



Berkshire

DIVIDEND STRATEGY

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AFTER CLIENT MEETINGS: INVIGORATED OR EXHAUSTED. YOU CHOOSE.

It is annual review time. You are running from meeting to meeting. You just spent a ton of time putting together a fancy presentation about the economy, The Fiscal Cliff, Europe, volatility, the performance, alpha, beta etc. You are stressing over a few under performing investments, even though the rest of the portfolio is fine.

Then you spend an hour and a half (or more) with the client. At the end of the meeting you are not really sure whether or not you were on target. Your client seemed a little quiet, almost uneasy. You felt like you were on the defensive. You never found the right opportunity to talk about the big account they have elsewhere or to ask them for an introduction to their super wealthy doctor friend.

You feel exhausted.

You have another meeting in 15 minutes.

Here is my simple template to tight, pleasant, focused review meetings that help you get the information you really need from clients.

Before each meeting try taking 10 minutes to formulate this game plan.

In plain English, (not investment verbiage) write down 3 or 4 of the things you think are the most important priorities to the client. (For the Power Point addicted use 30 point font, 1 page only!)

Begin the meeting by saying "In our past meetings, you indicated these three (or four) things were highly important to you. Is that still correct?" Take notes. Clarify. Help them prioritize. Ask follow up questions like: Why is that important? How do you define success? **You'd be amazed what one well timed clarifying question can do.**

Depending on the answer, you can ask "Is there anything else that should be on that list?" Or ask: "What keeps you up at night?" **This is a KILLER sales question.**

As you get into the meat of the meeting, focus on how the overall plan is still on track to meet those objectives. **Don't tell. Demonstrate.** If need be, this is the time to suggest potential changes. **You are now on offense**, suggesting improvements, not defending individual investments. The client is engaged. You have credibility. **You are advising, not selling.** For example, if the portfolio isn't going to meet cash flow needs in an inflationary environment, now is the time to suggest a dividend growth strategy (I happen to know a fantastic manager!)

Since about 80% of spouses fire you after the death of a spouse and about the same number of heirs do the like, you could now ask "Is there anyone else, like your spouse or your children who should get to know a little about what goes on at our meetings?" In addition to locking down the relationship, you might find a large IRA rollover or a daughter running a successful law practice who needs your help.

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Every advisor self help book says “Communicate with your client.” We all know that! But what should we communicate? How should we communicate it? I don’t guess. I ask “How would you like me to communicate future developments - email, phone, text, in person etc? “What type of information will you find most useful?” “How frequently?” I even customize further based on whether my client likes details or high level, bullets or lengthy prose.

Make a pact with your client. Ask them to speak up if they are not happy about something. I ask “While I try to be proactive and strive for perfect service, if something comes up that makes you unhappy, or there is something I am not addressing, can you agree to share it with me sooner rather than later? Usually I can fix it but I can’t fix it if I don’t know what it is. **Is that fair?**” So far, I’ve never had any one say “No. Be a mind reader.”

So now you are probably an hour or so into the meeting. A few things have probably happened:

- ▶ You are listening and not talking (always a plus).
- ▶ You are not defending underperforming investments or individual stocks.
- ▶ You are focused on solving big problems. Remember, **SOLVING BIG PROBLEMS means GETTING BIG ASSETS.** (Hat tip to Dan Richards!)
- ▶ You are positioning yourself with other stakeholders of the money.
- ▶ The client is opening up and seeking solutions from you.

They say you never really get fired for poor performance; you get fired for poor communication and service. You now have the insight to communicate the right way, the client’s way.

Follow this simple template and you’ll be armed and on target.

After the meeting, you will feel invigorated instead of exhausted.

Getting new assets usually has that effect.

For more practical business building ideas or information about our Dividend Strategy call or email me. - Gerry

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