



# **The Heart of Advice Study:**

How Successful Advisors Deliver  
an Exceptional Client Experience

## How valuable is a clear understanding of client preferences in guiding advisors to deliver an exceptional client experience? Do clients put more emphasis on an advisor's knowledge, their ability to empathize, or the technology advisors use to manage the relationship?

eMoney research has uncovered compelling insights on how advisors can deliver a remarkable client experience. Our study focused on three dimensions of advice—using a set of shorthand conceptual terms: the head, the heart, and the hand. We sought to determine the right balance between these aspects based on the contrasting perspectives of clients and advisors. Expanding on our concepts:



### The Head

Curating information to help drive client decisions. Applying industry knowledge and book smarts to offer effective advice.



### The Heart

Engaging clients through empathy and understanding. Focusing on behavioral, emotional, and interpersonal elements by meeting clients on their terms.



### The Hand

Leveraging technology to create an exceptional client experience. Harnessing the computational and communication-enhancing benefits of tech platforms to deliver high-quality decisions.



***The Heart of Advice<sup>SM</sup>, then, is the convergence of the head, heart, and hand to create an exceptional client experience. Our research shows the most successful advisors are deploying specific techniques to improve each dimension of advice.***

***By understanding client priorities along these three dimensions—and exploring how leading advisors are delivering on the Heart of Advice—advisors can learn how to re-orient their business, improve their client experience, and generate better growth.***



# Background on The Heart of Advice Research

The story behind eMoney's interest in studying these preferences began with our research on FlexGen Advisors<sup>SM</sup> in 2018. We defined the group of [FlexGen Advisors](#) as those who are forward-thinking, embrace change, love learning, challenge conventions, and believe in helping clients achieve their life goals.

We found these advisor characteristics were associated with several virtuous practices and outcomes, including:

91%

More likely to cite planning as a viable way to differentiate their practice

VS

69%

of their peers.

82%

More likely to provide clients with an interactive experience

than

47%

of their peers.

Active technology adopters for their firms and more likely to be future-ready:

60%

consider themselves early adopters of technology

compared to

26%

of their peers.

24%

average AUM increase in 2017,

compared to

14%

peers with average increase.

Our research on the FlexGen uncovered the ideas that underlie the Heart of Advice. After understanding the different ways that advisors engage their clients, we decided to dive deeper into the concepts of the head, the heart, and the hand by surveying both advisors and investors. Our goal was two-fold: to determine how well their preferences toward the client experience aligned, and to identify strategies that the most successful advisors use.

## Methodology

*The 2019 eMoney Heart of Advice Study was an online, blind survey (eMoney not identified) fielded from June 24- August 20, 2019 to explore the relative importance of different client experience strategies categorized by the head, the heart, and the hand. Initial participants in the research included 439 financial advisors, who manage or advise upon client assets either individually or as a team, work primarily with individual investors and included a mix of banks, independent broker-dealers, insurance companies, regional broker-dealers, RIAs, and national brokerage firms (commonly referred to as wirehouses).*

*The initial study also included 605 investors, who work with a financial advisor and had at least \$100,000 in investable assets. An additional follow-up online blind survey was conducted with 375 advisors to explore client experience strategies that drive advisor success and the technologies they use to manage client relationships. Key driver and cluster analysis were used to explore group and specific subgroup preferences. Reported base sizes are unweighted, unless otherwise indicated.*

# Our Findings: The “Head” Leads, But Advisors Should Stay Fluid

## Investors Want to Work with Knowledgeable Advisors

So where do investors and advisors see eye-to-eye? Where do they differ? What do investors actually want?

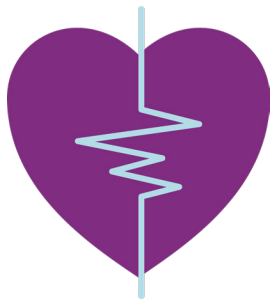


Clients and their advisors align closely, but not perfectly, on the most important aspects of the client experience. Advisors put slightly more emphasis on the inter-personal talents of the heart than their clients do.

However, client preferences are fluid. Moreover, they exhibit a pattern based on the influence of external events.

## Investor Preferences Aren't Static

Volatile market environments and their associated strains on investment performance cause clients to want more of their preferred top-priority talent. Negative life events, on the other hand, drive investors to shift their preferred talent.



An unplanned event—like the death of a close family member or a job loss—could be expected to lead a client who typically prefers the relational and emotional components of the client experience to shift toward a need for factual and analytical support. For example, advisors might need to walk these clients through the steps of executing a will, transferring a 401(k) account, or tapping an emergency fund.

On the flipside, clients who are normally more focused on the facts and analytics could likely want their advisor to emphasize the compassionate relational aspects of the client experience following a negative life event. These strategies depend on understanding the client as an individual—they may appreciate an advisor who sends a sympathy card or calls to see how they're feeling, or they may prefer a bit more space before getting started on the next steps of the financial processes that follow these life events.

## Advisors Must Continuously Assess and Adapt to Investor Preferences

These fluid client preferences imply that advisors will be more successful if they're able to adapt their client experience strategies with ease. Also, advisors cannot focus on only one dimension of the client experience if they're going to be able to pivot based on client needs.

*Advisors need to sense these changes and adapt in the appropriate direction. Getting to the Heart of Advice means delivering a client experience based on current needs and expectations, and constantly assessing client preferences and adjusting as needed.*

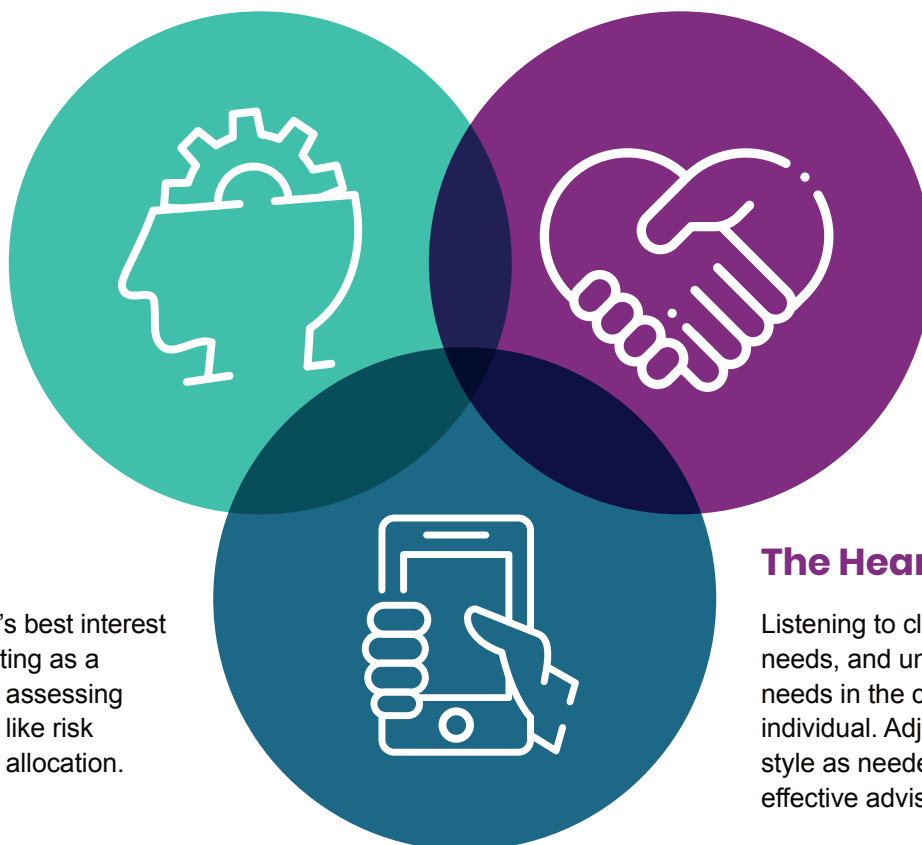


# Table Stakes:

## Required Client Experience Strategies

We've established that advisors can expect two-thirds of their clients are going to relate better to head-centric talents under normal conditions. This is good news for advisors who prefer to showcase their investment and financial planning skills!

Our research also revealed a set of base-level expectations, or table stakes, which investors consider prerequisite client experience strategies:



### The Head

Promoting the client's best interest above all else by acting as a fiduciary. Effectively assessing foundational factors like risk tolerance and asset allocation.

### The Heart

Listening to clients discuss their needs, and understanding client needs in the context of the particular individual. Adjusting communication style as needed to serve as an effective advisor.

### The Hand

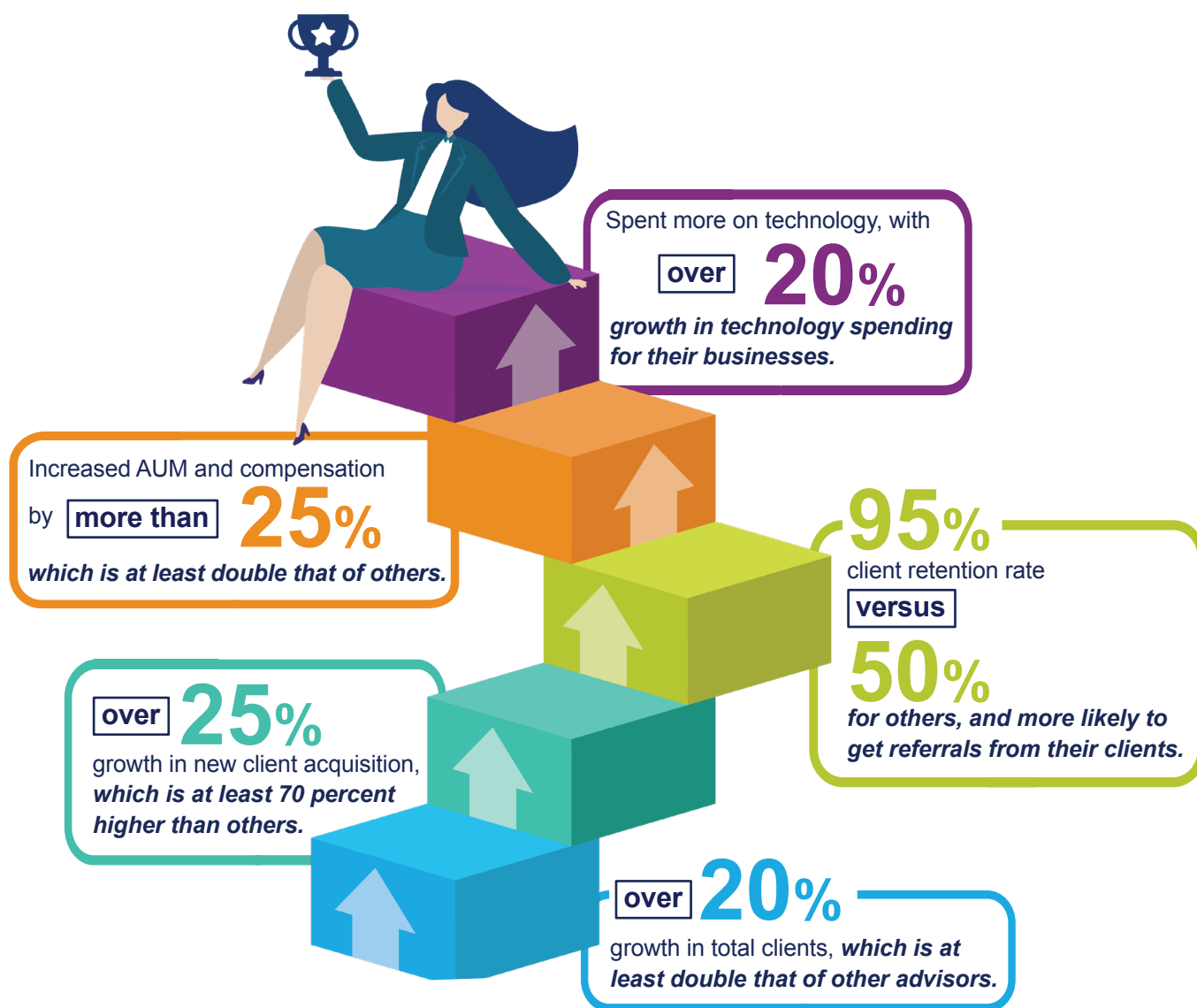
Leveraging technology to help make more informed decisions. Adapting the use of technology to serve each client's individual needs and preferences.

# What Makes Advisors Successful?

## Learning from the Standouts

The prospect of personalizing the client experience for every investor may sound like a lot of work. But there's a standout group of advisors that have figured out how to accomplish this—while remaining efficient and nimble enough to accommodate impressive growth—and they've produced enviable results.

Surveying how our group of successful advisors has grown their businesses over the past five years, we found:



*Key drivers appeared to set the successful advisor's client experience apart from the rest. Calling back to our initial findings, successful advisors have a well-developed ability to pivot during periods of external stress—choppy markets and negative life events—to satisfy their clients' shifting preferences. They also recognize the increasing importance of leveraging technology to align the informational and communicative aspects of the head and the heart with the overall client experience.*

# Digging Deeper, Successful Advisors are Bringing More Than Just Table Stakes to Reach the Heart of Advice:

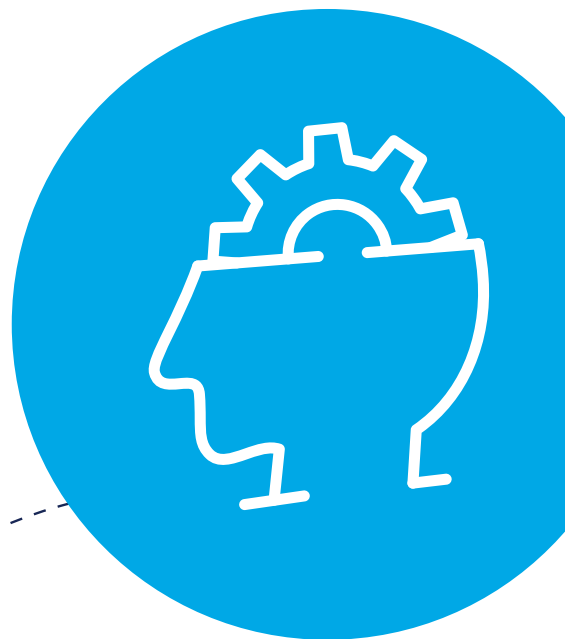
## The Head

*The most successful advisors are knowledgeable about investing, risk management, financial products, and the market.*

*They have a solid understanding of most types of investments and a broad handle on tax strategies. An approach that shows strong bias toward a particular company's products can undermine the client experience.*

Clients don't expect advisors to know everything, but they expect to be presented with a balanced picture and discussion about the pros and cons of decisions. They want personalized financial strategies, as well as plans that reflect their unique situations.

Successful advisors apply knowledge and experience to keep clients feeling grounded and secure. This can entail educating clients about potential outcomes for different investment strategies, presenting "what if" scenarios for their financial plans, and guiding—but not pushing—an agenda by helping clients understand the market while visualizing the impact of their decisions. These advisors build collaborative relationships that put their knowledge and planning capabilities at the forefront of the client experience.





# The Heart

***The most successful advisors practice active listening.***

*They prioritize being available and responsive to clients, calling or texting them back quickly and avoiding back-and-forth voicemails. Clients who worked with the most successful advisors described their experience as “always responsive” or “they get back to us ASAP.”*

Successful advisors understand that client attitudes can impact decisions, like whether values-based considerations will influence investment decisions. There may be certain types that a client would prefer to avoid—like casino operators or alcohol manufacturers—or clients may want to invest in sustainable companies and other socially conscious strategies.

A highly personalized planning experience starts with really listening to client needs. Successful advisors take it a step further by acting on this information and sharing feedback.

**87%** of successful advisors use computers or tablets in client and prospect meetings to collaborate and review financial plans and investment information (versus 63 percent of other advisors).

Advisors can showcase their talents of the heart by being responsive and by addressing topics like taxes, financial planning, and investing through the lens of the individual client's priorities. Active listening and regular values-based conversations create deeper degrees of relationship strength for successful advisors.



# The Hand

*As we noted earlier, the hand represents the successful advisor's higher technology-adoption rate.*

*Putting the talents of the head and heart into action requires the ability to provide a personalized experience, adapt to client needs, and collaborate in real-time with clients.*



**98%** of successful advisors use financial planning software,

**78%** use software or platforms to model the impacts of decisions, and

**84%** use data aggregation tools.

Data aggregation enables a holistic understanding of clients' financial lives. This can be an area where successful advisors are able to conduct deeper research, by understanding client spending and savings behaviors, which is a powerful but difficult factor to influence. From an efficiency standpoint, data aggregation enables advisors to sidestep the time drain and risk of error associated with manual data entry.

Decision modeling presents an opportunity to engage in values-based conversations backed up by outcome-oriented projections. These conversations can help align priorities of the heart—like goals, values, and life dreams—with priorities of the head—like risk, impact, and trade-offs. This can create the foundation for solid, thoughtful financial strategies and reinforce a dynamic, personalized financial planning experience.

Bringing it all together, successful advisors understand that harnessing smart technology directly enables their ability to develop solid financial strategies that are personalized to each client.

# How to Make an Impact

Beyond the practices that successful advisors are bringing to bear on the three dimensions of the client experience, advisors can also make an impact by being attuned to their own preferences. When does a reliance on the head, the heart, or the hand become an overreliance? Can advisors risk neglecting some of these talents by leaning too heavily on the others?

Our survey findings showed that, according to clients, advisors generally excel at issues of the heart, which we've already established advisors prioritize more heavily than their clients. They're effective with issues of the head, but not necessarily excelling. Clients believe there's the most room for improvement on issues of the hand, even though advisors believe they are excelling in this area.



## Use Powerful Technology for More Informed, In-depth Planning

Advisors think they're using technology well in helping clients plan for the future, but clients disagree. A successful impact in this area might be achieved by collaborating with clients to work through the pros and cons of different scenarios in a financial decision modeling program. These collaborations are proof to clients that advisors are using technology to inform decisions, alleviating another area identified for improvement.

### Improve:

- 3  **Tech for Portfolio Updates & Analysis**
- 4  **Tech to Help Clients Plan for the Future**
- 5  **Tech to Inform Client Decisions**

## Use Flexible Technology to Personalize the Client Experience

Successfully adjusting technology to meet client needs—yet another area for improvement—requires an understanding of client aptitudes for technology and their preferences. This may translate to video conference meetings, a preference for texts instead of emails, or 24-hour access to financial plans and other documents, for example. Regardless of their sophistication, these are all different ways that advisors can use technology to update and problem-solve with clients.

### Improve:

- 2  **Adjusts Communication Style**
- 6  **Tech to Provide More Personalized Advice**
- 7  **Adapts Tech to Client's Needs**

## Use Flexible Technology to Personalize the Client Experience

Outside of technology, advisors can also conduct empirical research within their practices to better understand client needs and preferences. Consider developing a client assessment survey that addresses key aspects of the client experience for new and existing clients. This could generate useful guidance and can help counterbalance advisor perceptions about how to deliver a successful client experience.

Advisors should also consider making a deeper commitment to learn about delivering more advanced planning. A willingness to pivot and hone skills—by training as a life coach or by earning designations like a CFP® certification, for example—will help advisors deepen their services. Alternatively, advisors can pursue opportunities to partner with peers, or hire with a focus on diversity, to provide more comprehensive service offerings by matching complementary skillsets.

### Improve:

- 1  **Provide a Personalized Experience**
- 8  **Works to Problem Solve with Clients**

## Make an Impact by Addressing Technology Shortcomings

*Based on these findings, advisors should consider leveraging technology more effectively to enhance the strategies that clients believe are missing the mark. Technology—the weakest segment of the client experience—can directly enhance the quality of advice and the ability of advisors to communicate and collaborate with clients.*

*Well-rounded advisors who improve in the areas where they've been less effective in the past will be more successful from their clients' perspective and in terms of their future growth potential.*

## Conclusion

How advisors choose to integrate the science, art, and technology of advice will determine the quality of their client experience. Clients—new, seasoned, and prospective—count on advisors to be their coaches, motivators, problem-solvers, and guides. To create an exceptional, three-dimensional client experience, advisors need a wealth of job knowledge, authentic engagement, and client-centric technology.

Advisors that get to the Heart of Advice don't need to question their value versus a robo-platform or commission-free trades. As we explored, the most successful advisors dig deeper and go further to see what's below the client's surface. These advisors inherently understood the need to flex to meet the needs of different clients and adapt quickly as clients' lives demand.

Our research also showed that successful advisors recognize that technology can drive deeper connections, translate individual client needs into actions, demonstrate the depth of an advisor's expertise, and facilitate collaboration on planning in a way that elevates the client experience. This ability to deliver an exceptional client experience is critical to the success of advisors.



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