Client Engagement

The difference between success and failure

Russell Investments

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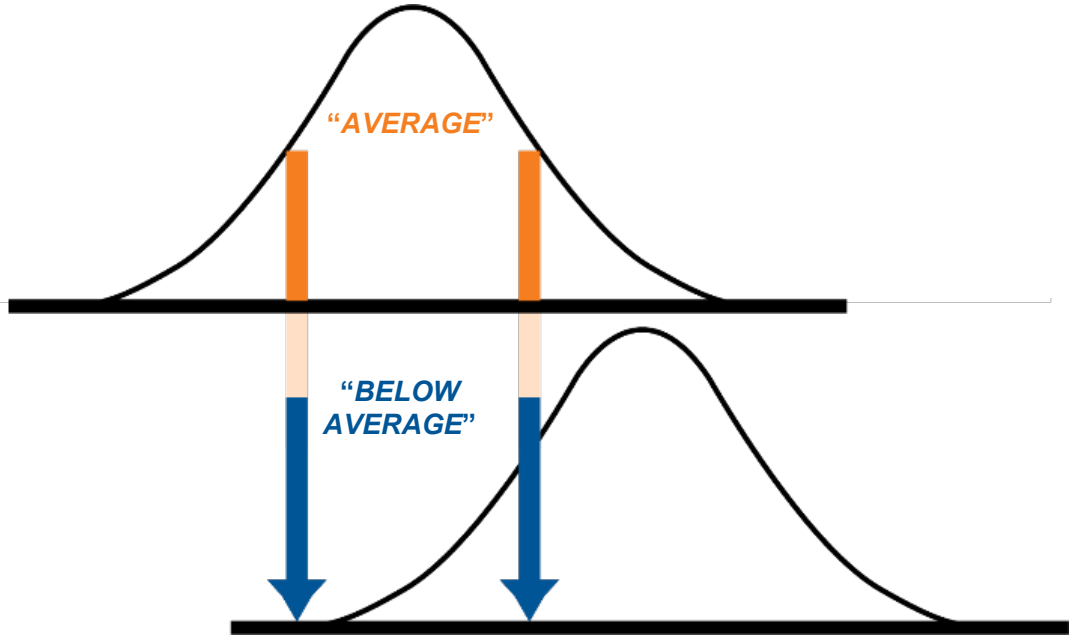
Shifting curve



OLD CURVE

NEW CURVE

Poll – How would you rate your current client engagement?
Above average, average or below average

For illustrative purposes only.

Enhancing your client engagement

1. Deep understanding
2. Intentional conversations
3. Compelling communications
4. Client centric teams

Deep understanding

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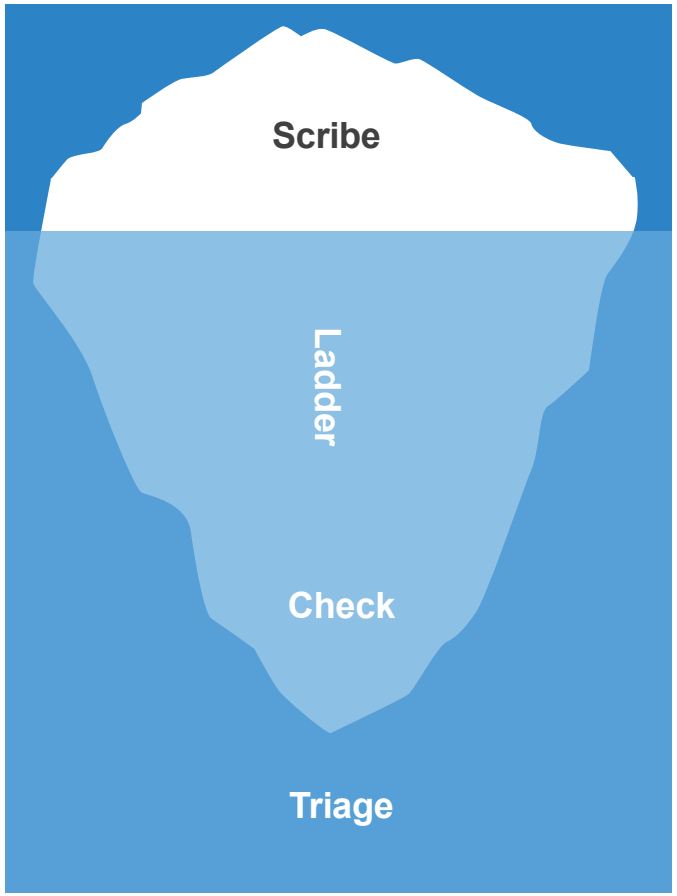
Source of image: https://jeffbelkora.com

Client discovery

Understanding their own story



“Tell me your story”

“We realise that as our clients move through different stages of life, their needs and goals change. Would you mind if I get your help in crafting a better image of your vision for the goals you’re looking to achieve?”

“We are hearing more and more from our clients that they want to get crystal clear on the things they would like to accomplish and have a road map to get there.”

Source: The Journal of Wealth Management, Evaluating Client Discovery Interviews at a Financial Advisory Firm by Jeff Belkora, PhD 2015

Discover

"Researchers have found **SLCT/Discovery** to be associated with increased disclosure of **patient/client** questions and concerns, increased **patient/client** self-efficacy about making decisions collaboratively with **physicians/advisers**, reduced **patient/client** anxiety and distress, and increased satisfaction."

How can we find ways to measure this?

Poll – What % of time did an Adviser talk in an average client discovery meeting

Source: The Journal of Wealth Management, Evaluating Client Discovery Interviews at a Financial Advisory Firm by Jeff Belkora, PhD 2015

Often we don't know what clients want

Because we aren't listening enough

Typical client "discovery" conversation

ADVISER talked 54% of the time

ADVISER asked questions in 26% of exchanges

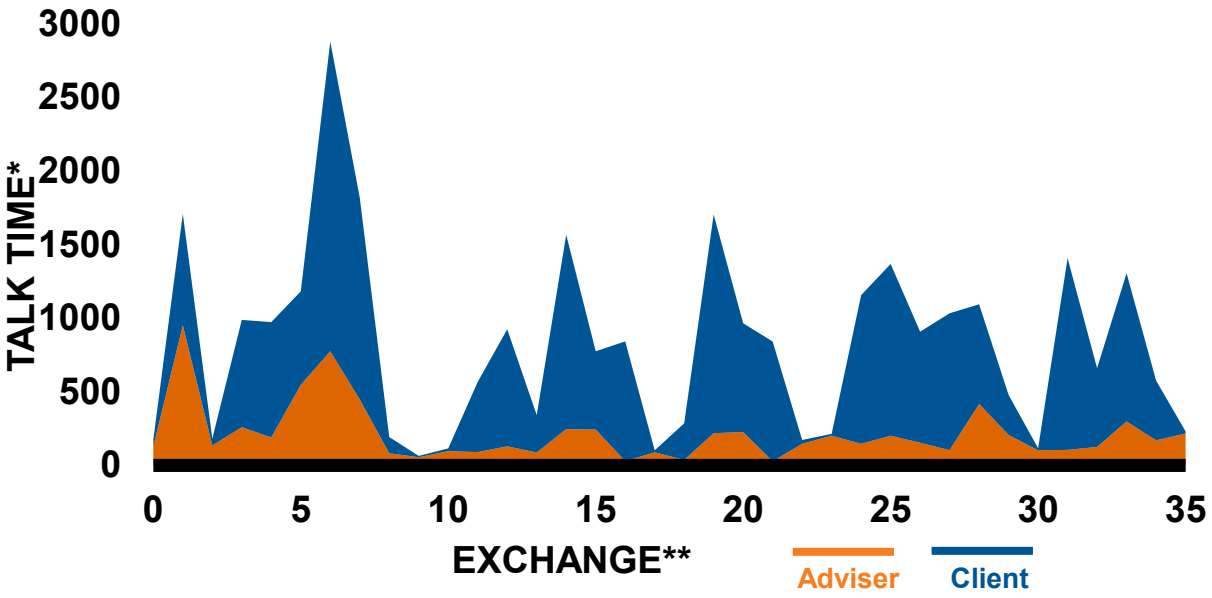
1,213 words

Source: SLCT—A process for initiating critical reflection, by Jeff Belkora, PhD. Jeffbelkora.com, 2015
*Talk time is measured by the number of characters in the transcript per exchange.
**Each conversation is considered an exchange.

A better discovery experience

The business case for active listening

A better client discovery conversation



ADVISER talked 26% of the time

ADVISER asked questions in 63% of exchanges

4,286 words

Source: SLCT—A process for initiating critical reflection, by Jeff Belkora, PhD. Jeffbelkora.com, 2015
*Talk time is measured by the number of characters in the transcript per exchange.
**Each conversation is considered an exchange.

Intentional conversations

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Poll – How confident are you in your client conversations

Client conversation

Building a consistent framework to guide the conversation

Perspective

Help clients gain perspective on world news, market headlines, and the value of working with an adviser.

Process

Walk your client through your client-centred wealth management process, their plan and portfolios.

Poise

Be intentional about the words you use, authentically ask, listen and empathise throughout your meeting.

Perspective

The rule of 3s

Key Investment Themes

From all-time highs in equity markets in February to the fastest bear market drawdown

GLOBAL ECONOMY HALTED BY COVID-19

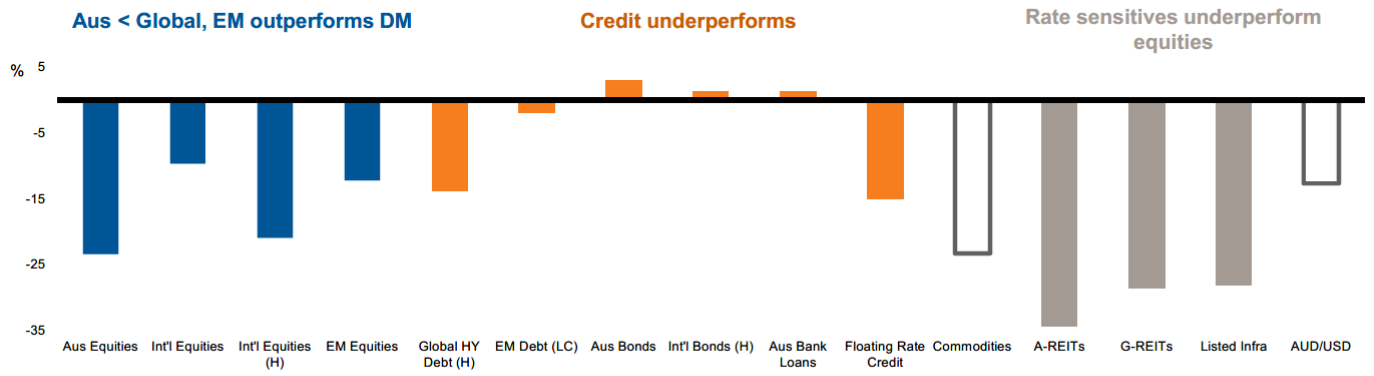
Global data collapses and unemployment spikes. Credit markets crumble on fears that virus-hit companies can't repay debt.

EMERGENCY RESPONSE FROM CENTRAL BANKS & GOVERNMENTS

The Fed cuts rates to 0% and launches unlimited QE. The RBA cuts rates to 0.25% and implements QE for the first time. Governments around the world engage in unprecedented fiscal stimulus.

OIL PRICES TUMBLE ON PRICE WAR

Russia and Saudi Arabia feud over oil production, sparking a crash in energy prices. This further amplified selloffs in credit markets.



Source: Confluence, Bloomberg, Russell Investments. As at 31 Mar 2020. Returns are gross of fees.

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Poise

The 3 elements of active listening

1

Express interest in the speaker's message by displaying nonverbal involvement in the form of back channelling.

2

Refrain from judgment and paraphrase the speaker's message (e.g., “what I'm hearing you say is …”;

3

Ask questions to encourage the speaker to elaborate on his or her beliefs or feelings

Non-verbal communications

Source: https://www.tandfonline.com/doi/full/10.1080/10904018.2013.813234

Process

Bring it back to the plan:

- Revert back to the plan
- Consider a re-discovery conversation to see if priorities have changed

Focus on what happens next:

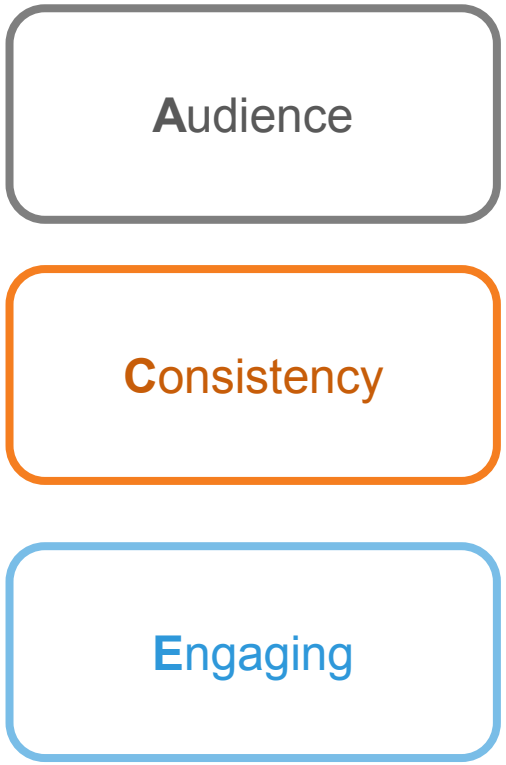
- Monitor portfolio – but remind them no action is not inaction
- Next steps of your client roadmap
- Capture feedback on any changes to their communication preferences

Communicating

Poll – How would you describe your communication process

Compelling communications

The ACE up your sleeve



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Compelling communications

The ACE up your sleeve

Audience

Demographics

Age, Gender
Work types

Characteristics

Interests
Hobbies
Formal / informal

Pains

Objections
Concerns and worries
Challenges

Gains

Results
Outcomes
Goals and desires

Compelling communications

Develop your cadence

Consistency

Compelling communications

The ACE up your sleeve

Engaging

Less effective communications

More effective communications

1. Select your communication channel

2. Set your content objective

Key messages

How it adds value

3. Considerations

Tone

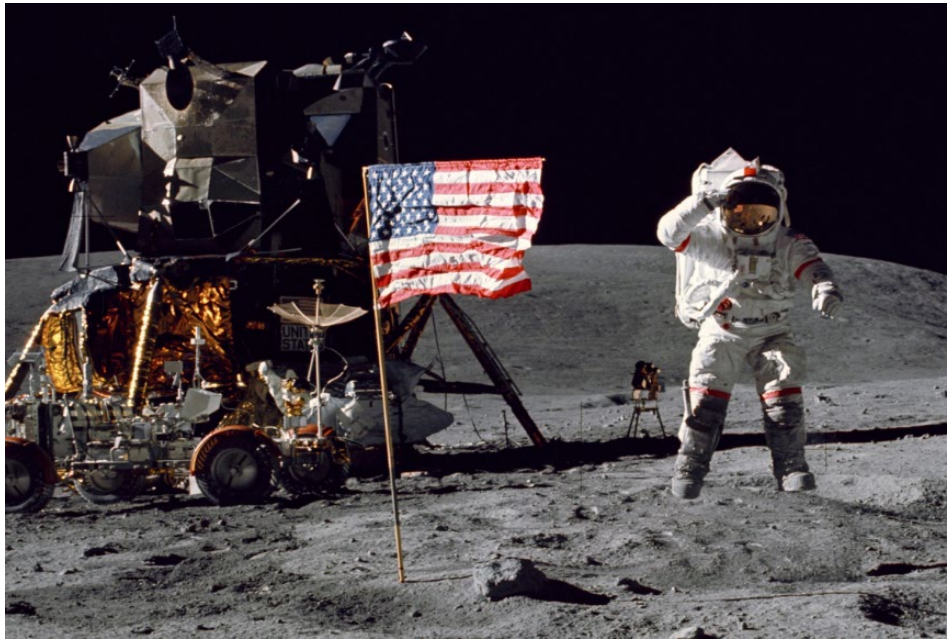
TLDR

Call to Action

Client centric teams

How would client centric would you rate your team?

Finding the “Why”?



Your client’s mission is your team’s mission

Some ideas:

- Every team member is a client facing team member
- Bring clients as Special Guests to your team meetings
- Build client and team member connections through special interests
- Standing agenda item in team meetings, celebrating client wins and milestones

Image source: The New York Times

Team capacity

Investment Research and Management	Business Operations	Client Engagement and Service	New Business Development
50	10	25 reactive 10 proactive	5

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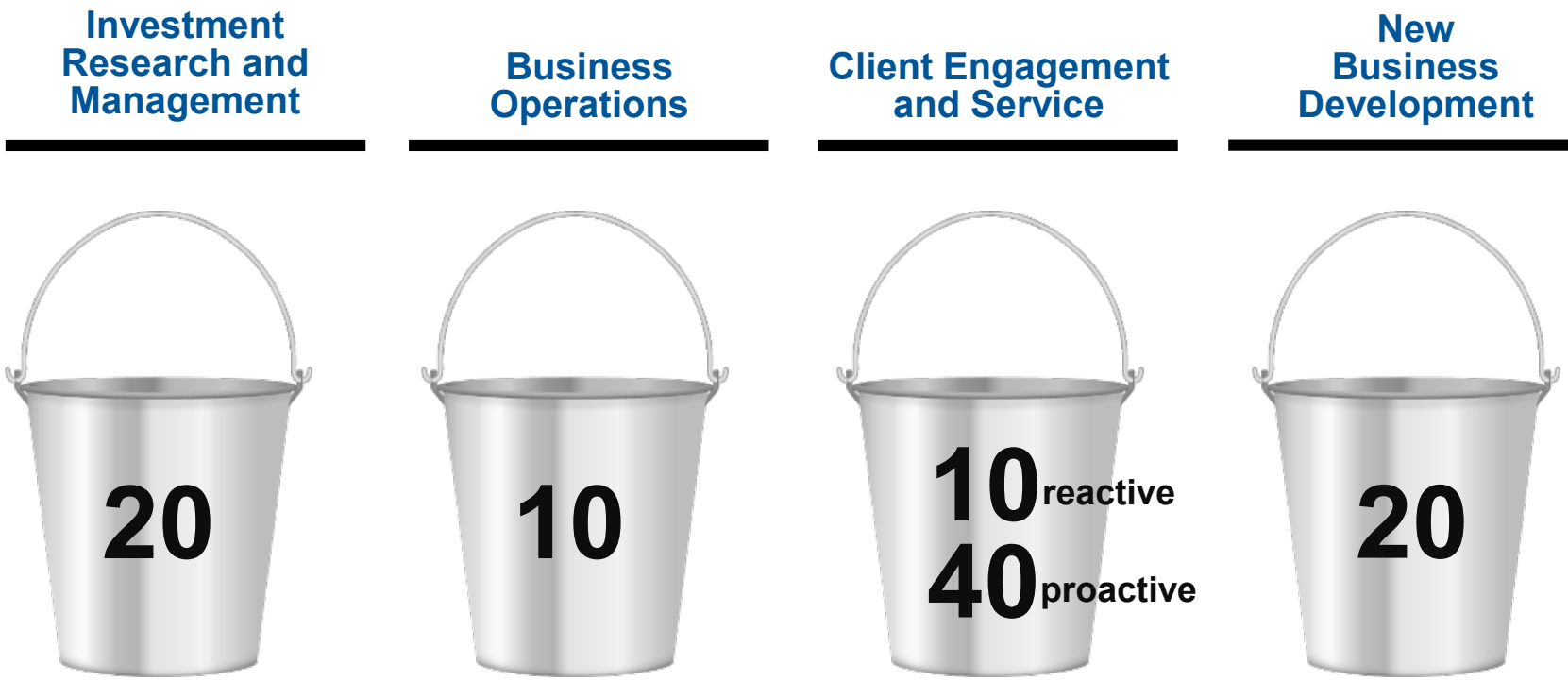
Adviser capacity



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Partner to create efficiencies

Partner with an investment manager to complement your firm's investment philosophy

24% Less time on portfolio mgmt. for best-managed firms*

62% Of firms that outsourced increased their client base^

30% Realised increase in revenue^

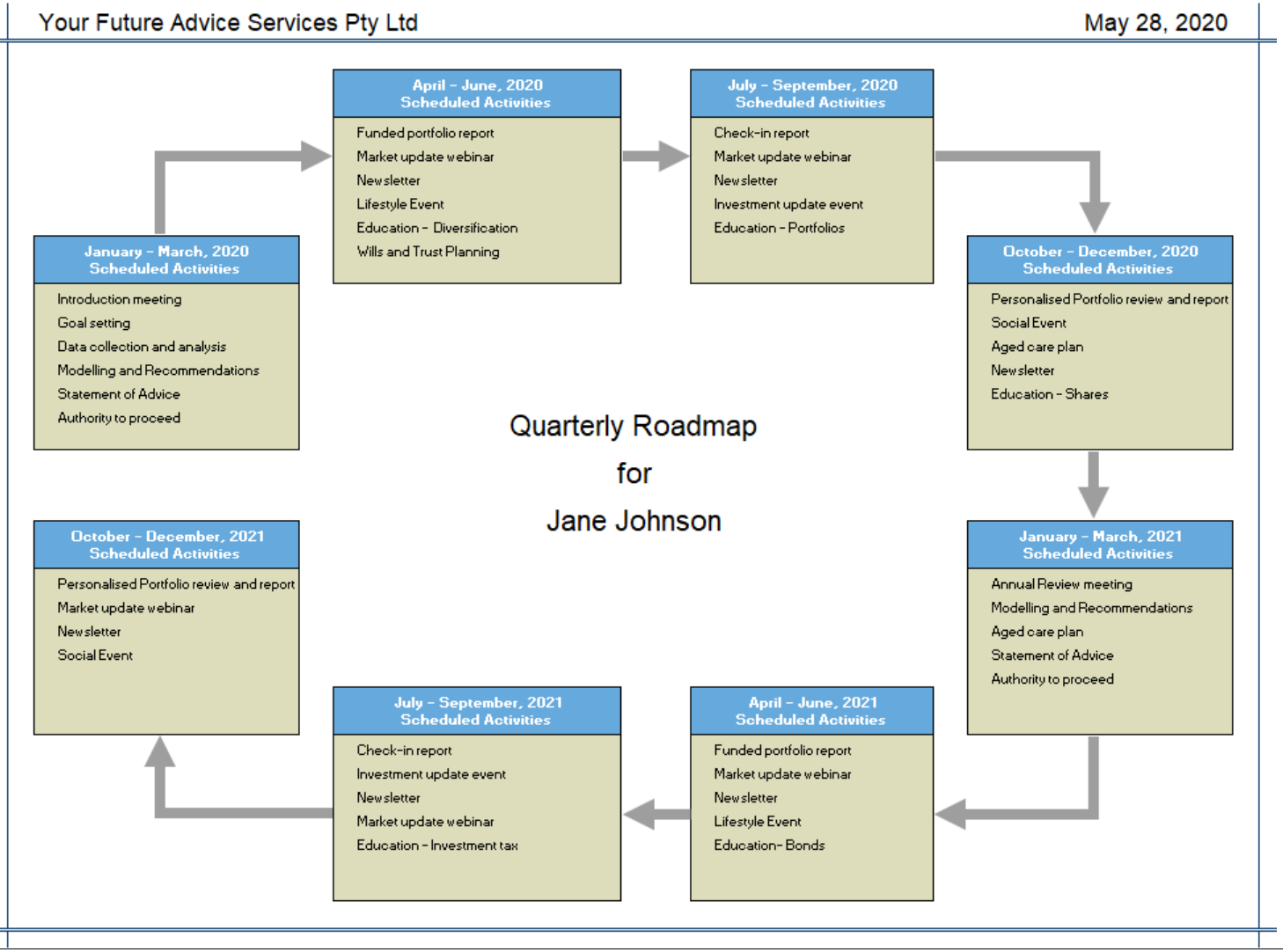
Fully outsourced small account solution

Managed Account Solutions

*Source: Schwab Best Managed Firms: It's about time; Time management and organizational effectiveness. 2007.
^Source: The Race to Scalability 2018: Advisor Research on Investment Management Trends. FlexShares Exchange Traded Funds, 2018.

Putting it all together

Build your client roadmap



In summary

Deepen your client understanding

Listen, Empathise, Understand

Be intentional with your client conversations

Provide Perspective, Poise and Process for your clients

Make your communications ACE

Align to your Audience, be Consistent and Engaging

Client roadmap

Use your client centric team and processes to design and execute your client roadmap

We are here to help

Meet the Russell Investments team

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Thank you.

Any questions?

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