
Turning the conversation upside down: start listening to bring purpose to the client relationship

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You need a reasonably profound connection with clients in order to better understand their individual interests. Knowing a client's personal motivation and ideas means the advisor or intermediary can provide a better service.

However, client talks are increasingly just reduced to the presentation of numbers, graphs and other technical information. Often, this information is shared as a one-way street and it is rare that an actual exchange takes place. In today's environment, this approach to client

meetings may well be counterproductive. Clients are complaining that advisors don't ask the right questions and aren't interested in their needs, visions and ideas.

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To maintain and deepen the customer relationship, the narrative needs to change. Values and the personal vision of a client should become key elements in the dialogue. Often the client-advisor discussions are driven by the client's commitment to make a positive difference in the world. Hence, the issues of philanthropic engagement, sustainable investments, social-entrepreneurial investments or responsible



business strategies are topics which should be part of the regular conversation with a client, especially because they enable a more personal exchange.

The business case

Mutual personal understanding is a key component to a long-lasting, successful client relationship. Making your clients the centre of attention as opposed to their potential assets leads to a lasting connection, which may survive for generations. When enriching the dialogue by taking a more personal approach, you can expect to be seeing benefits over a three- to five-year time period.

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Some of the most important outcomes of a value-based client relationship are:

- A better understanding of the personal value proposition and the individual needs of the client
- Building mutual trust which benefits the client relationship and the potential for long-term business relations
- Providing an opportunity to engage different generations and align their diverse interests while building on family traditions
- Obtaining awareness about the client's perception of money
- Demonstrating the benefits of a holistic approach that encompasses social, political and economic thinking.

This different approach to the advisor-client relationship can also be extrapolated to prospective clients.

Learning more about a client's motivation and ideas also leads to enhanced business potential and the possibility of developing new income streams. The key benefits are:

- Maintaining clients and improving existing client relationships
- Discovering substantial cross-selling potential as discussions can reveal opportunities to provide different in-house services
- Increasing share-of-wallet
- Referrals within the client's peer group and business partners
- Facilitating client acquisition which can lead to new assets over time

- Donating within a strategic giving plan actually reduces the outflow of funds as donations are split over time.

Exploring client needs by listening carefully

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Often the institution has a ready-made trendy product, perhaps based on a corporate marketing strategy that the financial structuring department has come up with. Such initiatives then sit on the shelf and need to be sold. Client advisors therefore may not be able to inquire about the ideas of clients, but rather end up selling in-house products or investment structures from associated business partners.

Client interests though have actually shifted towards philanthropy and responsible investments. Wealthy individuals from all age ranges are utilising their fortune and business practices to make a positive difference for society or the environment. Although this is a much discussed topic, often it is not explicitly expressed to the advisor or intermediary so most advisors don't fully understand their clients in this respect.

So what are the possibilities of changing the paradigm within the conversation?

Basically it is about listening to the client – an art that seems to have been forgotten in the financial industry. To start the conversation, an open common sense question helps to break the ice. How do you perceive development in socially responsible investments in recent years? What is your understanding of the Social Development Goals? Have you thought about investing differently, reflecting your personal values? What experiences have you had in terms of philanthropy engagement? Would you like to start your own charitable endeavour? Are you aware of entrepreneurial-driven investments which combine social and financial returns?

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Rest assured, these are all very common sense questions and in this way, the client can be truly in the

spotlight. It is vital to understand the story clients tell and to encourage further sharing. Personal values and purpose as well as the client's mid to long-term vision can then take centre stage. A lot of answers will contain surprising new information about the person or the family, which will benefit the depth of the relationship.

Vision and values: what drives the client?

A purpose-driven approach seems to be far more rewarding in the long run and also financially sound. It certainly increases happiness, as well as personal fulfilment and contentment in a broader sense.

We all have values and most of us have visions or ideas about our future. Unfortunately in today's environment, we take little time to reflect upon them. Re-introducing reflection in client conversations can encourage a different level of engagement, helping the dialogue to become more personal.

Knowing more about clients' needs and expectations as well as their personal passion helps advisors to design tailor-made solutions. Another outcome could be the realisation that different clients share a similar vision and could therefore be introduced to each other.

Understanding the spectrum of opportunities

Nowadays there is an array of options for donations or engaging, but many clients simply do not know these options. Others are already proficient in their giving practices and wish to expand their activities. Often they are keen to enlarge their knowledge base to understand more about measuring impact, their opportunities in professional giving, collaboration with peers or engaging with existing initiatives in the social or environmental field.

Wealthy individuals need to understand they have the choice to become engaged on various levels which would reflect their personal interest and ambitions. They can define their individual path to become active in a holistic way, while looking at the whole spectrum of opportunities.

A case for philanthropic engagement

Philanthropic engagement is a valid opportunity to make a difference. It is often a starting point during emergencies, but also consists of projects or innovative processes which support people and communities in need. Direct engagement with projects also provides important learning and can lead to further personalised activities, whether the approach is traditionally philanthropic or more entrepreneurial by participating actively in specific projects.

Conclusion

In short: it is all about personal relationships. We need to change the attitude towards the conversation. In order to make this happen, we need to be asking the right questions and listening carefully to the answers. Purpose, values and vision are central drivers for client engagements. Through these discussions, trust can flourish within the relationship and become the key to a long and rewarding relationship.

Heiko Specking has over 25 years of experience in the fields of social environmental investments, philanthropy advisory and long-term business development.

Having worked for service providers in the field of ethical investments, he joined a Multi-Family Office in Zurich to set up their charity services, guiding the clients in their philanthropic efforts and managing their projects globally. He headed the Philanthropy and Social Responsible Investment Advisory at Credit Suisse Solution Partners advising the premium clients of the bank in respect of their charitable engagement and social investing activities. In 2014 Heiko set up specking+partners ltd., a firm serving individuals, foundations, intermediaries and corporations internationally in respect of their responsible engagements.

He is on the board of the Light for the World Association in Switzerland, supporting eye health services and the inclusion of disadvantaged people in developing countries. Being a committee member of the Zurich chapter of Philanthropy Impact, he moderates regular roundtable discussions. On a voluntary basis he strategically supports various charitable initiatives and start-ups with a social impact in Switzerland and the UK.

He holds an MBA in Business Administration from the University of Frankfurt/Main and is a qualified trust and estate practitioner (TEP).