



What to Say in 9 Tricky Client Situations

By Bryce Sanders



What you want to say: 9 useful phrases

Of course there is no one-size-fits-all solution for client communication, particularly when a potentially tense situation arises. But having these remarks ready to deploy when you think the moment is right can ease tensions and bring you and the client back on the same side. These tactful comments can increase rapport, lead to better understanding, and help clients feel open to what you are communicating.

1. **Let me get to the point.** Your clients are busy people. They have short attention spans. You've heard the expressions: "Cut to the chase" and "What's the bottom line?" Clients appreciate a business-like approach. They can always extend the conversation if they choose.
2. **When you sign your name, you are attesting everything above your name is true.** This came from the guy at the post office when I was filling out a customs declaration form. You've heard the horror stories about advisors who tell clients to "use creative accounting" when filling out options papers. You may have clients who don't understand the "know your client" rule and simply make up numbers. Using the above expression reminds them the paperwork is serious and must be accurate.
3. **We are all in this together.** If you get a bad haircut, the barber's hair still looks fine. If you go to court, get declared guilty and thrown in jail, your lawyer still goes home to dinner with the family. All the pain is felt on your side. It's not quite the same situation for financial advisors. "We are all in this together" lets clients know you are invested in the stock market, too. When they suffer, so do you.
4. **This record will be stored forever.** Suppose your client wants to sign their spouse's name to a document, saying "I do it all the time" or "They don't mind." *It's still forgery.* If something were to go

wrong, the spouse could say: “That’s not my signature” and ask for the trade to be undone. If there were a divorce action, they would have every right to declare the client forged their signature. There’s lots of liability when a record is stored electronically forever. That should help get your client on the straight and narrow path.

5. **Let me explain how discounting works.** Let’s say your client is pressing for a deep discount on fees. They may assume that 100% of the entire fee they pay goes to you or there is a split, with you and the firm sharing the discount equally. In reality, your firm might share in a small discount, but deeper discounts might mean the majority of the cut comes from your share of the fees. Put another way, you might end up working for almost nothing. Most clients realize you should be paid and would not want to create a situation where you are expected to work for free.
6. **Persistence is a virtue.** You need to follow up with prospects and clients. You want them to make a decision. It’s awkward to say “Have you made a decision yet?” When it has come time to urge a reluctant client to make a decision, I would start the call with “Persistence is a virtue.” In my experience, it got them laughing and lightened the mood.
7. **Let me take off my ‘friend hat.’** When it comes to approaching friends for business, it can be awkward. Yet there may be a friend you want to bring up business with. You think they might ask: “Why are you asking me now?” Taking off your friend hat and putting on your business hat is a good transition. When you are finished talking business, you can tell them you are putting your friend hat back on again.
8. **I always assumed you work with someone else already.** What can you say in answer to that question from the previous example, “Why are you asking me now?” Explain that you thought they already had an advisor because they haven’t brought up investing with you. You might add that you assume it is “someone who takes good care of you and gives you excellent service.” That sets a bar for service expectations. It might get them thinking.
9. **Let me explain how we make money.** Fees can be confusing, especially when they are built into the price of the product. Clients really want a clear picture of your fees, but sometimes find it awkward to ask. Other times they ask, but not the right questions. If you bring it up, it lessens their anxiety and shows you are up front about fees. You can turn a negative into a positive with this one.

Run through these conversations in your head, so that next time these issues come up you’re ready with a diplomatic segue that makes clients feel comfortable and builds their trust in you.

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