

The AB Client Touchpoint System™ | Jay Coulter, CFP®, CIMA®

THE AB CLIENT TOUCHPOINT SYSTEM

How To Build A World-Class Client Experience System



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*A Client Communication System For
Financial Advisors*

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Building A Client *Experience* System

I have spent most of my career on the investment management side of the business. When I started consulting directly with financial advisors, one thing stood out to me more than anything else. **Most advisors are not confident they are taking good care of their clients.** Shockingly, I have found a great majority of advisors feel an annual review, birthday card and some type of frivolous gift at Christmas counts as client service. This book aims to give you the actionable tools to build a communication system but remember that you are really creating a client *Experience*. We are just going to systematize it!

Where to Start?

There are many great solutions and systems for financial advisors who are struggling with this aspect of their business. Naturally, I am biased towards my firms' **AB Client Touchpoint System™** (www.resilientadvisor.com), but *any* reputable system will help your business.

I have had the opportunity to host Duncan MacPherson on my podcast, *The Resilient Advisor*. His firm, [Pareto Systems](#), has a great client service system and philosophy on how to turn it into a referral system. Likewise, the folks at [Supernova Consulting](#) have had a positive impact on the businesses of many financial advisors I've encountered over the years. The team at [The Oechsli Institute](#) have a great program as well. I attended their *Rainmaker Weekend* 20 years ago when I was working on an advisory team and I can report that their workshops are first class.

Why do I write so gushingly about my competition? Because I know, without exception, that if you implement any worthwhile client communication system, it will *change your life as a financial advisor*. I have witnessed careers take off thanks to the implementation of a thoughtful system. I have seen the dramatic impact on financial advisors and their entire teams. Building a high-functioning service system will not only give you more time in your day and increase the general happiness your people, it will create new business opportunities.

The Importance of a Touchpoint System

Before I explain how the AB Touchpoint System works, I would like to emphasize why a touchpoint system is so important. In my experience, most advisors struggle with bringing on new clients when they are not confident in their level of service to existing clients. It only makes sense: They are not able to enthusiastically solicit new relationships when they are not taking care of their existing ones! Fortunately, my system is **radically simple by design**. Complicated systems generally do not lead to success, and since using one is such an important part of your business as an advisor, it is imperative that it be simple and easy to use.

As an industry consultant, I have seen the implementation of a robust (but simple) client service system dramatically change the businesses of hundreds of Advisors. I am not being melodramatic here with my assertion. **Once you build a system that you know has put you in the best situation to serve your clients, you will never again leave the office wondering if you have done all that you need to do to serve your clients.** This reduces your stress and increases the time you have available in your day. That time can be given back to your family, used for charitable pursuits, or dedicated toward new business development.

If you are not sure whether you have a rock-solid client service system or not, answer this simple question:

What are your next three communication touchpoints with your 5th, 9th and 13th largest clients?

Usually when I ask that question, I get the “deer in the headlights” look. If this is you, please do not feel embarrassed as over 90% of the advisors I have worked with were not able to answer the question at the beginning of our consulting engagement. That is why you are reading this book!

The AB Client Touchpoint System™

The backbone of your Client Experience System requires a well-thought-out and simple-to-execute process. **The AB Client Touchpoint System™** empowers financial advisors to have confidence in their process and service model.

There are five components of the **AB Client Touchpoint System™**:

1. **Technology**
2. **Client Segmentation**
3. **Touchpoint Frequency & Type**
4. **Stress Testing Your System**
5. **Implementation**

Technology

Choose a technology provider that makes the most sense for your business. It could be your firm's CRM, Outlook, or even an Excel-based program. The key to success with your system is simplicity as well as a recurring task function that runs in perpetuity. I am a HUGE fan of [Wealthbox](#) for this system for Financial Advisors. If you are interested in how to use this system with Wealthbox, here is a free webinar I did with Wealthbox's Jomin Bishop. We lay out the playbook for implementing your system inside their CRM. ([Link](#))

This system will also work with RedTail, Salesforce or any other CRM. If you are uncomfortable with CRMs or Excel, I would encourage you as an advisor to strongly consider reevaluating your attitude toward technology in your practice. The unfortunate reality is the advisor who relies on memory and luck will struggle to maintain their client relationships and grow their business. Fortunately, I do not run into this situation as much as I used to as advisors' attitudes toward technology have changed for the better!

Client Segmentation

Over the past two+ decades, I have seen many different types of segmentation programs. They are always designed to benefit the person/company providing the analysis and segmentation and not the advisor's practice! For example, a wirehouse analysis may have a bias toward encouraging lending, while an analysis built by an Asset Manager or Insurance Company usually supports allocations to their products. **The AB Segmentation Process I recommend is designed to help you and your clients.** Did I mention how radically simple this segmentation and communication system will be? It is all by design.

“If after going through this process you don’t think to yourself, wow an 8th grader could have designed this you have done it wrong!”

First, your client base should be segmented into three distinct segments (A,B,Z) outlined below. This starts with a quantitative analysis and is then modified using the advisor's subjective/qualitative lens based on their understanding of each client.

If you are not working with someone from my firm, here is how you can build it yourself:

1. Create a list of your clients (by Household) in excel. You want to have 3 columns containing: Name, Revenue & AUM. Sort by revenue, with the **highest revenue client at the top.**
2. Identify the **Top 50% of your Revenue.** Generally, advisors are surprised to find it's only about 6-12% of the households in their book of business. This group of clients will start out as your “A” clients.

3. Identify the **Next 30% of your Revenue** and label them as “**B**” clients. Simple math reveals your “A” and “B” clients represent the Top 80% of revenue in your book of business. **By identifying how many clients drive 80% of your results, you are reverse engineering the Pareto Principle, which says 20% of your activity drives 80% of your results.**
4. The **Bottom 20% should be labeled “Z” Clients**. I also called these clients “**Anchors**,” as this group usually accounts for an outsized portion of the problems an advisor experiences in their business.
5. Next, apply the **Qualitative** lens that only you, as the advisor, can do. Make sure your clients are segmented in the most appropriate manner.



If you would like access to our complimentary DIY Client Analysis Tool please visit www.resilientadvisor.com/diyanalysis

Touchpoint Frequency & Type

Over the years, I have tried many different types of touchpoint systems. It is my strong opinion, based on real world application, that **complicated systems do not work**. The frequency and type of touchpoint added to a system is where the rubber meets the road, as they say. Success or failure comes down to simplicity.

Touchpoint Frequency: This needs to be customized to **how you run your business**. For a starting point I use a simple 12/6 cadence. A clients receive 12 touchpoints per year, of which four are “Business” and eight are “Social.” (More on that soon) The clients segmented B receive six touchpoints per year, with two of them in the “business” category and four in “Social.” **It is radically simple by design.**



Touchpoint Frequency

	Total Touchpoints	Business Touchpoint	Social Touchpoint
A	12	4	8
B	6	2	4

What you choose to do with clients in the Z segment is up to you. As a matter of best practice, I recommend at least one touch per year for compliance considerations. Make sure to check with your firm's compliance officer to ensure you are doing the firm's required amount of touches at a minimum.

Touchpoint Type:












In my opinion, this is where the complexity of most client communication systems fails Financial Advisors. Systems that dictate daily activities on a granular level are difficult to execute over the long term. If the system is telling you to send an email one day to a client, then schedule a review a couple of weeks later, ect., it will inevitably fail as life gets in the way and the tasks pile up!

A robust system requires flexibility and that is what the **AB Client Touchpoint System™** provides. Using this system, an advisor will have a choice, when prompted, to touch the client with either a **Business Touch** or **Social Touch**. The most popular types of touches for each of the categories are outlined in the graphic. The flexibility provided by the system to empower the advisor to choose the type of touch is what makes it so effective.

What makes this approach so effective is that you, the Advisor, get to choose which type of 'Touch' is the most effective for each client on that particular month. **It is this flexibility helps the system deliver a custom experience for each client.**

Note, Social Touches are just as important as Business Touches. **We know from industry research that a very high percentage of your new clients this year will come from referrals and introductions from existing clients.** This system helps you build a deeper relationship with your clients. In turn, you will be able to better serve them and create opportunities for referrals.

Types of Business & Social Touches:

Business	Social	
 Advocate Event	 Wow Gift	
 Face To Face Review	 Face To Face Event	
 Phone Review	 Personal Phone Call	
 Review Note	 Handwritten Note	
 Email Review	 Digital (Social Media/Email)	

Add Financial Planning to your Business Touches with [fpPATHFINDER](#)



fpPATHFINDER

One of the more common comments I receive is “I don’t know what to talk about” when it is time for a Business Touch. The team at fpPATHFINDER have solved this for you! Founded by Michael Lecours and Michael Kitces, they have built a platform that helps bridge the gap between complexity and clarity through checklists and flowcharts.

View the webinar I did with Michael Lecours that teaches you how to leverage this platform in conjunction with the **AB Touchpoint System™** to deliver better Financial Planning for your clients. [Click Here](#)

The Stress Test

A very important component of the system is the ability to understand *exactly* how much time you will be spending on proactive client service each year. Usually two things are very eye-opening to financial advisors when they examine the time commitment for their system. First, **they don't need to spend as much time servicing their Z clients** as they have been over the years. Second, they now have more free time in their business day to pursue new clients. They are able to do this with confidence, knowing their existing clients are being taken care of systematically.

If you are using a reputable service provider, the system should be able to provide an estimate of the time you will spend on your outbound service touches.

Implementation

Now that you know exactly who you service, how often, and through which touchpoints, it is time to build your system in your chosen technology.

If you're interested in learning how we help advisors implement their system using Excel-based software, please schedule a call with us: www.resilientadvisor.com

A Final Note on Your Client Experience System

Building and implementing a **Client Experience System** is a large undertaking. Over the years, I have found busy financial advisors are better served by hiring a consultant to help their team with the process than by trying to do it themselves. While this statement is indeed self-serving, it's also the truth. Results are seen faster and headaches are fewer. If you are serious about improving your client experience and growing your business, you will find it worth the investment.

Acres of Diamonds

There is an old story of an African farmer, as told often by [Earl Nightingale](#), that has had an impact on the professional lives of thousands of people. Here is a condensed version:

A farmer heard tales about other people in his region who had made millions by discovering diamond mines. These tales so excited the farmer that he could hardly wait to sell his farm and go prospecting for diamonds himself. He sold his farm and spent the rest of his life wandering the continent searching unsuccessfully for the gleaming gems that brought such high prices. Worn out and in despair, he eventually threw himself into a river and drowned.

Meanwhile, the man who had bought his farm happened to be crossing the small stream on the property one day, when suddenly there was a bright flash from the stream bottom. He bent down and picked up a shiny stone, then brought it home and put it on his fireplace mantel as an interesting curiosity.

Several weeks later, a visitor picked up the stone, looked closely at it, and nearly fainted. He asked the farmer if he knew what he'd found. When the farmer said no, that he thought it was a piece of crystal, the visitor told him he had found one of the largest diamonds ever discovered.

*The farm the first farmer had sold so that he might find a diamond turned out to be one of the most productive mines on the entire continent. **The first farmer had owned acres of diamonds. But he sold them for practically nothing in order to look for them elsewhere.** If the first farmer had only taken the time to study and prepare himself to learn what diamonds looked like in their rough state, and to thoroughly explore the property he had before looking elsewhere, all of his wildest dreams would have come true.*

In my experience, every financial advisor has their own “Acres of Diamonds” in their personal and professional network. The Revenue Model Matrix Exercise on the following page will help you mine your own farm to find those proverbial diamonds.

The Revenue Model Matrix Exercise

Step 1: Download the Revenue Model Matrix Excel worksheet:

www.resilientadvisor.com/revenuemodeling

Step 2: Add your clients to the worksheet and segment using the following criteria:

Advocate: A client who has either referred or introduced you to a new high net-worth relationship in the past 18 months. These are the highest value clients.

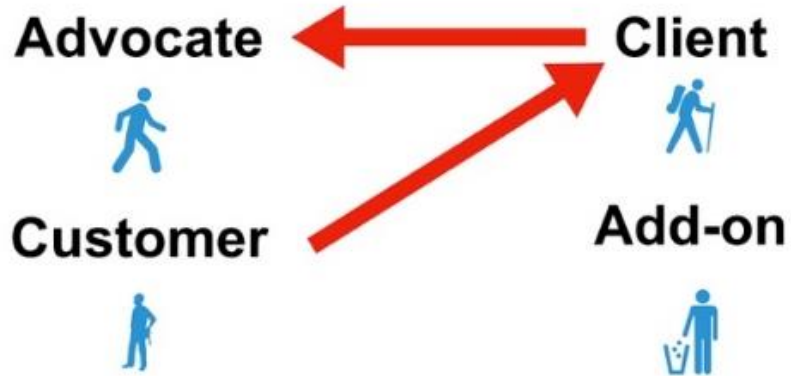
Client: A relationship where you are handling all of their finances.

Customer: A relationship where you are handling only some of their finances. This clearly represents an opportunity to expand wallet-share.

Add-on: A relationship where you are handling their accounts because of a relationship they have with one of your other more profitable clients.

Step 3: Systematically review the worksheet and identify opportunities to turn customers into clients and clients into advocates as you work through your AB Client Touchpoint System™.

Revenue Model Matrix



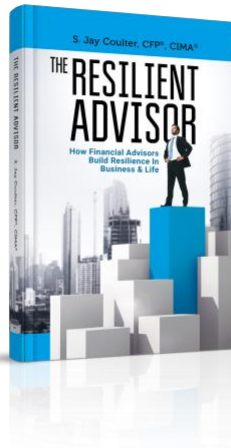
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**The AB Touchpoint System™ is part of
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About Jay Coulter



Jay Coulter, CFP®, CIMA® is a Portfolio Strategist and RIA Consultant. [Resilient Advisor](#) is focused on serving Financial Advisors, Teams and Firms. He also produces the popular [FinancialAdvisor.TV](#) platform that is dedicated to ‘Broadcasting the Advisor Evolution.’ Jay is the host of [The Resilient Advisor Podcast](#) as well as the author of [The Resilient Advisor](#) (2017) and [Conquer Worry](#) (2016).

Jay holds an M.B.A. from the Goizueta Business School at Emory University and a B.S. in Business Management from The University of Tennessee. Jay has earned the [Certified Investment Management Analyst®](#) and [Certified Financial Planner®](#) designations.

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