

GENERATIONAL SELLING TACTICS

Cam Marston



Start early to earn Millennials' trust

Don't expect to land clients as they inherit the assets that you helped build

A recent Bank of America Merrill Lynch study predicted that the baby boomers will pass \$41 trillion to the next generation, mostly Millennials.

That's the good news. The not-so-good news is that 80% of those heirs will move to a new financial adviser or manage the inheritance themselves.

Thus the generation of advisers that has overseen one of the greatest accumulations of wealth in history is about to watch it walk out the door. Should they stand idly by or is there something they can do about it?

Let's consider "Dave," a hypothetical adviser. A baby boomer in his 50s, he lost a longtime friend and client to cancer.

Dave had provided a valuable service for his friend, stewarding a 401(k) plan to a significant sum, complimenting his decisions in good times and holding his hand in bad. In return, the account had proved profitable for Dave's firm.

When his client died, Dave felt awful that his friend never had the chance to enjoy retirement, but all that was left to do was to follow through with the planned succession.

CULTIVATING RELATIONSHIPS

Once Dave handed over the last heir's inheritance, he knew it was the last that he would see of it. Dave watched as the results of a trusting 25-year professional relationship walked out of his office, one heir at a time.

"But that's my job, isn't it, to pass on the money when the time comes?" Dave asked himself.

By the time his client died, it was too late to do anything else. But could Dave have done something earlier in the relationship to cultivate the heirs, to connect with the next generation of clients?

How do baby boomer advisers find common ground with a generation of heirs that communicates almost exclusively with its thumbs — texting — and shows little of the traditional work ethic that made him and his clients so successful?

In short, how do advisers make sure that their clients' kids want you to be their adviser, too?

Consider these steps:

1. Explain to clients that you would like to help their children the same way you have helped them. With your clients' permission, get to know their children beyond names and birthdays. Reach out and introduce yourself. As they begin their transition into adulthood, try to set up a meeting with them in "neutral territory" such as a coffee shop or restaurant. Pick up the phone, send an e-mail or text-message them. You must be the one to initiate it.

2. Teach them what you do. Ask your clients if you can use their own scenario as an example for their children. Say to the kids, "The easiest way for you to understand what I do is to tell you how I work with your parents and what it means for you." There's no need to share account information. Just describe the services you offer and

how you are paid from them.

3. Ask the kids to talk about what they want for their own futures, not what their parents or others want for them. Young people are focused on their futures. Don't dwell on your own background.

4. Gauge their financial literacy by asking what financial decisions their friends are making. Millennials share lots of personal information with one another. They know what

their friends are up to. More important, you will get a sense of their financial acumen as you listen.

5. Offer insight into their financial options. Don't lecture from the position of an expert; teach from the position of a friend. Point out the opportunities as well as the hazards. Offer your advice should they ever need it. Be clear that you will advise them based on their own situation, not act as a surrogate for their parents.

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Offer to help their friends if ever needed. Tell them that they can come to see you together if they want — Millennials like to move in packs.

The Millennial generation views experts as people who will teach them how to shop for the services they need.

'LET ME GUIDE YOU'

Your relationship should not start with, "I'm an expert. Do this."

Rather, it must be, "Here's what

you need to know about making such decisions. Let me guide you."

Taking these steps will increase the chance that the trust you have built with your clients over the years can be inherited along with their portfolios.

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