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Weatherby & Associates, PC
Counselors at Law

Helping Families Preserve and Protect Assets and Values



The Wealth Counselor

A monthly newsletter for wealth planning professionals

*Upcoming Events
&
Seminars*

Brought to you by Weatherby & Associates, PC

► From Henry C Weatherby

► **Estate Planning
Seminars**

October 23, 2013

**Don't Go Broke in a
Nursing Home**

Rocky Hill, CT

5:15 PM

**Call Erin at
860-769-6938 to
register.**

► **Continuing**



Weatherby & Associates, PC

34 Jerome Ave., Suite 310

Education Webinars

October 24, 2013

Financial Planners:
Beneficiary Defective
Inheritor's Trusts
(BDITs)

At our office in
Bloomfield
8:15 am - 10:00 am

[Click Here To Register](#)

or call
860-769-6938 to
register.

November 7, 2013

CPA's:
Year-End Planning

At our office in
Bloomfield
8:15 am - 10:00 am

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or call
860-769-6938 to
register.

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Events
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Bloomfield, CT 06002
(860)-769-6938

www.Weatherby-Associates.com

Our firm focuses our practice on Estate Planning, Business Planning, Trust Administration, Probate, Elder Law and Life Care Planning. We help families preserve and protect assets and values; we help business owners maximize their businesses' value.

► Identifying Hidden Financial Risks Creates Sales Demand

The world changes; clients' circumstances change; motivations and interests change. As these changes occur—often gradually—"hidden" risks emerge that can significantly deteriorate future wealth if left unattended. By "hidden" risks, we mean exposures of which the client or potential client is likely to be unaware. Identifying hidden risks in an education-based marketing program delivers an important service to your marketplace and, with this knowledge, provides you with a gateway to meaningful conversations about the added value you can deliver to prospective clients.

Key Takeaways:

From the past several years, people understand the devastating impact of unmanaged financial risks. A client's changing circumstances, needs, and aspirations open holes that allow hidden risks to creep in. Identifying the variety and impact of these hidden risks provides the opportunity for thoughtful and informed risk-management discussions. Presenting these hidden-risk categories as an education topic offers the practitioner a platform to secure new clients, particularly those that have hidden risks but have been lulled into thinking that "everything is fine with their plan" by their current advisor.

Most Practitioners Require "Demand Pull" Marketing to Increase Growth

The two basic types of sales circumstances are "Demand Push" and "Demand Pull." The Demand Push client is a prospective client who has already identified the need for a financial plan and investment solution and is conducting due

Seminars Exclusively for Professionals!

Forward-to-a-Friend

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use with the
general public

► You have received this newsletter because I believe you will find its content valuable, and I hope that it will help you to provide better service to your clients. Please feel free to [contact me](#) if you have any questions about this or any matters relating to estate or

diligence to hire a practitioner. You're hearing from a Demand Push client when you receive a web inquiry, a referral, or a phone call. Your market presence (local search access, professional connections, active client referrals, and website clarity) activates this demand. A strong market presence will increase the regularity of inquiries from Demand Push clients. For some financial professionals, Demand Push marketing and word-of-mouth activity produces growth sufficient to meet the firm's revenue objectives.

Demand Pull marketing is education based. You, as the practitioner, operate in an educational mode, illustrating your prospect's needs that exist but are unrecognized either at a basic level or in a matter of degree. You identify these needs and motivate the prospect to act by providing education opportunities.

What you need to know: For the vast majority of financial professionals, achieving the desired revenue growth trajectory requires an ongoing, proactive marketing and sales effort to fuel demand. The key challenge in this common scenario is accessing a market of prospective clients with an educational message that drives action where little or no energy existed before.

Inertia Is a Force to Overcome

Inertia is a powerful force to overcome in today's marketplace. You find inaction with this sentiment: "I already have a plan or program." Indeed, the financial planning industry fosters this inertia by treating the planning phase as a discrete, infrequent step; the industry emphasizes the initial investment program deployed to execute the financial plan.

In fact, for most investors—and often unbeknownst to them—legal issues, tax issues, demographics, life stages, interests, anxieties, and aspirations change with regularity, and often altogether.

What you need to know: Treating a plan or program statically in the face of a changing world and uncertain future is a sleeping pill . . . not far from the frog that passively rests in the pot of warming, and soon to boil, water.

Fear Is a Real and Important Motivator Leading to

wealth planning.

Positive Outcomes

Fear is a high-impact investment force. Fear creates emotional memory that acts as a joint force to inertia or complacency. We see this today in investor caution borne from the 2008 financial crisis (similar to the financial behaviors of the Depression-era generation).

But fear can also be an important driver of good outcomes. Fear-induced motivation is an education opportunity for your Demand Pull marketing strategy.

Over time, a client's circumstances, needs, and aspirations deviate from what they were when the client's financial and investment plans were first constructed. The more time that transpires, and thus the greater the changes in the environment, the more likely hidden risks reside in the client's plan.

What you need to know: Just as a doctor diagnoses bad eating habits as a likely indicator of future health risks, so too can you diagnose hidden financial risks as threats to the prospect's or client's need for financial comfort, confidence, and purpose. Activating "fear" of these hidden risks produces demand to have additional consultations with you.

Identifying Hidden Financial Risks Opens Doors to Added Value

The chart below lists some financial circumstances that pose hidden risks. Your educational efforts to identify and illustrate hidden risks (i.e., a Demand Pull approach) offer an important service to the prospective client, just as the doctor's advice to correct poor health behaviors can add years of life if followed. (For your existing clients, diligence in monitoring changes to the client's circumstances, needs, and aspirations—thus avoiding hidden risks—attaches to the fiduciary standard, strengthens the advisor-client bond and increases your client-referral prospects.)

[Click here for chart!](#)

Creating additional tax exposure in concert with other income sources
Restructuring distributions to achieve tax efficiency

Ownership of an employer's stock

Poor diversification and risk management due to a concentrated exposure to the employer's operations,

competitors, and market environment Improved overall risk management

Current chronic illness, poor family health histories, or both
Faster wealth depletion through increased medical liability
Increased family burden Wealth protection through a long-term care funding plan
Peace of mind that family burdens will be lessened

Obsolete trusts

Unnecessary estate costs Estate execution inefficiencies
Mismatched wealth to desired purposes Lower costs Lower taxes
Viable estate execution Comfort that wealth's purposes will be fulfilled

Estate plan relying on wills

Unnecessary exposure to probate Exposure to legal costs of incapacity
Loss of control of wealth and wealth transfer timing Estate execution efficiency
Control of wealth and its distribution Comfort that the plan matches desires, values, and interests

At-home, teenaged dependents

Legal liability exposure in the case of accidents that have resulted in another's disability or death
Wealth protection

Actions to Consider:

Educate yourself on these hidden risks and how your solutions have the potential to manage the risks. For hidden risks beyond your expertise or solution set, partner with other practitioners (e.g., trusts and estates attorneys, insurance professionals, CPAs, investment advisors) to present a holistic solution proposal. Conduct seminars or small-group meetings with prospective clients to create leveraged sales opportunities. In a group setting, plan on presenting the entire hidden risk list to ensure coverage of the variety of attendees' circumstances. Regularly meet with existing clients to ensure that a hidden risk hasn't crept into the client's life. If one has, engage in a plan and solution update for optimal risk management. This activity identifies new business opportunities and is in keeping with the fiduciary standard.

To comply with the U.S. Treasury regulations, we must inform you that (i) any U.S. federal tax advice contained in this newsletter was not intended or written to be used, and cannot be used, by any person for the purpose of avoiding U.S. federal tax penalties that may be imposed on such person and (ii) each taxpayer should seek advice from their tax adviser based on the taxpayer's particular circumstances.

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