GENERATIONAL SELLING TACTICS

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Connecting with the younger crowd

For Gen X and Millennial clients to 'catch on,' financial advisers need to reform their ways

The oft-quoted definition of insanity is "doing the same thing over and over again, and expecting different results."

Senior financial advisers who continue to treat their younger clients the same way that they have always treated clients should take heed.

These advisers comment that they hope their young clients eventually will "get it" or "catch on." In truth, it is the adviser who needs reform.

So what to do?

When holding a meeting with a next-generation client, advisers should consider the advice offered below and then consider their own behavior. Getting out of old habits and into new ones takes time and is like breaking in a new pair of shoes: uncomfortable at first, but it slowly begins to feel better and better.

Additionally, bear in mind that the financial crisis confirmed the younger generation's belief about the financial services business, about which they already had misgivings and suspicions.

So advisers are starting from a negative position with the younger generation. Getting things right, such as how to run a meeting with them, is the beginning of building value.

First, some assumptions to build on:

- This next generation of clients is about 45 or younger, making them Generation X or Millennial.
- They have enough money, or the potential to have enough money, to make a meeting worth an adviser's while. Advisers aren't doing their mom or dad a favor by holding such a meeting.
- This meeting isn't a "let's get to know each other" meeting. This is an "it's time to do something" meeting, and the adviser needs to have spent time getting some proposals and ideas together.

DEVELOP AN AGENDA

Advisers should develop a simple numerated, typed agenda, present it at the beginning of the meeting and say, "I've thought through what I think we should discuss today, and here is my list. Let me give you a tiny bit of detail on each of the items here first, and then let's add anything that you want to discuss. I'm guessing that we'll spend about X amount of time going over this."

If the client wants to add anything to the agenda, the adviser should subordinate some of his or her own items and give the client's questions priority.

Millennials appreciate agendas and syllabi. They have been guided this way for a long time by parents, teachers, employers, etc.

As an adviser discusses each agenda item, he or she should emphasize "and this is what this means to you" to ensure that the client is clear about the significance of each point. Many advisers assume that their clients understand why a bond fund is a logical addition to their portfolio or what a midcap market fund is and why it is important. But that might not be the case.

Finish each bullet item with an explanation of its importance to the client personally.

As each bullet item is completed, check it off the list by marking through it or writing a check beside it. Show completion.

The agenda is a simple plan, and completing it provides credibility to a generation that is already dubious of advisers' capabilities and intentions.

On a separate list, track the actions that the client should take. Make the list as each item is discussed, and let the client know that he or she will get this list at the end of your appointment.

When giving the list to the client, the adviser should write down his or her cell number because of the younger generation's proclivity toward texting. Encourage the client to touch base with questions and as tasks are completed.

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On that list, the adviser also should write down a to-do list. The relationship is a team effort, so showing forthcoming work reflects that.

Copies should be made for both the client and the adviser.

Advisers who introduce topics that require significant decisions from the client shouldn't push for a decision to be made during that meeting. Give the client the chance to discuss these decisions with family and friends.

Although advisers may think their expertise alone should carry the day, younger clients will likely want input from others. When following up with the client, ask: "What do you think?" and, "What did you learn?"

When the meeting is over, advisers should go over each to-do list and show that they have completed their agenda. Advisers should finish on a positive note and be clear on how and when they will next be in touch.

Invite clients to involve others in meetings if they ever wish to do so. They may just show up next time with their parents in tow, so be ready.

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