

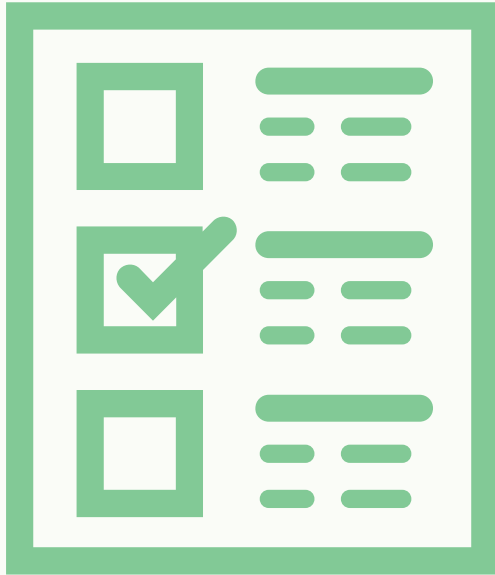


# The Truth About The **Future** of The Financial Advisor

The changing landscape and the emotional hurdles and why FinTech is the answer

# Agenda

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- 1. Define the challenge**
- 2. Identify the solution (and why it includes a human advisor)**
- 3. How humans and tech will work together**



# *PB&J EXERCISE*

# Matt's Steps (2 Minutes)

## Making A PB&J Sandwich

- open Pantry
- Grab Bread
- Grab Peanut Butter
- Put bread and Peanut Butter on Counter near sink.
- open Fridge
- Grab Strawberry Jelly.
- Put Strawberry Jelly on counter next to Peanut Butter & Bread
- Open Silverware drawer

- Grab a dinner knife by the handle side.
- Close drawer
- Put knife on counter
- Pull one paper towel from roll near sink.
- Lay paper towel flat on counter top next to sink.

# Steps for making a PB&J Sandwich

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1. Open cabinet
2. Get plate
3. Put plate on counter
4. Open silverware drawer
5. Get a knife
6. Set knife on counter perpendicular to plate
7. Walk to pantry
8. Open pantry
9. Grab the loaf of bread while still in bag with one hand
10. Grab the peanut butter with the other hand
11. Take bread to the counter
12. Open bag with bread by taking off tie that is on bag
13. Put bag tie next to bread bag
14. Take the second and third pieces of bread from the top out of the bag
15. Put two pieces of bread on plate
16. Separate pieces of bread with one piece on top of the plate to your left and the other on top of the plate to your right
17. Walk to the fridge
18. Open the fridge
19. Grab the jar of jelly and pull out of fridge
20. Close fridge
21. Put jar of jelly on the counter next to the peanut butter
22. Grab the knife by the handle (which is opposite of the sharp edge)
23. Open the peanut butter by unscrewing the cap at the top and lay the cap next to the peanut butter
24. Put knife in peanut butter jar and scoop out some peanut butter
25. Spread the peanut butter on the piece of bread to your right. Spread it on the flat part of the bread that you currently see.
26. Make sure the entire piece of bread that you see has peanut butter on it.
27. Put knife back down perpendicular to the plate on the counter
28. Screw top that you took off of peanut butter jar that is next to the peanut butter jar back on to the opening of the peanut butter jar.
29. Clean knife where peanut butter is with a napkin
30. Repeat steps 22 – 28 for jelly (replace Peanut Butter with Jelly)
31. Put pieces of bread together with peanut butter side and jelly side touching each other in the middle
32. Place piece of bread with peanut butter facing down on top of the piece of bread with Jelly facing up.
33. Clean knife with a napkin
34. Cut bread from the top left corner down to the bottom right corner



# Takeaway

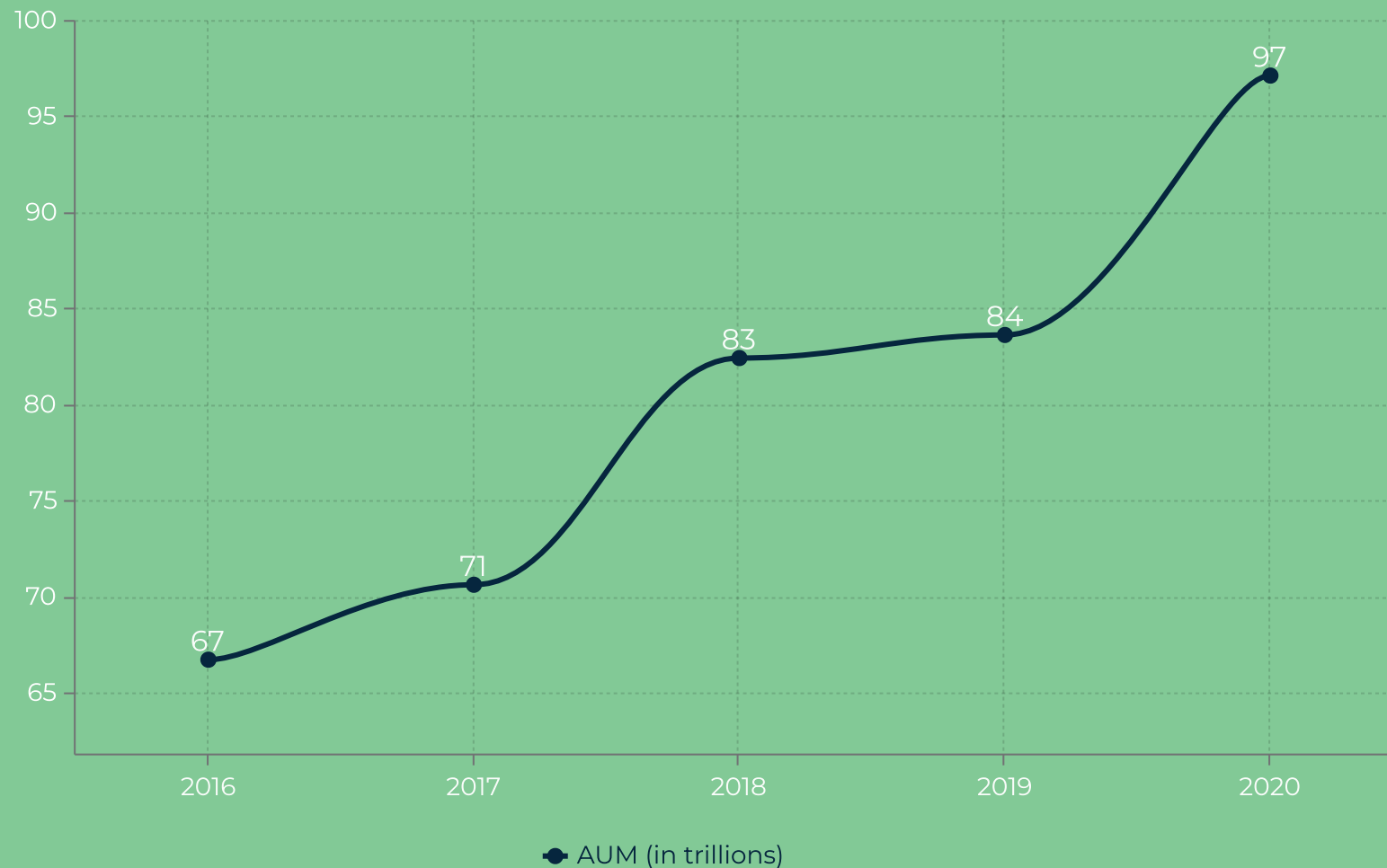
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- 1. Curse of Knowledge** - *(Our inability to break processes down to the smallest step)*
- 2. Lack of Standardization**



# INDUSTRY GROWTH



**\$97**  
**TRILLION**

**45%**

*Rise in AUM*

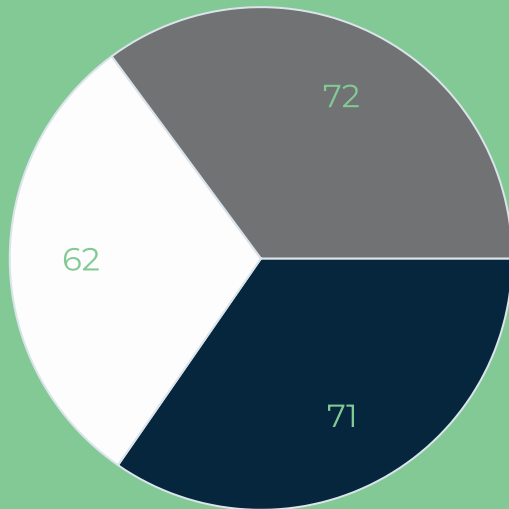
*managed in **5** Years*



# GROWTH TAILWINDS

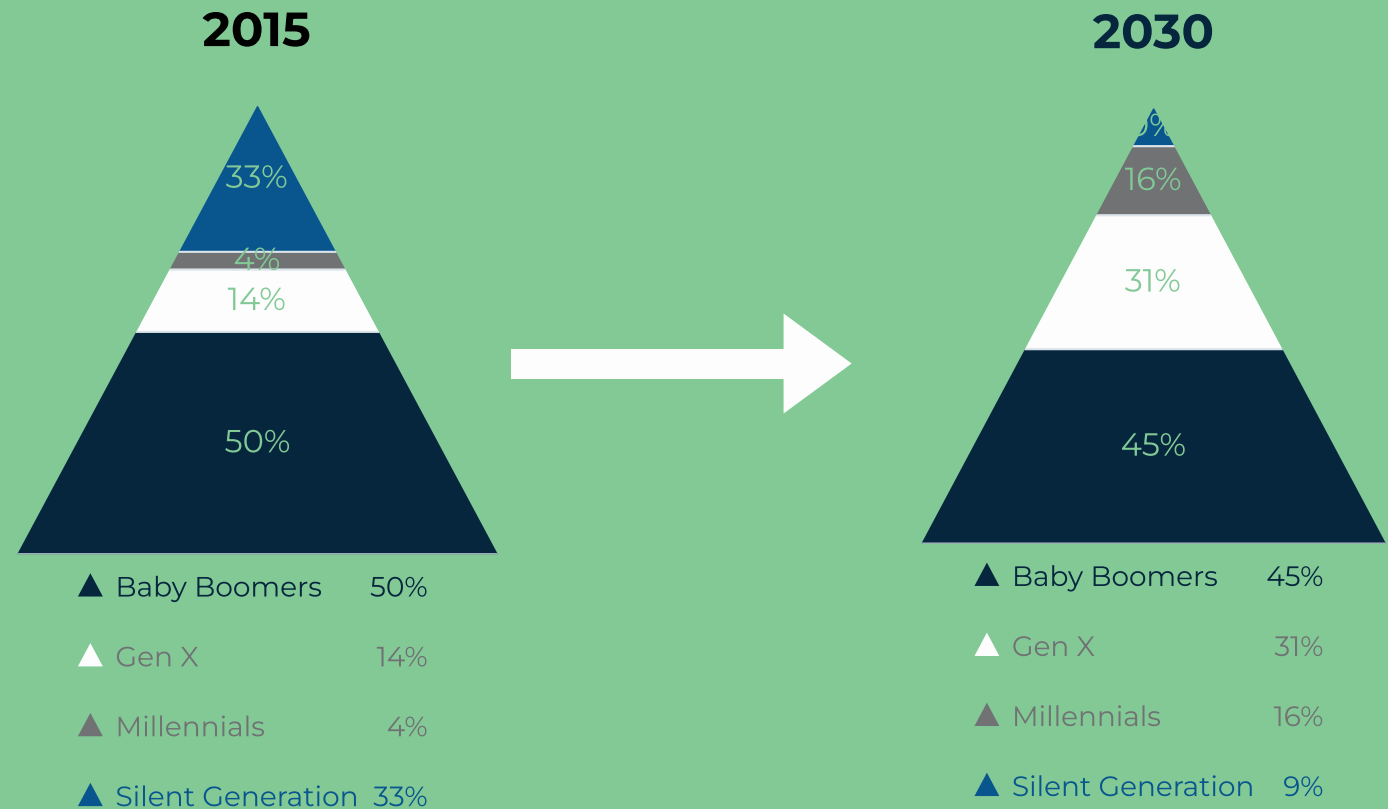
Annual revenue opportunities continue to grow as more households will need advice

## Population Breakdown (in millions)



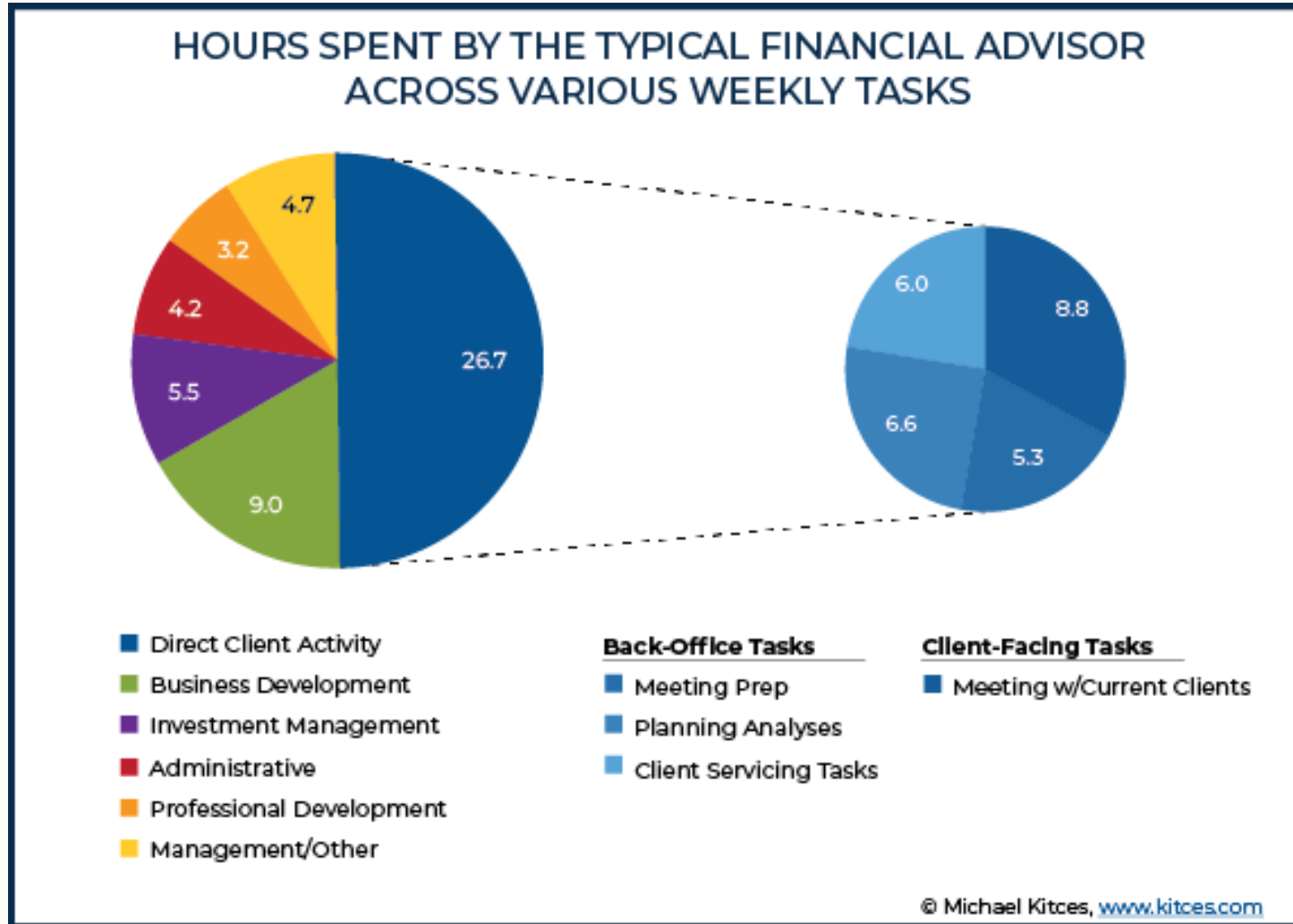
■ Baby Boomers 71    □ Gen X 62  
■ Millennials 72

## Share of Net Household Wealth





# Automation Opportunity



**41%**

of each week is spent doing parts of **'AUTOMATABLE'** tasks

- Meeting prep
- Planning analyses
- Client servicing tasks
- Administrative

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“ In essence, machines are doing what they do best: performing repetitive tasks, analyzing huge data sets, and handling routine cases. And humans are doing what they do best: **resolving ambiguous information, exercising judgment in difficult cases**, and **dealing with dissatisfied customers.** ”

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*Human + Machine*

*Paul R. Daugherty, H.*

*James Wilson*

# Humans are Irrational

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Humans are irrational, and different scenarios and situations cause humans to act in different ways.

# The Value of Ownership



When we own something, we begin to value it more than other people do.

# Headlines

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**Crisis on Wall Street as Lehman Totters, Merrill Is Sold, AIG Seeks to Raise Cash**

**BREAKING NEWS** | **INITIAL JOBLESS CLAIMS 6.64M VS. 3.1M ESTIMATE**

**Mounting Fears Shake World Markets As Banking Giants Rush to Raise Capital**

**All of California Under Lockdown**

**CLOSING BELL** | **U.S. DAILY COVID-19 CASES HIT RECORD HIGH**

**TERROR HITS HOME**

Hijackers ram 2 airliners into World Trade Center, 3rd plane slams into Pentagon, 4th crashes near Pittsburgh; hundreds die

# Financial Decisions are Driven by Emotion

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## Fear

- Not having enough money
- Looking stupid - asking stupid questions, stupid for starting late, too much debt, etc.
- Being exposed or humiliated



## Guilt

- Having more than your friends
- Having not been particularly charitable
- Money came to you easily



## Shame

- I don't have enough money
- Avoiding thinking about finances
- I spend too much

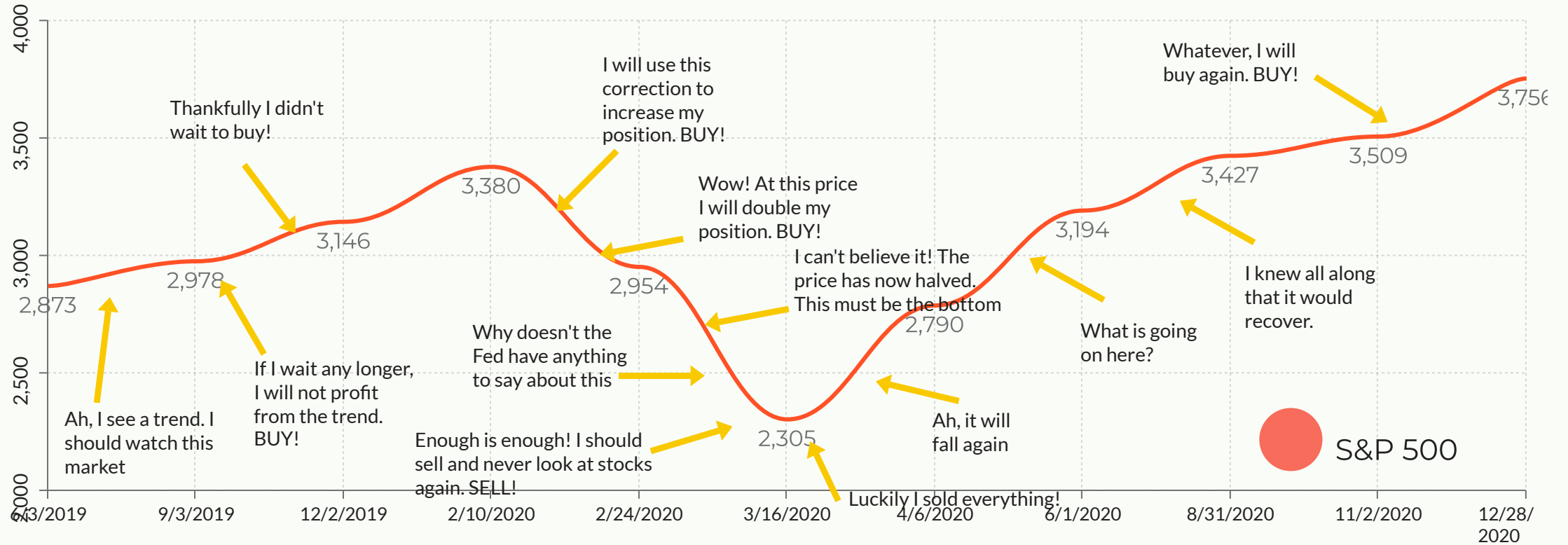


## Envy

- Trying to keep up with the "Joneses"
- Deplete ourselves the opportunity to be smart with our money



# Emotional Rollercoaster



## Scenario A - Nervous Nelly

\$100,000 investment turns into \$86,500

## Scenario B - Support System Sally

\$100,000 turns into \$130,000

Nearly \$45,000 in value over an 18 month period... seems worth the 1%



# 5 Steps to Overcome Irrationality

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## Create an Environment That Encourages Openness

*Be fully transparent*

*Set the right expectations from the outset*

*The team should follow through on what they say*

*Joint ownership of ideas*



## Be the Client's Negotiator with Their Own Emotions and Fears

*Give and take*

*Always have the client in mind*

*Avoid "because I say so"*

*Help them visualize the future*



## Act as a Psychologist as Opposed to an Analyst

*Ask Questions*

*Listen*

*Share about yourself*

*Find ways to relate with the client*

*Listen, listen, listen*



## Invest More in Your Clients, Than in the Market

*Help them understand the "why"*

*Be their navigator*

*Relate to them*

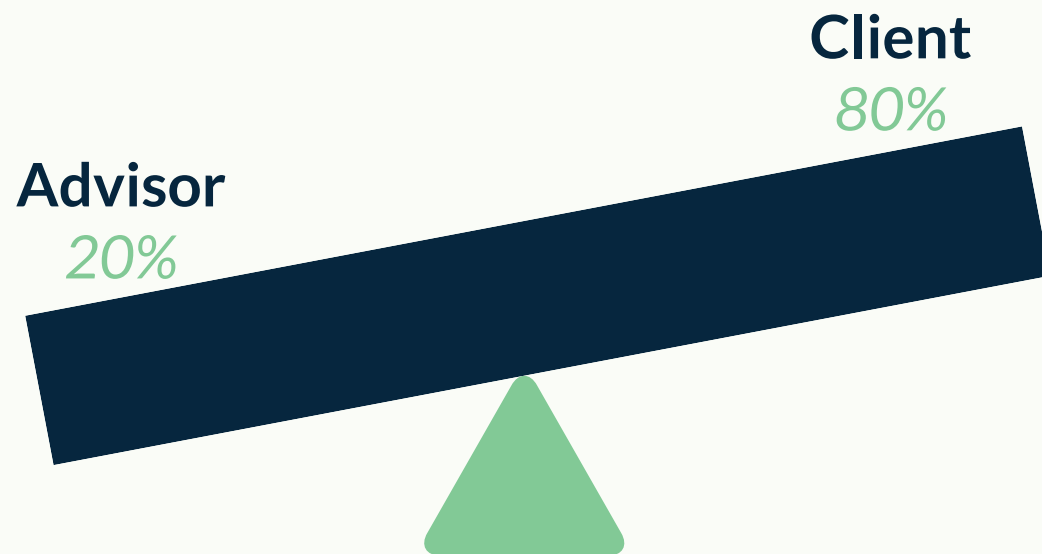
*Set experiential goals*



## Leverage Your Technology to Get Your Time Back

*Get your tech stack right, Flip to proactive & ROI of tech = more time with clients*

# Act as a Psychologist as Opposed to an Analyst



## The Strategy.

Ask Questions

Listen

Share about yourself

Find ways to relate with the client

Listen, listen, listen

Give the gift of going 2nd

# Leverage Your Technology to Get Your Time Back

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## Define

Break Processes into 3 Buckets:

- Meetings
- Onboarding
- Servicing



## Document

Be precise!!

Don't Assume

Make these easily accessible

Continuously review



## Automate

Be flexible

Have an iterative mindset.

Simple versus Advanced

Continuously improve

# BuSS

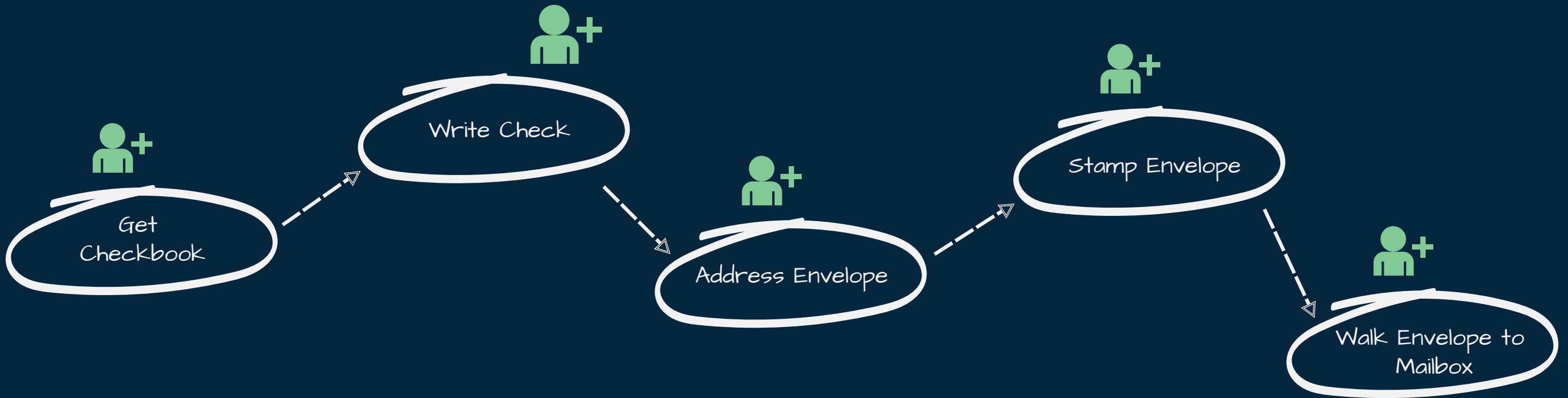
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The first ever **Business Support System (BuSS)** for the wealth management industry

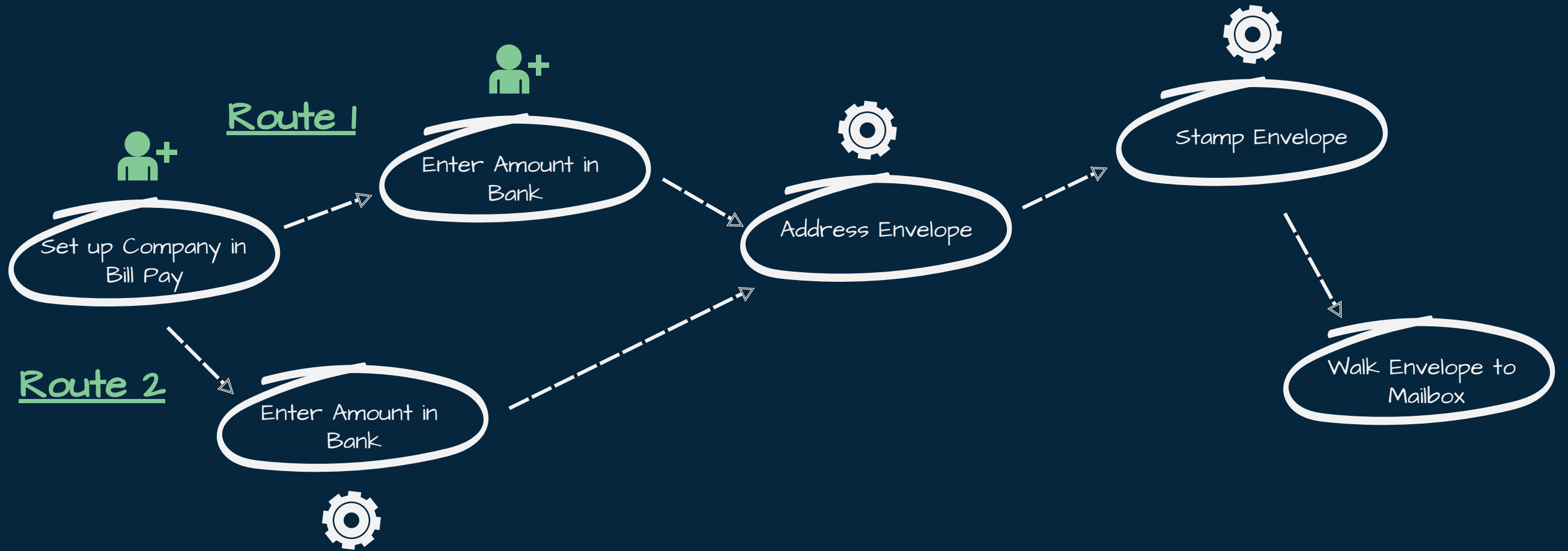


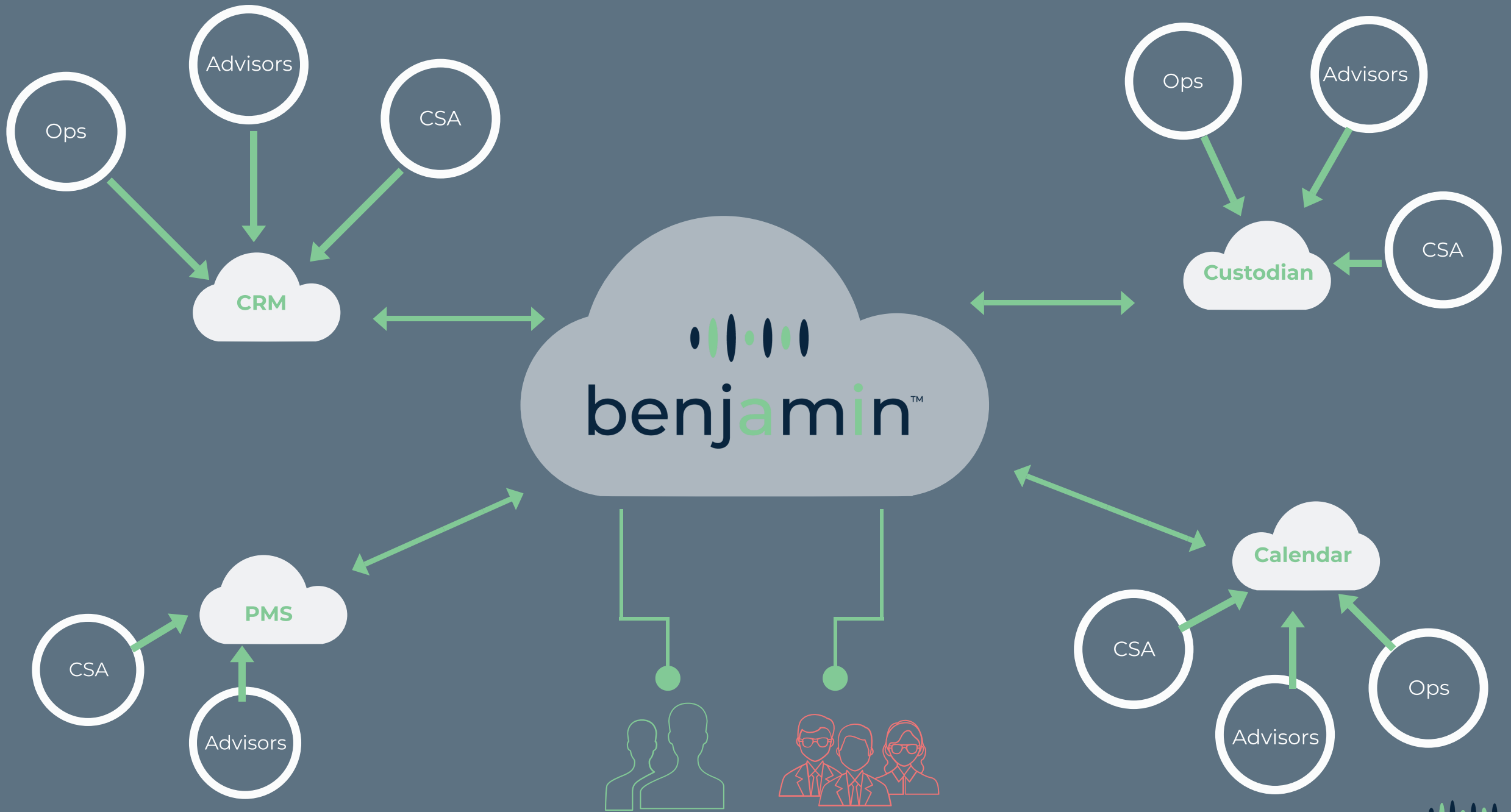
“ *A business support system is a software application that automates business processes and achieves automation by integrating existing platforms used to service clients.* ”

# Sending A Check



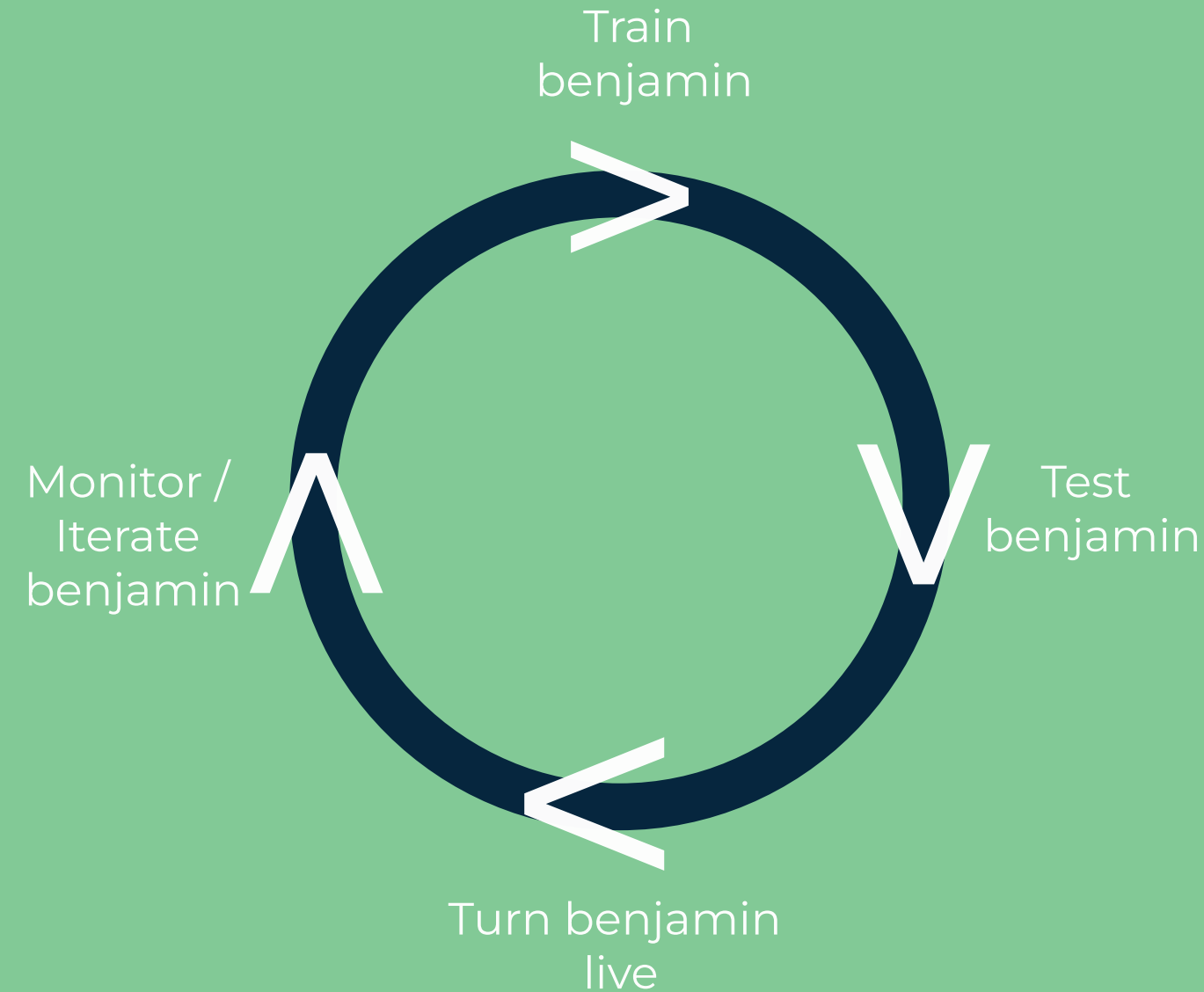
# Bill Pay. Sending A Check







# How It Works



## Train

### Event Occurs:

*Task due, task created, meeting coming up, account opened / funded, docuSign completed, custodial alert occurs*

### Specify:

*(Task title, client type, meeting date, alert type)*

### Take Action:

*(Communicate via text / email internally or externally, create a task, complete a task, add notes, generate a report. )*

## Test

Send communication / reports internally to the benjamin boss  
Create / complete tasks for a specific contact / household

## Live

## Monitor / Iterate

Improve process / initial workflow.  
Cleanse data based on benjamin feedback  
Continual conversations with benjamin team to create more automation & efficiencies



CAPITAL  
INVESTMENT  
*Advisors*

# THE RESULTS



63K

**GROWTH**

15% increase in referrals

40K

**SCALE**

8 month delay in hire

30K

**CAPACITY**

50% more time

By implementing Benjamin for ONE task, Capital Investment Advisors was able to recognize a

**\$103K  
TOTAL VALUE**

# Key Takeaways

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**The advisor of the future has a more robust human element focused on wealth coaching, psychological management and more tailored hand holding.**



**Technology will not replace the human, but allow them to be better at being “human” with more people... elevating the value of the service of financial advice.**

# Closing

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*Thank you!*

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**Book:** [Dr. Cole Cash will See You Now](#)  
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