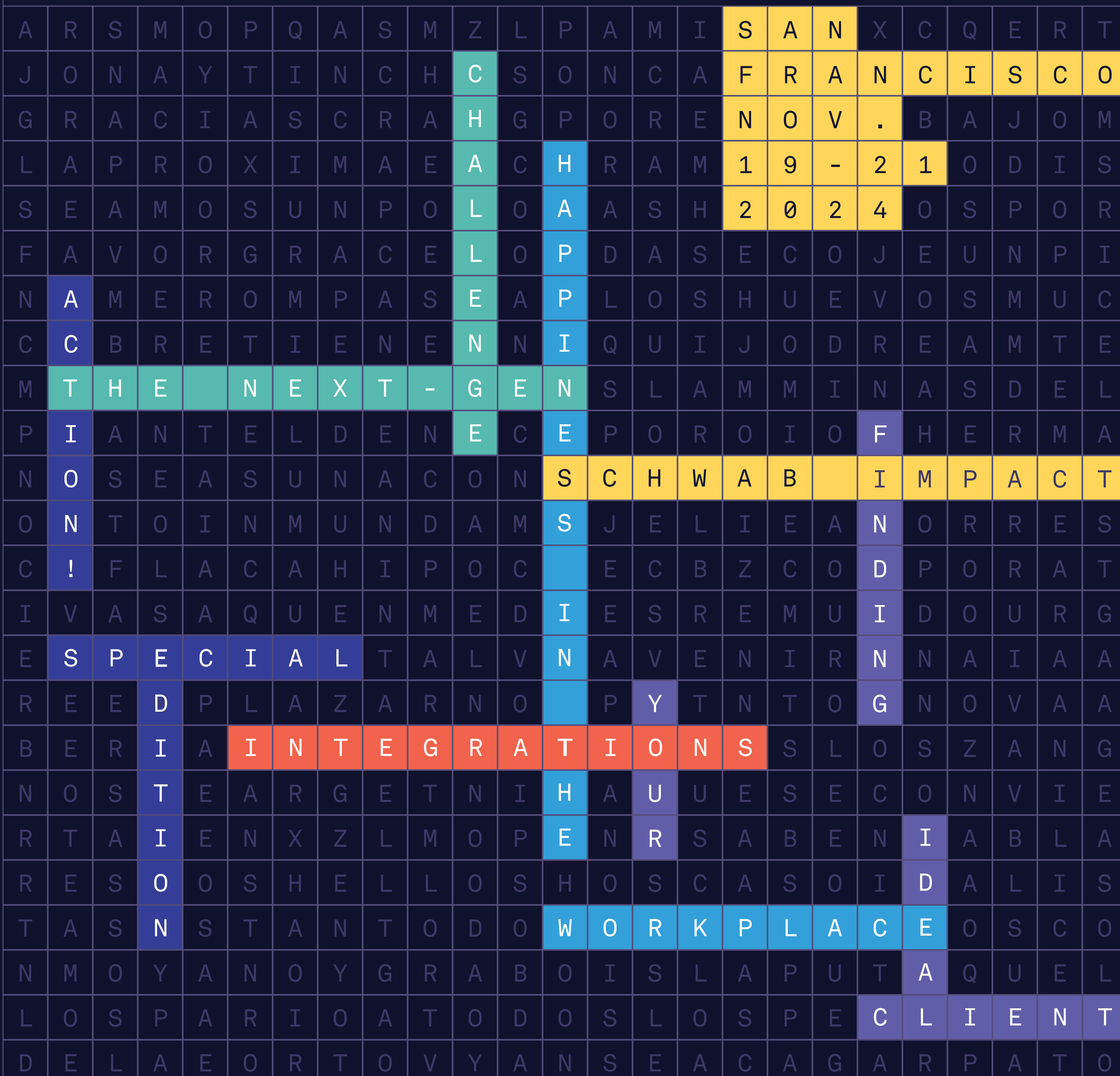
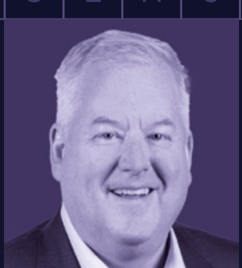
A! Action! Magazine

ACTIONABLE CONTENT FOR WEALTH MANAGEMENT LEADERS



Work culture

Allison Dooher: Technology and advisor growth



What's next

Ned Dane: Integrations that up your game

The Next-Gen challenge

RICH CANCRO

I was recently entrusted with overseeing the transition of a family member's retirement assets. Unfortunately, the advisor didn't make an effort to develop a relationship with the client's children prior to his passing. As a result, the advisor lost the relationship.

My experience underscores the importance of forging ties with the next generation of clients before life happens. You need to establish real rapport with them and ultimately turn them into a client well in advance so they feel connected to you and your firm.

I was honored to be one of the executives interviewed for this year's Schwab Independent Advisor Outlook Study. One thing gratifying to note was how its findings confirmed many of my thoughts about the direction wealth management is headed.

The Great Wealth Transfer is happening right now, not in a decade from now. According to several studies, Baby Boomers in the United States alone are expected to transfer $68 trillion in assets to their heirs.

That next-gen client expects a delightful technology experience supported by a personal relationship with human advisors, not robo-advisors – what's old is new again. So this moment presents an immediate opportunity for firms to truly embrace change.

Still, many advisors make the mistake of seeing technology as purely an expense versus a growth and engagement engine for their business. It's critical they change their lens to view that technology as a key to scale their business.

I'd offer instead of just onboarding the most expensive person, another advisor, think about how technology can help your business expand.

What you see at home should demonstrate the reality that clients expect personalized service, thanks to the Amazons and Apples of the world. With any effort to attract new clients, the challenge is that you have to understand them based on learning from their interactions with you.

It's imperative then for any modern RIA to run their practice on a wealth management platform with a CRM embedded in it. That's key to how firms not only learn more about clients, but also to effectively scale their business without compromising the quality of service provided.

Your wealthtech platform should easily provide access to your firm's data, since you need actionable insights to support efficient workflows as well as the many roles in your firm. I'm surprised by how many firms still do key processes manually. It should be obvious that advisory firm staff spending hours validating potential trades with a spreadsheet or shifting through paper documents is time spent away from serving clients, where that all-important human connection is made.

I'm excited that our industry partners at Schwab will present another special edition of Action! magazine, which features practical tips on how to attract the ideal client, sharpen your marketing skills, encourage the next generation of advisors, grasp how happiness can boost your firm performance and finally, how to serve families better.

Because at the end of the day, what greater contribution can we make to the lives of others than to make them feel valued, and give them a meaningful perspective of their life journey?

Rich

Rich Cancro
AdvisorEngine, CEO

Technology and advisor growth: A conversation with Alison Dooher

SULEMAN DIN AS AN ARDENT TECHNOLOGIST, ALISON DOOHER, MANAGING DIRECTOR AT SCHWAB, IS HAPPY TO NOTE ADVISORS ARE PUTTING GREATER IMPORTANCE ON TECH TOOLS IN THEIR PRACTICE.

There's a growing list of reasons why. For instance, advisory firms are feeling the pinch to grow, and wealth management platform technology is now essential for any RIA that wants to scale their business. There's also the surprising speed that AI tools are proliferating in the market, and advisors see the potential for efficiency if they can harness them properly. Even her team, Dooher says, is already building out a tool they believe will benefit advisors in the future.

Dooher sat down with Suleman Din, AdvisorEngine's advisor intelligence lead and Action! magazine editor-in-chief, to discuss the latest findings from the Schwab Independent Advisor Outlook Study, and more.

SULEMAN DIN: ALISON, GREAT TO SIT DOWN WITH YOU AGAIN FOR ANOTHER ACTION! MAGAZINE SUPPLEMENT. THE LATEST SCHWAB INDEPENDENT ADVISOR OUTLOOK STUDY JUST RELEASED, COVERING SEVERAL ISSUES RELATING TO ADVISOR TECHNOLOGY AS WELL AS EMERGING PRACTICE MANAGEMENT TRENDS. WHAT FINDINGS SURPRISED YOU THE MOST?

ALISON DOOHER: I wouldn't call it surprising -- gratifying would be a better descriptor, particularly for someone in my role, in that we're starting to see technology acknowledged and cited as one of the top, if not the top, factors contributing to the decisions that RIAs are making for their practices. It's ubiquitous across every part of our lives, and is becoming increasingly central to advisors' businesses, as well. Even just two years ago, technology didn't organically come up in my conversations with senior executives at RIA firms. But that equation has been totally flipped over the last year, with tech making its way into literally every topic of conversation. Our study really reflects that shift.

BIGGEST DRIVERS OF CHANGE IN RIA INDUSTRY

43%
Technology

22%
Regulation

18%
Clients

17%
Advisors

SULEMAN DIN: I NOTICED ALMOST HALF OF ALL SURVEY RESPONDENTS AGREED TECHNOLOGY IS NOW THE BIGGEST DRIVER OF CHANGE IN THE INDUSTRY. WHAT DO YOU THINK IS CONTRIBUTING TOWARD THAT SENTIMENT?

ALISON DOOHER: There are multiple factors, but probably first and foremost is that the availability of solutions to advisors is more robust and better than it's ever been, and it will only continue to grow. Another factor is the amazing growth of the RIA industry in and of itself. To grow that fast, successfully, while maintaining client focus, it will be important for RIAs to seek technology to maintain the level of relationship and service they're seeking to provide.

In a services-based businesses like wealth management, it boils down to the client journey. Sometimes, when we're journey-mapping as technologists, it's tempting to focus exclusively on the end-client experience. But it's equally important to focus on the client's trusted guide – the advisor – and the systems and processes that are there to support the advisor. The advisor themselves and how they help personalize the end-user journey makes them the single most important factor in making the client journey special.

SULEMAN DIN: HOW THEN ARE FIRMS HANDLING THEIR TECHNOLOGY CHALLENGES, AND IS THAT IMPACTING HOW SCHWAB IS THINKING ABOUT HOW IT SUPPORTS RIAS?

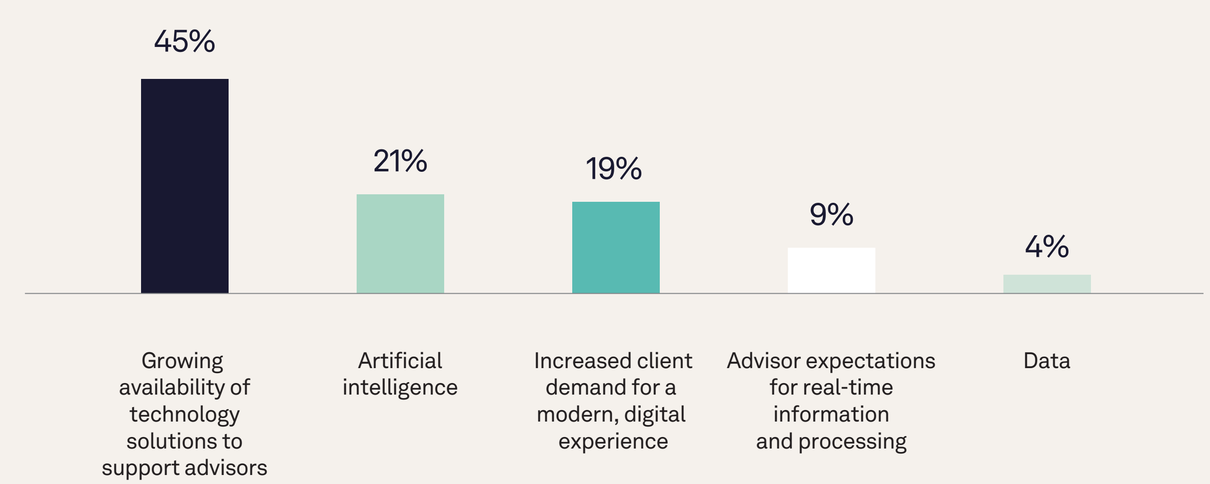
ALISON DOOHER: Almost three-quarters of firms are thinking about how they can create internal scale, so efficiency is often on our minds, as well as how we mutually create it for advisors. We continually try to identify and reduce – if not eliminate entirely – friction points from everyday servicing tasks for clients. Those are the things that can become painful and stressful in relationships when they don't go well, so we are really trying to deliver 100% seamless experiences for those everyday advisor tasks.

Beyond operational efficiency opportunities, I see a continued trend where technology is directly supporting the relationship a client has with their advisor, which is incredibly personal. There is a tremendous amount of data available to advisors and more of them are harnessing it to enrich and support their relationships with clients. I foresee a lot of work with advisors will be around helping to expose them to the data Schwab might have relative to their clients. Maybe it's just core custodial data, but are there certain trends, are there certain aspects of that data that can help them deepen their understanding of their clients? We can help advisors leverage and utilize that data from an AI perspective to prompt the next conversation they can have with clients, or to identify growth opportunities within their client base. It is an emerging area we've seen quickly explode, and it's hard to imagine it slowing down.

WHICH OF THE FOLLOWING AREAS OF TECHNOLOGY WILL YOUR FIRM INVEST IN DURING THE NEXT YEAR?

37%
Client experience

TOP TECHNOLOGY-RELATED DRIVERS OF CHANGE IN THE RIA INDUSTRY



Graphics source: Schwab Independent Advisor Outlook Study, 2024

"So technology is not necessarily just about supporting your client journey, but it's also about supporting your employees' journey and in many ways is a big factor in driving employee engagement."

SULEMAN DIN: ADVISORS THOUGH ARE STILL CHALLENGED BY INTEGRATIONS AND BUILDING THE RIGHT TECH STACKS. WHAT'S THE IDEAL THEY SHOULD BE WORKING TOWARD?

ALISON DOOHER: Every firm is going to pick their own path. More and more, we're seeing advisors migrate from point solutions to solutions that are – either from the jump or very likely to be – able to serve multiple parts of the client journey or advisor's business. When you have 20 different solutions within a tech stack, they might each give you the best point solution, but the difficulty of actually having 20 applications talking to each other costs you so much time and brainpower. In addition, in my experience, when advisors use specialty point solutions, they actually end up using only 70% percent of the features and aren't using the full complexity of the solution – suggesting that it a simpler solution may have met their needs with less complexity in their tech stack.

SULEMAN DIN: AI HAS GROWN CONSIDERABLY SINCE OUR LAST CONVERSATION, SO I WANTED TO ASK, HAS YOUR TEAM EXPERIMENTED WITH IT AND DO YOU HAVE ANY LESSONS LEARNED TO SHARE FOR ADVISORS WHO ARE CONSIDERING THESE TYPES OF TOOLS?

ALISON DOOHER: We're in lockstep with how advisors are thinking about AI, which is that the opportunity is incredibly rich, but we want to be cautious in this space and make sure we're taking the time to learn. We want to make sure when we do truly unleash it, we can be confident that it will provide real value.

There are two areas we're looking into. The first area is knowledge management. This is a complex business, and we have a lot of folks talking to clients every day. Our people are what we consider to be our biggest differentiator. AI could help facilitate engagement for our service organization and our client-facing professionals when they're talking to advisors, teeing up helpful information to them in the moment in a discreet, purposeful way. In the past, if a service professional needed help navigating an issue, we'd have to direct them to a guide, then the guide's index, then search for the article, read the article… think about all this time wasted in that process. Unleashing some of today's AI tools would allow us to aggregate the questions our service organization are receiving and instantaneously generate meaningful, actionable answers. We're really excited about that. We're going to test internally, starting this year and leading into next year. Longer-term, we're hoping we can adapt this tool externally as an additional service support option for advisors.

From a broader perspective, one of prime areas we're seeing advisors embrace is how AI can be leveraged to support advisor-client conversations. For example, there are tools helping advisors prepare for client meetings and teeing up critical information – a recap of prior conversations or some key milestones coming up for the client – which in turn helps facilitate great meetings and enhance personalization while saving the advisor tremendous prep time. And, of course, these tools can capture the outcome of the meeting and next steps, feeding into a client journey and workflow to guide the advisor.

SULEMAN DIN: ANOTHER BIG SHIFT IMPACTING THE INDUSTRY IS DEMOGRAPHICS. MANY ADVISORS ARE AT THE POINT OF RETIREMENT, MEANWHILE CLIENTS ARE GETTING YOUNGER. WHAT ARE FIRMS DOING TO ACCOMMODATE THESE COMPETING CHANGES?

ALISON DOOHER: We expect the advisory industry will need to hire up to 70,000 employees – and in relatively short order. In my conversations with RIAs, they note their tech stack is actually incredibly important to attracting next-generation talent to serve a growing – and somewhat younger – client base. The youth we want to attract into this industry aren't looking to join an office filled with stacks of paper – they want a smooth, intuitive digital experience just like they have in their everyday lives. Technology is not just about supporting your client's journey; it's also about supporting your employees' journey, and it's in many ways a big factor in driving employee engagement.

HOW FIRMS ARE PREPARING FOR THE GREAT WEALTH TRANSFER

		< $500M AUM	$500M + AUM
Talking to older clients	75%	73%	79%
Involving more family members	70%	67%	78%
Advising clients on charitable giving	60%	52%	75%
Establishing partnerships with legal or estate planning professionals	56%	52%	65%
Analyzing client portfolios for wealth transfer opportunities	50%	46%	58%
Developing tax planning offerings	45%	41%	53%
Developing estate planning offerings	42%	37%	49%
Offering family wealth education programs	24%	21%	30%
Educating staff on new regulations impacting wealth transfer	23%	17%	33%
Developing marketing materials to attract clients looking to transfer wealth	18%	13%	26%
Establishing dedicated staff for generational wealth management	12%	7%	21%
Other	2%	2%	1%

Source: Schwab Independent Advisor Outlook Study, 2024

Alison Dooher, managing director at Schwab, talked shop with AdvisorEngine Chief Technology Officer Raj Madan (left) and AdvisorEngine CEO Rich Cancro at Schwab IMPACT in Philadelphia. Photo: Suleman Din

SULEMAN DIN: ALISON, THANK YOU AGAIN FOR TAKING THE TIME TO SPEAK WITH ACTION! MAGAZINE. IT'S GREAT TO WITNESS HOW THE PARTNERSHIP BETWEEN SCHWAB AND ADVISORENGINE HAS GROWN IN THE PAST YEAR.

ALISON DOOHER: We've really enjoyed spending time with AdvisorEngine this year, including AdvisorEngine CEO Rich Cancro, yourself, and the rest of the team, both at events and one-on-one. One thing that I love about this industry partnership is the openness to sharing and educating each other about what we're hearing from our mutual clients that we're both looking to provide amazing services for.

It's been a really nice journey with AdvisorEngine, as we're incredibly well-aligned in terms of our priorities. First and foremost, we both agree that friction needs to be removed, if not eliminated, from the system, particularly in those everyday tasks for advisors. Second is that the wealth management journey will only continue to grow in complexity, and there's a huge opportunity for advisors to leverage technology to not only demystify and ease the path for their clients, but to also make it easier to manage client assets at scale. We're very excited to see how our relationship continues to grow with you.

How technology integrations help financial advisors up their game

NED DANE
Chief Growth Officer, AdvisorEngine

We all know technology is pivotal in streamlining operations, enhancing client engagement, and driving overall efficiency within the wealth management industry.

One notable integration transforming how advisors manage their practices is the seamless collaboration between AdvisorEngine® and Charles Schwab. Our powerful partnership offers financial advisors a comprehensive suite of tools and resources to deliver unparalleled value to their clients while optimizing their practice management workflows.

If your clients maintain assets with Schwab, here is how you can maximize your technology game by using AdvisorEngine to revolutionize your financial advisory experience.

STREAMLINED ACCOUNT MANAGEMENT

One of the primary benefits of the AdvisorEngine-Charles Schwab integration is the seamless synchronization of client account data.

Through this integration, advisors gain access to real-time account information, including holdings, transactions and performance metrics, directly within the AdvisorEngine platform. This streamlined account management process eliminates the need for manual data entry and reconciliation, saving advisors valuable time and reducing the risk of errors.

By consolidating client information in one centralized dashboard, advisors can gain a comprehensive view of their clients' financial portfolios, enabling more informed decision-making and proactive portfolio management.

COMPREHENSIVE DIGITAL ONBOARDING

Schwab's enhanced digital client onboarding includes a wide range of account types, including Trusts, IRA, Rollover IRA, Roth IRA, individual and joint accounts. Within AdvisorEngine's platform, all actions needed to onboard clients – profiling client risk tolerance, assigning models, creating an investment policy statement, document signing and delivery, cash movement and asset transfers – can be completed in a single, simplified digital workflow. Users do not need to move between different applications or enter information multiple times.

Traditional account opening and funding involves paper forms and creates time-consuming hurdles that frustrate clients and advisors alike.

This new digital solution addresses these major pain points and brings benefits including reduced not-in-good-order (NIGO) rates and increased operational clarity through status alerts and business intelligence dashboards.

ENHANCED CLIENT COMMUNICATION

Effective communication is key to building and maintaining strong client relationships.

With the AdvisorEngine-Charles Schwab integration, advisors can leverage automated communication tools to engage with clients in a more personalized and timely manner. Advisors can keep clients informed about important account updates, market insights, and financial planning strategies through customizable email templates, newsletters, and automated alerts.

Additionally, the integration enables advisors to securely share documents and reports with clients directly through the AdvisorEngine platform, fostering transparency and strengthening trust.

Importantly, advisors have flexibility in how they collaborate with clients. Through mobile devices, tablets or desktop computers, advisors or their clients can enter new account information, money movement and account transfer instructions. Advisors' clients can digitally sign through eAuthorization technology. Users do not need to move between different applications or duplicate entry of information.

SEAMLESS TRADING AND REBALANCING

Efficient portfolio management is essential for achieving clients' investment objectives while mitigating risk.

The integration between AdvisorEngine and Charles Schwab facilitates seamless trading and rebalancing workflows, empowering advisors to execute trades and easily implement portfolio changes. Advisors can leverage robust third-party trading algorithms and rebalancing tools within the AdvisorEngine platform to optimize asset allocations, minimize drift, and maintain portfolio alignment with clients' goals and risk tolerance.

Furthermore, the integration offers direct connectivity to Charles Schwab's trading platform, iRebal®. This enables advisors to execute trades swiftly and efficiently, maximizing investment opportunities and minimizing trading costs.

COMPREHENSIVE REPORTING AND ANALYTICS

In today's data-driven environment, access to actionable insights is paramount for guiding informed decision-making and demonstrating value to clients.

The AdvisorEngine-Charles Schwab integration provides advisors with robust reporting and analytics capabilities, allowing them to generate customizable performance reports, asset allocation summaries and client-specific dashboards.

Advisors can leverage advanced analytics tools to analyze portfolio performance, assess risk exposure, and identify opportunities for optimization. Additionally, the integration offers seamless data aggregation from Charles Schwab accounts. It enables advisors to gain a holistic view of their client's financial profiles and deliver tailored recommendations that align with their unique needs and objectives.

PUTTING IT ALL TOGETHER

The integration between AdvisorEngine and Charles Schwab represents a significant advancement in financial advisory technology. It empowers advisors to streamline their operations, enhance client communication, and deliver superior value to their clients.

By leveraging the synergies between these two platforms, advisors can elevate their practice management capabilities, deepen client relationships and ultimately achieve greater success in today's competitive marketplace.

As technology continues to reshape the financial advisory landscape, the AdvisorEngine-Charles Schwab integration stands as a testament to the transformative power of innovation in driving positive outcomes for advisors and their clients alike.

Career advice to next-gen talent

RICK WURSTER

Rick Wurster, President and incoming CEO of Charles Schwab, shares leadership lessons he's learned over the course of his career.

I have a daughter in college who had her first summer internship last year. Thankfully, it was a great experience for her. Listening to my daughter's experiences and answering her questions was the perfect way to prepare for a Q&A session I did that summer with the 500 college students in Schwab's internship group.

Your early 20s can be a challenging time and being thrust from the relative safety of college into the unknown professional world can be daunting. Often, when you are young and you meet someone advanced in their career, you only see where they stand at that present time — and that can feel pretty unrelatable.

Today I'm fortunate to be the President of Charles Schwab, but when I was in my early 20s, I was just as focused on the unknown of "what's next?" as today's college students. What they don't see is that it wasn't always an easy or direct path to get here. I've had tough lessons along the way, made sacrifices, put in the work, and pushed myself out of my comfort zone to grow as a leader.

"Your early 20s can be a challenging time and being thrust from the relative safety of college into the unknown professional world can be daunting."

It's not lost on me that my path isn't the same path that everyone wants to take. At the same time, there are things I've learned from my own experiences and the great mentors I've been lucky to have over the years. They are lessons that I've shared with my own kids and with the Schwab interns I met with this past summer. Here's some of the advice I'd share with the next generation of talent.

1. SET HABITS AND A ROUTINE FOR YOURSELF

I know this might not seem groundbreaking, but it works. Having a structure that supports my intentions has made all the difference. For me, it's starting each day early, around 4 a.m. Getting a head start allows me time to prepare, do work, and think things through before the day fills up with meetings.

2. DON'T GO IT ALONE

You don't advance by competing with others. Early in my career, I thought winning meant I needed to do better than the person sitting next to me. And it worked for a little bit of time, but it's not ultimately what will take you far in your career. Winning as a team is what matters most for the success of the company and for you as an individual.

3. WHEN POSSIBLE, PRIORITIZE OPPORTUNITY OVER MONEY

It can be easy to let money drive your career decisions, especially when you are young or are starting a family and need money. Money is an important

Rick with the 2023 intern group at Schwab's headquarters in Westlake, Texas.

consideration, and depending on your level of financial security, I know it can heavily influence your thinking about what to do next in your career. If prioritizing salary is what's right for you, go for it. At the same time, sometimes investing in the right opportunity or experience that will help you grow is a good idea, even if it means you make less over the near-term. I've always felt you want to build your career so you are making yourself more valuable, and that doesn't always mean optimizing for finances in each and every opportunity. Take a moment to consider if a job offers you new challenges or the sort of exposure money can't buy for a little bit of time, but it's not ultimately what will take you far in your career. Winning as a team is what matters most for the success of the company and for you as an individual.

4. INVEST IN YOURSELF

No matter what your career goals are — whether you want to be a senior executive of a financial firm, or an individual contributor with deep subject matter expertise — you must make time along the way to invest in yourself and develop the skills you need to continue growing.

For me, that meant earning my Chartered Financial Analyst (CFA) and Chartered Market Technician (CMT) designations. I was also fortunate to be able to take two years off to go back to school and earn my MBA.

Whatever you choose to do, know that further investment in yourself will help you in the long run.

5. SPEAK UP

One of the best pieces of advice I received early on was to be more vocal. I remember early in my career I would sit in meetings, and I would be really uncomfortable with speaking up. My boss at the time recognized that I was a naturally shy person and committed to helping me find ways to become more courageous — and she had some creative ideas. One thing she did was tell me she was going to cold call on me during the first half of meetings if I hadn't spoken up yet. You can imagine how nervous this made me. I started making it a point to say something in the first few minutes of a meeting, just to avoid being called on. And it made me realize something — once you get engaged in a meeting and don't let the ice build-up, it becomes a lot easier to join in on the conversation. It was a really important development for me.

Another thing she had me do was enroll in an acting class. Spoiler alert: my talent for the big screen was not discovered. But I do think that experience helped me gain the confidence over time to share my opinion in front of a group, no matter how intimidating that felt.

6. BE SOMEONE PEOPLE WANT TO WORK WITH

Early in my career, I focused on doing whatever I could to help the team. I wanted to be someone that leaders wanted on their team because I was going to get the job done and contribute. Being a good team member and focusing on how you can help is an attribute leaders will always seek out.

7. NURTURE YOUR CONNECTIONS

I'm not a natural networker, and I'm always impressed when I see young professionals proactively connecting with others. I've discovered my own ways to make connections and strengthen relationships, and I've found that the little things go a long way.

For example, if you have an interaction with someone, take a few minutes and shoot them a thank you note and just say, "Hey, thanks for taking me to lunch," or, "It was great to bump into you earlier — and really helpful to discuss XYZ. Here's a little bit more about me and I'd love another chance to spend time with you."

> “No matter what your career goals are — whether you want to be a senior executive of a financial firm, or an individual contributor with deep subject matter expertise — you must make time along the way to invest in yourself and develop the skills you need to continue growing.”

Once you build the connection, find ways to occasionally add value to that person’s day. Maybe it’s sending an article you think they’d be interested in based on your past conversations. Nurturing your connections doesn’t have to be complicated; it’s about finding thoughtful ways to show you care about the time and conversations you’ve had together.

8. FIND MENTORS AND SEEK FEEDBACK

None of us start our careers knowing how to do everything — we all have our challenges to overcome and areas where we're not as strong.

I have benefited from mentors investing in my development. Early in my career, my mentor at McKinsey & Company helped me overcome my shyness. At Schwab, I have benefited from working closely with our Co-Chairman and CEO, Walt. I admire his generosity, knowledge of our business, strategic foresight, willingness to make bold decisions, and — importantly — his ability to balance being CEO and a father/husband/community member. These are all qualities I would like to emulate in my role.

Outside of mentor relationships, it is important to seek feedback. My advice? Feel empowered to ask your peers and managers for feedback. And if it’s all positive, follow-up and ask what one thing you could do differently next time to be even better. There are always opportunities to improve.

9. CHOOSE YOUR OWN ADVENTURE

Take the time to discover what you want and what’s best for you and go down that path with intention. I chose a path with a heavy emphasis on work, but I make sure to set boundaries, so I still get quality time with my family. The tradeoffs for me to have the career of my dreams are ones that I’m happy with, largely because I knew early on the sort of career I wanted to pursue.

You might choose a path with a greater emphasis on work-life balance. Or you might choose a path where you know you’re going to lean heavier one way or the other. There's no judgement about which path you choose; the key is discovering what works for you and committing to it.

This article was previously published by Charles Schwab on its Careers page corporate site.
Source: https://www.aboutschwab.com/mss/story/career-advice-to-next-gen-talent

Becoming a financial advisor for the whole family

KEY POINTS

1. Advisors can help clients build stronger financial plans if family members are involved in the process.
2. Encouraging family financial discussions and moderating those conversations can help identify shared goals and values.
3. Tips for taking a whole-family approach to planning include: encouraging family meetings and modifying your services for each generation.

When clients talk to their advisor, they often have family on their minds. Yet, advisors rarely get to talk to those family members. What do the kids know about their parents' financial plans? Do the children have questions? If clients' lives change dramatically, does everyone know what to expect?

Talking about money can be difficult for many families. This lack of communication and potential misalignment of financial priorities could derail clients from the long-term plans you've helped them develop. As their advisor, you have an opportunity to help clients manage intrafamily dynamics in ways that can make their financial plan more effective.

Here are four tips to help engage with your clients' families and provide valuable financial advice to multiple generations:

1. **Ecourage family meetings**

Family meetings can help parents, kids, and even grandkids find common ground on financial priorities and allow everyone to share their unique concerns and questions. But if clients aren't ready for a deep family discussion, start slow and gradually bring generations into conversations.

You might suggest clients invite their children to your regular annual reviews. That way, younger family members get a glimpse into the types of choices their parents are making and can begin to understand how financial planning helps families work toward a common goal.

Another idea is to host educational webinars or Zoom meetings on financial topics relevant to younger family members. For example, if clients have set up a trust, you could offer the children a tutorial on how trusts work before including them in more detailed conversations about their parents' estate plan. Targeted discussions like these can help you gauge whether families are ready to move to more in-depth and frequent multigenerational conversations.

2. **Act as a moderator**
   Any family discussion about money can trigger strong emotions. As a neutral party, you can ensure everyone has a chance to talk and can help keep tricky topics from becoming arguments.
   Consider framing discussions around shared values before diving into specific financial planning topics or strategies. For example, a family might realize they all prioritize education and charitable giving. In that case, establishing common ground can help you develop strategies to pursue those goals, such as trusts that set aside money for grandkids' college education, or donor-advised funds that allow the family to work together to give to causes close to their hearts.
3. **Communicate effectively across generations**
   Remember to tailor your outreach methods and the information you share to each generation's needs. For instance, older clients may prefer more traditional communication like in-person meetings and phone calls, while millennials and Gen Z may expect video calls. When bringing generations together for a meeting, you may have to compromise — say, by scheduling an in-person meeting to accommodate parents or grandparents but making yourself available for follow-up questions via email.
   Part of communicating effectively is also making sure clients and their family members have the information they need when they need it. Consider developing areas of your website aimed at specific generations. For example, a page devoted to young adult children of existing clients might include information on budgeting, paying off student loans, how to begin saving for retirement, and ESG (Environment/Social/Governance) investing.
4. **Develop multigenerational services**
   To further build relationships with your clients' families, consider developing services that are specific to each generation's needs. For example, you may offer to help recent college grads set up their first retirement accounts, while helping parents or grandparents set up more complex wealth management tools like trusts.
   Also, be mindful that multigenerational wealth is often tied up in a family business. Offering services to assist with business succession planning can increase your practice's value and help you grow your client base as the business passes from one generation to the next.

Be there when they need you

Working closely with a client's family can strengthen relationships and foster new ones. With your help, families can feel confident that their financial plans will be carried out smoothly, building financial stability for generations to come.

This article was previously published by Charles Schwab on Advisor Services Perspectives. Source: https://advisorservices.schwab.com/insights-hub/perspectives/financial-advisor-for-whole-family

The client of your dreams: How to find your ideal client

Starting out as an independent financial advisor, you probably took on all types of clients — a great-aunt, college friends, a golfing buddy. But a few years down the road you might have noticed that you enjoy working with some clients more than others. In fact, sometimes it's obvious that both you and a particular client would be happier working with someone else. There's nothing wrong with that — they're just not your ideal client.

Having a clear picture of your ideal client can not only help you better serve your existing clients—it can accelerate growth through referrals and targeted marketing. Schwab's 2023 RIA Benchmarking Study found that firms that adopted an ideal client persona and client value proposition attracted 52% more new clients and 46% more new client assets in 2022 than other firms.

To define your ideal client persona, start by asking yourself these five questions.

KEY POINTS

1 Having a clear picture of the clients you work with best can help your firm retain its best clients and attract new ones.

2 The factors that help you determine your ideal client might include, demographics, life stages, client goals, firm goals, and more.

3 Crafting a persona that looks and sounds like a real person can help you more fully imagine who you're looking to attract to your firm.

1. **Who do you want to work with?**
   The first step in identifying your ideal client is to recognize that investable assets are only one of many factors to consider. Just because someone has a lot of money doesn't mean the relationship will be good for you or your business.
   Age, gender, marital status, occupation, wealth, and other factors can have a big influence on what a client needs from their advisor. What kinds of people do you communicate with best? What life stages are you especially good at helping clients navigate? What are your revenue goals both now and in the future, and what level of wealth will help you meet those goals?
2. **What kind of relationships are you looking for?**
   Some investment styles just don't mesh. For example, if you take a rule-based approach to

portfolio management, a client who likes to chase the hot stock of the week may be frustrating to work with.

Communication styles also matter. Do you like talking through choices with clients and taking the time to consider every angle, or are you looking for clients who will trust your advice and don't need to be heavily involved?

Values can be important too. Do you like working with clients who want their investments to make a difference in the world? Do you find that your clients' charitable causes are important to you? Are there client goals you like to work on that are about more than money? These factors and more can make a big difference in your ability to build strong client relationships.

3. **What are the primary products or services you want to offer?**
   To serve your ideal client, it can be helpful to focus on a particular set of services. Maybe you work well with high-earning professionals to help them build wealth over decades. Or perhaps you're especially good at advising retirement plan participants. Trusts, equity compensation, debt management, tax planning, education savings — there are so many ways you can make a difference in the lives of your clients. When you focus on what you do best, clients are likely to see the value you deliver, and it's easier for you to know how to reach prospective clients.

4. **What challenges are you particularly good at helping your clients solve?**
   Life is complex. You can't be everything to everyone. But there are probably moments when all of your skills, experience, and intelligence come together in just the right way. Maybe you're good at helping big families plan a transfer of wealth or understand how difficult it can be to make financial decisions after the death of a loved one. The more you can build your practice around these moments, the more loyalty you can likely expect from your clients.

5. **What do your clients value most about working with you?**
   A survey might be the best way to answer this question, but even if you're working with anecdotes, you probably have a good sense of what your top clients like about you. Whether it's personality, investment philosophy, or a particular skill you bring to the table, try to be intentional about cultivating what makes you stand out and make sure you communicate it to current and future clients.

Are you noticing patterns?

Once you've asked yourself these questions, look for patterns. Can you picture your ideal client? Consider sketching out a persona — a kind of biography of a fictional client. Who is this person? Where do they live? What do they like and dislike? And most important, what do they need from an advisor? The more vivid your ideal client is in your mind, the easier it will be to attract and serve them.

Why just one ideal client?

You might be tempted to pursue multiple client segments as if they are all your ideal clients. But this method won't help you improve your practice, and it won't help you reach your AUM goals. What makes choosing one ideal client so powerful is your ability to look through their eyes and zero in on exactly what that client needs.

This article was previously published by Charles Schwab on Advisor Services Perspectives.
Source: https://advisorservices.schwab.com/insights-hub/perspectives/client-of-your-dreams

Easy ways to use videos to market your firm

KEY POINTS

1 Video is extremely popular. The average person watches 17 hours of online video per week.[1]

2 RIA (Registered Investment Advisor) firms have a unique opportunity to strengthen relationships and get the attention of new clients through video.

3 You don't need fancy equipment or special skills to make engaging videos. Just show up, be yourself, and pay attention to a few key details.

We're all watching a lot of online videos these days. The average person watches 17 hours of online video per week.[1]

Video is popular for many reasons. They're engaging, easy to digest, and give a real-life picture of what is going on. And they can even help you learn something new. Marketers like video because they're relatively easy to create and can be promoted in so many different channels.

Video can also help clients feel more connected to your firm. It's a chance for them to get to know their advisor better (and meet others on the team) and to feel smart about their investments. You can create videos that keep clients informed on what's happening at your firm, educate them about financial planning and the markets, and show off what sets your firm apart.

So, what does it take for an RIA firm to develop a video strategy? Here are 10 quick tips to get you started.

1. **You don't necessarily need fancy equipment**
   It can be helpful to have a nice camera, but online viewers aren't expecting it. In fact, many people value a less polished, more authentic approach to videos, especially on social media. A good smartphone, the right lighting, and a decent microphone can get the job done. Also, make sure you have someone who can cut mistakes or add basic graphics such as names and titles.

2. **Choose your video format**
   Think about what kinds of videos you want to create. Will you be making "explainer" videos where one person describes how something works? Will

[1] Video Marketing Statistics 2023, Wyzowl, https://www.wyzowl.com/sovm-results-2023/.

you post interviews where investors, analysts, or teammates share their latest insights? Will you have multiple segments? How long will your videos be? The sooner you decide on format, the easier it will be to plan and execute each video.

Deciding on a format will also help you market your videos. A catch-all video can make it hard for your audience to know what to expect. Focus on a particular topic, develop a specific visual style, organize your videos on YouTube or your website, and create a plan to promote the videos. You also improve the odds that viewers will watch longer and absorb more of the content because they know what to expect before they click.

3. **Have a story to tell**
   Stories draw us in and help us connect to the speaker and the topic. One way to build in a story arc is to establish a challenge and then offer a solution. Or, you could simply open with an anecdote that illustrates the topic you're discussing in some way. And don't forget, every marketing effort is a chance to tell your firm's story. Look for opportunities to tell your audience where your firm has been and where it's going.

4. **Keep it short**
   A few seconds is an eternity online. If your video gets too long, viewers will click away. Get into the topic as soon as possible, keep your story concise, and save credits and extra information for the end.

5. **Be yourself**
   You don't have to have a big personality to make good videos. A relaxed, clear, conversational approach is what people are looking for from an advisor video. Of course, if you're charismatic or a little quirky, and that's part of your firm's brand, then go for it.

6. **Pay attention to detail**
   What's in the background? Is there a strange sound just outside the door? What are you wearing? Many of the details we look past as we go about our lives become magnified on video, so look and listen closely before you film a video.

7. **Add video captions**
   Many people watch videos with the sound off, especially in public places. And 80% are more likely to watch the whole video if there are captions.[2] Even for short videos, take the time to add captions. Most low-cost video editing software makes it easy to add text. Plus, adding captions ensures your videos are accessible for any audience.

8. **Develop a cadence**
   How often do you want to post videos? You don't have to be rigid about it, but its helpful to have calendar to help make sure you post videos regularly so that viewers will begin to expect each new release.

9. **Post your videos in multiple places**
   Social media, your website, emails—you can even use your videos in digital ads. And don't forget podcasts. If the story in your video is compelling or you do a lot of interviews, it's easy to separate out the audio and post it to a podcast feed.

10. **Provide value**
    No one wants to watch a video that feels like a waste of time. Make videos that have a distinct purpose and that current (or prospective) clients will find interesting. And don't forget to include a call to action so that your video can deliver ROI for your firm.

[2] Forbes, Verizon Media Says 69 Percent Of Consumers Watching Video With Sound Off, 2019.

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Seven ways to cultivate a more engaged — and happier — team

How happiness can boost your business

DR. KEN HARMON

Though not often recognized as a key factor in success, the happiness of your team is not just important for your employees themselves — a happier team benefits everyone, including leadership, your clients, and your bottom line. How exactly? Happy employees are more engaged, motivated, and committed to their work, which translates into higher job satisfaction and boosted productivity. They may also show more willingness to take risks on key strategic initiatives. And, building up a positive work culture can have a major impact on employee retention rates.

In fact, companies with engaged workers have 23% higher profit compared with those with unhappy workers, according to a study by Gallup.[1] An engaged workforce isn't always a given. The Gallup study shows that 33% of U.S. employees are engaged at work — well below the 70% engagement rate at the world's best companies. In other words, if you can foster an engaged and positive culture, it can be a major differentiator for your team.

SEVEN WAYS TO CULTIVATE A HAPPIER WORK CULTURE

Whether a company is large or small, the smartest way to improve workforce engagement and build a strong culture is by supporting employees, says Dr. Ken Harmon, an academic and consultant who has made it his mission to help companies bring more happiness into the workplace.

> “Happy employees are more engaged, motivated, and committed to their work, which translates into higher job satisfaction and boosted productivity. They may also show more willingness to take risks on key strategic initiatives.”

To foster a happy and engaged workplace culture, Harmon recommends these seven practices:

1. **Be flexible**
   Leaders often make the mistake of micromanaging their teams. Instead, trust that your team will get its work done. Giving employees latitude over when they complete their work can have a happy ripple effect throughout their lives, giving them more flexibility to make it to a kid's soccer game or to drive an aging parent to a doctor's appointment.

2. **Embrace the whole person.**
   The individuality of your employees is an asset, not a detractor. Leaders can encourage team members to share their unique points of view. After all, a team of people with different life experiences and perspectives gives you a powerful dose of diversification. And research shows that companies with strong gender and ethnic/cultural diversity are more likely to have better-than-average financial results.

3. **Understand the role of money**
   Too often, leaders think doling out pay raises will lead to a sharp bump in productivity. But research shows that productivity and higher pay aren't always correlated. Consider using pay raises or bonuses to express gratitude for what people have already done, not as carrots to get them to do more. In fact, frequent, smaller rewards may provide a steady stream of positive reinforcement that keeps employees feeling appreciated and valued for their work.

4. **Hire happy people**
   It's easier to build a happy work culture if you start with a team of people who have the right attitude. Consider attitude as well as aptitude during the hiring process.

5. **Be the surgeon**
   Think of your company as a living, breathing organism. If there's a cancer threatening the health of your firm, you may have to fire an employee whose bad attitude is infecting the rest of the team. You may also have to deliver some specific and precise hard truths, whether about subpar performance or challenging interpersonal interactions.

6. **Be nice**
   Being nice doesn't mean giving up control or losing the respect of your team. Recognizing or praising employees for good work can yield big benefits, including boosting work quality and reducing absenteeism. The opposite is also true. Workers who feel their good work is going unnoticed may be more likely to leave. And major events, like staffing reductions or team reorganizations, can be pivotal times of stress and instability for employees. This is where leading with empathy and kindness goes a long way. These are moments when the decisions, actions, and behaviors of leaders can have lasting effects on company culture.

7. **Trust your team**
   Great leaders understand happiness and lead through trust, stability, and hope. They also practice forgiveness and compassion. When problems arise, use them as opportunities to address organizational issues rather than assign blame. Building trust and a sense of psychological safety for your team can pay off in your workplace culture and engagement.

Make workplace happiness a priority

Happiness matters in the workplace, even if it seems difficult to measure its impact on your metrics or the balance sheet. In fact, Gallup recommends that leadership add well-being metrics to their executive dashboard to keep themselves accountable. Strong leaders recognize this basic fact. "When you show up as a leader at work, you need to truly care about every one of those people who is in there," says Harmon. “If you don't, there's a problem. If you do, it goes far."

[1] Gallup, "State of the Global Workplace: 2022 Report," 2022, https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx
[2] Nick Otto, "Avoidable turnover costing employers big," August 9, 2017, https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big

Contributor bio

Dr. Ken Harmon is an executive coach, motivational speaker, consultant, and founder of Harmon Consulting. Much of his work focuses on the research of happiness and how the results can be deployed to help people's personal and working lives. He is also a professor of accounting at Kennesaw State University, where he served as dean of the Coles College of Business. Dr. Harmon has bachelor’s and master’s degrees in accounting and a Doctor of Business Administration degree in accounting from the Haslam College of Business at the University of Tennessee.

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