

Mission: Map a Better Client Value Relationship

by Gary Klaben, ChFC, MSFS



If all life is a stage, then mind maps are an important prop. When used in the right way, they become a complexity buster, translator, connector and most important of all, a simplifier.

This became abundantly clear to me when attending a workshop in spring 2006. Sitting next to me during this two-day workshop was David, a London-based financial adviser. At the start of the workshop, David pulled out a journal and several colored pencils. He opened his journal to two blank pages and proceeded to draw a mind map. Over the next two days, he added to the mind map until it filled both pages—a work of art.

I jokingly asked David if he was going to frame it and hang it on the wall. He replied that he was going to hand it to his staff when he returned to

London. They would immediately begin working on everything he wanted them to follow up on and implement.

I thought he was being a little cavalier about his explanation, so I asked him, “Do you mean to say you’ll not meet with your staff to discuss the mind map or clarify their understanding of what’s to be done ... or any other kind of communication?” He smiled, “That is correct. I hand them the mind map and they understand everything that needs to be accomplished.”

This is fantastic; a singular tool that brings complete clarity without notes or explanations to something as complex as technical content from a two-day conference. And it is available in many software programs.

For some time, we had been looking for a simple, one-page summary

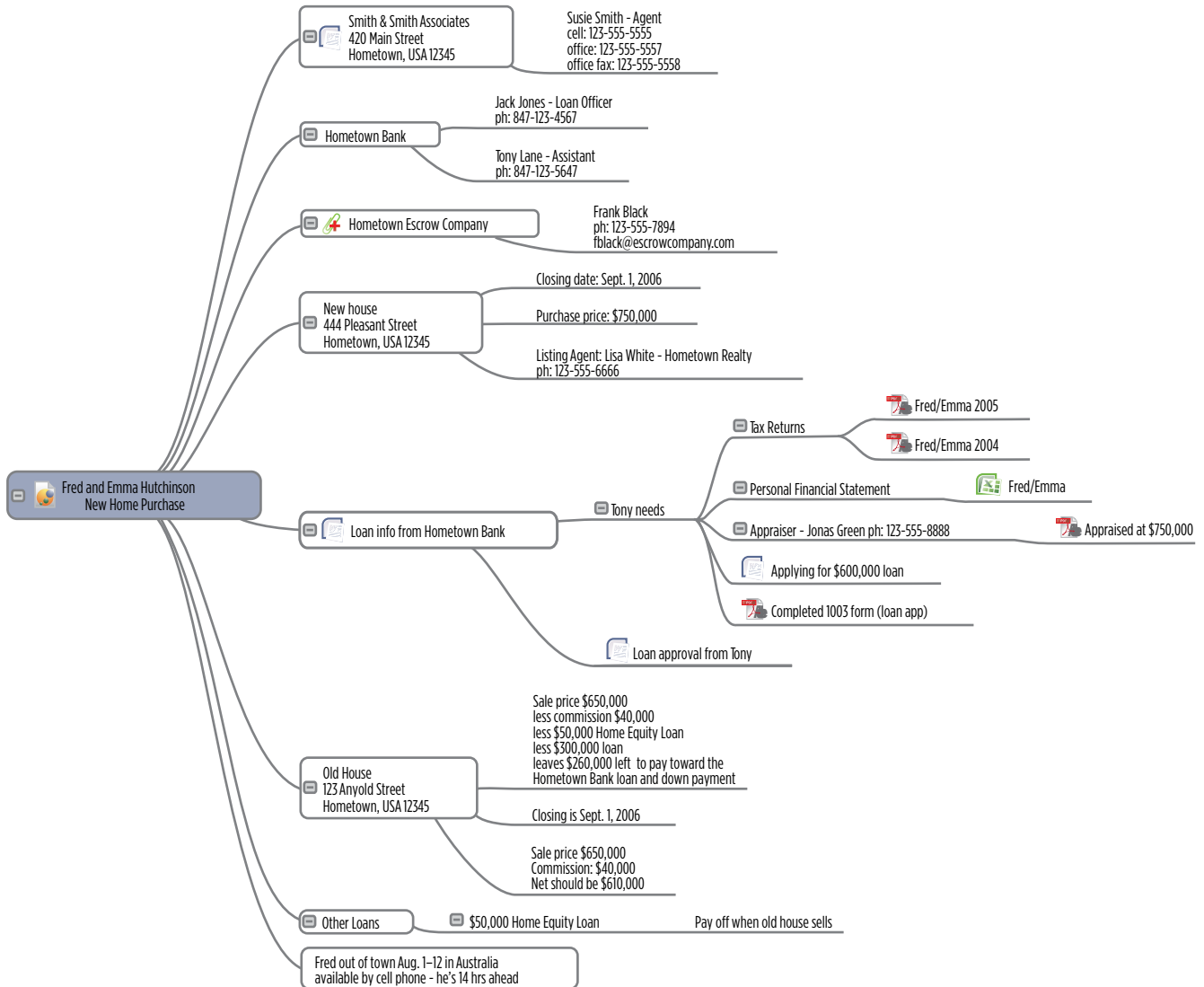
for our clients. But one program after another had disappointed us. Suddenly, here were mind maps. So different; everything is on one page. One document helps connect everything in our client’s minds.

Not Just a Backstage Tool

What exactly are mind maps? They connect ideas. They help clients see their “stuff,” and see advisers’ work as well. They help clients connect the dots in their lives and, through mapping, find new and sometimes better ways to go forward.

Over the past few years, we have found that financial advisers use mind maps primarily as a backstage, or back-office, tool. They help organize the writing of a book, create a process, design operations or client services and

Exhibit 1: Mind Map of a Real Estate Transaction



many other back-office uses.

But the front stage is where it all happens for our clients. At every moment we are in direct contact with clients. We deliver a front-stage experience. Sure, there are many facts and figures to discuss, but ultimately it is about making things simple and clear to clients.

The real power of mind maps is on the front stage, front facing, as the primary communication piece. It is the 10,000-foot view; the view that allows our clients to see the whole forest as well as the individual trees.

When clients understand their stuff—and start to revalue all the things advisers do for them—their professional compact changes.

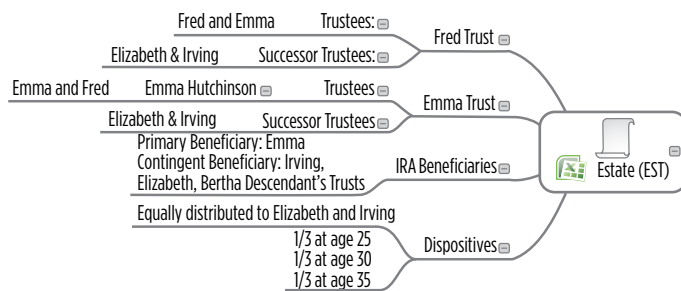
At the time we discovered mind maps, we were searching for a way to be paid for our very valuable shadow work. Shadow work is the value-added services advisers provide to clients, in addition to money management, continually going on behind the scenes. It is the deep support provided to clients on an ongoing basis.

Many financial advisers simply can't help adding services over time to address

the complexity, confusion and frustration their clients are experiencing. Although advisers have added more services in the past decade, fees have generally remained level. These added services have squeezed profit margins because they require additional shadow work.

Mind maps, when used properly on the front stage, allow clients to see their stuff very clearly, providing an overall picture of the connections between complex financial, investment, legal and tax issues, along with other categories. Mind maps become a tangible representation of an intangible world.

Exhibit 2: “Estate” Branch of a Client Master Map



The “Estate” branch shown is just one of up to 15 branches typically displayed on a client’s master map.

And clients gain much greater clarity on the adviser’s shadow work and other value-added services.

But, reality check—are advisers paid for valuable shadow work? Generally, no. Commissions are being commoditized, and AUM services are starting to be commoditized as well.

Our firm began charging limited wealth advisory and retainer fees for value-added work in the late 1990s. When we began using mind maps, it quickly became clearer to our clients that we offer two ongoing services—AUM and value-added services—and each one is distinct from the other. Mind maps dramatically improved our clients’ understanding of their financial lives and clearly illustrated our ongoing value-added services.

Mind Maps at Work

To demonstrate mind maps at work, consider the simple example of a real estate transaction (see Exhibit 1 on page 11). For most advisers, a realty transaction is a walk in the park. For our clients, this may be the second or third time they have been involved in this transaction. On its face, it looks fairly simple: only several branches with all of the important elements—just enough information to understand, but not too much detail to lose simplicity.

Clients are presented with this mind map to help them understand who is involved, how they are connected and what they need to complete the transaction. Each party to the transaction is provided a mind map, along with the associated attachments. The first real estate mind map we created was used to complete a closing just two weeks after the contract was accepted. It really is that simple if the adviser or staff makes the connections, draws the mind map and reduces the complex to component parts.

At our firm, we have client “master maps” produced for every client. This includes legacy clients with small estates to our larger, more complex family clients. Clarity is clarity—no matter how large or small.

One of the branches of our master map is the “Estate” branch (there are up to 14 other branches; see Exhibit 2). We simplify several hundred pages of wills, trusts, advance directives and other documents by connecting only the most important elements of the estate. A majority of the time, our clients want to know who the executors, trustees and beneficiaries are and how the estate will be disposed of upon their death. That’s it. Certainly you can attach their estate documents, but generally our clients simply want to understand the big picture.

You may be wondering if all 15 branches usually fit on one 11 x 17 page? Yes. Just like David drew branches for his London staff in his journal, everything important fits on one page.

Focus on Clients

After we implemented mind maps for our clients, our meetings began to change dramatically. What once took 30 minutes to review—financial, estate or tax strategies—now only takes three to five minutes. Meetings are much more productive. Much more time is now spent on the MVP (meaning, value and purpose) behind a decision than on running through numbers for the 10th time.

Wealth advisory, retainer and project fees now meld naturally into the client value proposition. Clients see the value and expertise in every front-stage interaction.

We have simplified our clients’ financial life and clarified their understanding of it.

In turn, in an ever-changing industry, we have differentiated ourselves with innovative tools that help us deliver and showcase deep support to clients.

We are in the service business. Every day we make a promise to serve our clients in an optimal way. That means, as financial planning advisers, we must adopt new, perceptive approaches to stay competitive and relevant. Mind maps—when they focus on clients—enable clients to simplify their lives, avoid life’s pitfalls and calmly reach wise life solutions. ○

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