

Slipping Through the High-Net-Worth “Filters”

The right way to gain the trust of affluent families.



During World War II, seaports were heavily protected with mines and screens across the harbor mouth, and access to the critical defense resources within the port was closely controlled. Barriers to entry were common, plentiful and redundant. Yet, submarines gained access to those ports by hiding themselves in the wake of port-friendly vessels transiting into and out of the harbor. It was an indirect method of access that proved successful when direct methods wouldn't work.

High-net-worth families have “screens” just like most sales-resistant individuals in today's marketplace. They limit access to only those previously known to them. They routinely resist new attempts by “outsiders” to enter their communications circle. As a result, ready access is available only to their current professional advisors and to individuals providing their family with medical or home resources or information related to schools, neighbors and professional associations. Outside that group, it's tough to gain access—and doubly tough if they think you have something to sell them.

The other side of the coin is that once you are “inside,” if you have shown the family you want to help them (instead of sell them), the affluent client has a broader spectrum of needs and is often less price sensitive than are less affluent clients.

So, what are some of the ways to slip through the filters that are put in place by high-net-worth families? The key is to become a resource to the client's CPA or attorney. In short, you need to develop a competence that places you as a resource to their client families where few (if any) other advisors are skilled. This means you must invest in yourself to develop a competence in an emerging specialized area, such as preparing heirs to receive and manage wealth.

Over the summer, we published an article in *Trusts & Estates* magazine that showed how professional advisors in the future would be required to pay as much attention to preparing heirs as they have historically devoted to preparing assets. Why? Because 70 percent of heirs fail to hold on to those assets and their family harmony! THAT is a conversation that your centers of influence want to have, yet very few are having. A simple concept, but are you prepared to have this conversation with your clients and their CPAs and attorneys? [READER NOTE: For a complimentary copy of our article “The Future of Estate Planning,” call the Institute for Preparing Heirs at 626-389-8664.]

Our organization now offers a training program for advisors who work with successful families. This training gives advisors the essential skills to start the “preparing heirs” conversation. There are three important elements covered by the training: 1) how to initiate the conversation; 2) how to help families understand and measure the risks their heirs will face after the estate transitions; and

Key Takeaways

- HNW families are extremely sensitive to the “hard sell” approach and do not grant access to their inner circle of communication lightly.
- Becoming a valued resource to CPAs or attorneys who serve affluent families is a great way to gain access to those families.
- In a highly competitive business, you must develop expertise in emerging specialized areas—preparing heirs to receive and manage wealth, for example—in which few other advisors are as skilled as you.
- More than 70 percent of heirs fail to hold on to inherited assets (and family harmony) because they—and the family's financial advisors—do not adequately prepare their heirs for the responsibility that comes with owning those assets.

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3) how to expand your Rolodex to provide centers of influence and families with appropriate referrals to family coaching or other resources to guide them through a successful wealth transition.

The key to success is to develop a skill needed by others in advance of them acquiring that skill for themselves. In that manner, you become a resource to the centers of influence and begin to serve and support their interests. The law firm or accounting firm is not your competitor. It is your doorway to avoiding the “filters” that are set up by high-net-worth families.

Learn to develop a community presence as a knowledgeable authority on the issues facing family heirs following their estate transition. Right now, the watershed change that is coming is the need to find an advisor who can address the readiness of heirs to receive and manage assets. Become an informed source in that area. The key to getting through those high-net-worth “filters” is to find a pathway via their current CPAs and attorneys. Centers of influence welcome a competent and well-grounded resource—someone who can help them serve and retain their clients. Advisors who invest in themselves to become competent can support that relationship with their clients and their clients’ children. These attorneys and CPAs will welcome you to accompany them through their already open doorway to their clients.

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This article was contributed by Vic Preisser and Roy Williams of the Institute for Preparing Heirs, located in Pasadena, California. The institute trains professional advisors and provides coaching for heirs and affluent families. The institute does no investment management, offers no tax or estate planning advice, and sells no insurance or financial products.