

Practice Development Series

Module 9: The Value of Advice / Activity 4 – Advisor – Client Communications Framework

Aligned with the PFA™ Designation Program

Activity 9.4 - Advisor - Client Communications Framework



Introduction

The 1970s and 1980s AT&T slogan, 'Reach out and touch someone,' aimed to convince consumers that long-distance calls delivered an emotional impact that mailed letters couldn't match. For today's advisors, the telephone carries similar overtones of humanity – although a more fitting slogan might be, 'Reach out and hold onto your clients'.

This quote is from the Pershing BNY Mellon article included in the required readings for Practice Development Module 9: The Second Annual Study of Advisory Success: A new age of client communications and client expectations (p. 10. Retrieved on 24 May 2020 from: <https://www.pershing.com/perspectives/the-second-annual-study-of-advisory-success>)

What are *your* reasons for contacting your clients? During market downturns is an obvious reason as it demonstrates that you are tuned into market activity and its impact on your clients. However, surprisingly Pershing BNY Mellon found that it appears 'most advisor outreach is instigated by negative news and usually happens over the phone' (p. 10). What are the other reasons you reach out to your clients?



Activity

Using the Communications Matrix (on page 3) and the guidance provided in Michael Kitces' blog post: '*Crafting a Communications Matrix to Refine Client Investment Communications for Stronger Relationships*', review your marketing and communications activities from the last 12 months. Write a short description (including the reason) of each of your touchpoints in the most appropriate box in the matrix shown below. Include in your description the channel of communication used (email, phone, in person, virtual meeting, social media, text message, etc.) As you populate the matrix, you will begin to see if you rely more on one type or channel than others.

In *Practice Development Module 9 – The Value of Advice*, we suggested that you keep in mind Pershing BNY Mellon's (*The Second Annual Study of Advisory Success*) six tips for communications success as you work through your Communications Strategy. For easy reference, we've included them here again:

1. **See yourself the way your clients do**, particularly online. This means taking the time to discover your own online presence through searches, and then refining that presence to be more effective.
2. **Reach out with the good news too**. When you communicate with clients for a range of reasons, your outreach in times of declining markets or other negative news will seem less reactionary and forced. Relationships require tending and regular contact.
3. **Capitalize on social media**. There are a number of zero or low-cost platforms that can provide you with an efficient tool for listening (research and market commentary), distribution, and engagement (interactions with clients). If you haven't started investigating these tools, this is the year to get going.
4. **Don't kill yourself by trying to create original content**. Part of your professionalism is your ability to discern whether information has value. Curate content smartly and enjoy benefits that are similar to those you might acquire by writing things yourself.
5. **Don't overextend**. Make sure you can reasonably maintain any social properties you create. A few dynamic connections to clients are better than multiple stale properties.
6. **Figure out how your clients prefer to be engaged** and communicate accordingly. Have you asked them yet? Now is the time.



Client Communications Matrix¹

Audience	Cadence:	Scheduled Touchpoints	Ad Hoc Touchpoints
	Broadcast one to <i>many</i> communications	Bringing value to your clients	Bringing value to your clients
		Soliciting business	Soliciting business
	Narrowcast one to <i>one</i> communications	Bringing value to your clients	Bringing value to your clients
Soliciting business		Soliciting business	

¹ This matrix was adapted from the Advisor – Client Communications Framework from YCharts retrieved on 8 June 2020 and found here: [https://go.ycharts.com/hubfs/Communications Framework from YCharts \(blank\).pdf](https://go.ycharts.com/hubfs/Communications_Framework_from_YCharts_(blank).pdf)



Terminology used in this Activity:

There are essentially two different types of client touchpoints. Those in which the advisor brings value to the client and those in which the advisor solicits business from clients and prospective clients. The messaging can take two forms: **broadcast**, where you connect with many clients and / or prospective clients (one-to-many) and **narrowcast** (personal) where you connect one-to-one with your clients or prospective clients.

Bringing Value to your Clients: These are encounters between an advisor and client(s) where the advisor's sole motivation is to provide value to the client (e.g., an informational blog, some recommended articles, or even a happy birthday text).

Soliciting Business for the Advisor: These are encounters between an advisor and client(s) where the advisor's motivations include their own interests, though hopefully mutually beneficial (e.g., soliciting referrals, proposing new investments to increase wallet share, or pitching a prospect to open an account).

