

Transcript

Better conversations. Better outcomes.

Episode 70 – The Better Conversations Collection: A tour of some of the best ideas from 2018

Emily Larsen - Welcome to Better Conversations, Better Outcome, presented by BMO Global Asset Management. I'm Emily Larson.

Ben Jones - And I'm Ben Jones, and on this show we're going to explore the world of wealth advising from every angle, providing you with actionable ideas designed to improve outcomes for advisors and their clients.

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Ben Jones - Emily, it's another year, and it's coming to close, and you're growing out your hair.

Emily Larsen - Yes I am.

Ben Jones - And I'm losing mine. I mean, it's perfect. As the year comes to a close, we'd like to take some time and revisit some of our favorite conversations, and as well as remind you of some of the learnings that you might consider adopting to propel your practice to new heights in the year ahead. Last year around this time, we did our list of three, and explored Emily's love for sticky notes which, by the way, you still have.

Emily Larsen - It's true, I love them.

Ben Jones - So, Emily, you mentioned to me in passing a couple of weeks ago that we were going to try something new, and that you've been doing something new this year that inspired how we're going to approach this episode. So, what is it?

Emily Larsen - Well, this year, I became a member of the Milwaukee Art Museum. For those who aren't familiar, just allow me a few moments to gush. The art museum is amazing. It overlooks Lake Michigan, and portions of the museum were actually built in the late '50s and it was added onto in the '70s. But the most recent addition, which was designed by a world-renowned architect, Calatrava, that was completed in the early 2000s. The focal point of that particular expansion is this gorgeous, breath-taking pavilion that's covered in glass and gives you a view of the lake. It features a moving, also known as kinetic structure --

Ben Jones - Which I had to Google.

Emily Larsen - Thank you for Googling. And that's actually on the exterior of the building, so you don't even have to go in the museum to see this structure. And it's made up of dozens of steel tubes that are intertwined that are set on louvers that actually move up and down. They open and close in unison, which makes the building look like the wings of a giant bird. It's actually one of the largest museums in the United States.

Ben Jones - Yeah, and you know what, when I was Googling this last night. I mean, for those of you who haven't seen it, it really is a truly beautiful museum.

Emily Larsen - Yeah, it really is. And besides the structure, which is stunning, and the square footage which is vast, it's got a fantastic art collection. It's made up over I think over 25,000 works. And that art museum served as the inspiration for this episode, because it got me thinking about how a lot of the topics we discussed this year on the podcast could be curated into different exhibits, just like an art museum. So each of the exhibits could focus on a portion of the advisor's practice that can help them be the best they can be. And although we've discussed the topics previously earlier this year, revisiting them in a new way, and kind of curating them differently can leave a different impression as to the key learnings, or the actionable ideas, because the advisor is likely in a different place with their practice or dealing with a different client situation at this moment in time than when we originally released the episodes. So the hope is that this episode will re-ignite an advisor's commitment to improving the outcomes for their clients and their practice.

Ben Jones - Okay, so, what you're telling me is we're going to step inside and see the exhibits.

Emily Larsen - That's correct. Today we've got three exhibits to walk through. So let's do it. I'll be your honorary tour guide through this journey.

Ben Jones - Okay, so I walk into the museum, and we're going to enter our first exhibit.

Emily Larsen - Yes. The first thing you'll experience today is what we're calling our traditional exhibit. In traditional art, you'll find that the art is part of the culture of a group of people where skills are passed down through generations. So we're going to visit a virtual exhibit of traditional financial advisory practice concepts that were covered by different guests in the past year podcasts. And, we've covering concepts that are most like traditional art, in that its content is viewed as like foundational to the profession, but it also has an evergreen applicability. As we found this year, a lot of these foundational concepts, we can find new and innovative ways that they can be applied to a practice.

Ben Jones - So the first episode that comes to mind when we talk about foundational things, at least in my mind, was the episode that we did on overcoming objectives with Sarano Kelley. I believe that was episode 61 for those of you who want to go back and listen to it. But, in particular, there were two things out of that episode that I think advisors want to pay a whole lot

of attention to.

Sarano Kelley - I believe that a lot of what shows up as objections is really not objections. It's actually prior issues in the process that either never got handled or were, because of a lack of process, issues were created. So, if we take a look at sales as having four cycles, and we imagine it like a wheel, or a compass, at the very top of that compass would be the word leverage. What we mean by leverage is all the ways that advisors go about gaining access to people; cold calling, joining a country club, seminars, referrals, networking. It doesn't matter what it is, those are all forms of leverage. To the side of the circle is the word rapport, because after leverage, the next issue is do I like you. Then, from there, at the very bottom of the circle is the word relationship, which is do I trust you. To the left of the circle, and what completes the circle is the word recommendation, which is will I do business with you. The circle flows leverage, rapport, relationship, and recommendation. What it basically means is if I'll see you, and I like you, and I trust you, odds are good that I'm going to do business with you. It literally looks to advisors like -- they don't say once I have leverage, but they say once I get in front of people I'm really good, and many of them may very well be good. But it really looks like I made a recommendation, and now it's stalled, or now the person's not really returning my communication or it feels like something happened at the end. And if we take a look at it in many cases, it didn't happen at the end.

Emily Larsen - And you mentioned a second one?

Ben Jones - Yeah, actually, you know, it's really funny. The one thing that I really enjoyed, in addition to that, was we talked a little bit about kind of the four potential responses that someone can give you when you make a recommendation. I thought this was pretty interesting in that, I've always thought, or at least I did think, that there were two responses they could give you, right? They could give you yes and no. But actually, there's four responses. They can say, yes, let's move forward. They can say no, I'm not interested. They can say maybe, or they can have a question. Where a lot of advisors tend to get -- you know, start to stumble is in this maybe section, right? You know, I've always thought that kind of when you're dealing with sales and client situations, right, you don't want to waste time, because time's really valuable. And so you're trying to get to no quickly. And so this maybe category creates a lot of challenge for advisors to think through. Now, what he says is, when you have someone that's in the maybe, you can either try to change their mind and help them -- give them the benefit of the doubt. You can negotiate, considering possibly just taking part of the business versus all of the business or lowering fees or whatever that might be. Or, you can walk away. And, when he says walk away, he says that you walk away for two reasons. I thought this is where the power of this comes in, really the actionable insight is you're thinking about your practice next year. First of all, you can say they're just not a good fit for a values reason. Ethics or whatever, we're just not in the same value alignment, and so it's not a good fit for my practice. But most people won't fall into that category. Most people fall into the they're not ready yet. And so, for these people, you need to create a drip campaign to keep them in your CRM, keep them on your list, make sure that you're constantly staying in contact and sharing the thoughts from your firm so that over time, when they are ready, they can come back to you.

Emily Larsen - Thanks. I'm so glad you were inspired by that episode and that there was more than one powerful take-away that was worth repeating in today's traditional art exhibit. For me, two specific episodes came to mind. The first was our episode on Social Security with Brian Doherty, which was episode 62. Then also episode 64 on health savings accounts.

Ben Jones - Yeah, you know, I thought it was especially interesting because of the amount of feedback that I got from the audience on the HSA episode. It's been an episode that people have really enjoyed. I think Peter Stahl did an amazing job of really explaining the convergence of healthcare and the need for financial planning to take into consideration of that. He says it better than I:

Peter Stahl - If you fail to address these issues in the financial plan -- I mean, let's face it. Most financial advisors, myself included, did not get into this industry to do this type of planning. But if we fail to recognize the enormity of healthcare costs, of custodial care, of the means testings --. If we fail to do this, we are really not acting in the best interest of our clients. Then all of this chatter of fiduciary standards and best interest and doing what's right for the client. Wherever that lands, if that's the path we want to follow, we have to at least have some proficiency on the convergence of healthcare and financial planning.

Ben Jones - Now one of the most actionable things I think our audience can do coming out of this is that Peter explains that what you want to do is you want to save all of your big receipts, so you can pull them out later when you take money out of the HSA, say in retirement. And, I thought, what an opportunity for advisors to show some anticipation of their client's needs, and help them set up a system to keep track and save those receipts, maybe even on their behalf for them as part of the financial planning process.

Emily Larsen - That's fantastic. I also had kind of an ah-ha moment when I was listening to the Social Security episode. And it reminded me of when I was in the art museum and I'm looking at a painting or a sculpture that I know well, but I observe something new about it. Like, there's a different light, or I learn something new about the artist before I look at it this time. This Social Security episode did that for me about Social Security. Essentially, there are new ways to look at it -- even though it's a foundational thing that's been around for a really long time. And when Brian implored listeners to work immediately to maximize Social Security for specific client subset -- that's what my actionable take-away was and most resonating moment from that podcast.

Brian Doherty - The one strategy that it would be, I think, the most urgent call to action is if their clients are still qualified to use the restricted application claiming strategy. Back in November of 2015, the government passed a law, and what they did was they did away with the file and suspend strategy, which seemed to be very popular, got a lot of press, a lot of financial advisors knew about it. And if you didn't use it by May 1st of 2016, it's gone forever. As a result of that, I believe that the majority of financial advisors and individuals think all these creative strategies are gone, but that's not the case. The restricted application claiming strategy is still available to

people born before January 2nd of 1954. And Emily, I do a lot of presentations on this, but I tell financial advisors when you leave my presentation today, you've got to go back to your office, go through your book of business. All your clients that were born before January 2nd of 1954, you call them up and you ask them one question; have you already claimed your Social Security benefits? And if they say no, you say stop everything, come on in here, I've got to show you something that could pay you up to an additional \$70,000 before your 70th birthday.

Ben Jones - So now we're leaving the traditional exhibit and we're transitioning to the next wing. Emily, can you tell me a little bit about where this build-your-own adventure's leading?

Emily Larsen - So the next exhibit is the modern art exhibit. So, modern art may have very different and specific definitions when we're talking about an art museum. But in today's episode, since I'm in control, the modern term represents timely topics; ones that are most applicable today because of either our society or demographics or the current market conditions. So, with that in mind, timely topics, I go immediately back to our episode on advising Millennials as the perfect fit for this exhibit.

Ben Jones - Or the episode we did two before that on clients who become suddenly single, with my favorite doctor to check in, Dr. Amy, and that I believe was episode 49.

Emily Larsen - Absolutely, yes.

Ben Jones - So, in the Millennial episode, it was quite unique, because we heard two stories, from both Shannon and Eric, who both had built practices targeted at Millennials and were told they were absolutely crazy for going after the Millennial market, and instead should focus on the traditional and more profitable -- I'm using big air quotes you can't see here -- demographic. And I love the way that they both blazed a new trail and ultimately created a business model to serve the exact type of customer they wanted.

Emily Larsen - I love the parallel here with the art museum concept which is, many artists did something new that was regarded as crazy when they were developing their first works.

Ben Jones - I haven't spent a lot of time in modern art museums, but I can totally see that being true from the art that I've seen.

Emily Larsen - Absolutely. Millennials are an under-served market by financial advisors, but they certainly got the attention of marketers as they grow wealth. And they're really gaining visibility for financial advisors too. So we asked Shannon about the different approach that she takes when catering to this type of clientele, and what surprised me most was her response.

Shannon Lee Simmons - What I would say to any advisor, regardless of who your client is, is try to understand where they're coming from in a big way. That is intergenerational. It doesn't matter who they are. Try to see it from their perspective. Fundamentally, from a financial perspective, the conversation is the same about can you afford this. It doesn't matter what I'm

talking about really, it's just how do we make sure that your financially secure and safe for the long run while still giving you permission to spend some money on things that make you happy. I have that same conversation with somebody who's 50 and getting ready to retire, and they're like, can we do this? What do we need to do? Our kids are gone or they're leaving soon. And like, we're -- our kids are teenagers and their school is paid for, how do we move forward now? What do we do? And the conversation and the tools and the strategies is the exact same as somebody that I would say, hey, you just graduated and want to pay off your debt? Let's figure out what you can do safely.

Emily Larsen - What Shannon actually taught us was that advising Millennials isn't all that different than serving the rest of your clients. Although they may have different spending preferences, the advisor's approach doesn't really need to change that dramatically. And it's especially important for advisors not to dismiss this audience as they start to attract and retain legacy assets as wealth transfer happens between generations.

Ben Jones - And for the suddenly single episode, this is a market that has really grown in size over the past several years. But, it's not something that traditional advisors deal with every day. And so, when that moment happens, it can be a bit awkward, both for the financial advisor in knowing exactly what to do and handle the situation when they have a client that passes away with a surviving spouse, as well as it's obviously not a comfortable situation for the client to be in either. And Dr. Amy had some really, really good advice here that I think I really took away with this. First thing that she says to do is to actually maybe not do anything and wait before you engage with that client. They've just gone through a traumatic period, and they need some time for some emotional healing. So what she suggests is to send a card immediately and reach out and really be authentic and give them a heart-felt note letting them know what you really appreciated about the spouse that had recently passed away. And, that everything would be okay, and after they get to a point where they're ready to deal with finances, that you'd be more than happy to discuss that with them. But really sending that personal, heart-felt note, and then not really getting into calling them about financial information for maybe as long as a month. Sometimes I think, as people of action, we want to do something because something happened. But, the fact of the matter is that sometimes waiting might be the best option.

Emily Larsen - So you are doing something, you're waiting.

Ben Jones - Correct.

Emily Larsen - Yeah, okay. That's our last item in our modern exhibit. Let's transition to our final exhibit for the day. And this is totally my favorite part of the museum. This part of the museum is often overlooked by visitors. We're going to visit the art generation lab. It's often overlooked because, one, it's in the basement. And two, people kind of think this is only a kid zone. Let me explain; it really engages visitors in a totally different way. Instead of observing art, you're making art. And so, I often go there when I'm visiting the art museum with friends who have little ones, but the art museum actually provides the materials, the inspiration, and even helpers, if you need them, and you make art in the art generation lab. Everyone takes the

same supplies and creates something. The most beautiful thing about this experience is that, even with the same supplies, no one's final piece of art ever looks the same. It reminded me of the episodes from our modern marketing series. To call one particular podcast to attention, I remember the podcast about writing a book. And I think we can often get in our heads everything that can be said about financial advising has already been written in a book somewhere. However, I feel like if every single listener we have on this show wrote a book, the end result would be totally different. That's what made me think of the art generation lab and applying these concepts to this final exhibit.

Ben Jones - You know what, this -- now this sounds like my kind of art museum. Hands-on, getting dirty, supplies, this sounds fun.

Emily Larsen - We'll go the next time you're --

Ben Jones - So I'm really excited about this. I'm in.

Emily Larsen - Yeah. We'll go the next time you're in Milwaukee.

Ben Jones - Oh, that sounds like a lot of fun. Will there be sticky notes?

Emily Larsen - I can bring sticky notes, yes, I can hear it --

Ben Jones - Not part of the normal supplies.

Emily Larsen - No, but I can guarantee they can be involved.

Ben Jones - I'm glad that you brought up the point about no two books being the same. Because Kevin Bourke, he eventually wrote his book. What he found was that he wanted to create a book that felt more accessible to readers. It wasn't that he didn't feel like the technical information was out there, it was that it wasn't as accessible to the reader that he wanted to target. He wanted to help the readers learn something that they might not already know and have some really clear take-aways from the book. I think that a really valuable insight from him is to say, you don't have to come up with a brand new idea. You might just have a different spin on that idea that is more targeted to the audience that you're trying to reach.

Emily Larsen - Yeah, what I really liked especially about that episode is Kevin talked a lot about what he thought was missing from other financial books. He started to identify what he didn't want to do, which guided him to the place that got him to what he did want to do. That reminds me of like white space or negative space in art. Sometimes that's also saying something. You can look at the subject matter of a piece of art, but sometimes the artist is trying to communicate something through the negative space of what's not there. That reminded me a lot of what Kevin talked about in his episode.

Ben Jones - Wow, you have really got into this art thing.

Emily Larsen - I really did, I really did. So we had two other episodes on modern marketing techniques where financial professionals took us through their approaches or different approaches to help their practice stand out. Episode 55 where JD Carlson talked about making videos, and then episode 48 with Rick Unser who talked us through creating podcasts and that turned into a growth strategy for his practice.

Ben Jones - You know, it's so funny that you brought up JD Carlson because he was really nice and hosted me at his home to do the interview. His home is covered with really beautiful art. So it feels very appropriate that he's in your art exhibit here. Now with respect to the art lab, one of the things I really loved about my interview with JD is that one, he was very purposeful in what he's put together now. But it really was a lab experiment. He took a sales meeting and transformed it into a YouTube series that he's experimented with in both the radical nature of the way that he's approached the series and in being a little bit irreverent and disruptive as well, which was very intentional in the way that he brought that to market. But probably the most important thing that he left our audience with or the thing that I really took away was that you've got to get started, because you're not going to learn anything thinking about it.

JD Carlson - Yeah, you just get in there and do it, you're going to learn a lot more than sitting there twiddling your thumbs trying to figure out what your strategy is going to be. I see a lot of that in marketing, especially with the advisors that we partner with. Everyone wants to talk about great ideas and strategies and things that they're going to do, but never come to fruition. So I would challenge them just to dive in and get it done, to start and then you'll figure out it out.

Emily Larsen - Rick provided similar advice, but he also responded to a question that you asked about how he defines success when he started his podcast. His answer riveted me.

Rick Unser - Because I think you need to set goals, you need to have some idea of what you're working towards. But I will say that I went into this thinking that hey, I like podcasts, I listen to podcasts and I've reached out to some people that run these podcasts and asked questions. Hey, if I put a podcast out there, my phone's going to be ringing off the hook, my e-mail's going to be -- the e-mails are going to be flowing in and I'm just going to have more opportunities and more interactions with employers, plan sponsors, my end users than I can handle. Well that was certainly my grandiose vision, not that I was expecting that to happen overnight, but that was sort of the grandiose vision that I if do this, that will become reality. What I will say is that over time, I have adjusted that vision and I think come to a better way to determine if what I'm doing is successful, if what I'm doing is moving in the right direction, if what I'm doing is having an impact on employers on the industry, etc. I think initially where I thought it would be just an overwhelming amount of inbound opportunities, what I've now sort of adjusted and I feel is a good barometer for success is what type of impact am I having, what are the results and what are some of the comments and feedback that I'm getting,

what are some of the opportunities that I'm getting that might not exactly be hey I'm a potential client and I have a question on X, but having opportunities to sit down and talk to you on a show like this. If I wasn't doing the podcast, Ben, as I know you and I knew each other in the past, but I doubt this would have come to fruition if I hadn't of been doing what I'm doing with the podcast. I can point to a dozen other things in my life that I'm doing and exploring and have had opportunities to do that would not have come if I had not been going down this path on the podcast that I've been doing.

Emily Larsen - What I enjoyed most about his comments was that he acknowledged that at the beginning of the journey, he had no idea where he was going to end up. He couldn't even dream of the opportunities that would present themselves as a result of this experience and this experimentation when he started. So that for me was really tied in nicely with JD's comments about getting started, and then also Rick's comments it felt very much like he was talking about being open to wherever the project took you because it's going to go great places.

Ben Jones - Yeah, I mean I think there's a lot of stuff that we've covered as we've explored modern marketing techniques for advisors. As advisors head into the new year, this is an area that I'd really spend some time thinking about is how can you experiment with some modern marketing techniques to really put your thoughts out to the audience that you want in the year ahead.

Emily Larsen - Mhm. So actually, this makes me think of the fact that my mother-in-law is a wonderful watercolorist. Although she's quite talented, she continues to take classes to learn new and different techniques and revisit things that she learned previously. It's making me think about the fact that advisors can use our podcasts, just like we did for this episode, as a reference tool. Something that they can revisit again and again when they're ready to take on that subject matter or go deeper into certain exercise in their practice. So that would be one of the take-aways I have for this episode as an actionable idea to use us as a reference tool.

Ben Jones - Yeah, you know, it's so interesting that you say that because one of the pieces of feedback that I get is that there are a lot of people out in our audience that actually use the library of content we have to brush up on topics like Social Security or HSAs that we've covered throughout the year for planning conversations they might be having or preparing for their management or leadership team summit, they might go back and revisit episodes we've done on thoughtful leadership and modern marketing techniques. So I think that's a really great insight as you think about the year ahead is, you don't have to remember everything, you can go back because these episodes we've saved in perpetuity going back over the last couple of years, they're all available. If there's something that you're thinking about in the year ahead, we probably have covered a topic that might be able to help.

Ben Jones - So Emily we've had a very inspiring journey here through the Art Museum.

Emily Larsen - Thank you for following me on the journey.

Ben Jones - This has been a lot of fun highlighting some of our favorite learnings and key take-aways from the last year of *Better Conversations. Better Outcomes.* podcast. So it's been a lot of fun. We hope that you all enjoyed the episode and we just want to say as the year comes to a close, thank you for listening and making us part of your 2018. We look forward to curating a lot of new content with some really great guests in 2019 where we're going to be exploring topics relevant to today's trusted financial advisors and making sure to provide you with actionable ideas that are designed to improve outcomes for you and your clients.

Emily Larsen - We also wanted to send out a special thank you to all of our guests that appeared with us on the show this year. Their insights and knowledge have helped financial advisors around the country create better conversations with their clients and ultimately produce better outcomes for everyone in the relationship.

Ben Jones - You know, I think this is a very understated point in that it really is the guests that have made this show. So for everyone out there who's listening that has been a guest on this show or is a guest on an upcoming show, thank you.

Ben Jones - Thank you for listening to *Better Conversations. Better Outcomes.* This podcast is presented by BMO Global Asset Management. To access the resources discussed in today's show, please visit us at www.BMOGAM.com/betterconversations.

Emily Larsen - We love feedback and would love to hear what you thought about today's episode. You can send an e-mail to betterconversations@BMO.com.

Ben Jones - And we really respond.

Emily Larsen - We do!

Ben Jones - If you thought of someone during today's episode, we would be flattered if you take a moment and share this podcast with them. You can listen and subscribe to our show on Apple Podcasts or whatever your favorite podcast provider is. And of course, we would very greatly appreciate if you'd take a moment to rate or review us on that app. Until next time, I'm Ben Jones.

Emily Larsen - And I'm Emily Larson. From all of us at BMO Global Asset Management, hoping you have a productive and wonderful week.

Ben Jones - This show and resources are supported by a very talented team of dedicated professionals at BMO including Pat Bordak, Gayle Gibson, Matt Perry, Derek Devereaux. The show is edited and produced by Jonah Geil-Neufeld and Annie Fassler of Puddle Creative. These are the real people that make the show happen, so thank you.

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