

THE FUTURE MICRO-SKILLS OF FINANCIAL ADVISERS

Deeper, Richer, Enduring Value

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Understand my Bias – Our Advisory Community



Why here?

Why are you attending this session?

(mark all statements you agree with)

- I own a firm where majority of fees are for advice only
- I'm not an owner and majority of our revenue is for advice only
- I'm starting/re-starting and keen to learn about trends
- Majority of our revenue is fixed retainer fees
- I'm just interested in this topic



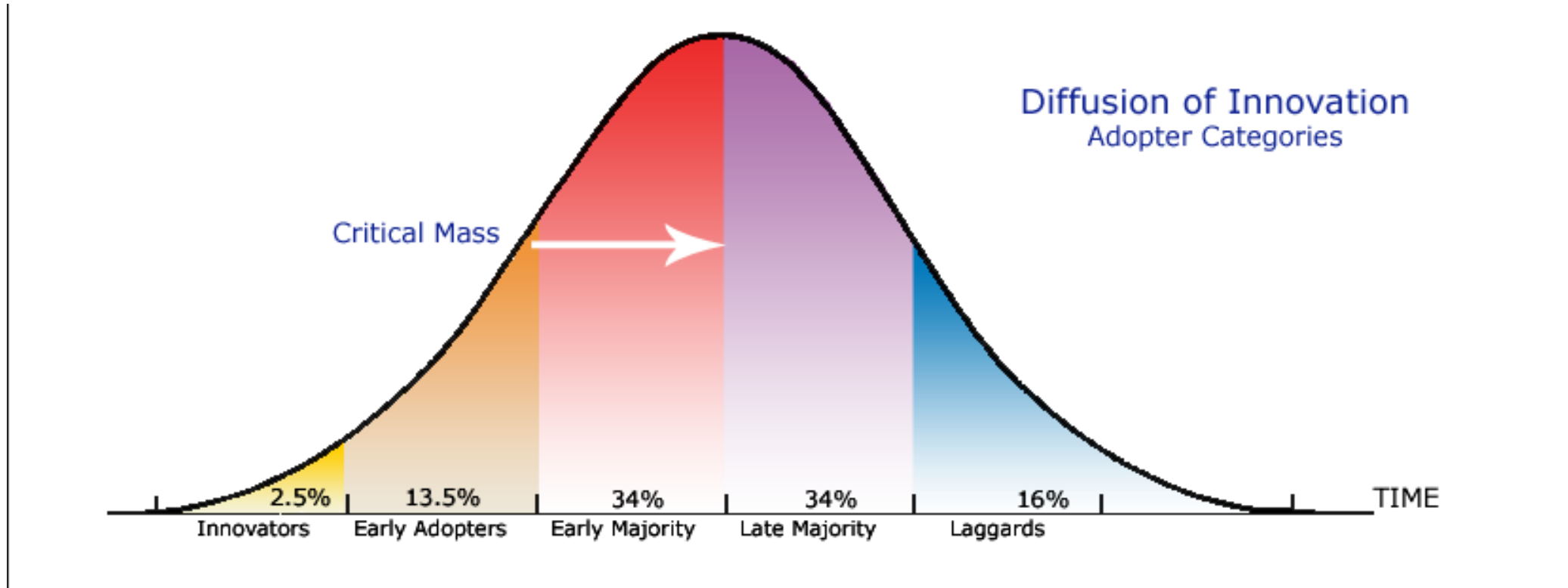


Agenda!

1. Beliefs, Frameworks, Skills...
2. Four Advisory Micro-Skills
3. Your Implementation Steps

New Product/Approach Adoption Cycle

“Diffusion of Innovations” by Everett M. Rogers

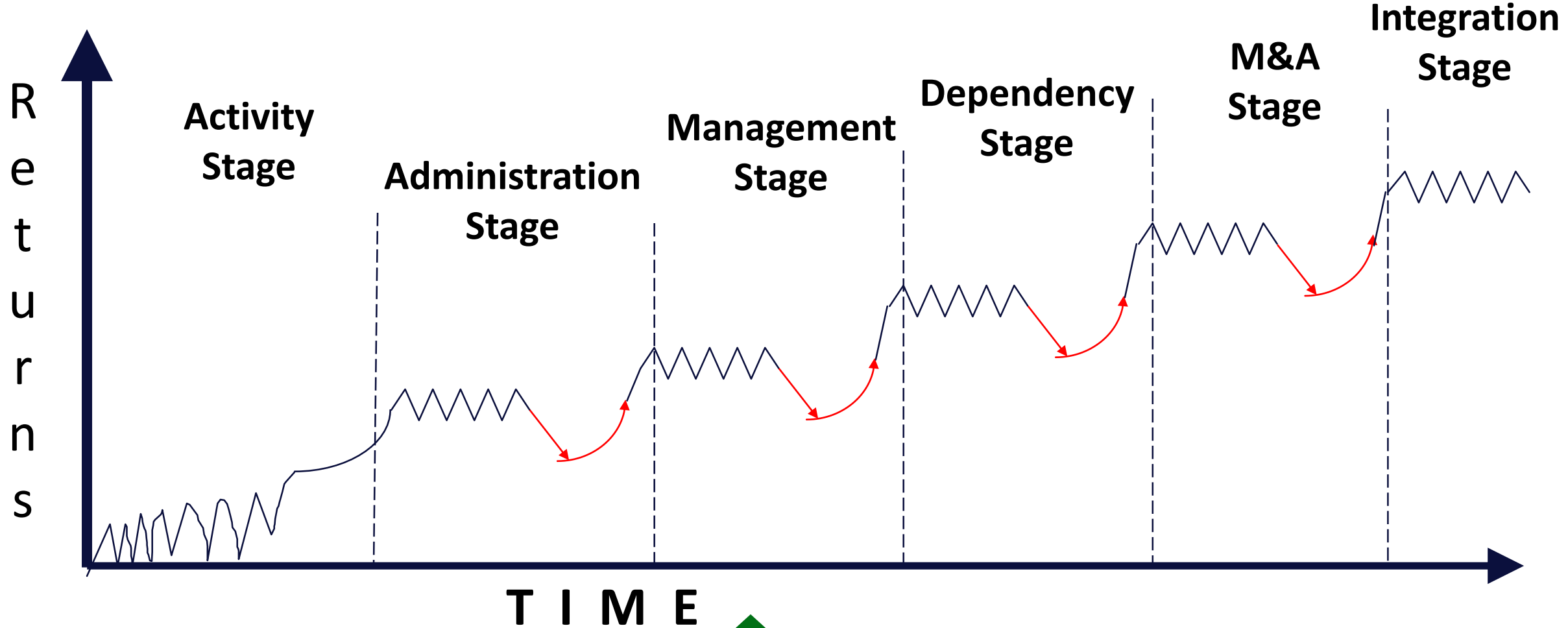




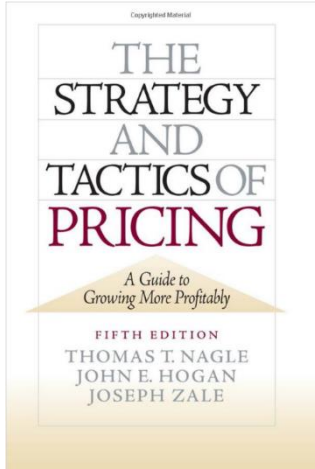
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How Advice Firms Grow

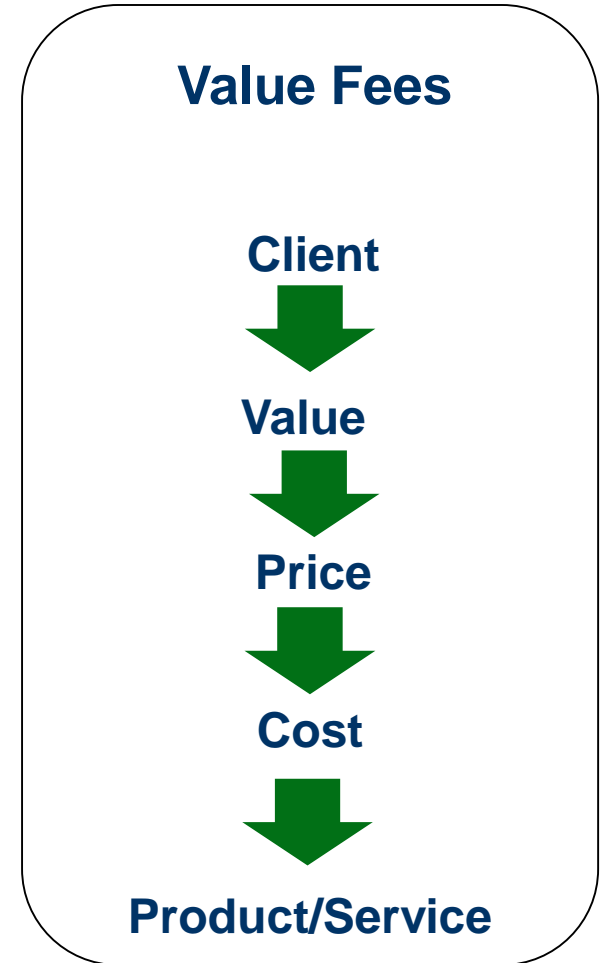
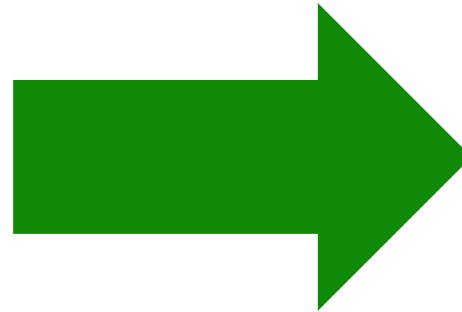
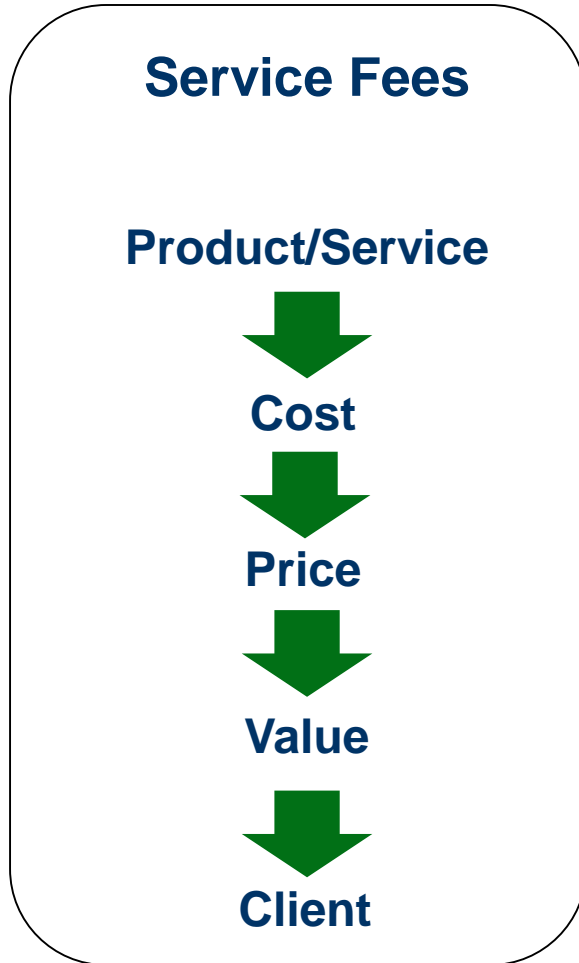
Wobble Theory



Traditional Fees v Value Fees

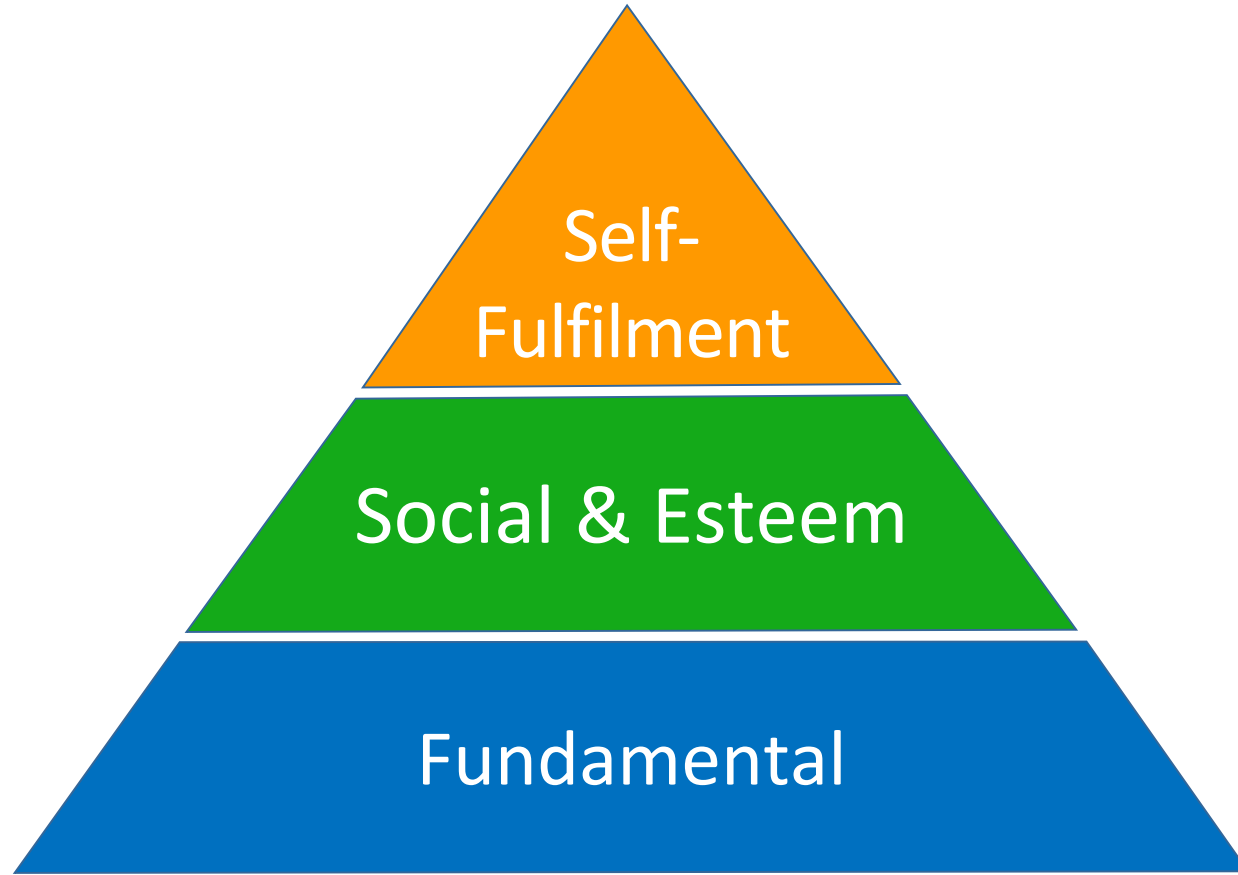


© *The Strategy and Tactics of Pricing* –Thomas T Nagle & John E Hogan (Pearson Education – New Jersey) 2006



Defining Value

Maslow's Hierarchy of Needs



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Value Propositions

The Value Pyramid™

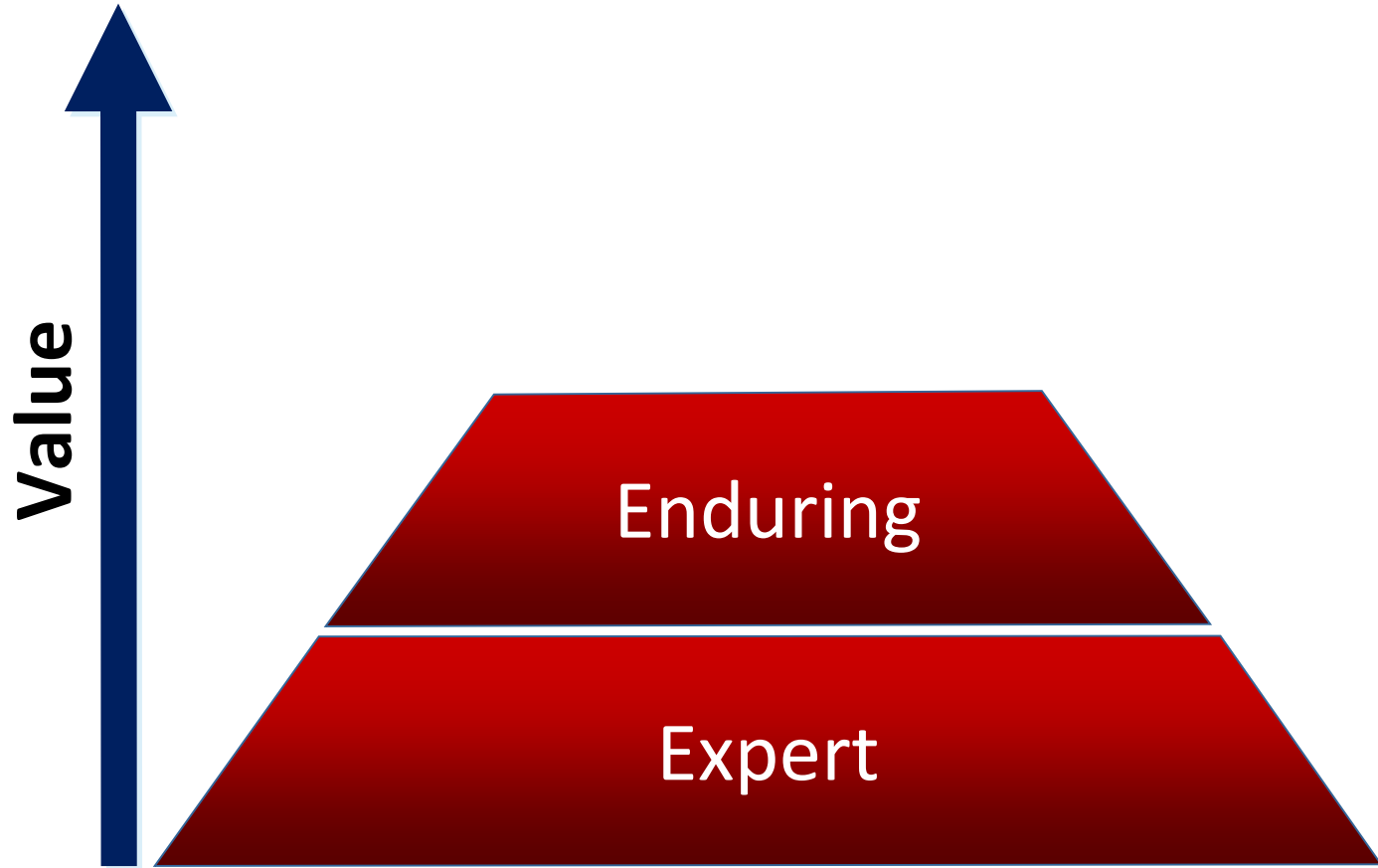


Expert
Value

Value Propositions

The Value Pyramid™

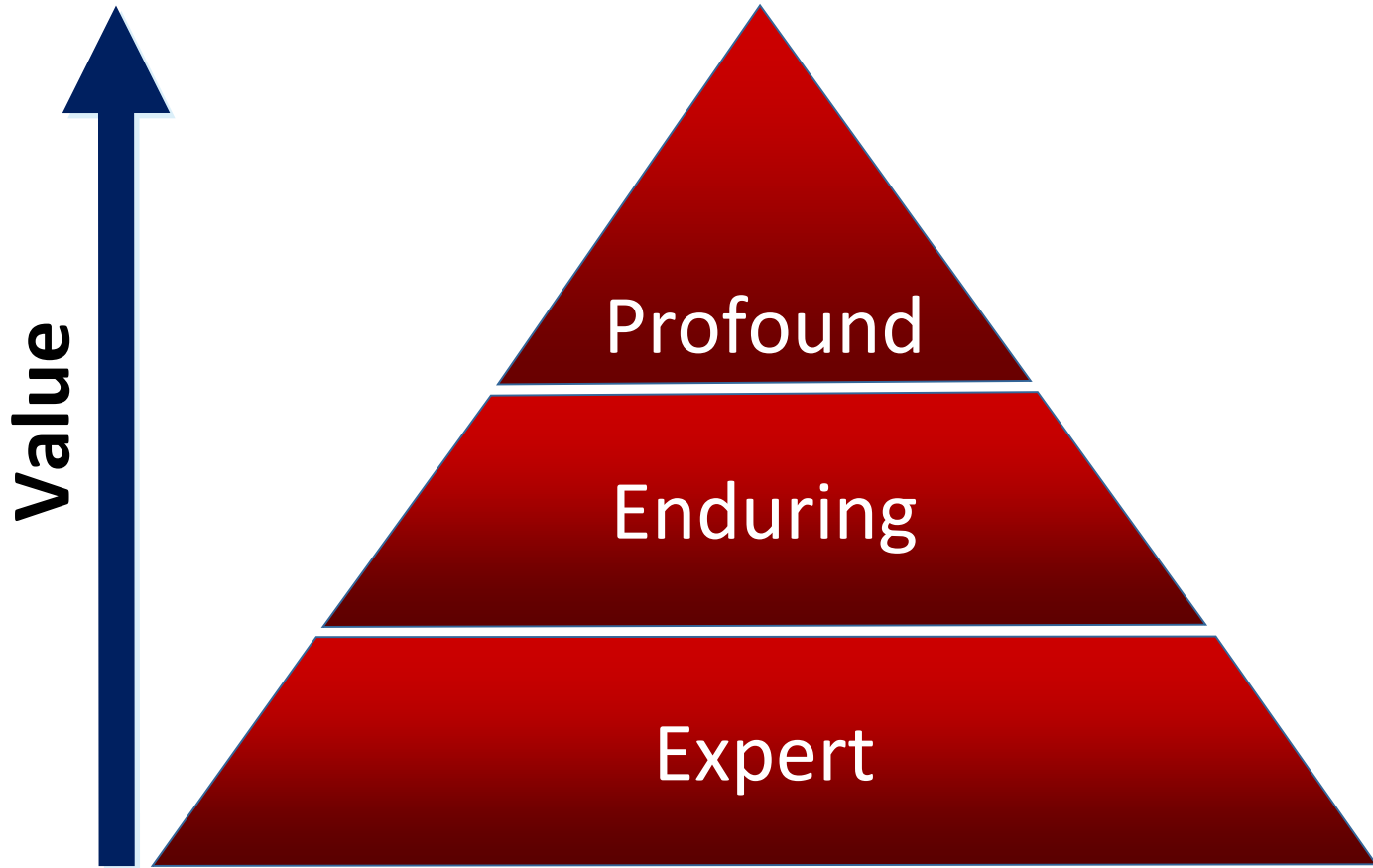
Enduring Value



Value Propositions

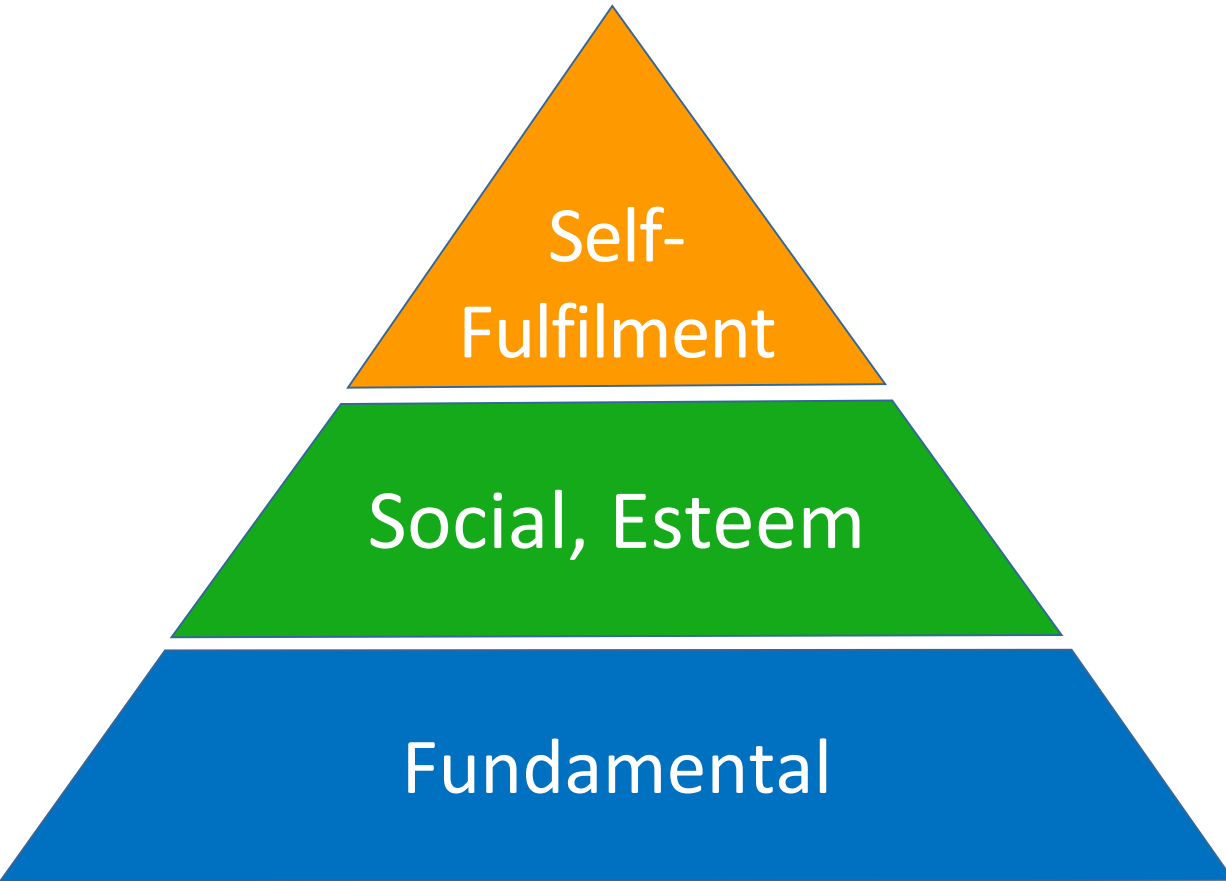
The Value Pyramid™

Profound Value



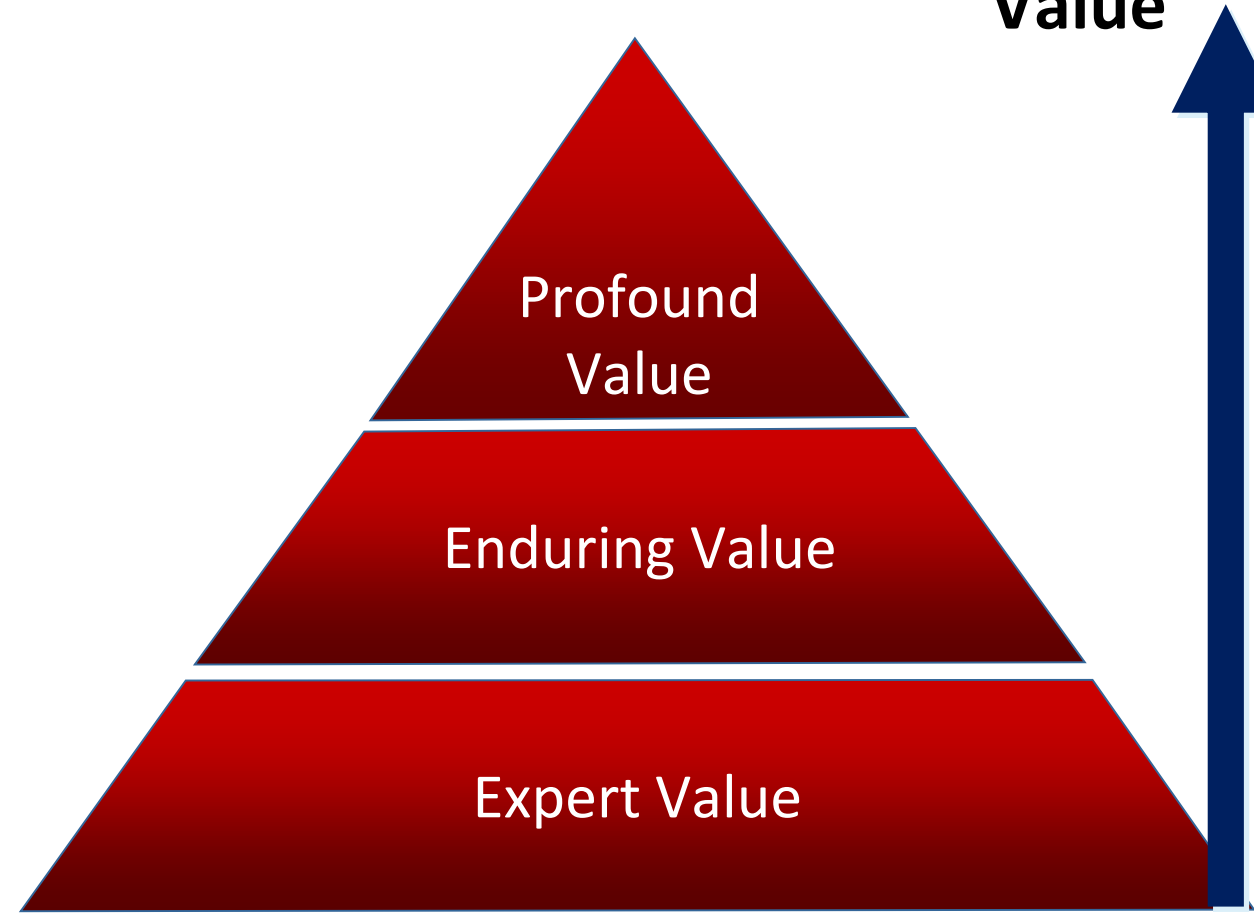
Which “value” is your focus?

Maslow's Hierarchy of Needs

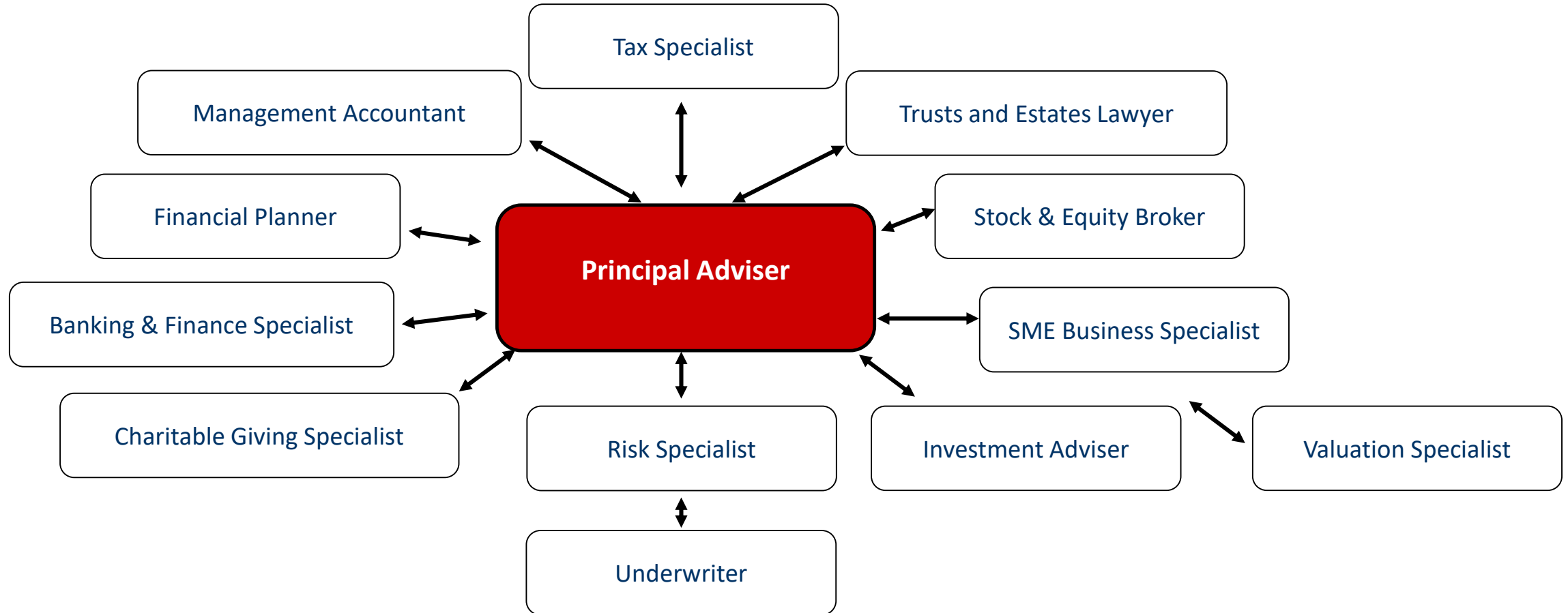


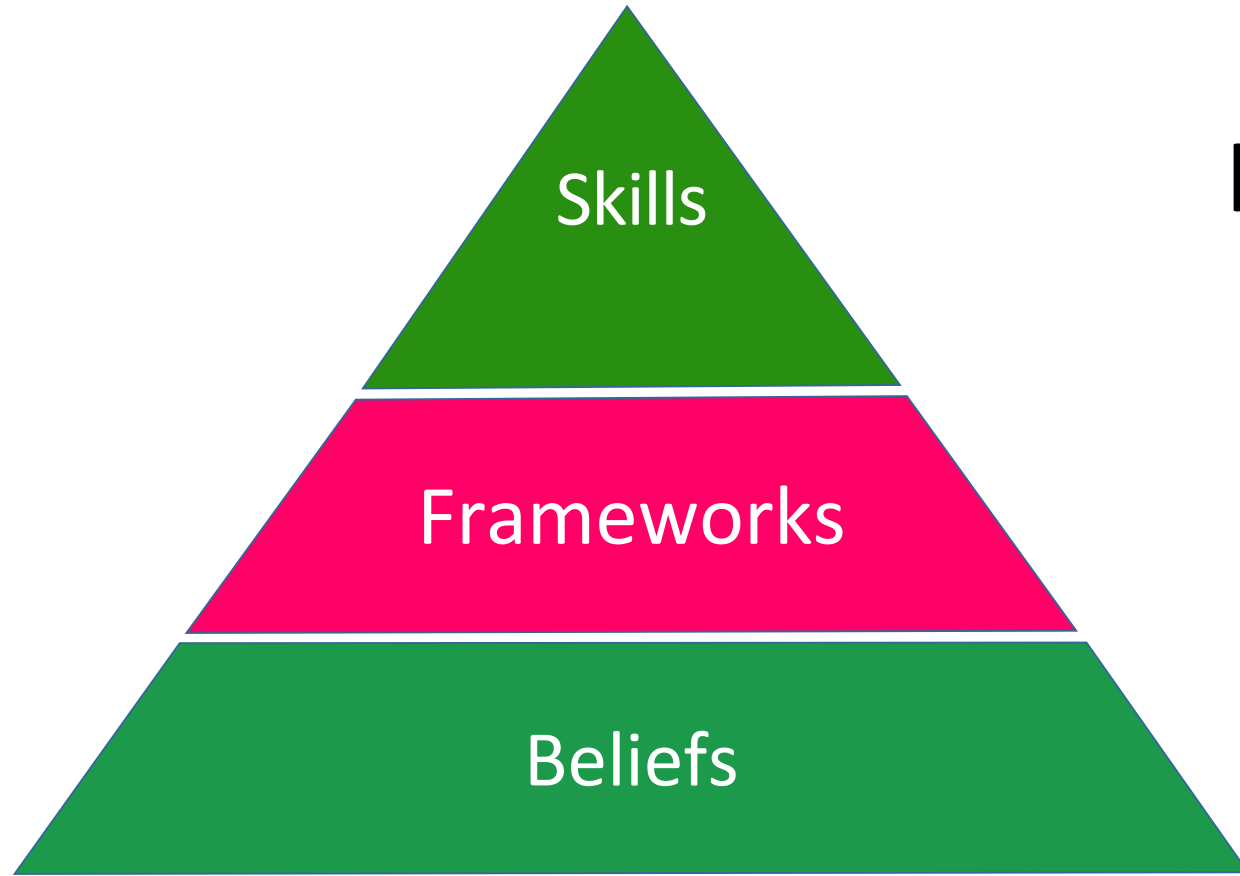
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Value



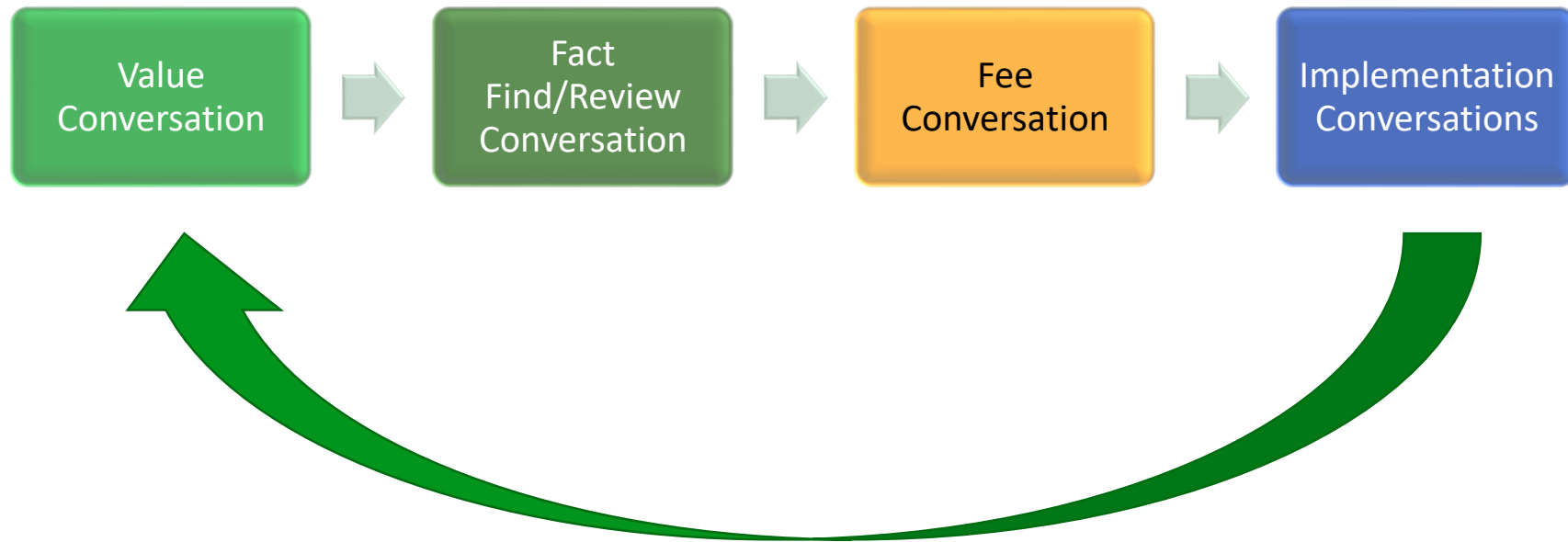
PRINCIPAL ADVICE Certainty Advice® Model





Hierarchy of Change

Annual Flow of Advice Conversations

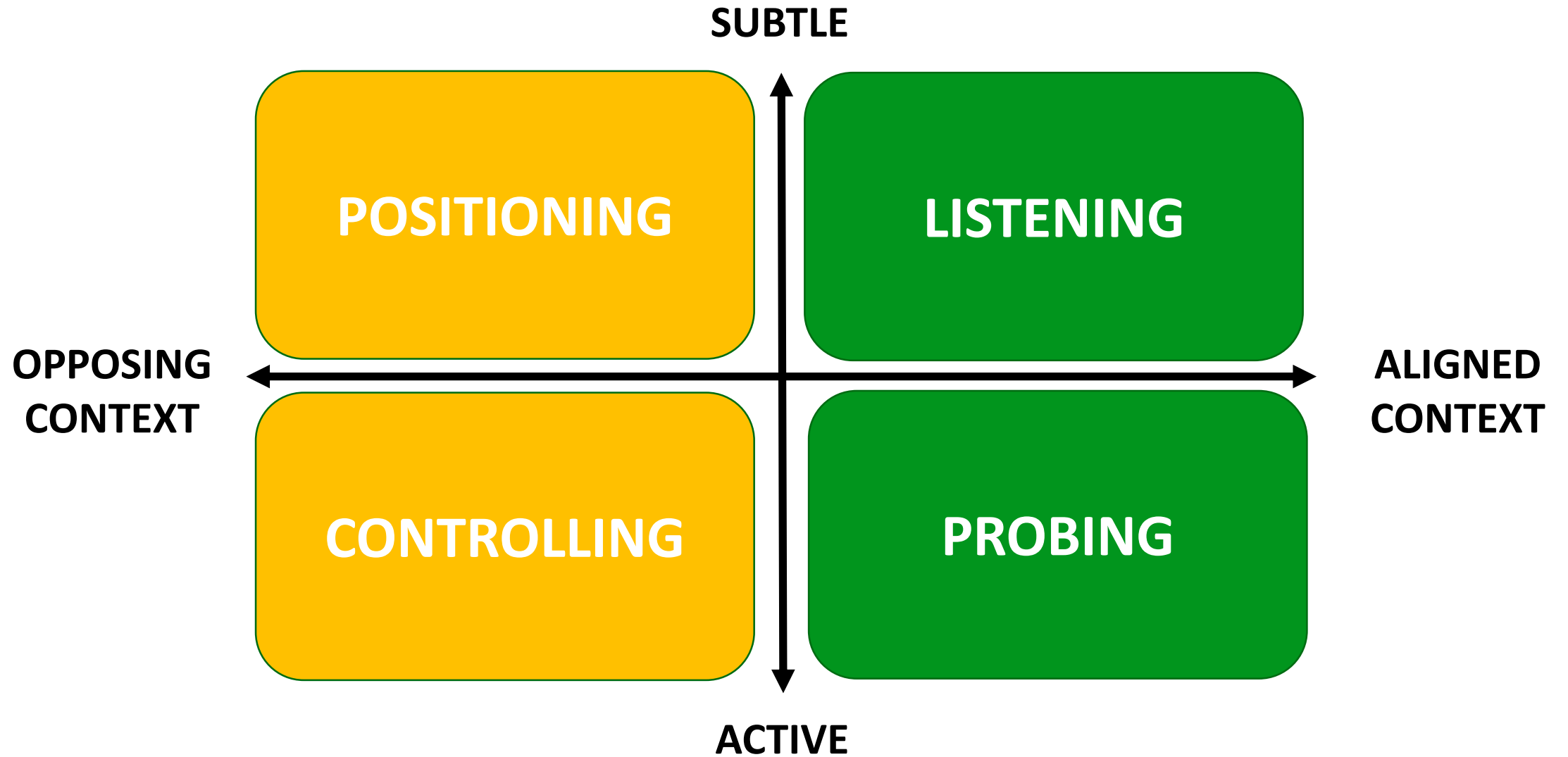




Agenda!

1. Beliefs, Frameworks, Skills...
- 2. Four Advisory Micro-Skills**
3. Your Implementation Steps

Value Conversations Skills Grid™



Value Conversations Skills Grid™

POSITIONING



This is our most valuable conversation every year – that’s why...

- We ask for you both to come together to this meeting
- We ask for the opportunity to hear from you both individually to ensure we understand the value you individually and collectively seek from our work together
- We record these meetings as we can’t afford to miss anything discussed
- We aim to have two of us present at these meetings

Value Conversations Skills Grid™

POSITIONING



OUR ROLE: Our role is to maximise the probability of you achieving the most in your financial lives:

- We do this by ensuring you are on the best possible forward path every year
- Therefore we ask questions you may not be expecting and as we don't want to make too many assumptions, we will re-ask these questions every year
- Your forward path is unique to you, therefore there are no right answers to our questions – sometimes your responses might be just first thoughts or best guesses – that's OK

Value Conversations Skills Grid™

POSITIONING



PROCESS:

- **Client's Pressing Issues:**
 - Do you have a specific pressing issue you would like to discuss?
 - We promise to discuss that issue before you leave
- **Individual & Collective Approach:**
 - It's important for us to understand the individual as well as your collective needs – we have initial conversations individually and find it best to begin with whoever is less involved currently with the financial management in your family

Value Conversations Skills Grid™

LISTENING



FUNDAMENTAL VALUE LISTENING:

- Listen and note generic aspirations but do not probe as generics are a 'given' (e.g. "retirement", "continue lifestyle")
- Listen and note 'means' (e.g. SMSF, Investment Property) but do not probe as they are not 'ends'
- Listen and note aspirations currently being met, but do not probe as they are treated as a 'given'
- Listen and probe unmet aspirations that require money or planning or advice (e.g. travel, renovations/upgrades, support for others especially family)
- The 85%/15% rule...

Value Conversations Skills Grid™

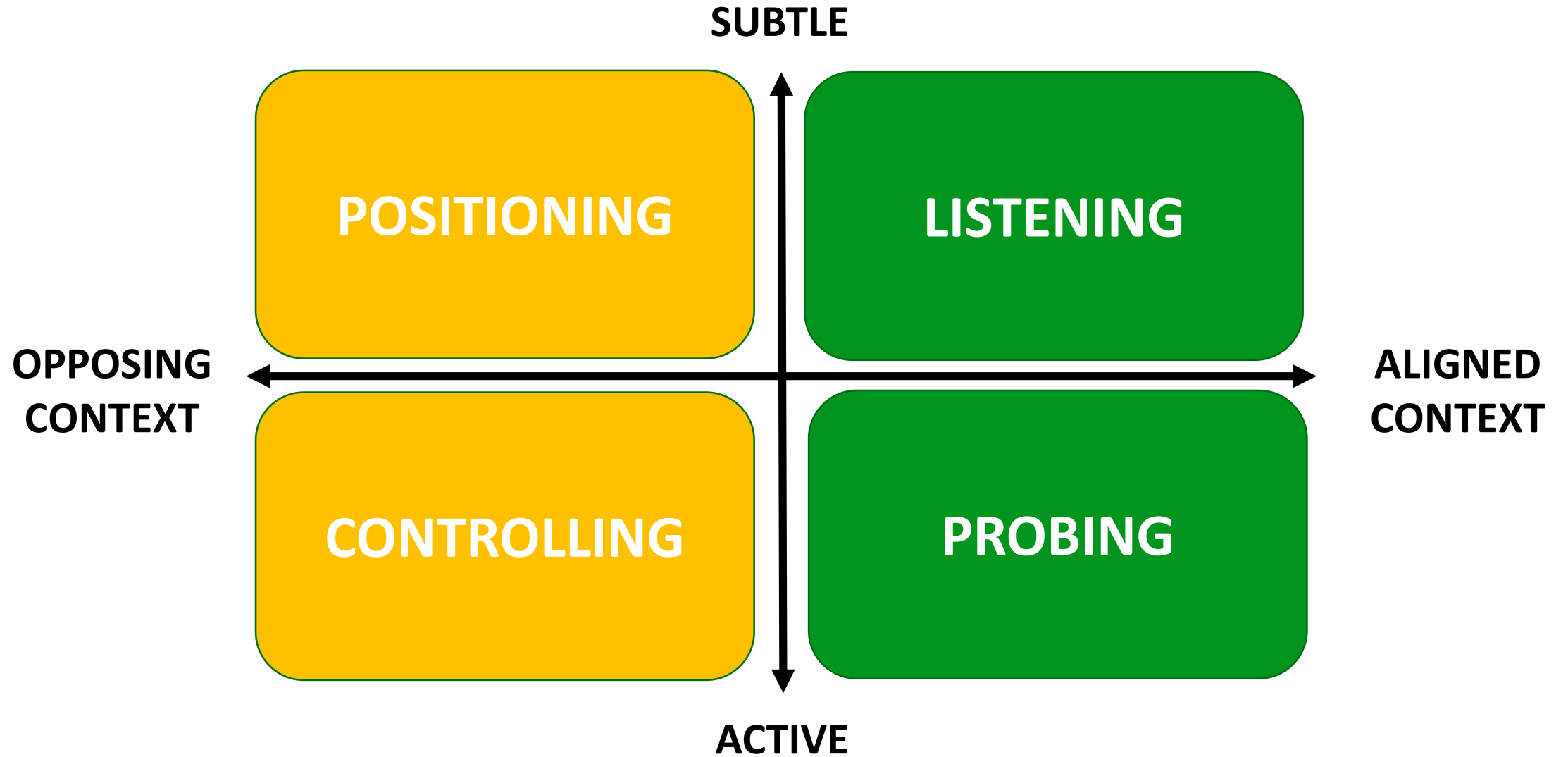
LISTENING



COMPLEXITY VALUE LISTENING:

- Listening beyond words - tone and body language
- Listen and note varying objectives between partners
- Listen, observe and note for instance:
 - Stress
 - Busy lifestyles
 - Impatience
 - Dominating & controlling behaviours
 - Need for perfect and/or detailed solutions
 - Financial phobias

Value Conversations Skills Grid™



Value Conversations Skills Grid™

PROBING

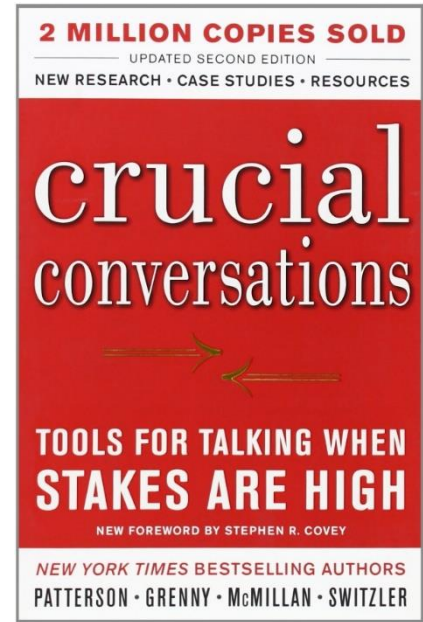
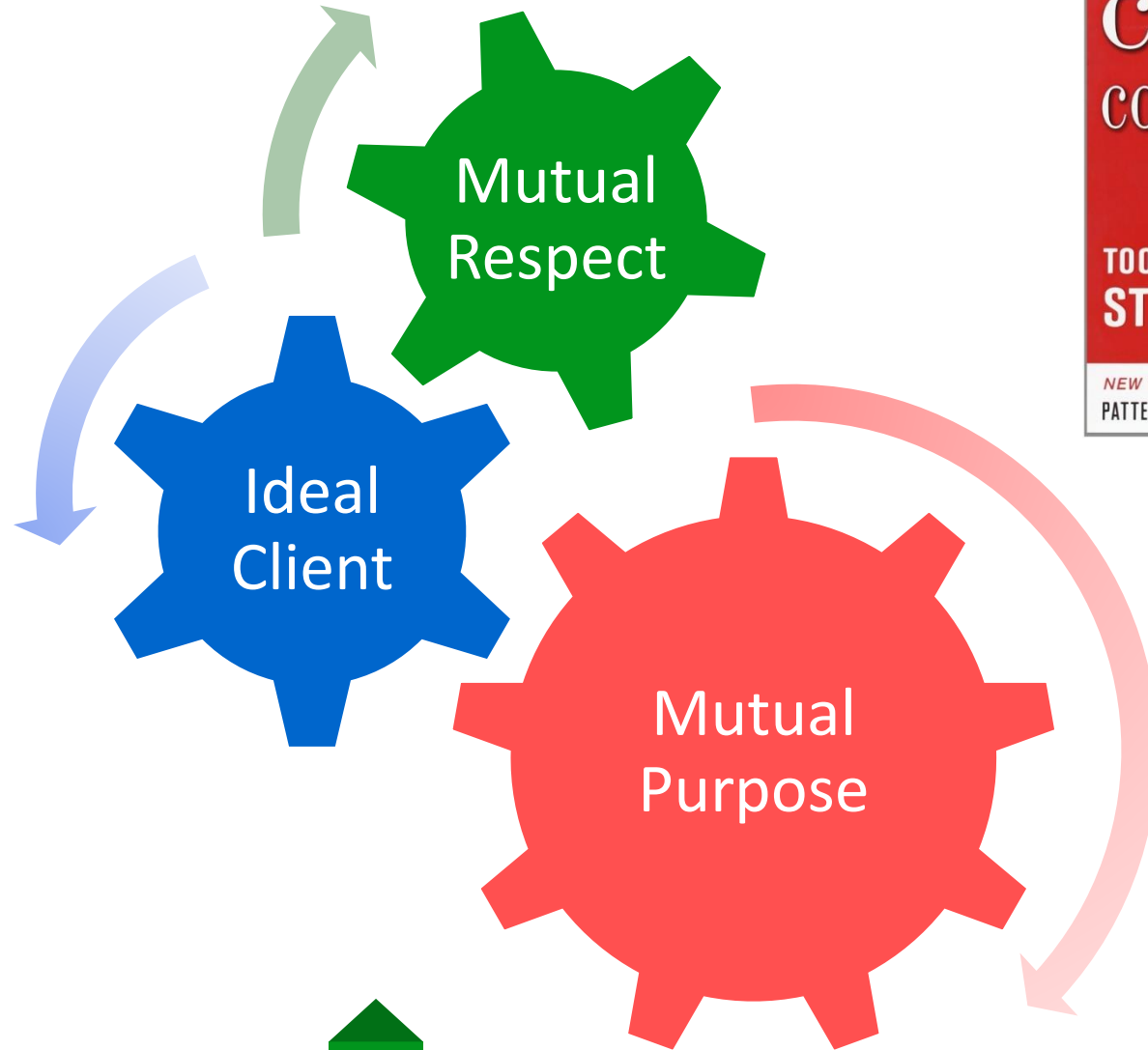


PROBING:

- Probe respectfully but deliberately for the unique and specific detail of client's unmet aspirations
 - That <aspiration> can mean different things to different people, tell us more what it specifically means for you?
- Long term aspirations i.e. 'best guesses' should never be ignored as 'too far off for now'
- Once specifics of unmet aspirations are shared, probe for anything apart from money, or anyone that might be hindering or blocking each specific desired achievement
- Once blockages are discussed for each specific aspiration, probe for significance of each achievement

Value Conversations Skills Grid™

CONTROLLING

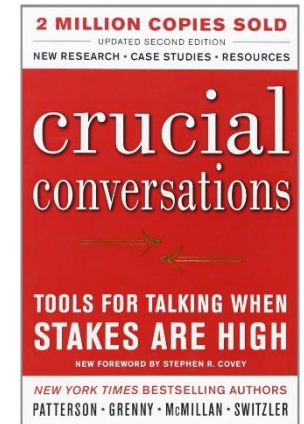


Value Conversations Skills Grid™

CONTROLLING

Mutual Purpose

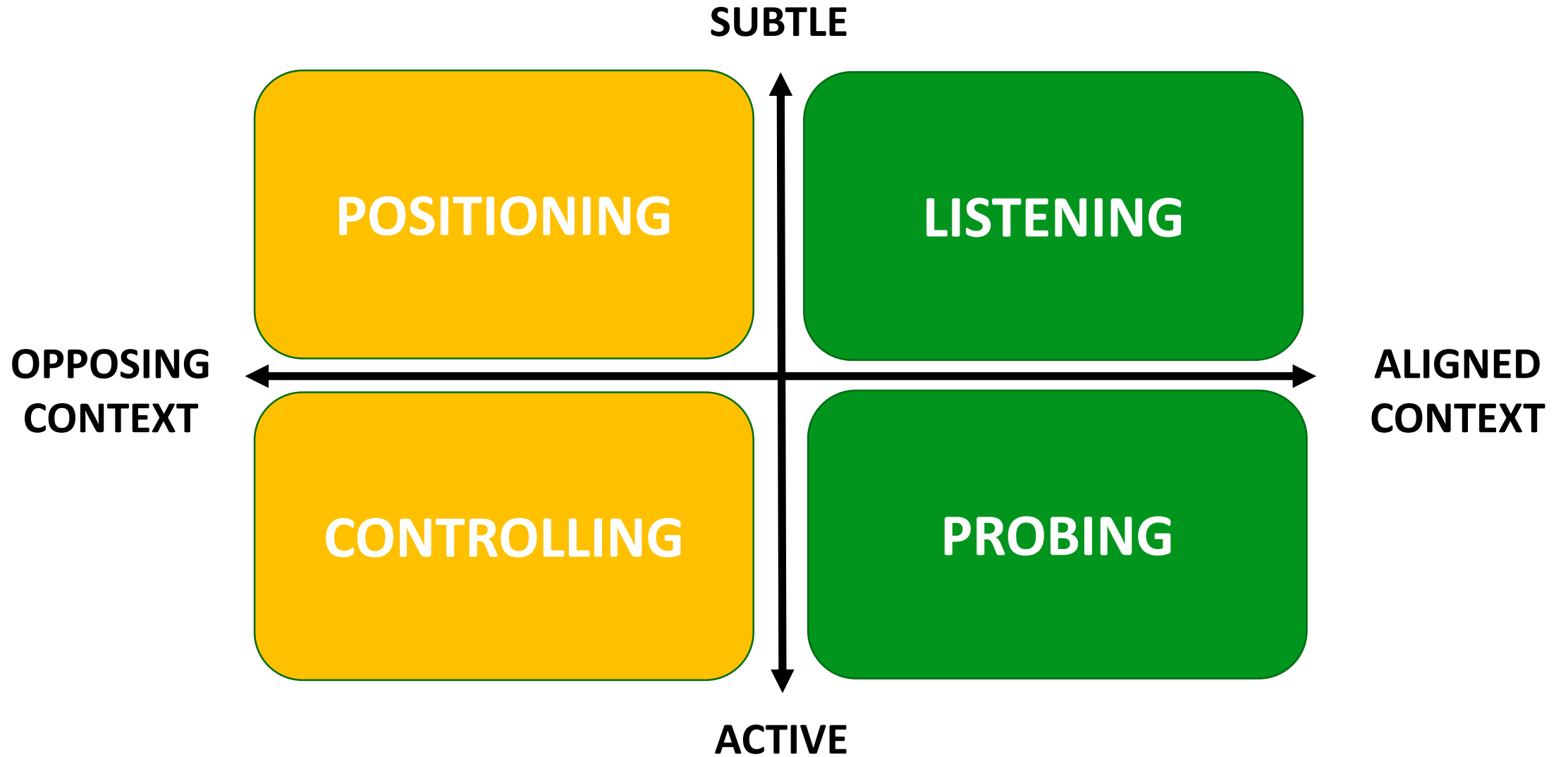
The perception that all in a conversation are working toward a common outcome in the conversation



Building Mutual Purpose

1. **Step out of the content of the conversation** – e.g. *“Can we change gears for a minute?”*
2. **Address issues or misunderstandings that you have a conflicting agenda** – e.g. *“I don’t want you to think we’re asking irrelevant questions”*
3. **Clarify your purpose** – e.g. *“I want to ensure that our work together is based upon a common understanding of what you most value”*

Value Conversations Skills Grid™



Building Value Conversations Skills

Adviser: So, Ellie, what are the fundamental needs of your financial life?

Client: Goodness, that's a hard question. Gee, let me think, ummm...I don't know where to start... I just want a comfortable lifestyle. That's not unsurprising is it? Just sort of financial security. I don't want to chase money to be super wealthy. I just want a comfortable lifestyle. I mean enough to keep pay my school fees, and my kids can do stuff that's important without saying, oh no, we can't afford to do that, you know? That sort of stuff yeah.

Adviser: Yeah, Okay. To do whatever you want to do then?



WRONG!

Building Value Conversations Skills

Adviser:

So, Ellie, what are the fundamental needs of your financial life?

Client:

Goodness, that's a hard question. Gee, let me think, ummm...I don't know where to start.. I just want a comfortable lifestyle. That's not unsurprising is it? Just sort of financial security. I don't want to chase money to be super wealthy. I just want a comfortable lifestyle. I mean enough to pay my school fees, and my kids can do stuff that's important without saying, oh no, we can't afford to do that, you know? That sort of stuff yeah.

Adviser:



Thanks, Ellie. Let's assume through our work together, we could ensure you maintain a comfortable lifestyle with financial security, enough to continue to pay school fees. Assuming that, could you tell us more about helping your kids do the important stuff?

Building Value Conversations Skills

Adviser: Pete, let's assume through our work together these outcomes are being met. That is, we've renovated your home, it now has the pool with deck, new BBQ area with larger garage and granny flat for your aging Dad. What's the significance of achieving this for you?

Client's Partner: (interrupting) I'll tell you what the importance of that is for him... He's always wanted his man cave with all this stuff in it. That's it, isn't it!? (husband smiles...)

Adviser: OK, I can understand that. So what other aspirations...

WRONG!

Building Value Conversations Skills

Adviser: Pete, let's assume through our work together these outcomes are being met. That is, we've renovated your home, it now has the pool with deck, new BBQ area with larger garage and granny flat for your aging Dad. What's the significance of achieving this for you?

Client's Partner: (interrupting) I'll tell you what the importance of that is for him... He's always wanted his man cave with all this stuff in it. That's it, isn't it!? (husband smiles...)

Adviser: Thanks Claire, I can understand the significance for you. Pete, regarding the **new pool, deck, granpa flat, garage**, is there any other particular significance for you?

Client: Yup, especially for Dad, **we owe him** so much for everything he's done for us both and now that he needs more help, **it's the least we can do.**



Common Mistakes

Building Value Conversations Skills

Adviser: John, apart from the travel and home renovations we've just spoken about, tell us about other aspirations for you that might require money, advice and planning to achieve.

Client: I just **want my investments to grow** as quickly as possible. I'm concerned about market valuations with everything going on. I guess, I've also a long held desire to **do something new** in my increasing spare time.

Adviser: **Tell me more about your concerns regarding your investments?**

WRONG!

Building Value Conversations Skills

Adviser: John, apart from the travel and home renovations we've just spoken about, tell us about other aspirations for you that might require money, advice and planning to achieve.

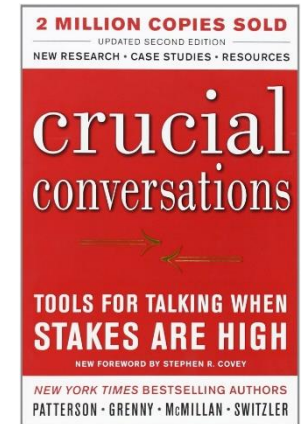
Client: I just want my investments to grow as quickly as possible. I'm concerned about market valuations with everything going on. I guess, I've also a long held desire to do something new in my increasing spare time.

Adviser: John, fundamental to our role is to make your investments grow as quickly as possible for your circumstances. It's our job to focus on the unpredictable markets to ensure we achieve as much as we can for you. You mentioned something very important there. Could you tell us a bit more about what this **'something new'** might look like for you?



Mutual Purpose

The perception that all in a conversation are working toward a common outcome in the conversation

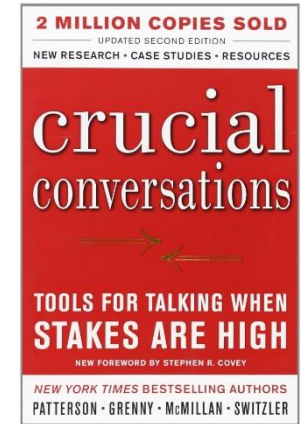


- Adviser: Jill, what are the fundamental needs of your financial life?
- Client: To get some returns from my investments. Everyone else seems to be making more money than me at present, which is largely due to the advice you've given me. That's fundamental to me at present [...awkward pause].
- Adviser: Jill, we had to do a lot of necessary re-structuring over last couple of years on your investments due to the winding up of Tony's company [husband died suddenly three years ago] which means short-term, we are in a re-building phase which we explained and agreed over time...
- Client: (Interrupting) You've been telling me that in every meeting. My son is as frustrated as I am with the returns I'm getting too. He works for an investment bank and believes we should be much better off by now.

Regaining Mutual Purpose

Mutual Purpose

The perception that all in a conversation are working toward a common outcome in the conversation



Jill: (Interrupting) You've been telling me that in every meeting. My son is as frustrated as I am with the returns I'm getting too. He works for an investment bank and believes we should be much better off by now.

Adviser: (1: Step out) Jill, I understand your frustration. Can we pause that conversation for a moment?

Adviser: (2. Address misunderstanding) Jill, everything to do with your financial life is important to us. We are well aware of your current investment returns. We also strongly believe these current returns do not alter our overall advice that you are still in the best position to achieve everything you have engaged us to achieve.

Adviser: (3. Re-establish purpose) At least once a year, we need to discuss your bigger objectives which represent why we are working together. That's the conversation we'd like to have now, before reviewing your current situation which will include, among other things, your investment returns.





Agenda!

1. Beliefs, Frameworks, Skills...
2. Four Advisory Micro-Skills
- 3. Your Implementation Steps**



Consistency



Belief



The future advice client...

Characteristic Of Ideal Advice Clients	Traditional Value	Future Value
1. They take advice	Event or Transactional	Behavioural
2. They are respectful	Personal	Team
3. They face complexity	Technical	Behavioural
4. We can add value	By WHAT we do	By WHY we do it
5. They can pay	Product or hourly-based	\$ Value Price
6. Aspirations	Fundamental	Self-Fulfilment

Our approach
isn't for
everyone...





You have to
turn up and do
the work...

“Doubled [the revenue]
my firm over last two
years”

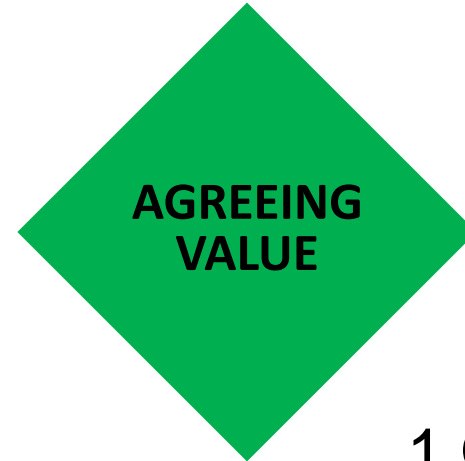


SCOTT FARMER
MANAGING DIRECTOR - BRAVIUM

Fast-tracking Skills...

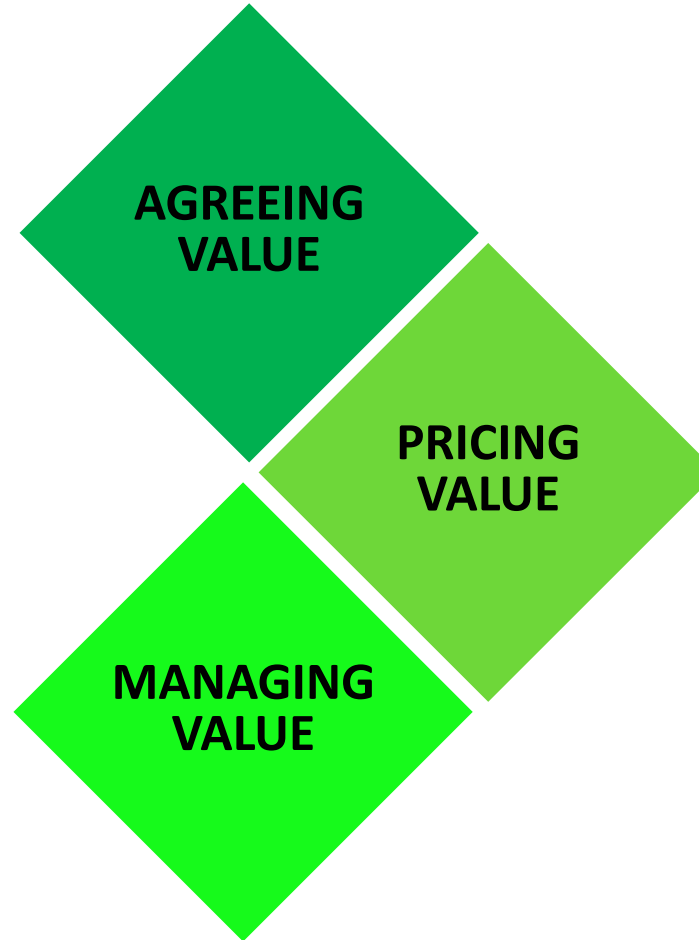
Stage One

(from \$790^{+gst}/month/adviser)



1. Quarterly Intensive Workshops
2. Weekly Community Sharing
3. Bi-Monthly Group Coaching
4. Curated e-Learning platform
5. Ad hoc support

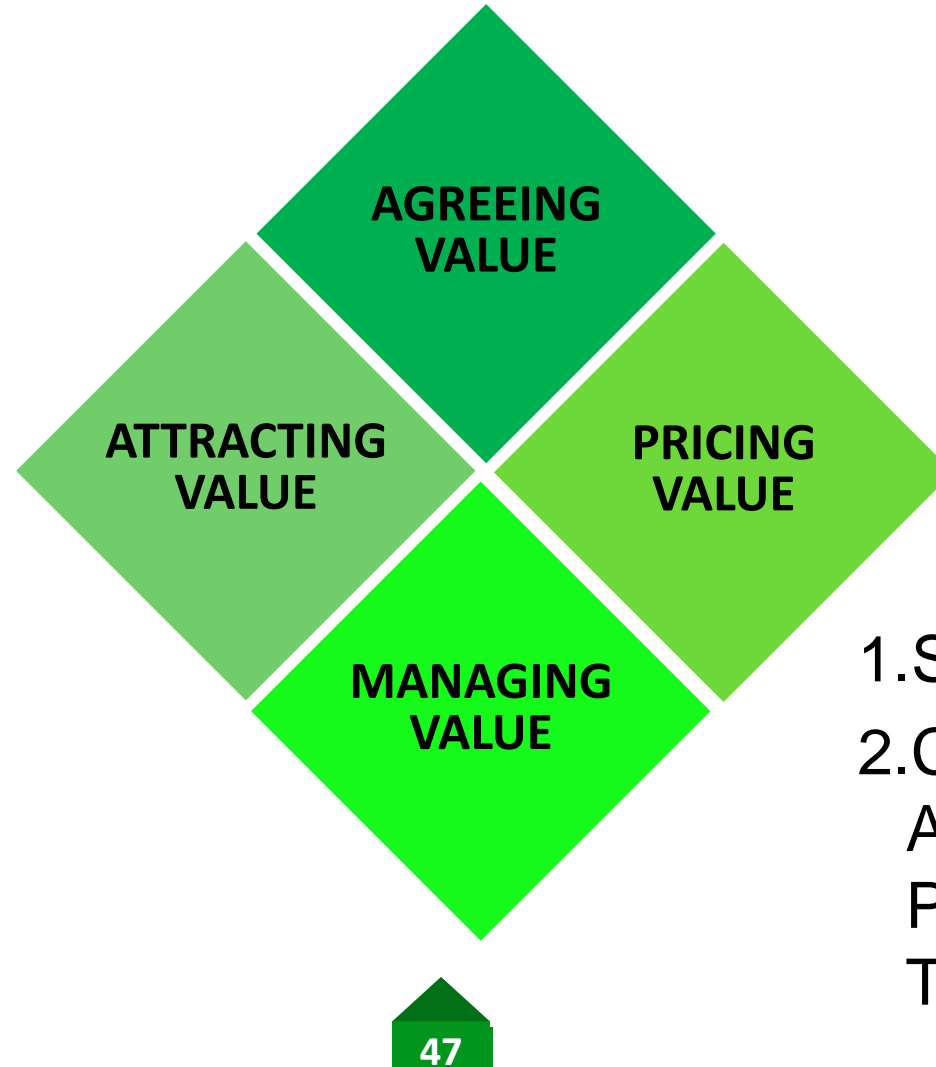
Stage Two



1. Stage One Deliverables plus
2. Bi-Monthly Drafting & Pricing of Live Engagement Documentation
3. Attendance of more Team Members

Stage Three

by invitation only



- 1. Stage Two Deliverables +
- 2. Certainty Adviser® Accreditation, Social Positioning & Certainty Tools

Your next step to greater opportunities?



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immediately after this
webinar...**

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- You want to know more, have unanswered questions, or explore specific issues,
- You want to leave a comment for this or future sessions.