



Tips for Great Client Communications

Advisors use their experience to guide investors to their goals. But with clients that want to do more of the driving, how do you give up the wheel and still keep them from getting lost? And how do you give your hands-off clients the information they need, and leave them free of the day-to-day?

You can accommodate the needs of all, and still give great advice, by following these best practices.

Lead with Questions

All advisors know the importance of that first meeting. It establishes goals, addresses risk tolerance, and sets the right expectations moving forward. Letting your client lead that first meeting gives valuable insights, and the best way to do that without losing focus is to [ask questions](#). The right questions guide the conversation, without pressuring the client into a course of action they don't feel comfortable with (a big no-no in the age of best interests). Here are some questions to consider, and feel free to improvise the language on what feels the most natural to you:

What would make this a good meeting for you?

What do you see as the result of our meeting?

My job is to give you the pros and cons of everything we talk about; your job is to tell me what you like and what you don't. Fair enough?

What kind of role would you like me to take?

Why are you seeking an advisor, and what problems do you think we can solve together?

Get an Investment History

Ask your client about their previous advisors. Are they leaving another advisor to come to you? Why did that relationship not work out? If it's related to their portfolio, ask about the strategy and who created it, and how it could have been better. Sometimes investors don't voice their concerns to their advisor. If they left their previous advisor for personal reasons, ask directly how you can avoid past mistakes. Let their answers be a roadmap of what to do—and what not to do.

Give them Access

[79% of investors say they want access to their investments anytime, day or night.](#) A client portal makes it easy for clients to see performance reports, access documents, and also limits their dependency on you for updates. Make the client portal a resource that improves the partnership by making sure everyone's on the same page. Don't have a client portal? Schedule regular updates and be proactive. Don't wait for your client to come to you with concerns, and make your communications predictable, reliable, and straightforward.

But seriously, you should invest in a client portal.

Give Permission to Disagree

The clients that want to do it all themselves have unique challenges. They may not want to defer to your experience, which is why you want to prove your value early. Investors can sabotage themselves: selling when they get scared, missing the recovery, and buying back in when the markets feel safe again. Because of these behaviors, investor-managed portfolios underperform. Your advice is essential in curbing these habits and stopping that cycle. Discuss these scenarios with your client and talk candidly about their risk tolerance. If you think a course of action isn't best, be clear and provide evidence to support your point without focusing on winning or losing. This isn't a competition—it's a partnership.

If a client has given you discretion over their accounts, give them permission to disagree with you, too. If your recommendations don't make them feel comfortable, encourage them to let you know. Either you haven't provided enough evidence, or it's a strategy you need to modify. Open and direct communication, and a willingness to compromise, are the qualities that set brilliant advisors apart.

Keep the lines open

Every investor is different when it comes to communication. Set standards early so they know the best ways to reach you and when they can expect a response. Text, once considered a compliance nightmare, is gaining recognition as an option for advisors thanks to some recent developments in the CRM space. Redtail, the popular CRM solution for financial advisors, recently announced [Redtail Speak](#) - a compliance-approved, real-time communicator that enables advisors to text their clients safely and securely. Even players like Morgan Stanley have [given the go-ahead to text clients](#). While text still has barriers, the industry appears to be working on solutions. Keep communication options open and flexible—whether it's text, email, phone, or in-person. Two of the biggest reasons that clients [fire their advisor](#) are directly related to communication, so discuss these issues before they become a problem.

Advisors that can accommodate a variety of personalities have happier clients and better relationships. Whether the client wants to do the driving, or prefers you take the lead, encourage open and direct communication so the relationship stays healthy for the long term.

If you'd like the latest information from FINRA on communication methods, you can check out their regulatory notice [here](#).

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