



5 Questions

When Deciding to Hire an Advisor

created by Christopher Grande, MSIM, RMA

You're Considering Working with a Financial Advisor

But not only are you not sure how to find a good advisor, you don't even know if you want to work an advisor to begin with!

If that's you you're in the right place. Once you finish this quick questionnaire you will be much closer to a sensible financial choice.

There are 5 simple 1-10 scale questions. No one is trying to be tricky here. Answer these and you'll gain greater clarity.

You'll have an idea of where to start and what type of professional to seek out (which will put you ahead of most people who get referred by their Aunt Bunny to someone who is not a good fit for you).

"Pre-Workout"

Before we jump in, I would recommend you conduct a values conversation and goal conversation with a skilled listener. When you know what's important to you, it's easier to match yourself to an appropriate professional.

The easiest way to do this is to refer to Bill Bachrach's "Values based Financial Planning" book and go through the chapters on the value conversation (What's important about money to you) and the goals conversation.

If this book is not available to you, call me and I'll send you a copy (888.278.9433). The alternative is to spend some time thinking about what's important to you and fleshing that out and then going through your goals while being very detailed as to goal date, amount of money needed for goal and what achieving it would mean to you.

Now that we've covered that, let's go through the 5 Questions...

5 Questions to Ask

1. How Well Do you Play with Others?

- There are three main client types:
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- 1. Do-it-yourselfer (DIY)
- 2. Collaborator
- 3. Delegator

The Do-It-Yourselfer has a motto - *why pay anyone to do something he can do for himself?* He prefers to do his own stock research, read up online on insurance types and study Morningstar for mutual fund offerings.

Sometimes, this type is unaware of the full scope involved in financial planning (not just stock picking) but sometimes the DIY'er is an experienced planner.

The collaborator likes to work with professionals but make the final decisions for herself. An example would be someone who researches and buys his own insurance but hires a licensed insurance advisor and pays him a fee to review her top 3 choices and make a recommendation.

The Delegator is the opposite of the DIY'er. The delegator says *why do something myself that I can pay someone else to do for me* (values time more than money). The delegator is not naive - she knows that she has limited time and focuses her working time on what she does best, while preserving her out of work hours on those tasks that she can not delegate. Things like:

- Personal fitness and health
- Time with family/kids
- Charitable work
- Hobbies and sports

Exercise. When it comes to tasks that are either not your core competency and/or not something you really enjoy doing, on a scale from 1-10, score yourself a 1 if you are total do-it-yourselfer, a 5 or 6 if you are collaborator, and a 9 or 10 if you are a complete delegator



2. Scope of Services

This part goes hand in hand with question one. Do you feel you simply need a specialist in one area (such as taxes or IRAs) or do you prefer to work with someone who takes your entire financial picture into account when making planning recommendations?

Give yourself a score closer to 1 if you are seeking a product or area specialist, and something closer to and up to 10 if you want a more comprehensive advice experience.



3. Long Term or a "Fling?"

Some people prefer a short term consultation or product fix and others want an advisory relationship that lasts a long time. Short term could mean someone helping you buy a long term care insurance policy; long term might mean an advisor that meets with you 2-4 times per year continuously for example.

On a scale of 1-10, with 1 being short term needs and 10 meaning you want to retain someone for the long term, score which time frame best matches what you are looking for.



4. Compensation Preferences

Compensation in the financial industry comes in many shapes and sizes. However we can break them down into some easy to sort large categories that breakdown largely between product compensation and fees:

- Commissions on the sale of insurance products, mutual funds and annuities (often a large one time charge).
- Commissions on stock and bond trades - smaller, sometimes frequent costs.
- Trail commissions - renewal commissions paid to agents each year that you renew your various insurance policies or keep that annuity.
- Fees based on a percentage of your assets or net worth (industry averages hover around 1-1.2% per year) for continuous plan and/or account management.
- Hourly consulting and flat retainer fees for services performed and/or continuous financial plan management.

On a scale of 1-10, score yourself closer to 1 if you're ok with commissions, product based compensation and trails, closer to 5 if you don't mind a mix of commissions and fees, closer to 7 or 8 if you're ok with asset fees and consulting fees and a 10 if you are ardent about only paying flat fees (hourly or annual retainers for long term relationships).



5. What's in a Name?

Some folks prefer to work with a very large company because they prefer the "stability" and reputation of a larger firm. They also prefer the resources that these firms make available to their clients. Especially their heavy hitters.

Others prefer to work with smaller firms due to the higher personal attention, the customization and the privacy because usually, small firms do not have large affiliates to share their clients personal information with.

On a scale of 1-10, score yourself closer to 1 if you prefer working with a large, established firm and score yourself closer to 10 if you prefer a smaller firm.



The Results!

If you scored a 5, then it's very easy, you should consider doing your own planning work, and using professionals from large firms purely as resources to back up your personal decisions. You may choose to let them earn commissions from you, or pay them hourly. Or you may direct your brokerage trades to them in exchange for their research.

If you scored a 50, you should consider delegating your money matters for long term comprehensive financial planning to a small, quality financial planning firm and paying them a flat annual fee.

Finding A Professional Who Feels the Same

The final important part of this analysis is them finding a financial professional who wants to work with you in the way that you want to be worked with. And now that you've gone through these 5 exercises, you can go to anyone in the financial field and say something like this:

"I would be a client that works best in a collaborative role meaning I want to share the role with you in my planning. I prefer to work with a smaller planning organization and I want a lot of personal attention. Furthermore, I am open to paying you via fees or commissions as long as they are disclosed to me. I am also looking for a long term relationship. Would I be a suitable fit to work with you based on your business model?"

The advisor will probably answer (after picking herself up off the floor as I bet no client has ever approached her in such an informed manner) whether you'd be a good fit or not. The advisor should have an ideal client profile and ideally you should match 75%+ of that. If the advisor strikes you as someone who would take anyone as a client, then you should run away. Your goal should be finding a good FIT.

Focus is always more helpful and focus makes the advisor much better qualified to serve you if you fit her profile.

Where We Fit - an Example

As you can probably guess, I have an idea client profile. Otherwise, writing this would make me quite the hypocrite! Our ICP can be found on the next page. I hope this helps you clarify my above points on advisor "fit":

Chris Grande's Ideal Client Profile

Able to Enjoy Simplicity: Our clients enjoy the simplicity and freedom that comes from having all of their financial affairs under the watchful eye of a single comprehensive advisor with a simple fee structure.

Realistic, and Able to Handle the Truth: Our clients want to hear the truth from us regarding their financial situation no matter what. Our clients are also realistic, and do not watch or listen to *insert favorite media channel here* all day nor do they let market swings affect their long term goal planning.

Optimistic and Simply Awesome: Our clients are often the linchpin for their families and communities; they are serious and committed about their desire to accomplish their goals, both for themselves and the people they care about. And they realize that achieving those goals requires both money and planning. Note: I consider most of my clients as good friends and I learn from them as much if not more than they learn from me.

Grateful for Our Work Together: Our clients appreciate advice and guidance. Due to the high level of client interaction and attention, we are most financially appropriate for clients with a net worth over \$1M or those who will be there within 5 years.

Focused on What is Important: Our community of clients values our relationship. And they are wise stewards of their most valuable asset: Time. By delegating their financial affairs to us, they can focus their valuable time and energy on the things in life that are more important to them than money - the things that CAN NOT be delegated.

“We help you clarify, design and execute a brilliant financial strategy so that you can accomplish your goals and Live Your Higher Purpose.

I Want to help You

Yeah right you're probably thinking. Why would this guy want to help me?

If you're thinking that, you're normal. But let me lay it straight for you. You know my ideal client profile (I just shared it above). And since I only work long term with DELEGATORS who fit that profile (and I am limiting that number to 75-80) I know there is at least an 80% chance that you and I are not a good fit.

Therefore, 80% of you will know I have no ulterior motive. I want to help you go through the five questions, and help you determine the best way to work with people in my industry. I want to be one of the good guys in finance. The type that helps without *looking out for number one* all the time.

My hope is that if I help enough people, I will be taken care of because I do believe what goes around comes around. And I do believe that God helps out those doing good deeds. So there is some selfishness in this but overall I want to you make smart financial choices and succeed. Let me help you. So drop me a direct email:

chris@walnuthilladvisorsllc.com

or call my mobile:

650-209-6473. And let me help you get some financial PEACE. By the way, if you fit my profile, email me! We could be a great fit!

Thanks for reading.

Chris Grande, MSIM, RMA
Principal
Walnut Hill Advisors, LLC
www.PlanWithChris.com

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