

Growing your business in a rampaging bear market



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Without doubt, these are trying times. In fact, many advisers would say that being a financial adviser in today's economic climate is about as tough as it gets. Most advisers around the globe are experiencing a decline in annual revenue, but there are things you can do to ensure your business weathers the storm and is positioned for growth.

It can help to remind yourself in times like these that you currently have the greatest opportunity to deepen your client relationships and create clients for life. To those advisers just starting their career, take heart in the fact this financial year will teach you more about what makes a good adviser than you could have learnt in the five years just passed.

TIP ONE – BE PROACTIVE IN COMMUNICATING WITH YOUR CLIENTS.

Just because a client doesn't call doesn't mean they're not worried. It may be quite some time since you had a discussion with them about the fundamentals of investing, and all your lessons about diversification, time in the market and long-term investing have been overshadowed by terms like tsunami, recession, and worse, depression.

Don't expect your clients understand what is happening in the markets. You as advisers get to see the full picture and the real views of the best minds in finance.

You should be in touch with your clients far more frequently now than you would under normal circumstances. If your clients are hearing from you regularly and seeing you're not hiding from them, they will take comfort in the knowledge you are on top of the issues. Two ideas you may consider:

- Make a list of your top 50 clients who have not had a conversation or a review with you in the past six months. In and around your appointments for the next two weeks make five calls per day to personally talk with these clients.
- Many advisers are finding great success in holding market update seminars for their clients. Even those who have struggled to fill a venue in more comfortable times are receiving high RSVP rates from grateful clients. Either talk to your closest fund

managers or create your own presentation from the material you are reading.

To maximise your success:

- Ensure your clients still have their reviews to discuss their personal portfolios and objectives, but even those who have met with you recently should receive an invitation to the seminar. Hearing from another expert in the industry and seeing a visual representation of your message may give them extra confidence.
- Invite your D or bronze clients along – most of your overheads in putting on a function are fixed, so there is no harm in reaching the clients who may not otherwise be able to afford your one-on-one time.
- Invite your clients to bring someone along.

TIP TWO – BE EFFECTIVE WHEN COMMUNICATING WITH YOUR CLIENTS.

Remember that it is how you portray information as much as what you portray that will determine the success of your communication. Fund managers are a great source of information to provide you with supporting evidence of the messages you are giving clients. The FPA has set up a member resource centre on their website with some excellent tools and support on discussing market volatility.

You may be repeating yourself in multiple conversations throughout your day, but remember it is the first time that particular client has had this discussion with you so be as attentive and heartfelt in your tenth conversation as your first.

TIP THREE – DON'T LOCK YOURSELF AWAY FROM THE REST OF THE INDUSTRY.

No doubt you are currently flat out, but you should make the time to attend fund manager briefings, take business development appointments, dial into teleconferences and read economist reports and the regular emails that come through from fund managers.

Do this and you will have a better understanding of what is happening in the market, so that you may pass on this education to your clients. You're not doing this because you can impact on the outcome, or even so that you can make tactical decisions to make gutsy

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changes to your clients' portfolios. You should do this because:

- it is easy to get caught in the gravitational pull of fear and doubt if the only people you listen to are your clients, fellow advisers and mainstream journalists,
- you can stay up-to-date with major issues so that when a client tells you of their fears about stories they have heard, you can correct the inevitable inaccuracies and set their minds at ease, and
- if nothing else, to remind yourself that things will be okay.

TIP FOUR – GO BACK TO YOUR INVESTMENT CONCEPTS 101.

People pay you to be their adviser, so advise. Remember all of your training and focus on the fundamentals of investing: diversification, investing within a client's risk profile, risk vs return, the long-term nature of growth assets. Keep your portfolio management simple. When it comes to products you recommend to your clients, if you can't explain it, don't invest in it.

If you don't have a systematic mechanism for rebalancing client portfolios, you will certainly need to rebalance their portfolios as their exposure to growth assets will have dipped below your intended asset allocation. Readjusting their exposure to growth assets will ensure they achieve the appropriate gains when the market makes its inevitable recovery. Ensure you have appropriate demonstration tools to help you explain this to your clients. Be prepared for their initial resistance to reducing their exposure to 'safe' assets.

TIP FIVE – MAKE SURE YOU CONDUCT YOUR CLIENT REVIEWS

You may hold them more frequently than usual for your more highly-strung clients, but ensure the rest of your clients are not disadvantaged by this. Ensure that they too, are booked in as they are due for their review.

Make sure you are well prepared for each meeting. Be prepared to readjust your clients' focus on their long-term objectives. If their plan was not to need their money for a period of time then nothing has changed. Help them to see the big picture. «

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