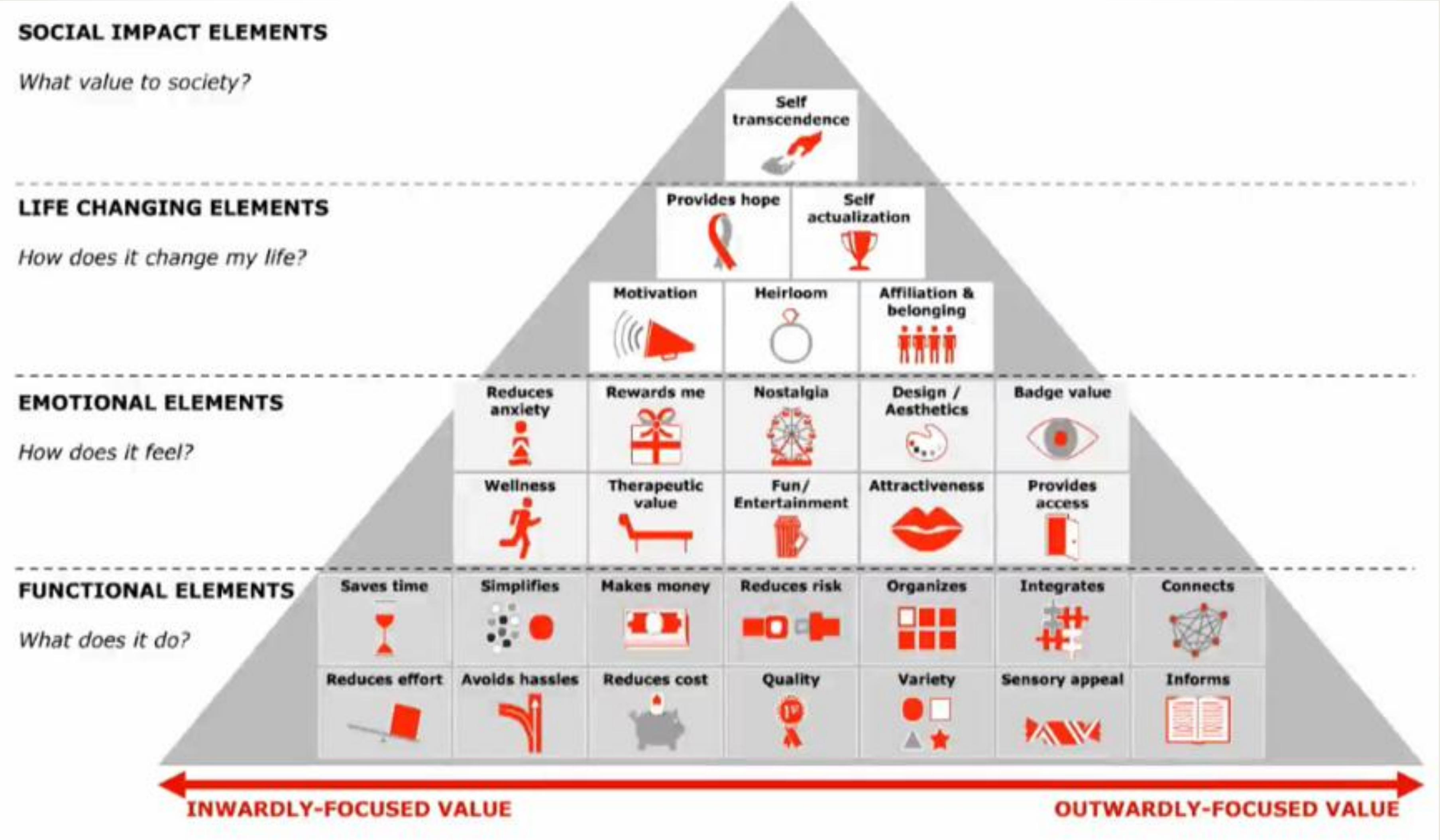
Be
Disciplined

Use the Tools



Authors Alex Osterwalder and Yves Pigneur 2010
New website is Strategyzer.com

30 Elements of Value



Bain Consulting Group HBR webinar 8-12-2016 HBR magazine September 2016

lifewise

	Learn More details	Invest More details	Consult More details	Plan More details
Pricing	Free	.75% of AUM	$700 2 topics	$1,500 or $125 p/mo
Resources	■	■	■	■
Investing	—	■	—	—
Planning	—	—	Pick 2 Topics	■
Access				
Advisor	—	Lifewise	Lifewise	Advisor
Meetings	—	Annual	Limited	Unlimited
Phone / email	—	Unlimited	Limited	Unlimited
	▸ Get started with Learn	▸ Get started with Invest	▸ Schedule a free consultation	▸ Schedule a free consultation

Innovation Break

- Segmented Pricing

3 New Capabilities Exploit Technology

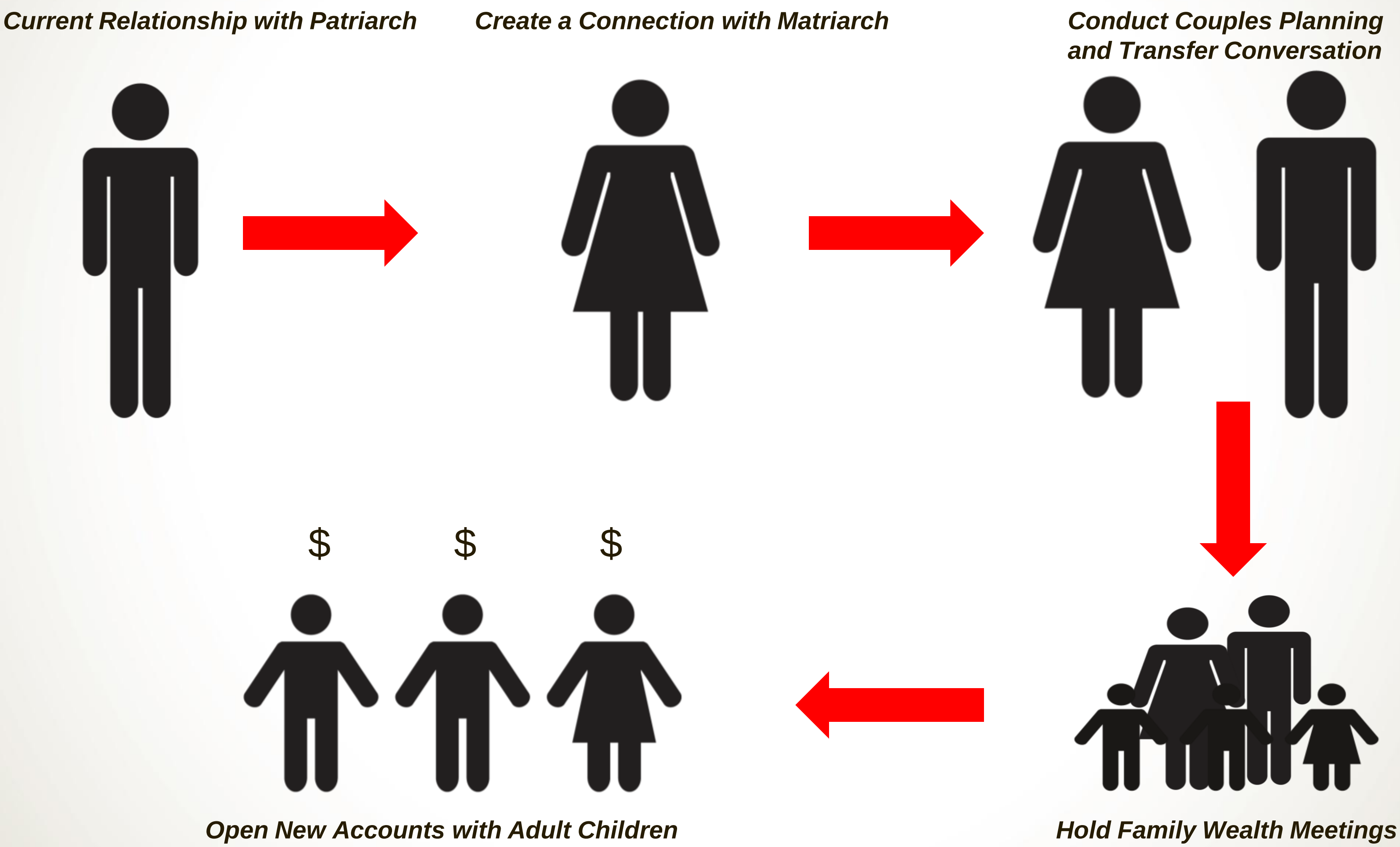
Exploit Technology

- Think about technology as the delivery of your value
- Automate workflows and create scale
- Think about technology in different ways

- Knit tools and resources to create unique client offerings
- Create individualized client experiences
- Create a virtual presence

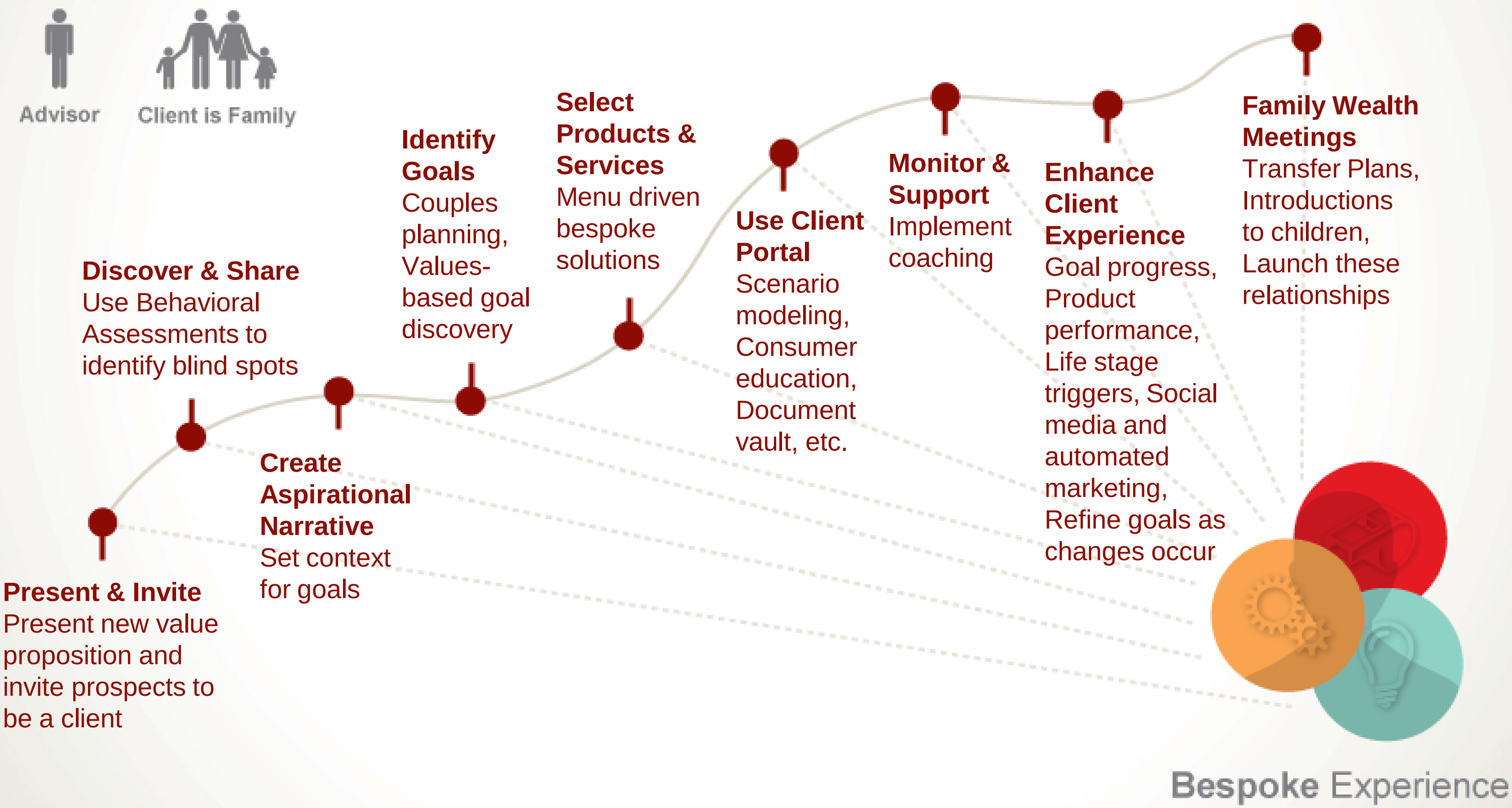

iPad
4:41 PM
boredpanda.com
74%

Path to Acquire the Family



Challenge 7

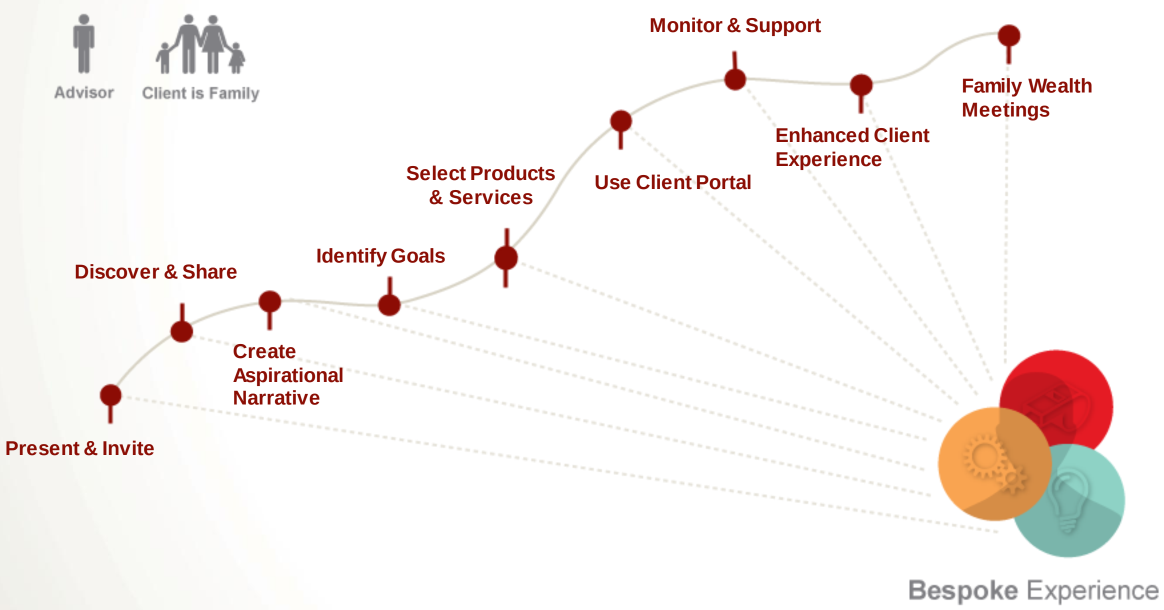
Advanced Advisor Framework Solving for All Challenges



An Example

Advanced Advisor Framework

Technology and Tools



- MoneyGuidePro
- Pricing Schedule
- Smart Works
- NetEx 360
- Morningstar
- Insurance Planning Tool
- eMoney/Vault/Consumer Education/Wealth Aggregation/Scenario Modeling
- Hearsay Social
- Wellthy.com
- Auto Scheduler/To Do Manager
- Dictation/Note Service
- Family Wealth Meeting Tools
- DNA Behavior Market Monitor
- DNA Behavior Assessments/ Risk Tolerance
- Client Portal Real Time Alerts
- Portfolio Performance Reporting
- Redtail CRM/Automated Workflows
- DocuPace/Laser AP
- Advisor Website
- LinkedIn/Social Media
- Innovation Lab Workshops
- Life Planning Tool

Innovation Break
- Targeted Client Segment
- Niche Service

Wellthy

How We Can Help

Legal
Power of Attorney, Healthcare Proxy, Advance Directive, Will

Financial
Social Security, Benefits, Insurance, Tax Deductions, and more.

Housing
Senior Living, Short-Term Solutions, Moving Services

In-Home
Safety, Home Care, Modifications, Transportation, and more.

Medical
Doctors, Prescriptions, Physical Therapy, Records

Social/Mental
Support Groups, Social Activities, Memory Care

CREATE YOUR FREE ACCOUNT

Simple Plan

Memory Care	PLANNED
Long-term Care Insurance	PLANNED
Social Activities	IN PROGRESS
Secure Power of Attorney	COMPLETED

Live Care Coordinators

Get a team of professionals to handle it all for you.

Learn More

Hi guys, Mom has Oncologist on Wed at 10am. Can any of you take her?

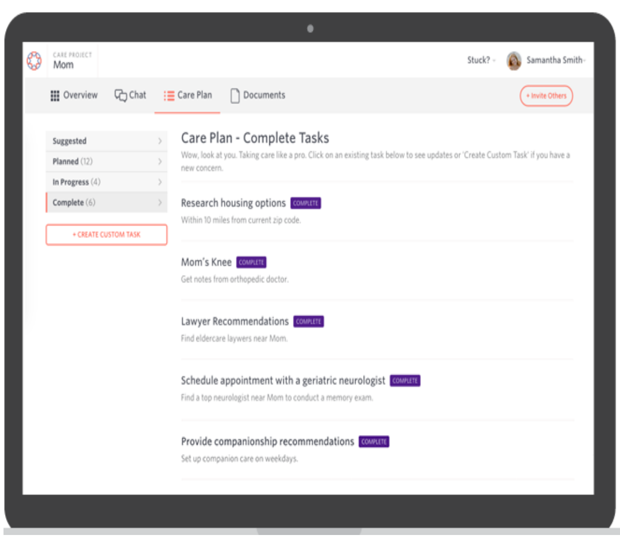
Jane 3 hours ago
Sorry, Sam, this week is tough for me...

Samantha 1 hour ago
Dana, will you please arrange transportation?

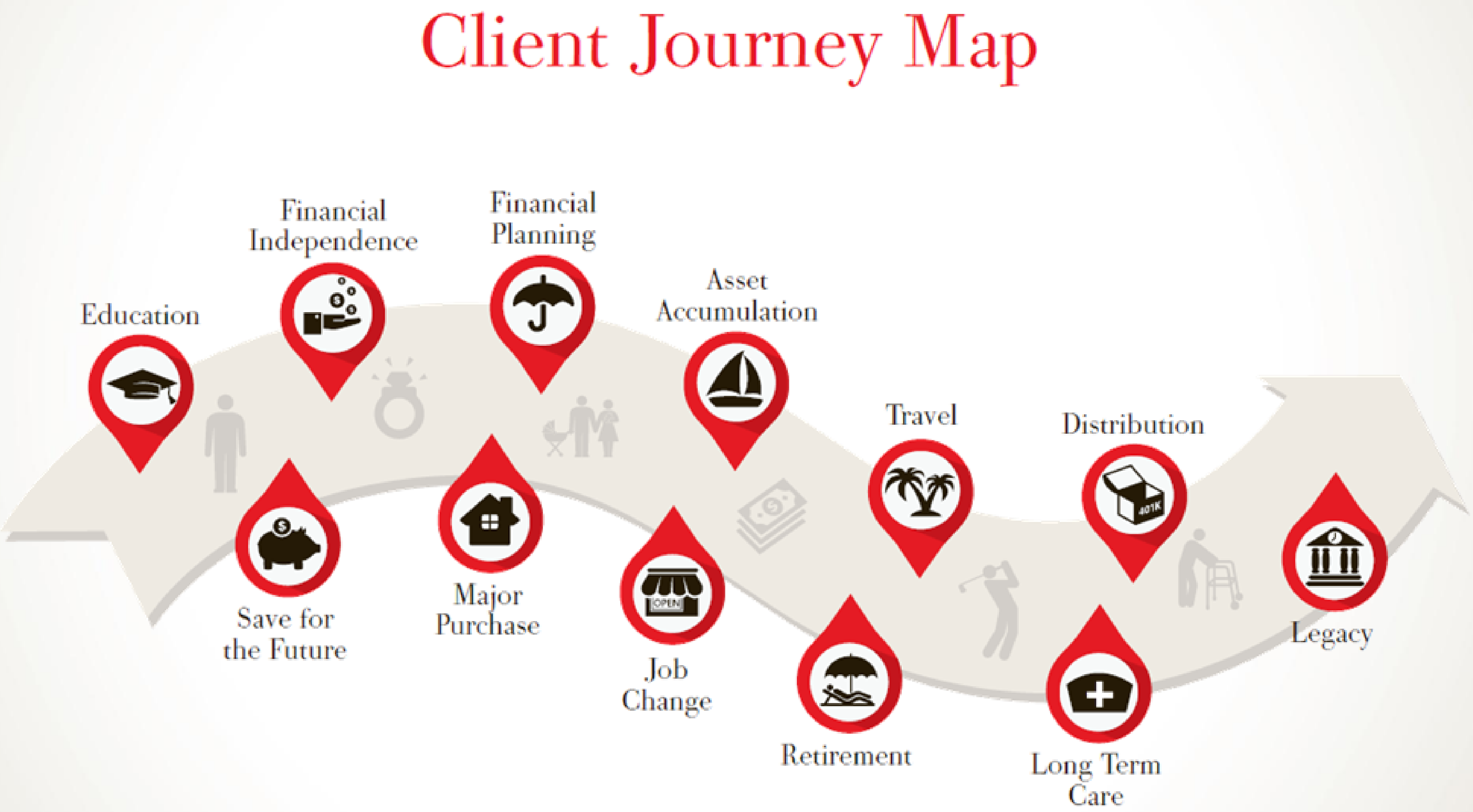
Dana Wellthy Care Coordinator a second ago
You got it. I'm on it.

Family Communication

Invite family and friends so everyone is on the same page.



Client Journey Map



Update Financial Plan - Understand How to Price

Resource	Step Details	Time Needed	Cost	Total
2 Automated Steps	• email client to update data in Financial Plan via portal • Confirm update complete	• 10 minutes	• $10	• $1.66
5 Admin Steps	• Print plan • Create client meeting folder • Proof and email meeting summary • Create follow-ups and to do's • Confirm the to do's are complete	• 1.5 hours	• $50/hour	• $75
2 Advisor Steps	• Review client folder • Conduct client meeting	• 1.5 hours	• $350/hour	• $525
3 Junior Advisor Steps	• Summarize notes • Create client summary • Execute to do's	• 1.5 hours	• $100/hour	• $150
			TOTAL FOR SERVICE	$751.66
			Profit Margin – 40%	$225.00
			Service Admin Fees – 15%	$112.65
			TOTAL FEES FOR UPDATING PLAN	$1,089.31

Example Service and Product Offers

Core Offering

- Wealth management portal
- Financial goals tracking and reporting
- Virtual vault for wealth document storage
- On-line self-directed budgeting
- Bi-annual wealth issues review
- Annual client review
- Annual family wealth meeting
- Life event trigger meeting
- Portfolio asset allocation strategy
- Automated investment platform

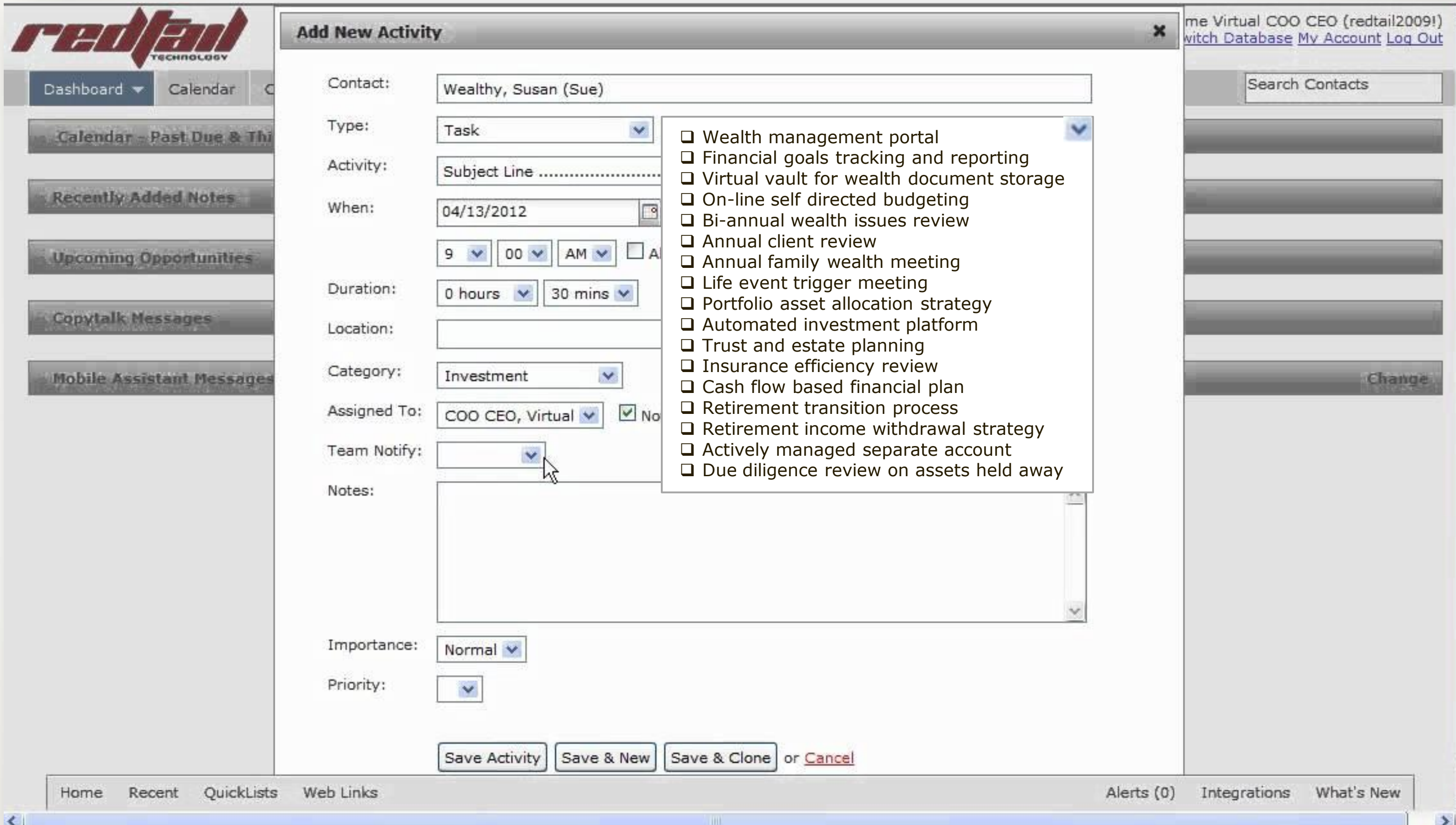
Additional Services

- Trust and estate planning
- Insurance efficiency review
- Cash flow based financial plan
- Retirement transition process
- Retirement income withdrawal strategy
- Actively managed separate account
- Due diligence review on assets held away

XYZ Financial Planning Practice

230 Peachtree Ave.
Atlanta, GA. 33363

Services Selection Example



What's needed?

Challenge 5
Leverage Technology

Invest

- In yourself and your business
- Spend time to learn how the systems work

Benefits

- Technology is doing the rote work e.g., scheduling calls, sending communications, monitoring client mood against the market, identifying who needs calls and when
- Creates a place for your clients to be with you when you are not there

Division of Labor

- Technology moves you to focus on what it cannot do
- Document your activities and code them into the workflow engines - so the technology does the work for you

Your Decision

- Is this time and effort worth it?


Access Your Accounts
Access Your Financial Plan
Make plans and Explore What Ifs
Access Education Resources
Access Your Personal Wealth Documents
See Your Progress
Retire
College
Estate Plan
Home
Coin Collection
Your Family Values and Goals
"To be Good Stewards of our resources and talents and to share with those in need were common interest is aligned"
Trending
GOOGL +5.16%
GOOG +5.21%
XOM -1.69%
KORS +19.19%
UPS +0.94%
• Royal Caribbean shares drop 5.8% after weak outlook
• Tesla's stock falls after analyst says. . .
Net Worth
Portfolio
Asset List
1 Goal Retire
2 Goal College
3 Goal Estate Plan
4 Goal Home
What's Coming Up?
Next Meeting
Wednesday, March 2 • 3:00pm
Events
no upcoming events
Action Items
Schedule Review
Complete Will
Follow-up on DPOA
Newsletter
Posts
Market Data
Market
Market Mood
Favorite News Site
Contact Us
Make an Appointment
Intertwine FINANCIAL
Dow -0.10%
16,449.18 / -17.12
Nasdaq +0.14%
4,620.37 / +6.41
S&P -0.04%
1,939.38 / -0.86

Challenge 7

Advanced Advisor Framework Solving for All Challenges

Behavioral Coaching

New Connection Skills

- Presence
- Counseling Skills

Know You, Know Myself

1. Find blind spots - yours, theirs, ours
2. Know how to address them
3. Improve decisions and behavior

Incorporate Innovation

New Practice Management

- Build business models for generational client experiences

Innovation Process

- Apply and promote lessons learned to similar market segments

Exploit Technology

New Tools and Systems

- Life Planning
- Goals Planning
- Behavioral Assessment
- Client Experience Platform
- Client Portal
- Social Media Monitoring
- Automated Marketing

Taking Action

Behavioral Coaching

Incorporate Innovation

Exploit Technology

What might you do?

What resources could be helpful?