ALTIUS
LEARNING

THE EASIEST ASSETS TO ACQUIRE

The easiest assets a financial advisor will ever acquire are those assets that existing clients have at another firm. The hardest part of the acquisition process is establishing a relationship of trust with an affluent prospect to the point they become a client. Once a relationship of trust is built between the advisor and the client, bringing in assets that the client holds elsewhere is just a matter of following a 4-step process. I have found that this process always works, and in most instances, will account for at least 50% of the new assets an advisor will bring in every year. I am confident that if an experienced advisor follows these instructions they can bring at least $6million a year as a result.

Step 1 – Discovery

The most important step is discovering where the client's assets are. During a client review (which is best done in person), part of the review process should include a discussion on "Asset Allocation." The advisor should say to the client:

> *"Mr./Ms. Client, if I am doing my job correctly, my relationship with you should go beyond just advising you on the assets you have at our firm. As you know, asset allocation is a core part of our wealth management process, and I am comfortable that the assets that you have with me are properly allocated. However, I need to have an idea of how the assets you have with me relate to the asset allocation that you have at other places. It gives me the perspective and context that enables me to do the best possible job I can for you. Let's take a minute and allow me to build out your balance sheet, with your help, so that it includes all of your investable assets and how they are allocated."*

Some advisors have reported that, "my clients won't provide me with that information- they are private about their assets that aren't with me." I tell those advisors not to make that assumption without going through the recommended process. For example, I was had a coaching client that raised that objection, but because I insisted, he followed the asset allocation script with his top 60 clients. He came back to me 90 days later and shared that 57 of the 60 clients provided him with all the information about their away assets, and he discovered over $100 million in assets. By capturing those assets, he went on to have the biggest asset year of his 30-year career.

Step 2 – Master Asset Track Worksheet

The next step is to transfer the discovery information onto the Master Asset Tracker Worksheet. You can set up a spreadsheet, or simply use a yellow legal tablet with each core affluent client listed. Next to their name list their assets and where they are held. As the assets are brought in, those assets held away should be subtracted with a current balance of the assets held away by each client. The objective over time is to transfer all of those investable assets held away to your practice.

I recommend that you review the Master Asset Tracker Worksheet every day. As you are making your monthly client calls, make appropriate suggestions to transfer a portion of the assets held away to you. Suggestions could include a particular good investment idea, the ability to reduce fees by bringing more assets, bonds maturing, and IRA rollover opportunities.

You only have to transfer an average of $25,000 a day to equal $6 million in a year. By setting up and referring to the Master Asset Tracker Worksheet daily - $25,000 in daily assets are a reasonable goal. It surprises me that so few advisors actually keep track of assets held away, especially when advisors provide a financial plan for their clients.

Step 3 – Assume Ownership

If the client is not willing to move all the assets to one advisor, you can suggest that s/he appoints a coordinator for the portfolio, and then volunteer to be that coordinator. From that point on you should talk with your client frequently about their entire portfolio, including the assets you don't manage, and give them advice that includes when to move portions of the away assets to you. These discussions should include their retirement assets even if they can't be transferred right away.

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Step 4 - Positioning

During the discovery process the advisor needs to suggest that it's in the best interest of the client to have all of their assets with one trusted advisor. The following language could be used to start that conversation:

> *"I would also like to encourage you, as you feel comfortable, to consider consolidating all of your assets with me, so I can include everything in our wealth management process and simplify your financial life"*

Annual Update

Think of the annual update like an annual physical with your physician. The first question a physician always asks is, "What's changed?" During the annual review, when you come to "assets away" your question needs to be, "What's changed?"

During the annual review update the asset away tracking sheet for any new assets that your core affluent clients have gained since the initial baseline was established. New assets will come into your clients' lives every year through inheritances, land and business transactions, bonuses, IRA rollovers, job changes, divorces, loss of spouse life insurance. If the Master Asset Tracker is not updated annually – millions of assets can come into your client's lives without you realizing it.

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