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## WEALTH BUILDERS

### Earning trust key factor in wealth management

#### Trusted adviser will keep clients in good times and bad times

Although clients are always looking for good performance and high returns, what they're really looking for is someone they can trust.



#### INSIDER VIEW

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As the emerging affluent increasingly begin to recognize the value of genuine and comprehensive wealth management, a transactional relationship with an adviser is not sufficient. Established trust is the intangible factor that wins and holds relationships; it's the prerequisite for success with every client, every time. A trusted adviser will likely retain his clients in both good times and bad, and grow his or her business through referrals from friends, family and other professionals.

In the best of circumstances, establishing trust happens quickly, as in the case when an adviser is introduced to a client through an existing relationship. For example, most potential clients have at least a few professionals in their inner circles — such as a lawyer or an accountant — with whom they have already cultivated a

high level of respect and trust. Or they may have a friend or associate, whose opinion they respect and whose financial circumstances are similar. In either case, entering the client's financial world through this door paves the way to starting a trusting relationship and achieving a more personal realm of wealth management in a shorter period of time.

However, building and maintaining trust is often easier said than done with clients in search of wealth management.

Most wealthy clients didn't get wealthy by accident. They often are careful, cautious and in some cases quite skeptical individuals. Years of experience, often financially tumultuous, have taught them to deal prudently when it comes to whom they will grant their trust. Whether it was the polished salesperson, who over-promised and under-delivered, or the generalist whose "facts" didn't quite add up at the end of the day, the affluent have seen it all. These negative experiences cause the trust factor to come to the forefront when advising a client regarding his or her wealth management issues.

The only way for an adviser to cross this barrier and inspire trust is to work diligently to build relationships early and over time. It takes a delicate balance of communication and

chemistry to form the trusting relationships that will eventually translate to longevity and the opportune recommendation to others.

The knowledge that a prospective client will want to know exactly what kind of transparency is provided and will watch everything closely can be unnerving. It is critical, however, to demonstrate not just honesty, but integrity, particularly early in the planning process. In many ways, this means disclosing information upfront, well before the client asks. Although potential clients will come armed with questions, telling them about any potential conflicts and thoroughly explaining the fee structure in advance will go a long way toward disarming their fears and will help gain their confidence.

It may seem obvious, but another challenge advisers face is that they forget to continue this upfront dialogue as the relationship progresses. Advisers often assume a certain degree of understanding when dealing with their affluent clients and forget to educate them about the investment process and their specific investments on an ongoing basis. Since clients are on the lookout for warning signs and inconsistencies, it's often not just the frequency, but also the quality of contact that causes advisers to stumble when fos-

tering a trusting relationship.

Also, it's important to be clear and realistic about setting expectations for clients early on. It can be challenging for advisers to avoid making unrealistic claims about performance when they're enthusiastic about a new client. However, failure to deliver on those promises later on will quickly dissolve trust in the relationship.

Finally, clients are not only evaluating the knowledge and credibility of an adviser, but also his or her ability to bring meaningful value to their wealth management needs. Demonstrating an understanding of the client's goals and unique needs requires an adviser to ask the right questions, listen carefully, and develop a clear understanding of their personal circumstances. A client's trust is more likely to be gained if there is an obvious effort to understand his or her life and aspirations before the discussions about assets begin.

Trust is the most elusive — and therefore most valued — of all relationship currencies. Clients who trust their wealth management professional are a pleasure to work with, and more importantly, are likely to stick with their adviser and recommend him or her to others.

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