



Trusted by Advisors Chosen by Families

Providing independent administrative trustee services to our clients all across this great nation.

How to Attract and Retain High Net Worth Clients

Years ago it was possible to sign new clients with one meeting. Today in the post-Madoff environment, prospective clients question both the integrity of their advisors and the markets. A prospective client needs to learn all about you and your qualifications before they decide to work with you. They take the time to visit your website and research your firm and any entities with which you may be affiliated like your broker-dealer, custodian or clearing firm. They need to be convinced that you are the right advisor for them.

Attracting High Net Worth (HNW) clients can be more challenging. The key is convincing them that you and your firm have the in-depth expertise and experience necessary to solve the problems that they may face.

It is a simple fact: you cannot be everything to everyone. Most advisors understand the need to differentiate themselves from competitors, but unfortunately they don't know where to start. This paper addresses how to highlight your unique qualifications to your prospective HNW clients.

Choose An Area of Expertise

Clients want specialists, not generalists. By focusing on a niche you make it easier for prospective clients to see why they should work with you. For example if you were to have a brain tumor you would not go to a family doctor, you would seek out a neurologist. HNW clients especially believe that they are unique and they want to know that they are understood. When you specialize in working with HNW clients, rightfully they will want assurance that you have the necessary skills to help solve their unique problems.

The first step is to ask yourself, "What do I do exceptionally well?" This is not an easy exercise. One way to answer this question is with the help of your current clients. Look at your client base and identify your "A" clients, the clients you enjoy working with the most or who have the most investable assets...or both.

Next identify the traits that members of this group have in common. For example you may find that your best clients all came to you from another advisor who may not have communicated well with them, or because they were recently widowed or divorced, or because of your expertise and experience with trusts or with a particular investment type such as alternative investments.

If you are unable to narrow it down, do not be afraid to ask your clients, "During our last meeting you said that you really appreciate our relationship. Could you tell me what I've helped you with that's mattered the most to you?" When you are able to nail down why these individuals are your "best" clients then you have identified your niche. Typically you will enjoy working with these clients because their needs and interests match your area of expertise and comfort zone.

If your client base is not large enough to help you assess your perceived niche it may make sense to look at the primary issues that generally affect HNW clients, the market you want.

The top four issues that HNW clients face, based on industry research and interviews with both HNW investors and the advisors that serve them, are:



1. Taking Care of Family:

HNW investors want to make sure their family is cared for - including their spouse, children, parents, and even in-laws. This means more than just making sure their estate plan is up to date and funded properly. It means creating relationships with their heirs and preparing them for the responsibilities and challenges associated with inheriting wealth. A great way to make sure that the client's wishes are followed is with a Trust.

2. Preserving and Protecting Wealth:

Most HNW clients are much more concerned with preserving wealth than they are with creating more of it. The idea is to communicate to them about the ways you will manage their risk and protect their wealth to give them and their family peace of mind.

3. Tax Mitigation:

According to the study, "Cultivating Middle Class Millionaires": mitigating income taxes is a concern for more than 90% of people with between \$1-\$3 million in net worth and is a concern for 75% of the respondents with between \$3 -10 million. Those in the higher net-worth range seem to be concerned more about mitigating estate and capital gains taxes than reducing current income taxes. You should formulate plans that address that issue by offering sophisticated estate planning concepts and trusts as part of the solution.

4. Need for a True Partner:

HNW investors value time as their most precious asset. They are looking for you to become a true partner to help them reach their goals and give them time back by eliminating their worry about managing and protecting their wealth.

Differentiate yourself from the competition by establishing yourself and your firm as a specialist in solving problems for HNW individuals. Create an effective message by focusing on clients' needs showing them that your expertise on "X" helps them solve their problem "Y."

It is vital that you do not try and solve everyone's problems. You should focus on being the most knowledgeable expert on one or maybe two very specific issues of interest for your ideal clients. If you decide to help clients preserve their wealth while passing it to future generations then you should showcase your expertise in Trusts and Estates.

You can do this by writing articles on how Trusts can be used to safeguard a client's children from creditors, in some instances even divorcing spouses, or how to set up a Trust that will last more than 300 years and avoid estate taxes and grow for multiple generations.

You should be certain to design your all communications and marketing messages to highlight your area of expertise so that you will be positioned to attract and retain HNW clients.