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Becoming Your Client's Go-To Advisor

Last week I was meeting with Rosario Ruffino and Rich Rosenberg of RR Advisory Group in their Manhattan offices. We were engaged in a conversation about their practice and what is really important to them. Their answer was quite simple: "Ted, we want to achieve **Primary Advisor** status with each and every one of our clients." I have discussed Primary Advisor status before, but I never really drilled into the concept.

Let's start by defining what a Primary Advisor is. The Primary Advisor is the advisor who clients call first when they have an important issue in their financial life. The Primary Advisor often gets to help select the team of other advisors that surrounds the client, and in many instances even acts as the liaison between the client and the other advisors. If you are the Primary Advisor, you know where all the money is, you see the big picture and you have a strong relationship with the client that is grounded in trust and integrity. Achieving Primary Advisor status is not an easy task, and the larger your prospect the more difficult it is.

In the world of wealth management, perhaps the best and most obvious example of Primary Advisor status rests in the ultra-affluent marketplace—the glorified Family Office. Outside of the Single Family and Multi-Family office structures exists a world of boutique Commercial Family offices. At the core, these Commercial Family offices are exceptionally good wealth managers. However, to round out the client experience and really achieve the Primary Advisor status, these firms leverage specialty products and services.

Such is the case with RR Advisory Group. "We look at all the different ways we can add maximum value to our client relationships, and then we bolt those capabilities onto our practice, or form an outside alliance with a best-in-breed provider," says Ruffino. "We are very heavily involved in a number of key areas that set us apart from other firms that simply manage money."

RR Advisory incorporates a number of ancillary lines into the practice, including tax preparation and tax consulting, life insurance, estate tax planning, and personal risk management (personal lines insurance). It even retains lifestyle consultants for clients in need. What I have learned from RR and other successful wealth advisory practices is that you can use specialty products and services to help achieve Primary Advisor status.

Key Takeaways

- Primary Advisor status should be the goal of every wealth advisor. It positions you as the expert and the "go to" person with your clients.
- Primary Advisor status is difficult to achieve and teams may need to be constructed to do it properly.
- Primary Advisors use specialty products to differentiate their practices.
- Primary Advisors incorporate nontraditional services in their practices and wrap their arms around the client to form a "sticky" relationship.

Key steps to becoming a Primary Advisor:

1. **Identify the key resources.** Determine the resources you most need to bring to bear—investments, life insurance, disability insurance, personal insurance, taxes, legal, lifestyle, etc.—and write a plan around the leveraging of those resources. What are all the key areas that your target clients will need? Identify what is important to your target client base and develop a working plan.
2. **Assemble the team.** If you don't have trusted experts, go interview a few of them—seek referrals from your best clients. Bring the entire team together without a client so you can discuss how you all can work together most effectively. Everybody is in business to make money, and it is OK to discuss it openly. If someone isn't "like minded" with the rest of the group, replace him or her ASAP.
3. **Wrap your arms around the client.** The more you are involved in your clients' financial lives, the greater your stickiness. Suddenly you know everything and can really see the big picture. This is huge!

One of my favorite expressions is "You don't know what you don't know." You are not expected to be an expert in every area that you decide is important to your client base, but you do need to be well-versed in the basic subject matter and be viewed as credible. Communication skills are critical. If you are incorporating personal risk management reviews into every client review, you need to be able to explain to the client why this is important. Example: "Mr. Jones, I understand that your previous wealth advisor didn't want to review your home, auto, liability and other personal insurance programs, but at XYZ Advisors we know that nothing can hurt an otherwise sound wealth management plan quicker than an uninsured or underinsured loss. We have found that many of our clients' insurance portfolios could be better constructed, and gaps are frequently uncovered."

READER NOTE: *If you'd like to know more about this topic, contact me for an in-depth article about how incorporating personal insurance reviews is critical for the wealth advisor. Email me at Ted.tafaro@exceptionalriskadvisors.com and type "P&C Review article" in the subject line.*

Use specialty products to differentiate your practice. If you sell life insurance and related products in your practice, consider using a specialty product with your highest-earning prospects to differentiate your practice. Chances are that the prospect has been solicited countless times by other professionals looking to manage their money or sell permanent life insurance, but what about taking a different approach to make a sale and win some trust?

Client Case Study

Last year I was working with an advisor in Connecticut who was working on building a relationship with a 34-year-old hedge fund manager. The fund manager's income was north of \$3 million annually, and the advisor confided in me that he had a great rapport with the prospect but couldn't get him interested in investing.

We called up the prospect and said simply, "You know Joe, you earn income like a professional baseball player (the prospect was a huge Yankees fan), and most of our professional athlete clients purchase specialized disability income protection from Lloyd's of London to protect themselves in the event of a disability. Given your age and what I know about your health, we can probably purchase \$10,000,000 of disability income protection on you for a premium cost of

less than fifty basis points (put it in their lingo). I think you should strongly consider buying a policy like this.”

We took the application that afternoon; three weeks later we wrote disability insurance on two other heavy hitters in his firm because the fund manager was bragging that he was insured with Lloyd’s of London. The advisor moved a few million in AUM, and living wills and various estate documents were created. Months later, Primary Advisor status was achieved.

In summary, you don’t have to do everything—just decide what is important to your target audience. Have fun building the team and wrapping yourself around your best clients and prospects. Win at the Primary Advisor game and you will win at growing your practice.

About the Author

Edward A. (“Ted”) Tafaro, president and CEO of Mahwah, New Jersey-based **Exceptional Risk Advisors**, is one of the country’s foremost experts on high-limit specialty life, accident and disability products for clients with exceptional insurance needs—including celebrity athletes, entertainers, highly compensated executives, entrepreneurs and professionals.

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