

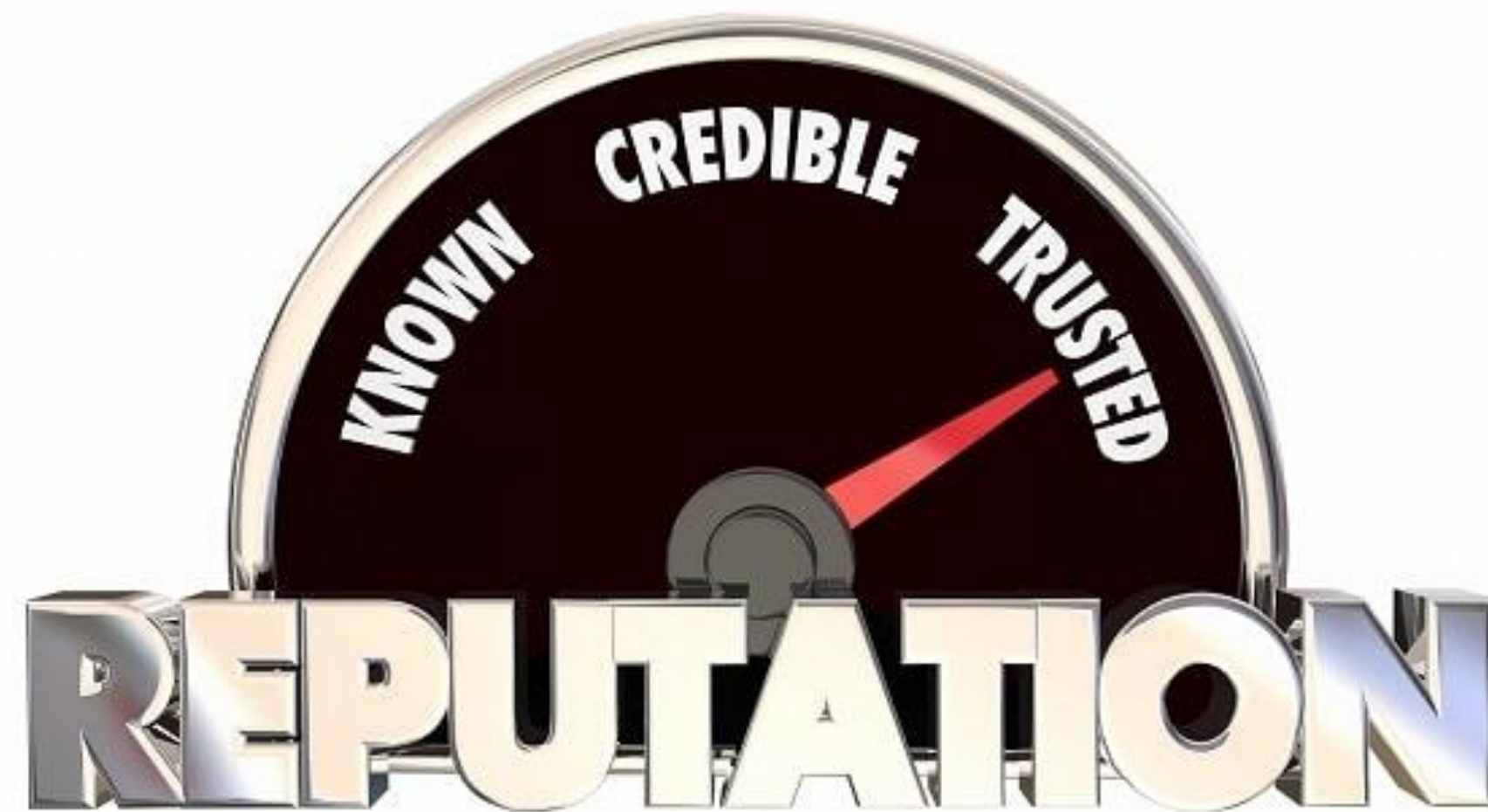
Fi360

HOW MUCH IS YOUR REPUTATION WORTH?

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REPUTATION IS A MEASURE OF HOW OTHERS PERCEIVE
AN ORGANIZATION'S OR A PERSON'S QUALITY AND CHARACTER.



A GREAT REPUTATION ...

ATTRACTS CUSTOMERS

“Our purchasing decisions are governed by ... our perceptions of (1) the features of the products or services ... and (2) the companies that stand behind them.”

- The Reputation Institute -

Reputation matters more than product and service features.

PROVIDES PRICING POWER

“Everyone brings unique skills and abilities to a job. And no two jobs are exactly alike. Variations affect pay for jobs within the same occupation. Often, the more pronounced these variations are, the bigger the wage difference.”

- “Same occupation, different pay: how wages vary”, - Elka Topley, DOL, BIS 2015 -

Financial advice is a wide pay disparity profession.

INCREASES COMPANY VALUE

Over 20% of shareholder value in S&P 500 firms is accounted for by reputation, according to the US reputational dividend report.

“A financial advisory firm can be incredibly valuable, even though unlike most “traditional” businesses, it has no equipment or other physical income-producing assets, nor any intellectual property that can be licensed. ... [A]dvisory firms can be sold for substantial sums, even though the overwhelming majority of the sale price is based on nothing more than the “goodwill” of the clients to stick around.”

- Michael Kitces, Nerd's Eye View blog post, February 20, 2017 -

IS IN HIGH DEMAND AND SHORT SUPPLY

“From 2015 to 2017, the salaries for many common positions have outpaced firms’ revenue rate increases, with double-digit salary increases among support advisors, service advisors and lead advisors.”

- 2017 InvestmentNews Adviser Compensation & Staffing Study -

Attracting talent to the firm is one of the greatest challenges facing financial advisors.

ATTRACTS TALENT

“Market reputation is a primary consideration for millennials in deciding what field and what companies within that field they want to work for.”

- “Financial advisory firms struggle to attract and keep young talent”, Scott Scanlon, LinkedIn June 5, 2017, citing a hiring trends study by mrinetwork -

Reputation helps advisors and their institutional clients attract talent.

EARN ENDORSEMENTS

“[S]tart actively listening for when clients express gratitude for your help. If you see that they have recognized your value, this is their optimal referral giving state.”

<https://www.Streamlinemypractice.Com/4-reasons-clients-dont-refer-financial-advisor/>

Endorsements contributes to reputation and business objectives.

KEY ATTRIBUTES OF A PROFESSIONAL ADVISOR

If you need professional advice for yourself or a loved one,
What attributes do you require?



MOST IMPORTANT ADVISOR ATTRIBUTES*

- TRUSTED TO ACT IN MY BEST INTEREST
- RECOMMENDED BY SOMEONE I TRUST
- ABILITY TO ACHIEVE HIGH RETURNS
- COMMITMENT TO ETHICAL CONDUCT
- AMOUNT/STRUCTURE OF FEES
- COMPLIANCE WITH INDUSTRY BEST PRACTICES

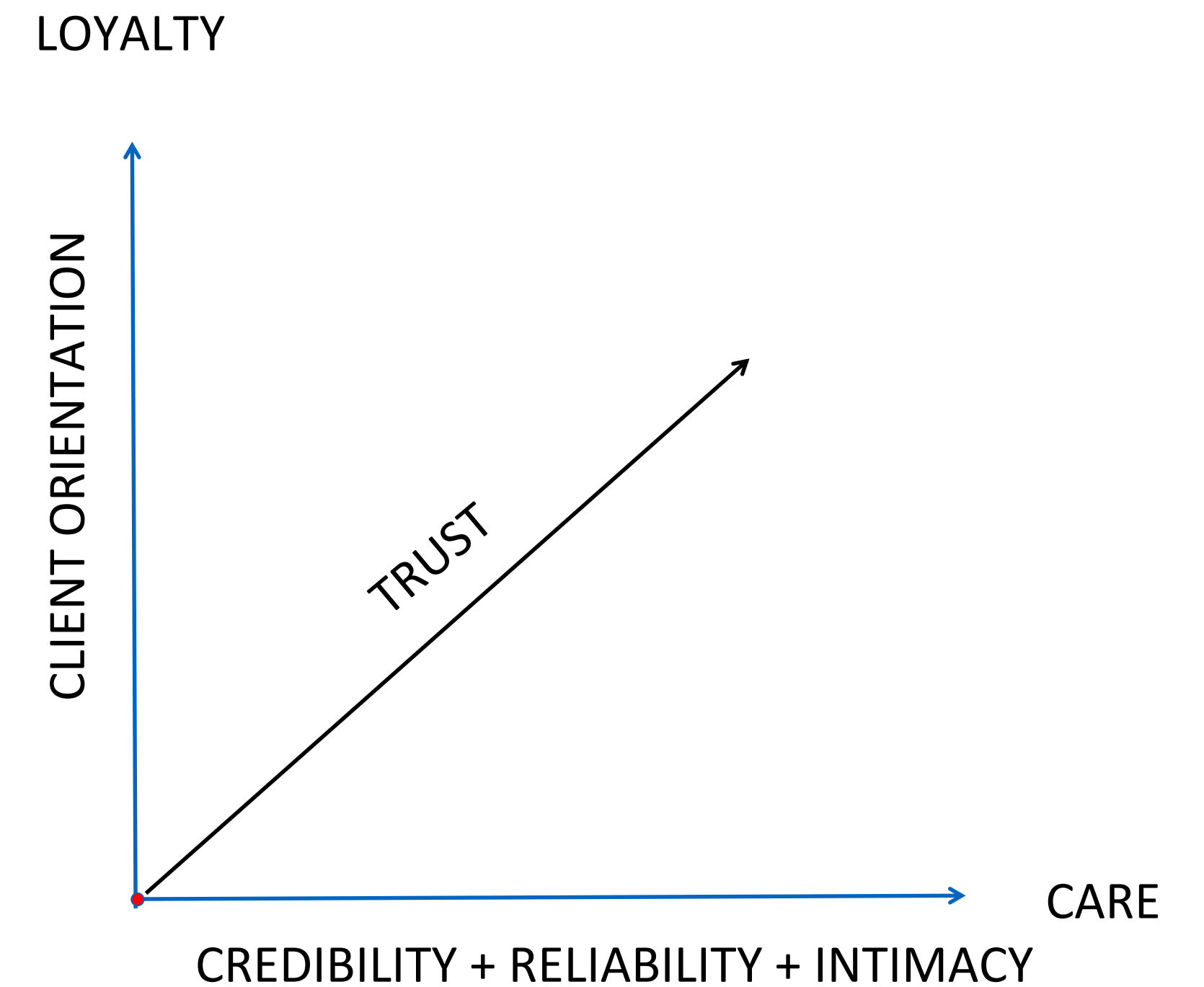
* SOURCE: THE NEXT GENERATION OF TRUST, A GLOBAL SURVEY ON THE STATE OF INVESTOR TRUST, CFA INSTITUTE®, FUTURE OF FINANCE, 2018

THE TRUSTED ADVISOR*

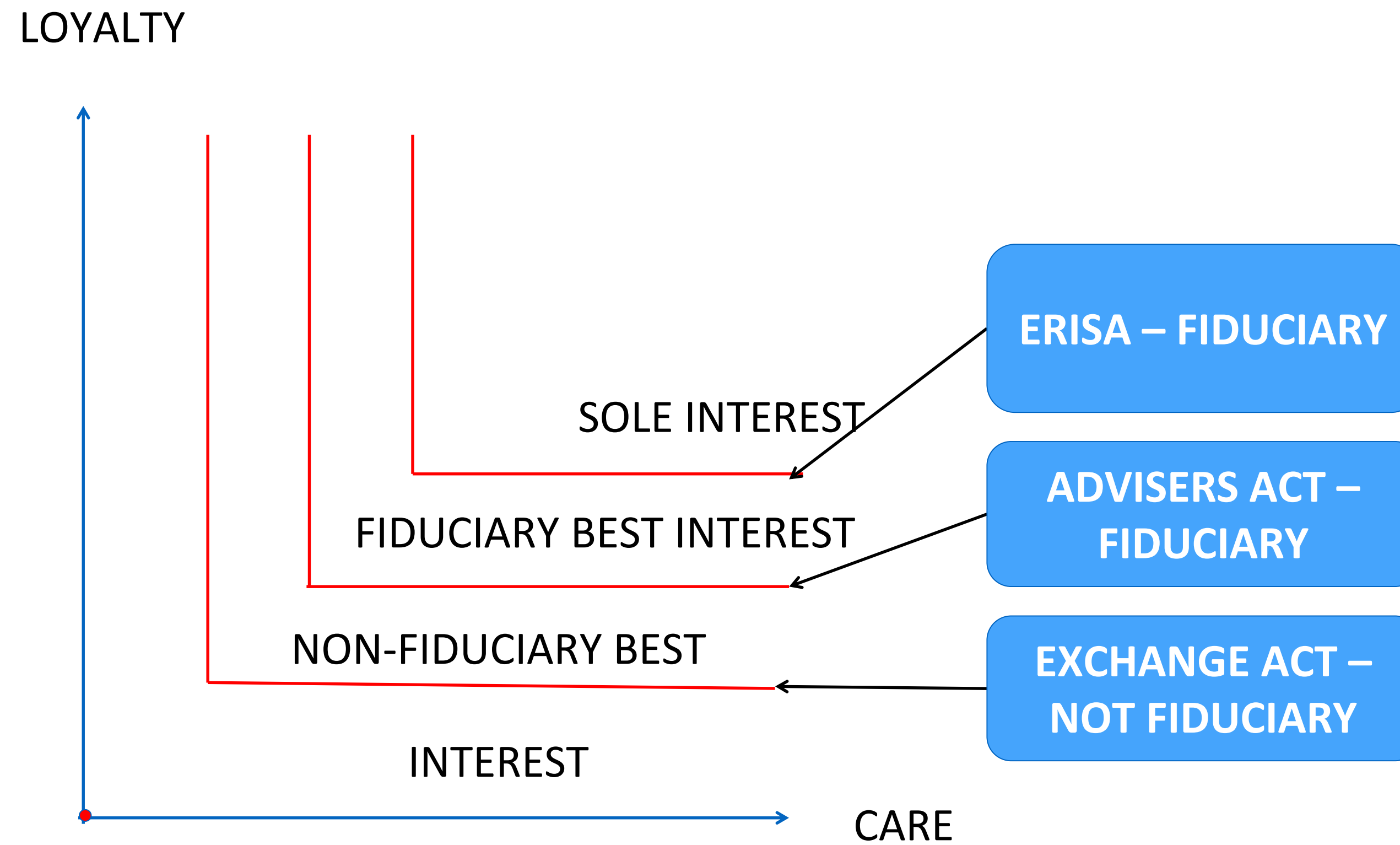
TRUST =
(CREDIBILITY + RELIABILITY + INTIMACY)

SELF-ORIENTATION

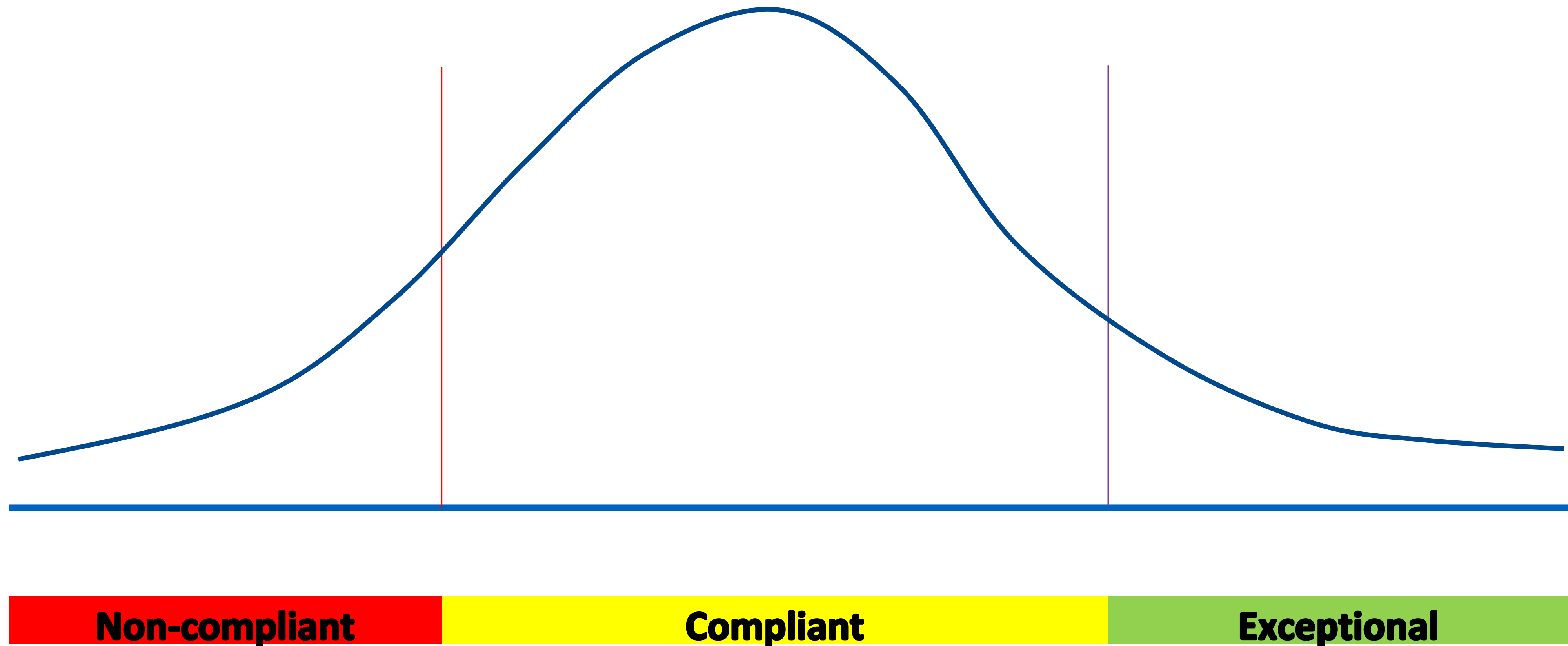
* SOURCE: "THE TRUSTED ADVISOR", A BOOK BY DAVID MAISTER, CHARLES GREEN, AND ROBERT GAIFORD, 2001



REGULATORY THRESHOLDS



FIND YOUR PLACE ON THE BELL CURVE

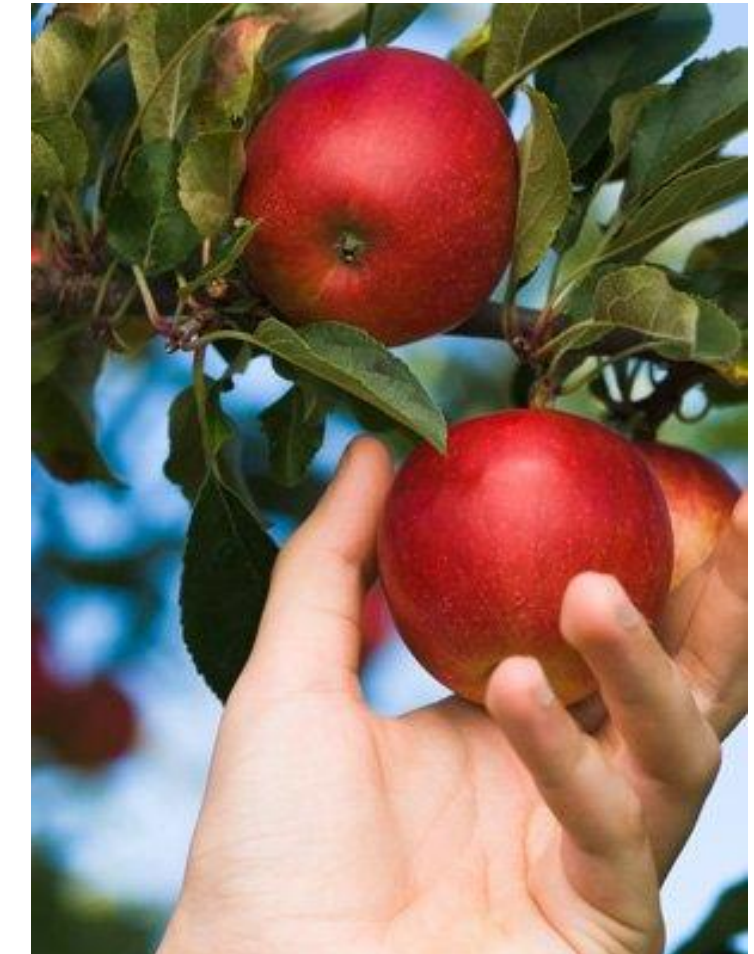


LESSONS FROM LITIGATION*

Three Main Complaints

1. Inappropriate Investment Options
2. Excessive Fees
3. Self-dealing

“From The Courts’ Perspective, Fiduciaries’ Main Responsibility Is To Follow A Prudent Process In Making Plan-related Decisions.”



* SOURCE: 401(K) LAWSUITS: WHAT ARE THE CAUSES AND CONSEQUENCES?, CENTER FOR RETIREMENT RESEARCH AT BOSTON COLLEGE, BY GEORGE S. MELLMAN AND GEOFFREY T. SANZENBACHER, MAY 2018

“COMPLIANT” IS NOT EXCEPTIONAL

- Regulations set the low bar, aim higher
- Focus on the factors that matter and that you can control
- **Trust = (credibility + reliability + intimacy) / self-orientation**
- See “fiduciary conduct and your reputation - what's trust worth as an investment advisor?”
- <https://www.Fi360.Com/resources/document-downloads/>

CREDIBILITY

- Individually
- Your team
- Your company
- Your service providers
- In your target market

3 HIGH-IMPACT CREDIBILITY BUILDERS

- Create Value Maps – Identify Core Attributes And Differentiators At All Levels (Firm, Team, Individual, Service Providers, Offerings)
- Earn Distinguishing Individual And Firm Level Professional Credentials And Recognition – CFP®, CFA, AIF®, CEFEX Certification
- Specialize – CFA Institute’s “The Next Generation Of Trust” Survey Found That “Subsectors Within Financial Services That Provide Clients With More Personal Familiarity, Such As Financial Planners, Are More Trusted, While Robo Advisers Are Trusted Least.”

RELIABILITY

- Processes
- Technology
- Communications
- Accessibility
- Sustainability and continuity

3 HIGH-IMPACT RELIABILITY BUILDERS

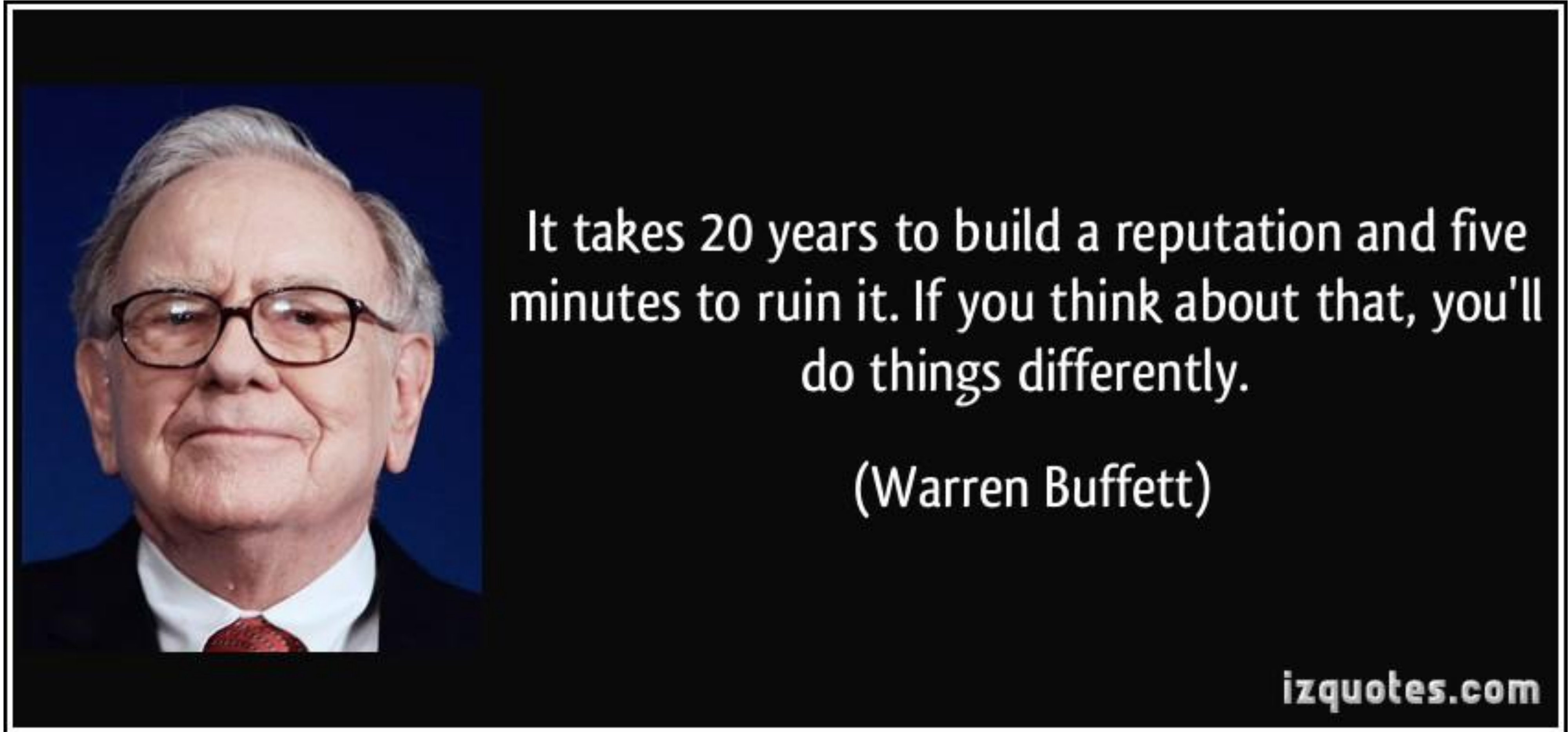
- Implement Impartial Conduct Standards As The Key To Compliance; Follow Fi360's Prudent Investment Practices, A High Form Of ICS
- Leverage Technology – “[CFA Institute's ‘The Next Generation Of Trust’] Survey Suggests A Strong Link Between Use Of Technology By Financial Advisers And Increases In Trust, And This Is Especially True Among Younger Investors.” Automation Is Reliable, Efficient, Tireless.
- Focus On Meeting And Exceeding Expectations Rather Than Simply Beating Benchmarks.

INTIMACY, CLIENT ENGAGEMENT

- Service Orientation
- Transparency
- Behavioral Coaching
- Consistent, High-quality, Relevant Communication
- Emotional Connection

3 HIGH-IMPACT INTIMACY BUILDERS

- Master All Three Stages Of The Client Relationship Model*
 - Sales – Value Proposition, Target Market, Make The Future Vivid
 - Onboarding – Clarity, Transparency, Flawless Execution
 - Ongoing – Set Service Standards, Showcase Accomplishments, Substantiate Outcomes With Relevant Facts, Add Emotional Dimension
- Make It Personal – Show How Your Protocols Track Client Success
- Provide Behavior Coaching, A Key Component Of “Advisor’s Alpha”
- *Source: “Rising Stars” Program For 401(k) Advisors By Ann Schleck, An Fi360 Company



It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.

(Warren Buffett)

THANK
YOU
