

THE  
**SUCCESSFUL**  
Financial  
Professional  
in the  
**FIDUCIARY  
STANDARD WORLD**



*A Special Guidebook from*  
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## The Successful Financial Professional in the Fiduciary Standard World.

By Bill Bachrach, CSP, CPAE

At the pre-conference shindig the night before my keynote speech for a group of top advisors (27 advisors with \$5.5B of AUM, client minimum of \$1M) the CEO, let's call him Bruce, introduced me to their top advisor, Mike. After shaking hands, I said, "Congratulations, Mike, on being the top advisor here." He said, "Thank you very much." Then I asked, "Mike, you are the top advisor... how do you *measure* that?" In the ensuing awkward silence, I imagined they were thinking, "This is our keynote speaker and he doesn't know what 'top advisor' means? Where did we find this moron?" Mike finally said, "Well, Bill, I have the highest production, I bring in the most assets, and I have the most AUM at the company. That's why I'm the top advisor." Bruce nodded in agreement. To which I replied, "That's fantastic Mike, congratulations on your success." I looked at the CEO and asked, "Bruce, I'm really glad to meet Mike and I'd also like to meet your top advisor *as measured by value delivered to the client*, who would that be?" There was another long, awkward pause before Bruce said, "Uh... we don't measure that." "Hmmm," I said, "well, as a client, do you think I would be more interested to meet the top advisor based on *production* or the top advisor based on the *value delivered to the client*?" To his credit, Mike asked, "Can I sit with you at dinner and talk to you more about being the best at client value?"

It's no wonder the government regulators feel a need to impose the Fiduciary Standard.

What is advice? According to Wikipedia, advice is a recommendation of *action*. Perfect. Without action there is no benefit. If the client doesn't act on the advice, then the

advice is useless. Which is why the significant number of incomplete and unimplemented financial plans is such a disaster for clients, advisors, and firms. Perhaps one of the reasons so many financial planners are only moderately successful is that they make suggestions instead of confidently giving advice. Advice is a recommendation of action. ACTION = RESULTS.

I hope this paper inspires firms and advisors to elevate their client value promise. Notice I use the language "value *promise*" and not "value proposition." This is not semantics. Propositions are for prostitutes. No need to expand further on the analogy, is there?

Planning, advice, and accountability are the three hallmarks of the best client value promise. **Planning** is a process, not a document or binder. The value for the client comes from the **advice** generated from the *planning process*. The ongoing relationship between advisor and client sits on a foundation of **accountability** to implement the advice and stay the course when emotions, usually fear, are causing clients to want out.

The best advisors help clients prepare for the future and help them have more confidence, in the present, about the future. The best advisors facilitate conversations about clients' core values, help them define their goals, dreams, and aspirations, benchmark their current financial reality, create a game plan to mitigate risks and achieve goals, hold them accountable to implement the advice of the plan, continue to hold the clients accountable to do what needs to be done to achieve their most important goals and fulfill their most deeply held values...

especially when that's emotionally challenging, and hold the technical subject-matter-experts accountable to produce the work product and deliverables so the clients continuously receive the best advice possible to stay on track to achieve their goals. As a result, the clients are more confident about their future. Because life is dynamic, adjustments are made as needed, maintaining that confidence about their future.

This client value *promise* is effective because it's based on the universal principle that financial success is never a function of what's out of our control. Success is always the result of making good fundamental choices in order to be financially successful in any market, economic, political, or world-event climate. Not everyone went bankrupt during the great depression and many who did rebounded. The market recovered after the economic crisis of 2008 – 2009, right? Other than those people who actually lost their jobs, for all the anxiety and stress experienced during that period, if one had simply ignored the noise and stuck to their plan, it was uneventful. During progressively longer lifetimes, humans live through many market, economic, political, and world-event ups and downs. Some of these events are enormous, like world wars, genocides, and massive global economic crises. Yet no external event is the determining factor of financial success or failure. The determining factor was, is today, and will always be the personal choices made before, during, and after these events. Smart advisors and clients don't try to predict future events. They prepare strong financial foundations and build robust personal economies that position them to move through negative events without catastrophic consequences. They choose to always be in the game to enjoy the benefits of a world that is growing and improving.

The day-to-day ride is sometimes bumpy, but the trajectory of our world overall is consistently up. Cable news and political posturing is not an accurate depiction of everything that's happening in the world. It's just the worst events with the most negative spin possible because that's what boosts ratings, sells advertising, and gets votes. The most rewarding aspect of our business is when we help people make better choices at some of the most crucial moments in their lives and world history. We help them develop the financial habits that put them in a position to weather any storm in the nation or the world. We help them ignore all the distractions and stay focused on building their own, strong personal economic foundation and enjoy life. You are so much more valuable when you help people develop a **plan**, give them good **advice** based on the plan, and hold them **accountable** to implement the advice, especially when that's emotionally difficult. That's why managing money is being delegated to machines. Machines can manage money, but they can't lead people. It's much more important to lead clients to make good choices. Your future in this business depends on your skill and confidence to do that.

“The most successful firms will be those companies and firms that embrace outsourcing and technology to achieve scale in servicing and advising clients, focus on goals-based planning while keeping in mind a client's aversion to loss of assets, and remains close to the client by discovering the right mix of technology-based and in-person communications. Advisors should consider outsourcing some - or all - aspects of investment management for their clients. Money management is time-consuming; it keeps advisers riveted to their computer screens instead of engaging with their clients.” – Jeff Cerulli; Cerulli & Associates

The “Advisor as Portfolio Manager” value proposition, based on trying to predict and beat the market, is a dying approach. You can try to hang on to it if you like, but the truly comprehensive, values and goals-based, full-service financial professionals are much more likely to retain their best clients and win new clients from advisors who are slow to adapt to the new world. Perhaps some old dogs will take solace that a few stock brokers survived the last seismic industry shift to professionally managed money, but who really wants to hang their hat on that rationale?

Focusing on creating the best client experience and delivering truly GREAT planning and advice drives higher production and referrals. Higher production and referrals drives retention. Nothing succeeds like success. Being a truly better planner giving truly better advice puts advisors in a position to “rescue” clients from the production-focused, asset-gathering advisor, which is still the majority of the industry. Let’s not soft-peddle the objective. You want your existing clients to consolidate ALL of their business with you, effectively firing ALL of their other advisors / institutions. Your goal is to give your clients ZERO reason to interact with ANY other financial advisor or financial institution. Every time your client interacts with another financial advisor or institution that relationship is at risk. Your *future* clients are people with money who are currently doing business with other advisors and institutions. In order to motivate them to change, you have to have the *people* skills to engage them in a positive and compelling way, hire you, and then fire their other advisors and institutions. This is your job. Instead of mass marketing where you HOPE

to show up when the “money is in motion,” you have the power to move people who were NOT in motion... until they met you. If you are a leader of a financial services business today, your job is to train a cadre of advisors who have the people skills and the technical resources to make that happen. Seize the day!

True, comprehensive, values- and goals-based financial planning has always been a good idea, but now it’s becoming the only practical option to succeed in a Fiduciary Standard world, as well as to successfully compete with the best human advisors, the next generation of AI advisors, and the big financial institutions that can give away money management as a “loss leader.”

But, if everyone finally jumps on the financial planning bandwagon, how will we differentiate ourselves? By actually being GREAT at it.

MoneyGuidedPro’s mantra is, “Everyone deserves a QUALITY financial plan.” They say it this way because they see hundreds of thousands of plans and what’s often missing is the *quality*. Financial planning software isn’t supposed to be a sales tool. It’s supposed to be the foundation for delivering maximum value for the clients. And because money follows value, advisors who do *real* financial planning also do more business. Will you choose to be GREAT?

“More than rich, more than famous, more than even being happy... I wanted to be *great*.” – Bruce Springsteen

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Bill Bachrach's thinking, writing, speaking, and training have made him one of the most popular resources in the world for Financial Advisors who seek to build high-trust client relationships, master client acquisition, and emulate the success habits of the Top Advisors. His books are industry best-sellers and his articles appear in the most prestigious financial services publications around the world. For more information or to book Bill now, call Anne Bachrach at 619-255-4888 or visit [www.billbachrach.com](http://www.billbachrach.com)