Plan B: When there isn't a FIT

The concept of FIT is designed to ensure Advisors add only those clients who are appropriate, *and* who add value to their practice. In the process, we weed those potential clients out who are not a fit. So, when "Plan A" falls through because someone is NOT a Fit, it can be helpful to both you and the potential new client, if you've got "Plan B" waiting in the wings.

"Plan B" is a way you can assist the friend, neighbor or colleague introduced to you by one of your best clients – without taking ownership of the relationship. This means you won't have gone through the exercise of rightsizing just to end up in the same boat a few years down the line. Let's be clear here, you don't have the time (and likely the desire) to service lower-tier and less than ideal clients.

When is "Plan B" appropriate? Whenever there isn't a FIT – regardless of whether the lack of FIT comes from Attitude, Advocacy or Assets. If it isn't a FIT, it simply isn't a FIT[1].

What exactly is "Plan B"? "Plan B" will vary depending on the Advisor's unique situation. "Plan B" involves a couple of possible 'solutions' for helping "non-Fits" without servicing them yourself.

1. Introduce them to another Financial Advisor in the Office

This strategy involves finding an Advisor who is genuinely interested in and willing to accept the kinds of clients you aren't. This may be someone new to the business or office, perhaps an Advisor with less than five years of experience. Since 'new' Advisors are eager to create a client base and enthusiastic about servicing them, they'll likely get better service from this Advisor than you would ever be able to provide them – because you are (of course) too busy focusing on and servicing your top tier clients.

"In reviewing your situation Bob, we've determined that the comprehensive financial planning services and investment approaches we offer are not best suited to your situation. If you are open to it, I would like to introduce you to an Advisor in the office whose approach is better suited to your specific needs." [Optional] "Over the years I've been pleased to introduce many individuals to [Advisor]. He/She will be pleased to provide you with what you are looking for."

Of course, you'll want to be confident that the Advisor you are informally aligning yourself with is professional and competent in serving these clients.

2. Introduce them to the Call Center or Other Resource at the Firm

For Advisors who work with a firm which provides access to a centralized 'Client Service Call Center' specifically designed for smaller accounts, you may be able to refer clients to this alternate firm approach to account servicing. You may also have access to other types of firm representatives who can then handle these smaller, less complicated service needs.

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[1] The only exception might be a family member of one of your best clients.

Often, fee-based Advisors will position this as follows:

"It would be a pleasure to help you out Bob. One of my concerns, however, is that because we provide comprehensive financial planning services, you would be paying more to implement these straightforward strategies with us – than you otherwise would if dealing directly with one of our other qualified representatives. Based on that, I'm going to recommend you speak with [name of contact who represents the Call Centre or other appropriate representative] who will be pleased to assist you. They will give you what you are looking for in a more cost-effective way."

The great thing about this approach is that you are turning them down but doing so in a manner that says you are looking out for them. What do you think will happen when their situation evolves to a point where they do need comprehensive financial planning services and/or want to employ more complex investment strategies?

3. Introduce them to your Junior Advisor

Having a Junior Advisor or Associate Advisor on your team doesn't mean you should be accepting ALL clients and simply delegating all lower-tier clients to the Junior Advisor. We need to be sensitive to the time of the Junior Advisor as well. Recognize that they too have a finite capacity to serve clients.

You need to be clear on what the knock-out factors are for your practice – these are the criteria you establish that are essentially deal breakers, meaning <u>nobody</u> on your team will service them. Once a potential new client establishes, they haven't violated any knock-out factors, you may want to assign them to the Junior Advisor for servicing. Since the Junior Advisor is under the umbrella of your practice, it's easy to implement with proper positioning, which begins with your Introduction Kit. The best part: you share in the revenue of the new client without having to service them yourself.

Rule of thumb: Leverage your Junior Advisor wisely.

4. Fund Companies & Online Options

Sometimes the fees or costs associated with opening smaller accounts simply isn't worth it for the potential new client. This is where it's important to position yourself as a comprehensive financial planner. In this case, you can position 'rejection' in a way that will benefit the client and leave you looking like a professional with integrity.

*"You know, I'd really like to help you out Mr. Jones. This is something we **can** do, however, I'm afraid that the account fees and ongoing management costs associated with opening your accounts with me, simply isn't in your best interest. I'd rather see you do something more cost-effective and work directly with the fund company/online option. Let me get you some information on a couple of options that may be a good fit for you."*

This is the kind of positioning, that when Mr. Jones is ready for comprehensive financial planning (i.e., he has more money and is committed to a savings program) – he may think of you and return or refer someone to you that is a good FIT.

5. Banks

Even if you are not directly affiliated with a bank, there may be a time where someone is looking for something basic and readily available-such as a traditional bank. In this case, be forthright – as always – and tell them that. Direct them back to their own bank or credit union if possible. You might also want to have a few different high-level ideas you can offer to set them on the right path. The important thing again, is to make the recommendation by positioning what's in their best interest at the forefront, not yours.

"You know, I'd really like to help you out Mr. Jones. This is something we ***can*** *do, however, I'm afraid that the account fees and ongoing management costs associated with opening your accounts with me, simply isn't in your best interest. I'd rather see you do something more cost-effective and work directly with your main banking relationship. I usually recommend that you work directly with your own bank."*

Once you've reviewed the options above, decide which one(s) will work best for you, your practice, and the situation. Once you have your "Plan B" figured out, script it out and practice often. You want to be completely comfortable any time you are in a situation when there isn't a fit and you have to rely on "Plan B".

Finally, you need to remember if you take the time to meet with a potential client, you have fulfilled your commitment to your client to try to assist those they know and care about. We all know Advisors who have turned someone down during the fit process, who ultimately became advocates for them – because these people recognized and valued the honesty and integrity of the Advisor and their process.