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Solving Problems with Your Network

By **John J. Bowen Jr.** ■ Founder and CEO, CEG Worldwide



Building a professional network of experts will give you the much-needed ability to identify affluent clients' precise wealth management needs (see "Assembling Your Network of Experts"; May 2008). That process will occur at regular meetings that

you'll hold with the members of your network, during which you'll discuss needs and opportunities for specific clients. These meetings should be highly structured by you so that you know in advance who will attend and which clients will be discussed. As a wealth manager, you need to be in control of your network at all times.

The key to your success going into meetings with your network is to have a detailed profile of each client you want to review. You and the other professionals will then engage in a

brainstorming session that seeks to anticipate the expected and unexpected (both in the client's life and in a larger, macro view) and use those scenarios to inform your recommendations.

This type of brainstorming is often referred to as "scenario thinking" because it essentially makes you ask, "What if...?" in order to generate a series of possible outcomes or scenarios, and then consider the ways that various strategies and tactics can be used to meet needs. In regard to

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First Word

By John J. Bowen Jr.



Journal of Wealth Management Consulting

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Advisors increasingly are looking for help to grow in today's competitive environment. Those financial institutions that rise to the occasion by providing the support systems that advisors need to succeed will win the allegiance of these advisors—

and see their revenues and profits grow rapidly as a result.

So what types of support do today's advisors need from institutions? One area they don't seem particularly concerned about is products and services. Just 18 percent of the 2,094 advisors that CEG Worldwide surveyed expressed concerns about being able to deliver top-quality financial products and services to their clients.

Instead, our research reveals that advisors need the most help in three main areas of their businesses:

1. Marketing and sales. This support is focused on training and processes that help advisors build their businesses by attracting affluent investors. Of greatest interest is assistance in developing client referrals—our research shows that 90.4 percent of all advisors would like to receive this type of support. And more than 70 percent of the surveyed advisors want help in three other areas: education on target markets, developing advisor referrals, and advanced sales and marketing training.

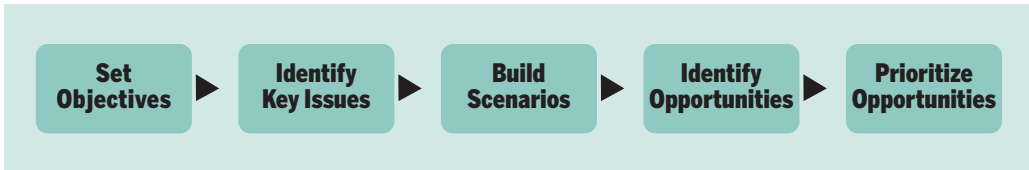
2. Practice management support.

Advisors want to know the best practices of their most successful peers, so that they can apply those lessons themselves at their own firms. A very large majority of financial advisors—89 percent—want to learn more about how the most successful advisors are running their businesses. Also of substantial importance to advisors are motivational support programs and time management programs.

3. Technical support. The third area in which advisors are looking for support is in technical issues for products, as well as the issues they face in delivering services to their clients. Help in life insurance ranks first. It was cited by 41 percent of surveyed advisors. Retirement planning support also ranked high (36.2 percent).

The upshot: Financial institutions that give advisors the support they need in these three crucial areas will put themselves in the best possible position to gain a competitive edge over other firms in the years to come.

THE SCENARIO-THINKING PROCESS



Source: CEG Worldwide.

continued from page 1

wealth management, scenario thinking helps you envision and describe the best possible future for your clients, then determine which actions are most likely to lead to that future. The process (shown in the chart above) involves the following five steps:

■ **Set objectives.** These will be tied to the client's most important financial values and goals. Everything you do should be built off this knowledge. There are a range of issues that almost always reveal the need for advanced planning. Examples include multiple families, second marriages, a large age gap between spouses, large incomes and expensive collections (artwork, cars, etc.).

■ **Identify key issues.** These are the current opportunities and threats that could affect the client's future. Depending on the goals, these could include the availability of certain financial products, possible changes to the tax code or shifts in the personal liability environment. You and the team will want to dig deep at this step—asking yourselves what you may be overlooking in regard to the particular client and his challenges.

■ **Build scenarios.** Discuss possible outcomes—if you implemented a certain strategy, for example, what various outcomes could occur? What can be controlled and what can't? Here is where the specialized insights of your experts will be invaluable in crafting ideal solutions.

■ **Identify opportunities.** These are the strategies, services or products that, based on your scenarios, have a high probability of achieving the client's goals. Appropriate opportunities also should be those that you can deliver profitably.

■ **Prioritize opportunities.** Decide which strategies should be pursued first so that the client receives the most advantageous and powerful results right off the bat, and then take the appropriate action steps.

By surrounding yourself with the right team and using the right processes to generate solutions, you'll find that bringing the full range of wealth management solutions to your clients can be smooth and seamless. In the end, you'll bring value to your clients' entire financial lives and build a great business.

About Wealth Management

Leading financial advisors are driven by a singular goal: to build highly successful businesses by delivering world-class service to their clients. Wealth management is the one business model that will help you accomplish that objective.

Wealth managers leverage three key steps to deliver tremendous value to their affluent clients' financial lives:

- Using a consultative process to establish close client relationships
- Offering customized solutions to fit each individual's needs
- Delivering these solutions in close consultation with clients and their other professional advisors

About CEG Worldwide

CEG Worldwide's founder, John J. Bowen Jr., first identified the key factors that contribute to a financial advisor's success while working with elite advisors. Recognizing that this knowledge would have substantial impact on advisors, their clients and the industry itself, Bowen and his partners launched CEG Worldwide.

The firm's mission is to provide financial advisors and the financial institutions that serve them with insights, strategies and tools to significantly grow their businesses and better meet their clients' needs. CEG Worldwide is uniquely positioned to combine leading empirical research expertise with pragmatic, proven business experience. The company offers practical guidance that works for elite financial advisors as well as those advisors aspiring to elite status.

Growing Wealth

Gordon Bernhardt has built a \$115 million practice by emphasizing the community values of his rural upbringing



Virginia-based Bernhardt Wealth Management supports women in transition among other client groups.



Gordon Bernhardt of Bernhardt Wealth Management comes from a farming community in Nebraska.

His community-oriented approach has led him to adopt wealth management as a way to serve his clients, using a best-practices-driven financial

methodology.

Founded in 1994, Bernhardt Wealth Management has evolved as Bernhardt has searched for industry best practices to support his clients. The result has been the discipline of wealth management, which supports individual life values with resources, and asset-class investing.

As a child growing up in a Midwestern farming community, Bernhardt saw how rural values such as independence and interdependence helped build a successful local culture. Such values have helped him in business as well, as those same values are shared by many of Bernhardt's clients. He specializes in addressing the needs of successful professionals, entrepreneurs and retirees, but also works with a number of women in transition (those who are either going through a divorce, entering retirement or facing the death of a loved one). In fact, women now make up approximately 30 percent of his total client base.

Women face special challenges in today's investment environment, Bernhardt points out. Even though women are almost 30 percent more likely than men to go to college, they often end up doing less well professionally than their male counterparts. Women often have children rather than continue their careers, and they live about seven years longer than men do; thus, their savings have to go farther. Additionally, some women still feel social pressure to defer to the men in their lives, which can complicate financial recovery from a divorce or widowhood. "Investing and planning for one's retirement is a fact of life," Bernhardt explains. "But often it is seen as a difficult and aggressive arena that takes bold action and constant monitoring. We can show people, especially women in transition, that there are ways to approach finance and investing that get the job done yet provide peace of mind."

His client base runs beyond

women, of course. “Wealth management and asset-class investing appeal to many people in many professions,” Bernhard explains. “Not just women in transition, but all types of individuals from entrepreneurs and successful executives to those with family wealth who are ‘stewarding’ resources from one generation to the next.”

As a result of his wealth management emphasis, Bernhard has seen his practice more than double in the past few years. Today, he has nearly 100 clients and almost \$115 million under management—a significant increase from the beginning of the decade, when he had fewer than 50 clients and less than \$35 million.

It’s been a long, successful trip for Bernhard in numerous ways since he left his native Nebraska in the early 1980s for Washington, D.C. and his first job, assistant to Representative Virginia Smith. From there, he went to work for the U.S. Senate Finance Committee when it was under the leadership of Sen. Bob Dole, then left D.C. to earn a degree in commerce from the University of Virginia. On entering the financial industry, he worked for Price Waterhouse (now PricewaterhouseCoopers) and then spent the next three years in the corporate world in an accounting role. Next, he worked for Acacia and American Express Financial Advisors (now Ameriprise). Seeking to more closely control his professional destiny, he started his own firm in 1994—with a focus on providing his clients with high-quality service and independent advice.

Upon reflection, Bernhard says that his past political involvement stemmed from his focus on community values and on “giving something back.” The difference between what he was doing then and now, he adds, is that the “giving back” is performed on an intimate and everyday level. “I still have an interest in politics,” he explains. “But I also see that at the national level a lot of politics is impersonal and leveraged by special interests. I’m fortunate that in my career, I’m able to find a way to help people in a one-on-one situation and make a living doing so. It’s gratifying, and it allows me to align my own values with how I want to lead my professional career.”

Bernhardt attributes a great deal of his current success as a wealth manager to the professional and personal coaching he’s received over the years. One of the most important of these relationships, he says, is with leading advisor-coaching firm CEG Worldwide. Bernhard says he had been aware of CEG Worldwide’s expertise in the field for some time, and after enrolling in the program several years ago, he began to understand that certain kinds of strategies and systematization of business processes would make his practice even more profitable and responsive. “Success gives you resources that you can use to provide an even better support environment for clients,” he points out. “Wealth management is a critical key, and CEG Worldwide shows you how to unlock its power. Our clients benefit every day as a result of our wealth management emphasis.”

As a result of his wealth management emphasis, Bernhard has seen his practice more than double in the past few years.

Position Yourself for Success

By **Frederick M. Hanish** ■ Senior Managing Principal, CEG Worldwide



One of your biggest challenges is to stand out in what has become a very crowded marketplace. To meet this challenge, you must carefully position yourself. Positioning is the art of controlling perceptions—how you and your business are seen in

the minds of clients and prospects. Your goal is to be first in the minds of members of your market niche.

There are four steps to successful positioning:

1. Identify your compelling value proposition. As an advisor, you bring particular skills to the table in assisting your clients. These may include asset management, financial planning, retirement planning or any number of other skills. However, it would be a mistake to assume that these are what are most important to your clients. Instead, they are looking for something that goes deeper than a specific skill set. They want an advisor who is an expert at solving their financial challenges.

Unfortunately, most advisors fail to position themselves according to what the affluent are looking for. For example, when we asked 716 advisors if they considered themselves to be experts in the

financial services field, very few identified themselves this way. A mere 4.9 percent of advisors earning less than \$75,000 considered themselves to be technical experts, compared to 37.5 percent of advisors earning more than \$150,000.

Your first step in effective positioning, then, is to claim your value proposition—your expertise in solving the financial challenges of your clients—and commit to being seen as the expert they want.

2. Write your positioning statement.

Your positioning statement should be a clear, brief description of the value that you (and you alone) can provide to your select group of clients and prospects, designed to meet their precise needs. It is a proclamation that resonates with the members of your market niche and acts as a beacon to draw them to you. Consider possibilities for your positioning statement by

inserting the name of your target niche into each of the following:

- “I help (my niche) make work optional.”
- “I help (my niche) make smart decisions about their money so they can spend more time doing what they love.”
- “I give (my clients) peace of mind.”

To arrive at your own unique positioning statement, answer questions like:

- Who are the ideal affluent clients that I serve?
- What are the special needs of my ideal affluent clients?
- What makes me different from my competitors and would attract my ideal affluent client?
- What unique benefits would my ideal clients receive from me that they could receive nowhere else?

As you craft your positioning statement, bear in mind that it must have a strong promise of benefits for your ideal clients, offer to solve a problem that already exists in the minds of this group, and make your offer appear different from and better than your competition's. It also must be short, simple, concise—and, above all, believable.

3. Create your elevator speech. You must be able to communicate your positioning statement briefly, on demand and in a compelling manner to members of your niche community. A classic marketing tool, the “elevator speech,” will be your primary means of quickly communicating your value to prospects in your niche.

Your best bet: Keep it short and simple. Think of riding in an elevator or sitting at a cocktail party or dinner and somebody asking you, “What do you do that helps your clients?” You have only the length of an elevator ride to answer in a memorable manner. But also make it compelling. Describe how your offering solves an important challenge or fills a key need for the prospect.

Here is an example: “I help senior executives at Intel and HP make work optional. I do this by acting as their personal chief financial officer. I use a consultative process to identify their current financial situation and challenges, and then I work with a team of experts to design solutions to help them achieve their most important goals.”

4. Construct a call to action. This is a specific step the prospect should make in order to take advantage of the value you just described in your elevator speech. In nearly every case, your call to action will be to have the prospect schedule a meeting with you to explore working together.

Draft at least two different variations of your elevator speech, and try out each version with trusted staff and friends. Once you've decided on an effective version, practice it until giving the speech is second nature. Then begin to use your speech and call to action in your conversations whenever appropriate. You'll soon find that you are seen as the go-to expert among your target niche market, and you'll find yourself with a steady stream of prospects ready to work with you.

Your goal is to be first in the minds of members of your market niche.

An Educated Enterprise

Christopher Van Slyke's new \$500 million wealth management firm may be the shape of the future



Christopher Van Slyke and Scott Leonard team up to build a national powerhouse.



Christopher P. Van Slyke, managing director of financial advisory firm Capital Financial Advisors, LLC, is

building an enterprise for himself and his clients that emphasizes an educated approach to entrepreneurialism and investing. With a new partner,

Van Slyke is currently in the last phases of building a new firm, Trovena, which will create a \$500 million super financial services firm that he hopes will continue to grow aggressively as he adds other wealth management operations to the mix.

Van Slyke has an academic business and financial background that he has used to construct an enterprise that is now beginning to reach critical mass. By focusing on financial education, Van Slyke has gained the knowledge necessary to build a much larger business than he might otherwise have done. This emphasis on laying the proper groundwork also extends to the kinds of services he provides and the clientele he serves.

Van Slyke's current firm, as well as the new and larger firm Trovena, emphasizes wealth management—an advanced approach to financial planning that positions resources to support each individual's specific

values and life plan. The emphasis on wealth management includes an advanced investment approach known as asset-class investing, which involves the use of customized funds to build a portfolio that is intended to provide returns that reflect an individual's overall tolerance for risk.

In addition to Capital Financial Advisors, LLC—soon to be merged into Trovena—Van Slyke runs a firm called Oncubic, which provides clients a stripped-down investment service approach without the “bells and whistles” of wealth management. Whereas Van Slyke's wealth management services minimums start around \$3 million, Oncubic clients can have \$500,000 or even less.

Oncubic adheres to a passive investing model offered by Dimensional Fund Advisors and offers a selection of low-cost, tax-efficient asset-class mutual funds across three broad asset classes: U.S. stocks, foreign

stocks and bonds. By matching risk tolerance to a properly allocated asset-class mutual fund or funds, Oncubic's strategy is intended to maximize returns while maintaining a preferred level of stability. The larger firm uses the same DFA model, along with the addition of wealth management services.

Both Oncubic and Trovena include the participation of experienced wealth manager Scott A. Leonard of Leonard Wealth Management. Leonard is past president and chair of the Financial Planning Association, Los Angeles Chapter, and has served on various board positions with the National Association of Personal Financial Advisors. "Usually, when you make the move to wealth management, you have to make a decision about which clients to keep," says Van Slyke. "Wealth management is ultimately for those with more assets, and not everyone is a candidate. But in this case, we made the decision to build a separate business for those clients that wanted some of our services but not all. By partnering with Scott, we were able to develop the critical mass necessary to ensure Oncubic's ongoing viability—and now to build Trovena as well."

Van Slyke's business-building plans go all the way back to a Texas childhood spent dreaming of a Wall Street career. His father was a corporate lawyer, but Van Slyke says that law seemed to him a fairly slow-paced career. Instead, the dream of Wall Street proved an enticing one as he followed the careers of such bankers as junk bond maven Michael Milken and corporate raider T. Boone Pickens. However, Wall Street dreams proved difficult in the early 1990s, when Van Slyke was ready to join the

workforce after graduating with a degree in finance from The University of Texas at Austin. There was a recession under way, and Van Slyke decided that the West might prove more profitable than the East. He settled in Los Angeles, where he went to work at a talent agency.

Eventually, Van Slyke returned to school for an MBA from the University of Southern California and narrowed his focus to investment advisory work. He found opportunity by assisting an independent financial advisor for several years. In 1996, Van Slyke broke away to form his own firm. Now some 12 years, \$500 million in assets and two successful businesses later, Van Slyke believes he is just starting to come into his own.

There seems no doubt that Van Slyke is ready to take his enterprise to another level. He has plans, he says, to build out Trovena into a multibillion-dollar, high-end wealth management powerhouse. "There are others now, like Scott and I, who are willing to give up control to become partners in a high-end, top-tier concern. This business is going to consolidate, and that can only benefit the clients we serve and the industry in general."

Van Slyke credits advisor coaching firm CEG Worldwide for helping him arrive at his current wealth management vision. "CEG Worldwide is absolutely fantastic," he says. "They've blazed a trail for numerous shops that may now gradually come together to form management groups that will operate on a national or even international level. They've helped people like me start a new industry. That's a pretty powerful statement and speaks well of their vision and leadership."

Van Slyke's current firm, as well as the new and larger firm Trovena, emphasizes wealth management.

The Power of Coaching

By **Jonathan Powell** ■ Senior Managing Principal, CEG Worldwide



Training programs for advisors have become more common than ever in recent years. CEG Worldwide's latest research shows that in the last two years, the average advisor has attended five such programs. Unfortunately, most training programs fail to live

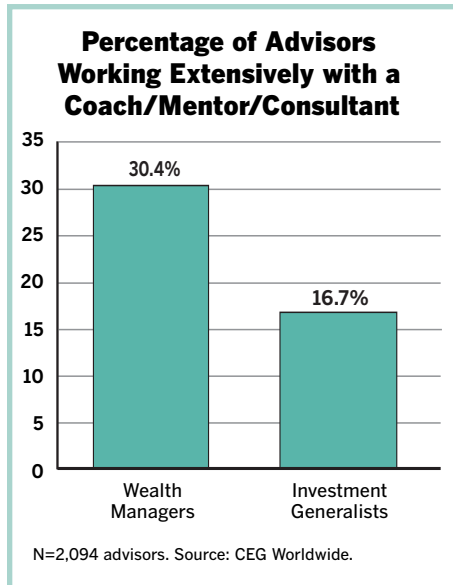
up to their promise—as evidenced by the fact that a mere 1.8 percent of advisors rated these programs as “extremely or very worthwhile.”

The problem? A flaw in the nature of these programs. Traditional training is a little like using a PowerPoint presentation to teach someone to play baseball. The players may feel like they learned a lot, but when they go out on the field, they find that reality is quite different from the training environment. As a result, they are largely unable to translate concepts learned during training into performance on the field. Similarly, if you're like most advisors, you find that it's usually difficult to completely transfer back to your office the skills you learned in the classroom.

Coaching takes up where training leaves off. The goal of coaching is not simply to teach advisors what they need to do, but to make sure they actually do it. Coaching ensures that you practice and perfect new concepts

and skills, rather than just storing them away in your mind. By helping you apply these new skills, coaches turn the theory of what was learned into reality on the ground. In the process, most of the learning slippage that takes place in the aftermath of traditional training programs is eliminated—leading to successful implementation of the lessons. Indeed, it's no coincidence that far more wealth managers work with coaches than do transactional-oriented advisors (or investment generalists) (see the chart on the opposite page).

Coaches can help you in a wide range of areas. Some focus on issues of personal development, such as building confidence, achieving balance between your work and your personal life, creating more free time, or managing conflict. Others focus on general business-development issues, such as targeting select clients, mastering technology or streamlining



your business. Still others zero in on specifics, such as improving sales skills, motivating prospects or speaking well before an audience. Finally, some coaches focus on technical knowledge, such as the latest financial concepts or the mechanics of sophisticated products. Where you choose to focus will depend, of course, on your own needs and goals.

Coaching is generally delivered in one of two formats: ongoing programs (typically a year or more) or onetime events (usually no more than a couple of days). Ongoing programs tend to be expansive in subject matter and provide implementation support, while onetime workshops offer concentrated subjects and do not include implementation support. In addition, coaching can take place in either a group or a one-on-one setting.

As you consider your options, keep in mind that most of us, at the end of the day, define success by the bottom line. Therefore, it's helpful to look at any coaching program you may consider in the context of its ability to help you generate a substantially higher income. Fortunately, coaching

typically has that ability. Any advisor who works diligently with a good coach should expect an increase in income of at least 25 percent over a year.

When evaluating a coach, ask questions in each of the following areas:

- **Philosophical orientation.** What are the coach's views on coaching? How does he or she define success?
- **Process.** What are the coach's responsibilities? What are yours? How will you work together (one on one, in a group setting, in person, over the phone, by email)?
- **Areas of expertise.** What makes this particular coach qualified to help you achieve your goals? How did he or she obtain this expertise?
- **Background.** What qualifies this person to be a coach? Does he or she have a track record of success? What is this coach's experience in working with financial advisors?
- **Business model.** How is the coach compensated? Does this coach have a single-person operation, or are there other people you can also work with?
- **Projected economic success.** Assuming that your aim is to expand your income, how will it increase as a result of using the coach's services? How long will it take for this growth to be realized?

There's no question that many advisors today need as much help as they can get in improving their businesses. If you're among them, it's worth looking into professional coaching. It could be the final piece of the puzzle that allows you to move your business to a higher level of success.

Coaching ensures that you practice and perfect new concepts and skills, rather than just storing them away in your mind.

Breaking Through

Breaking Through is an intensive one-year coaching program focused on the essential strategies and key tactics required to successfully attract, win, service and retain the private affluent client. Breaking Through provides you with exactly what you need to implement key strategies and tactics and join the ranks of the most successful elite advisors.

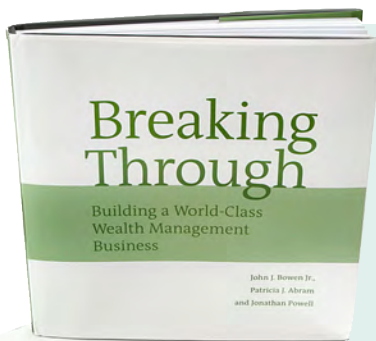
The program's 16 powerful tactics help advisors find more of the high-net-worth individuals and families they want to work with and assist them in building a growing and very profitable practice with loyal clients. Advisors will learn about the affluent and how to position themselves as experts. CEG Worldwide will show advisors how to gain referrals from current clients, despite today's market volatility, using time-tested scripts, and explain how to form strategic alliances with lawyers and CPAs to dramatically grow their businesses profitably, while serving their clients well.

Advisors will also learn how to:

- Profile their ideal clients—those whom they can serve best and most profitably
- Position themselves as experts for their niche markets of ideal affluent clients
- Build strategic alliances with key professionals in order to create an endless stream of referrals for prequalified affluent prospects

Of course, advisors aren't the only ones who can benefit. Financial institutions that serve advisors can also take advantage of Breaking Through. For example, they will find:

- More productive advisors, because of better training and coaching, with proven results
- Greater advisor loyalty and retention, because of increased satisfaction
- Easier recruitment drives, because advisors will know they're joining an institution that helps them be more successful



Breaking Through: Building a World-Class Wealth Management Business

By John J. Bowen Jr., Patricia J. Abram and Jonathan Powell

Even advisors who are not in a CEG Worldwide coaching program can take advantage of the firm's advice, thanks to its recently published book. Included are chapters on attracting affluent clients, managing a practice as a business and building maximum equity. The book clearly describes CEG Worldwide's Consultative Client Management Process, designed to foster productive, long-term relationships. Even more, it shows how advisors can get clients to refer their friends and business associates, greatly accelerating their success.

Throughout the book, there are charts and graphs, so readers can take advantage of CEG Worldwide's research. In addition, real-world success stories show how advisors who have followed the CEG Worldwide program have broken through to even higher levels of success.

The book is available through [Amazon.com](https://www.amazon.com).