



Volatility Talk

How to communicate with clients during a down market

It's been said the stock market goes up like an escalator and down like an elevator. Markets don't obviously move in a straight line. Unfortunately, some clients feel when the market is rising and they are making money, you are just doing your job. When the markets fall, some may blame you. In addition to handholding your clients through this period, you must also keep the prospecting pipeline full.

Here are two logical ways to start the conversation with a prospect. When one comes in for a meeting, say something like this: "In these difficult markets we try to do performance reviews with each client at least quarterly. When was the last time you had a quarterly performance review with your advisor?"

Now, you have established a standard, and asked the prospect to apply the standard to their current advisor.

Here's another strategy. Say something like "I'm a financial advisor at [firm]. You probably work with a financial advisor already." Pause and wait for the person to reply. The answer is probably "yes." Continue with this: "If your advisor has been there for you, returns calls, and keeps in touch, these days, that's probably about as good as it gets." Pause again, waiting for an answer. If they say, "yes!" and tell you great things about their advisor, congratulate them. If they disagree, say: "In that case, there may be room for improvement." Suggest getting together and talking.

In the second example you have once again applied a standard. All things considered, it's a pretty low hurdle! If their advisor isn't providing a minimum level of communication, that client needs help.

CONVERSATIONS WITH CURRENT CLIENTS

Portfolio reviews are an excellent strategy. Clients want to know where they started, where they are now, and how their investments are doing. It's tempting to review



statistics and analytics until their eyes glaze over. Keep it simple. They can drill down or read more if they choose.

Some clients feel they are being punished. "I didn't do anything wrong. I left my investments alone. Why is this happening to me?" This is the time to let them know they didn't cause this problem, but they can be part of the solution. You need some good, timely ideas to suggest. Once they get interested, explain you like everything they currently own. You don't want to sell or swap anything. These ideas require fresh money. See what they say. Conceptually they know they should be buying on declines.

So where does prospecting fit in? Try asking these questions.

"Who do you know that doesn't get reviews like this one?" Another way of saying

it might be: "Who hasn't heard from their advisor lately?" Then mention that you would be interested in talking with them.

Or you could ask a more specific question such as, "Who do you know that uses professional money management and is dissatisfied with the relationship with their advisor?" Mention that you would be interested in talking with them, too.

In the conventional prospecting example and the portfolio review, you aren't coming across as predatory, seeking to profit from a difficult market environment. You are looking for people who aren't getting the attention they need and establishing yourself as the alternative. **■**

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