

## GreenHills Ventures Wealth Management – How To Become Exceedingly Successful

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How much money did you pocket in 2013? How much money are you planning to take home this year? We find a large percentage of financial advisors are strongly motivated to be more economically successful in 2014 than they were in 2013. If you're one of these financial advisors, please read on.

Let's start with the complications. The desire by financial advisors to do better—let alone become exceedingly successful in 2014—faces some serious headwinds. Many of them believe:

There are unlikely to be bull markets that are going to drive the growth of assets under management. Thus, financial advisors simply cannot expect increases in the value of assets to bolster their revenues. The consequence of this perspective is that they're either going to have to bring in new assets or brilliantly outperform the market.

More diverse professionals will be offering the same products and services. It's as if everyone is able to offer the same array of services as everyone else, which is true more than not. This will increase the amount and even the level of competition for better clients.

Clients are going to be more circumspect and demanding. Especially since 2008, clients of all stripes are increasingly questioning their financial advisors and wanting more. The result is that financial advisors will usually have to deliver more, including more of their time. Concurrently, clients are often pushing down fees.

There are other factors that will be deleterious to the profit-producing ability of financial advisors. When you put them all together, the picture for financial advisors is not all that rosy. But it's far from "hitting the iceberg" bad.

For those financial advisors who know what to do (a large majority) and are able to implement well (a small minority), the current and probably future environment is and will be a boon for their businesses. While most financial advisors will be scrambling and are likely to find success beyond their grasp, the astute ones will be capitalizing on the situation and thereby profiting handsomely. Clever and capable financial advisors will be able to benefit from these circumstances to garner the lion's share of the superior business opportunities.

It's important to note that we're not talking just about know-how. What to do is fairly simple and, we're confident, most financial advisors are well versed in what they have to do to be successful. We're not even talking about the mind set and specific behaviors that are involved. While these thought processes and actions are probably less pervasively recognized, cognitive awareness of what to do remains insufficient.

Effective implementation is essential to becoming exceedingly successful. With information very often free, the ability to take the information and adroitly leverage it is what will enable you to be one of the big winners in this increasingly hyper-competitive environment. With information being free, let's discuss the four sets of behaviors required for you to become exceptionally successful and probably somewhat if not very wealthy.

### **Four Critical Sets Of Behaviors**

When it comes right down to it, to be exceedingly successful as a financial advisor requires you to implement four sets of behaviors fairly well. They are:

1. Deliver high-quality services and products to clients.
2. Manage your practice profitably.
3. Ensure there's chemistry between you and prospects (and subsequently clients).
4. Source high-caliber prospects on a preferential basis.

Let's delve into each of these four things.

Deliver high-quality services and products to clients. How many financial advisors—or any kind of professional—will tell you that they're not very good at what they do? When we ask audiences at conferences and workshops who in the room is in the top 10% in their respective fields, almost every hand goes up. There is one of two explanations for these responses.

It can mean that the professionals in the audience truly believe they're very good at what they do, which means that probably some of them are delusional. Or two, it means that only the very best financial advisors come to our conferences and workshops. If we were to believe in the second possibility, that would indicate that we're delusional.

While we certainly and sincerely hope that all financial advisors will make every effort in their power to deliver high-quality services and products to their clients, everyone knows this isn't always the case. At the same time, we're confident you know of more than a few situations where financial advisors aren't all that capable yet have outstanding businesses.

Manage your practice profitably. We know a financial advisor doing about \$1.8 million in production. The only complication is that it costs him a little more than \$2.1 million a year to run his practice. All he can say is, "Thank goodness for the credit line."

How much revenue you generate is certainly an important factor.

It's one a lot of financial advisors and some of the institutions they work with use to measure success. However, we believe that how much profit you generate is a much better indicator of success. In our view, it's the money you take home, not what you earn.

A percentage of financial advisors are not very business savvy.

This tends to be a drag on their abilities to make their practices as profitable as they could be. To be exceedingly successful entails that you or someone you're working with is very attuned to the numbers so you can use them to make informed business decisions.

Ensure there's chemistry between you and prospects (and subsequently clients). Presumably you're directly involved in closing prospects and then working with them. If so, there has to be some level of rapport between you and your client. The client has to trust and like you on some level to do business with you. This is what we call "chemistry."

While there are all sorts of behavior modification strategies and techniques that financial advisors can employ to enhance the "chemistry," we find that in many instances financial advisors either "click" with prospects or they don't. With clients, financial advisors have to develop solid relationships, which are comprised of "chemistry" and their ability to capably address their needs, wants, preferences and expectations.

Source high-caliber prospects on a preferential basis. You're not in business unless you have good clients. And you don't have good clients unless you can find high-caliber prospects and motivate them to work with you. This means you have to be able to source excellent prospects for your services and products. By excellent prospects, we're talking about clients who can benefit from what you provide and are meaningfully profitable to you. For many financial advisors, the best high-caliber prospects are the affluent.

Sourcing high-caliber prospects with great regularity tops the list as far as difficulty is concerned, but it is the No. 1 activity that translates into business success. On the one hand, being able to access high-caliber prospects is habitually cited as the foremost factor in building a viable and lucrative practice (provided the financial advisor is not trying to wind down his or her businesses).

While different financial advisors will often have different criteria for defining high-caliber prospects, there's pretty much universal agreement that sourcing them is the most difficult part of the business. We constantly hear from financial advisors that if they could just meet more good potential clients, they would be tremendously more successful. We find most financial advisors are confident that if they could indeed meet more high-caliber prospects they would:

- Connect with them on a professional basis;
- Be able to deliver the appropriate products and services; and
- Do so in a cost-effective and therefore profitable manner.

While financial advisors tend to be very confident in their abilities with respect to the other three factors, sourcing high-caliber prospects is oftentimes the big stumbling block to a more valuable and rewarding business. It seems not to matter whether the financial advisor is fabulously well-connected or less so. They all tend to want more and/or "better" clients.

### **Implications**

For the preponderance of financial advisors, the way to becoming exceedingly successful is by sourcing more and more profitable clients. As we noted above, know-how is necessary, but that it's sorely insufficient for this conclusion is not surprising or in the least bit "new" to most people in the industry.

When it comes to sourcing high-caliber prospects seriously motivated to work with you, there are a number of approaches and methodologies you can employ. The question is: "Which one is the best?"

The optimal way to acquire new high-quality, profitable clients—and consequently have the potential to become exceedingly successful in 2014—is through referrals. Moreover, the most powerful types of referral are those provided by centers of influence. Again, for the preponderance of financial advisors, this is a statement of the obvious. Moving beyond the obvious, in this column we'll provide the operational processes that can enable you to create a flood of new, exceptionally rewarding affluent clients by cultivating centers of influence.

### **About GreenHills Ventures**

GreenHills Ventures, LLC., established in 2001 as a private investment holding company and General Partners for GHV Fund I and GHV Fund II, (GHV Fund), an early stage venture fund and GHV Wealth Management Holding, LLC. (GHVWMH), a wealth management firm focused on alternative investments for its single and multi-family offices and institutions. For more information visit [www.greenhillsventures.com](http://www.greenhillsventures.com)