

*Building a relationship and getting to know the client is one of the most important functions of a financial planner, since, until we can empathise with our client's situation it would be almost impossible to ensure full understanding of their financial needs and goals which leads to creating the correct plan for realisation of those ambitions.*

**H**ow to actually 'look after' the client is a vital role of the financial planner that can sometimes become lost amongst technical phrasing, product disclosure statements and legislative requirements and is easily put aside by many new advisers to our industry. As a long standing adviser within Professional Investment Services, as well as State Director of the Association of Financial Advisers, I have the opportunity to meet many advisers and have seen a transition from the salespeople of the past to a new breed of technical whizz-kids of today. Don't get me wrong, the complexities of superannuation, investment management, tax and estate planning, insurance strategies,

## The comfort factor.

The importance of the client-adviser relationship.

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to name but a few, have made it a far different landscape from that of 20 years ago. Our clients still expect full service from a financial planner, which involves bringing all types of skill and expertise to the management of their portfolios. What, understandably, is also expected is a level of empathy, trust and comfort which can only be gained by the planner having taken the time and effort to get to know and understand each individual client.

Based on recent independent research, an adviser who takes the time to educate as well as advise, empathises with various client situations and most importantly keeps in regular contact with clients was rated higher than the importance of the return received or in which fund the money has been invested. This was highlighted by the Global Financial Crisis. When interest rates and account balances plunged, advisers who did not have a relationship with their client, apart from where the funds had been invested, really struggled.

The advisers who stayed in regular communication with their clients during this horrendous time could understand and sympathise with the emotions clients were experiencing which translated, more importantly, into assistance of their clients understanding of the situation and that it would not last forever, that interest rates would bounce back and account balances would grow again, handled this situation better than most for their clients.

On reading much of the literature on the topic of building client relations it is possible to notice a common thread running through the text. It suggests that for example the initial meeting between client and adviser will establish the level of trust and comfort the client has regarding the adviser's handling of their financial affairs. These choices can become an emotional experience for the client as the creation of a financial future is a major decision in their life, therefore, as advisers on completing the Fact Find to collect the potential client's financial information during the initial meeting, it is essential to remember that it is not just about the numbers.

Clients need to be asked what they are passionate about, what keeps them up at night with worry, we just need to try to understand what makes them tick. Only then does a client feel the adviser

is on their side personally as well as financially. Obviously we can only assist on the financial side; however, a personal relationship involving understanding our clients better can create a satisfactory level of comfort for all.

Recently, I attended a talk where the presenter (not from our industry) spoke of his experiences with two financial advisers. The first adviser after asking all the required questions on his 'Fact Find' said that while he would provide a Statement of Advice (report) he also

This was his immediate financial planning motivation – something the first adviser had not taken the time to find out and as a result had no personal relationship with the potential client and therefore no business. Also of interest was that the second adviser returned with the Statement of Advice with a cover featuring the Inca temples ensuring the client was fully aware of the advisers level of understanding of both his short and long term financial goals and what really mattered to him. As advisers we are aware that,

**"Advisers who can create a relationship of mutual trust, comfort and providing that personal touch will always be in demand."**

commented that as a quick initial summary the adviser would suggest the goal would be to pay off the mortgage as quickly as possible and then create a savings plan to reach the necessary retirement target.

The presenter of the speech did not feel remotely connected with this adviser and pointed out that he had been asked nothing of what his real goals were. The second adviser took a different approach and after the 'Fact Find' he asked questions of a personal nature regarding drives, motivations and more immediate goals and ambitions. This was more like what the presenter had hoped for and allowed him the opportunity to explain that whilst he was working exceptionally long hours, his wife needed to support him and therefore had to make some sacrifices especially while looking after their young child. He explained his aim was to have enough funds saved so that in a few years he could treat his wife to a first class trip to South America to see the Inca temples, a grand dream of hers.

particularly since the GFC, investors are far more knowledgeable and informed and therefore take greater interest in their own affairs, such as where their money is invested and the associated fees and charges, and we are continuously noting more and more internet and direct discount brokers appearing.

This should not concern advisers unduly as it is important to remember there are only twenty-four hours in a day and many a busy professional working long hours with a family and all its needs may invariably prefer not to have the micro-management of their financial affairs as another duty but to outsource these matters.

Advisers who can demonstrate to their clients the value of the service provided by financial planners by not only providing the technical know-how expected, but to also create a relationship of mutual trust, comfort and providing that personal touch will always be in demand. **iy1**



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Mark started in the financial planning industry in 1987 and has built his business to over 1,400 clients and 3,000 corporate superannuation members, with a staff of 12, including five advisers assisting these clients on both insurance, superannuation and investment management in Australia and Asia.

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