



# **How to Build a Fee-Based Practice**

## *For Affluent Clients*

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## How to Build a Fee Based Practice for Affluent Clients

### What is the number one problem that most successful affluent people have?

The answer is that their success has made their lives far too complex. In fact, we have coined this, “*The Success Complexity Trap*”. As affluent people reach the stage of their lives where success is apparent, you realize that what is keeping them up at night is trying to deal with this complexity. Many of them have businesses to run, which is where they would like to expend their energy, but they are constantly being nagged by these underlying financial issues.

Your challenge as a financial service professional is to convince the affluent that you are capable of solving their problems. They don’t want a sales person advising them on serious financial matters. And in the majority of situations, you don’t have the skills or experiences to deal at this level of complexity.

So, as Dr. Phil says, “*You can’t fix the problem until you acknowledge it*”. You must recognize and be fully aware that your firm, your team and your practice are the product that you are delivering to this segment of the market.

In 1999, we began to go down the path of trying to better understand the needs of this target market—the affluent. Many of the clients began to respond to surveys by saying that they would like more objective advice and not have to feel obligated to buy the products from one source. A serious shift in market demand was clearly taking place, and we wanted to understand it in greater depth—so that we could build a strategy to respond.

Since we were working with target markets and had provided many specialized services to meet the needs of these markets, we felt that it was just an extension of what we had been doing. The deeper we dug, the more we began to understand the nuances. We were doing some fee based planning at the time, but it was minimal so we began to invest in building up our internal capability.

Next, we expanded our relationships with experts in the area that were far more qualified to deal with the sophistication of the high-end client. We knew what we were good at, and we also knew our limitations. You can’t fool affluent clients into believing you are something that you are not, as eventually they find out. When they do, they can put a dent in your reputation that will take years to overcome.

Several years ago, as we made progress in building our Fee Based Practice, we could demonstrate that we had reached the next levels of service delivery. We were exposed to the E-Money product. Our pilot firm became a development site for new requirements. We worked closely with them to insure our requirements were included in future releases of the product. We were excited about the possibilities and knew that this is an integral part of the solution.

Like many of you, our producers were excited and we trained everyone on how to use the product. We also recognized that because it is a software tool, it is likely that there will be other imitations. Some may be even better in the long run. Eventually, it will be a commodity that some people may give away to attract prospects. So, competing in this arena required a unique strategy that is not dependent on the software tool.

What we saw was that producers were beginning to get bogged down with using this new tool. It has lots of capabilities as it deals with complex financial issues. You had better know what you are doing. Some of our forward thinking producers that had 10 to 15 years in our business were the biggest zealots at the outset. When we watched them over time frustration began to set in and a pattern formed where their overall production was flattening.

Why? They had reached that ceiling of complexity where service obligations were preventing them from going further. This, of course, happens with almost every successful producer who is going at it on his own. But we had sales teams in place and one of the fundamental strategies of the sales team was to prevent our experienced producers from topping out. What was not realized was that it was these experienced producers who are the relationship managers for their Top 50 clients. So logically they were involved. In fact, way too involved.

As we monitored progress against our strategic business plan, we obviously were doing several things wrong or said differently we needed new solutions to resolve these issues. We focused on building the support structure that would offload the producers' direct involvement in the process. We used the experienced producer for only those things that they had to do that no one else could or should do.

Today, we have a streamlined process. It clearly defines the strategy that we use, the support resources required and the roles and responsibilities that must be in place to succeed. We learned this the hard way, but now it is paying off handsomely as our Fee Based initiatives are contributing about 25% of our business and will likely grow to close to 50% over the next five years. Our pilot agency does over \$20M in FYC.

We are prepared to share our experiences with you, so that you don't make the same mistakes. We have designed this service to guide you, so that—whether you are just starting out or have been doing fee-based planning for some time—you will see the right path and the next steps you should take.

You must clearly define the profile of your ideal client and position your solutions to attract, service and retain those clients. You will see how that is accomplished. You will realize that while E-Money is important, it is only one component of the process and that there are many other components that are equally important if you are going to succeed.

We have designed these modules to open your eyes no matter how experienced you are in the business. One major shift in your thinking will pay extraordinary dividends. I am confident that you will have many shifts as we have. We have priced this service so low

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that anyone who is even thinking of spending a modest amount of time considering this strategy will be handsomely rewarded, because you won't be going down the blind alleys and feeling the frustration that accompanies misinformed adventures.

Lastly, if you are sincere about being a real player in the affluent market, then we will give you the proven roadmap that will get you there in the shortest possible timeframe. There are many mountains out there to climb but only a few have a pot of gold at the top. Sign on to Benchmark University now and get the map that will take you to the destination and rewards you are seeking. Your affluent clients will thank you.