



The Challenge of Acquisition of New Affluent Clients and Assets

The acquisition of new affluent clients, and their assets, has always been the biggest challenge for financial advisors and the largest determinant of their success. The most significant insight that I have gained in my 35 years in the business is that this challenge does not come from a lack of understanding regarding which acquisition strategy to implement – it's the actual implementation of the known and proven strategies that causes such confusion, and unfortunately, less than stellar results. Even though countless training sessions have been conducted and a myriad of books and articles written on how to implement these strategies, most advisors still find the acquisition of new clients to be an uphill battle.

For example, every advisor understands that getting referrals is one of the most effective and proven acquisition strategies. There is a tremendous body of knowledge available about how to generate client referrals. Yet 90% of financial advisors do not have a consistent, proactive client referral strategy.

Drivers of Implementation

There are five factors that must come together to transition from “knowing what to do” to putting the right plans into action. Without the combination of these factors, the bridge between “knowing” and “doing” cannot be achieved.

- 1. Motivation** - the advisor must be motivated to consistently implement the proven acquisition strategies
- 2. Training** - the advisor must be trained on how to implement acquisition strategies
- 3. Coaching** - the advisor will require expert help on overcoming the inevitable challenges of execution for at least the first 90 days of implementation
- 4. Accountability** - the advisor needs to be evaluated on his/her accountability to results versus goals set, at least monthly
- 5. Sustainability** - implementation must be sustained on a consistent basis beyond the coaching phase

There are some advisors that are capable of successful acquisition utilizing only their own motivation and sustainability, but for the vast majority all five factors must be employed in order to have consistently good acquisition results.

Validation

Our firm has coached over 100 financial advisors over the years. In most cases those advisors that we have worked with for 12 months or more have acquired at least 5 to 10 new affluent relationships annually and some have acquired between 10 and 20. Additionally, a very high percentage has consistently acquired at least \$10 million in new acquired assets. As a result of our coaching experience we can say with confidence that if the acquisition strategies are implemented on a continued basis an advisor can expect to acquire 5 - 10 new affluent clients and a minimum of \$10 million of new acquired assets.