

## A Little Perspective

**The Goal:** Growing your business.

**Problem:** Overcoming a client's objection to fees. A client generates little revenue, but calls often for tax help, quotes, or a market update. For their benefit, and to be paid for your ongoing service, you suggest they invest in a mutual fund or annuity. They balk, asking: "Why pay fees in a down market, especially if I don't trade a lot?"

**Our Suggestion:** Take a holistic approach. As a financial advisor, explain that your services cover more than just investments. A family's well-being is your concern, and your guidance is worth paying for.

**Result:** Your business grows, as clients are happier, and accounts are more productive.

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Mr. Client: As a full-service financial advisor, I assist families in very meaningful ways. My guidance goes far beyond simply picking stocks and funds. Here are some of the goals you hope to achieve, and how I can help:

### Family Goal / How You Help

- 1) **Send kids to a top school**
  - **Minimize required investment**
- 2) **Retire earlier**
  - **Increase returns and lower taxes**
- 3) **Give more to heirs while alive**
  - **Speed up and maximize gifts**
- 4) **Leave more to heirs upon death**
  - **Minimize estate taxes**
- 5) **Buy a nicer house**
  - **Reduce mortgage payments**
- 6) **Provide for family in emergency**
  - **Ease financial strain**
- 7) **Contribute more to charity**
  - **Make larger gifts**
- 8) **Maximize cash flow**
  - **Increase credit line and cut fees**
- 9) **Help company retain employees**
  - **Create and improve benefits**
- 10) **Improve investment performance**
  - **Improve risk/return profile**

### Ideas and Considerations

- 1) Evaluate strategies: Use UGMA, taxable account, 529, or IRA? Should grandparents donate money?
- 2) Review vehicles and asset allocations. Maybe max-out a 401(k) and invest more aggressively.
- 3) Evaluate gifting strategies: e.g., use a 529 or an UGMA? Maybe create trusts and re-title property.
- 4) Use trusts to shelter assets from taxes and a will to transfer others. Use a life insurance trust to pay taxes.
- 5) Discuss pros and cons of a variable rate mortgage, paying points, and paying-down the mortgage early.
- 6) Evaluate family's insurance needs. Do they need a term or whole-life, disability, health, or auto policy?
- 7) Determine gifting schedule, affect on taxes, and whether to use cash or appreciated securities.
- 8) Create cash management account and home equity credit line. Consolidate credit card debt at lower rate.
- 9) Establish 401(k) for company and deferred comp plan for senior staff. Provide business line of credit.
- 10) Review asset allocations: e.g., be more aggressive in 401(k). Review funds & use lower-expense ones.

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**Perspective:** When selling funds, you prefer C-shares. They pay you 1% per year. By contrast, you recently gave a 15% tip to a waiter you never saw before, and may never see again. You paid them *fifteen times* what you charge for your services! Clearly, your services (detailed above) are worth more than a burger and fries!