

### FINANCIAL PLANNING

## Advisor as Quarterback

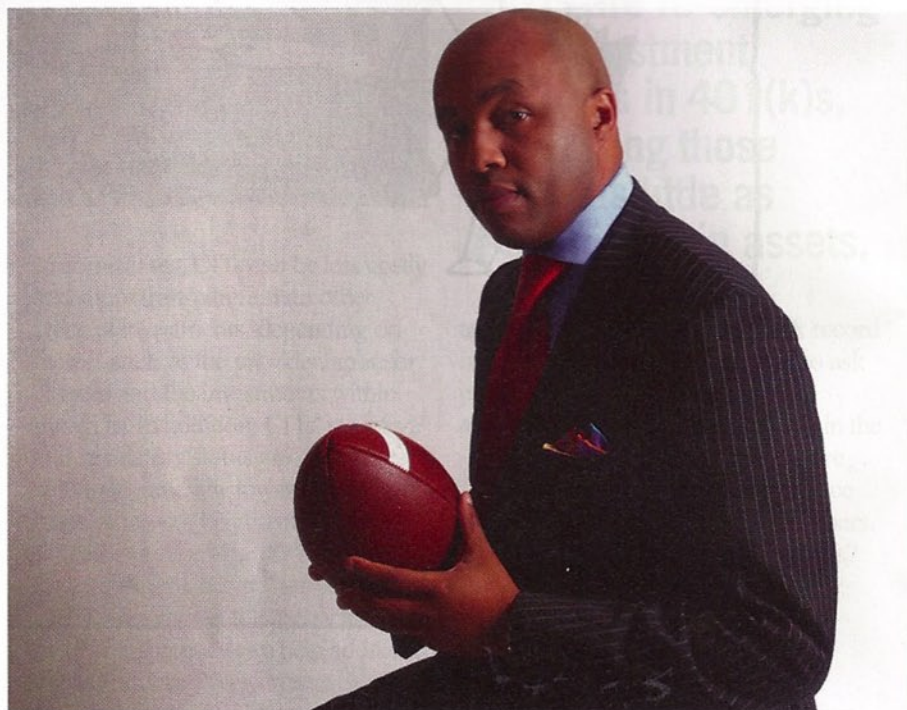
Use specialist networks to develop the business-consulting side of your practice.

Helping clients with their company-benefit plans opens up the new terrain of company-sponsored personal financial planning for executives and private planning for the company's principals. But advising clients about how benefit-plan changes affect the total company picture may require skills many advisors lack. Achieving the twin goals of benefit plans—helping to retain employees while creating tax savings for the company and employees alike—can ultimately lead some advisors into unfamiliar areas.

These include areas such as executive compensation, strategic business planning, custom group life insurance, corporate treasury management, specialized tax accounting, and mergers and acquisitions.

Advisors can approach business prospects confidently and serve them responsibly by having experts in these fields behind them, ready to step in and serve the client. Advisors who truly want to expand the business-consulting side of their practices might want to consider developing specialist networks, which consist of myriad professionals who work directly for the business client while coordinating with the team's leader: the advisor.

Acting as the quarterback, an advisor with such alliances can handpick teams of specialists who can develop holistic approaches to achieve inter-related goals. By serving both individuals and the companies they own, advisors can bridge the gap between these individual clients' personal and business finances. But the quarterback role involves a change in mindset from one of getting deep into the minutiae of what advisors know best to one of developing a general grasp of the basics in fields they know little or nothing



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about. With this type of familiarity, they'll know who to bring in to solve the client's specific problem.

This may be out of the comfort zone for some advisors but the pay-off could be just the incentive they need to shift their mindset. Thinking in terms of how to increase their value to clients can result in: greater client satisfaction; retention and referrals to other businesses; introductions to executives in need of personal financial planning or wealth-management services; referrals by alliance members to high-net-worth individuals in their geographic areas; and depending on the advisor's strengths, recruitment by alliance mem-

bers for teams to serve their clients.

In forming such alliances, advisors must be willing to be open about their client relationships with specialist partners and develop confidence that alliance members will respect their role as the "owner" of the client relationship. Alliance members also must be willing to abandon an "immediate-transaction" mentality in favor of a long-term, client-service philosophy.

#### A case in point

These are the elements of the national alliance I started 10 years ago, which now has more than 100 specialist consultants. Alliance members bill the

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clients directly, which ensures that clients get coordinated advice in various specialties without having to pay any more than they would to engage each consultant separately. There are no piggybacked fees or marked-up services.

Just as we bring in specialists from the alliance, these specialists sometimes bring in advisors from my firm, as well. For example, an alliance firm that handles administration for benefit plans recently brought us in to help one of its clients with employee-plan education because enrollment numbers were lacking. This significantly boosted sign-ups.

### Executive compensation

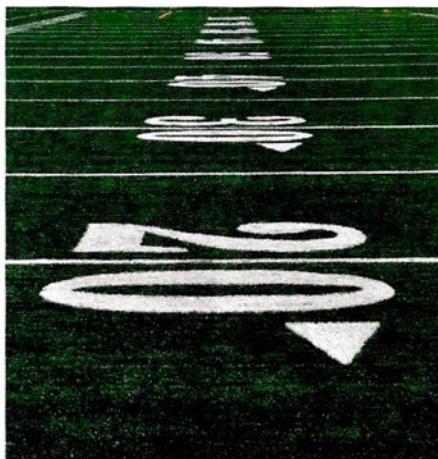
While consulting on employee-benefit plans, advisors can easily venture into executive compensation, with its complex technical considerations, regulatory traps, tax consequences and governance concerns.

When my firm is in this situation, we bring in executive-compensation consultants from the alliance to assess the impact of proposed employee-benefit changes on the executives' total benefit packages. This might trigger a review of supplemental executive retirement plans, and changes in these might suggest a review of executive contracts by compensation attorneys.

Many small companies lack such executive benefits, but they may have several employee-benefit plans that aren't being properly coordinated for tax purposes. In this case, we bring in CPAs to run the numbers throughout the year, shoring up the client's tax-planning strategy.

In recent months, we've seen companies floundering and many have failed, creating a need for investment bankers to conduct valuations for intact sale or break-up. This has included property appraisals by commercial real estate consultants. As we serve businesses in the coming months,

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we expect to bring in such specialists often—this time, for mergers and acquisitions and property purchases reflecting economic growth.

### Creating an alliance

Advisors who recognize the opportunities through the quarterbacking role should think globally but begin locally when starting to form an alliance. Reaching out to centers of influence or potential partners leads to conversations that may ultimately result in mutually beneficial relationships. Gradually, this chain of associations can lead to local members of national professional firms, and then to their partners in other cities.

That's how we started our alliance. We began holding regular conference

calls to learn about each other's areas of expertise and to develop a level of trust. With this trust as the foundation, we established protocols for working together, a code of conduct and a governing body.

When advisors are backed by an alliance, initial meetings with business-client prospects can be far more successful than when they go in unsupported. Some of these prospects may say they already have consulting expertise; yet, they are often unaware that there's a superior alternative to using individual consultants who work in silos. When they hear about the concept of holistic business consulting, they usually brighten up. □

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