



GAME-CHANGING WAYS TO GROW YOUR BUSINESS

CURRICULUM GUIDE

Welcome to the AB Advisor Institute (ABAI), a practice-management resource for Financial Advisors (FAs). The professionals at ABAI have created a series of seminars and guides focused on improving FA productivity by applying insights from the behavioral sciences to the big-business challenges FAs face.

The curriculum comprises a wide array of practical models, interesting and informative seminars, easy-to-follow training guides, insightful white papers, and useful tools that FAs can easily incorporate into their professional toolbox of skills.

AB **ADVISOR INSTITUTE**SM



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TABLE OF CONTENTS

AB Advisor Institute’s seminars and guides are broken down into eight categories. Each addresses an important aspect of the financial advisory business. For ease of use, this curriculum guide color codes the categories and provides a table of contents. Simply turn to the pages that correspond with your interest or browse through the book to see what is right for your needs.

In	INTRODUCTION	
	AB Advisor Institute _____	1
	Team Biographies _____	1
1	DEALING WITH CLIENT EMOTIONS	
	Financial Advisors must understand why clients do what they do. These resources provide useful tools for working with emotional clients.	
	Words That Change Minds: Steps for Managing Client Behavior _____	2
	Managing the Hard Conversation: Working with Emotional Clients _____	2
	Euphoria and Despair: Insights for Addressing Client Anxiety _____	2
2	GROWING YOUR BUSINESS	
	These programs provide strategies for taking your business to the next level.	
	The Professional Referral Method: Becoming the Trusted Advisor _____	3
	The Effective Case Study: Selling Your Superior Problem-Solving Value _____	3
	Inspiring Referrals from Clients, Acquaintances and Social Media _____	3
	Target Marketing: Developing Your Unique Value Proposition _____	4
	Referral Strategies for Bank Advisors _____	4
3	MANAGING YOUR BUSINESS	
	Effective asset management is no longer enough. These seminars teach you how to be more successful at managing your business.	
	Key Steps for Navigating the Transition to Advisory _____	5
	A Higher Standard for High-Net-Worth Clients _____	5
	Defining Roles and Setting Goals for a More Productive Team _____	6
	Pricing: Connecting Value to Fee _____	6
4	BEHAVIORAL FINANCE	
	Sometimes persuading clients to act in their own best interests can be difficult. Programs in this category will teach you how clients think and how to present your story in a positive, influential way.	
	How to Get Clients to Take Action Now _____	7
	The Inner Struggle: The FA's Guide to Understanding Human Behavior and Investing _____	7

5

CLIENT ENGAGEMENT & DISCOVERY

An effective FA knows that client engagement is an ongoing job. These programs will help you learn new tips for making the most of each opportunity.

Effective Client Review: The Foundation for a More Productive Practice	8
How to Present Your Capital-Markets Perspective	8
The Art of Deep Discovery	9
The Art of the Effective Close	9

6

TEAMS AND LEADERSHIP

Many FAs work as part of a team. Strong leadership skills are important. Building the right team and working effectively together can be challenging. These seminars can help.

Five Mistakes That Teams Make and How to Avoid Them	10
Power Tools for Hiring: Interview Techniques for Building a High-Performance Team	10
Succession Planning	10

7

WHITE PAPERS

Based on the research and insights of behavioral sciences, these papers present the task of the FA from a different perspective and provide strategies for building a successful financial advisory business.

Prioritizing Discipline: Setting Priorities with Clients	11
The Value Experience: Key Steps for Deepening Engagement and Improving Client Satisfaction	11
Volatile Times: Managing Clients in Today's Markets	11
Pay Me Now, or Pay Me Later	11
What Makes Clients Angry	12
Follow the Leader: A Children's Game, Not an Investment Strategy	12
Four Great Reasons to Hire a Muni Pro	12

8

RETIREMENT SERVICES

Growing your retirement plan business requires you to stand out from the crowd. The programs in this category offer practical guidance for accelerating your retirement business.

Managing the Retirement Conversation: Insights from the Behavioral Sciences	13
The Professional Referral Method: A Pipeline of Corporate Client Referrals	13
Becoming a Retirement Leader	13
Unique Value Proposition: Powerful Messaging for the Retirement Plan Market	14
Building Your Capabilities Brochure: Defining Your Business and Engagement Model	14
Effective Plan Review: Elevating Your Retirement Business	15
Three Critical Conversations: Navigating Income Decisions in Retirement	15

AB ADVISOR INSTITUTE

AB is a research-driven asset-management firm that is global in scope and client-centered in its mission. In addition to supplying investment strategies for advisors to use in building client portfolios, we have developed a separate service organization, the AB Advisor Institute (ABAI), to be the resource for Financial Advisors (FAs) looking to sharpen their practice-management, wealth-planning and wealth-management skills.

The professionals at ABAI have a goal: to set a new standard in retail asset-management practice by improving FA and investor outcomes. To reach this objective, the team uses AB's world-class research to produce a tailored curriculum of training courses for established FAs. The curriculum includes a wide array of practical models, step-by-step guides and useful tools that FAs can incorporate into their professional practices.

Advisors who partner with AB gain access to senior investment professionals, research analysts, economists and behaviorists who provide the research and insights that FAs need to build trust and deepen their client relationships. These advisors gain important knowledge and guidelines on how to add value to each relationship.

Ken Haman Managing Director

Ken Haman joined AB in 2005 from a private consulting practice to the financial-services industry. In his current position, he develops and delivers consulting and training to Financial Advisors and key leaders at AB's partner firms, specifically in the areas of strategic marketing, effective communication with clients, and practice-management strategies for advisors, advisory teams and managers.

Mr. Haman's professional experience includes managing a practice in psychotherapy for 20 years in the Washington, DC, area and a consulting practice to large organizations, financial professionals and senior executives in the mid-Atlantic states. He holds a BA in business administration, graduate degrees in psychology and theology, and certifications in clinical hypnosis and neuro-linguistic programming.

CHECK YOUR MOTIVATION LEVEL

ABAI offers interesting and informative seminars and easy-to-follow guides. ABAI serves as a resource for FAs who want to gain a greater understanding of capital markets, improve and enlarge their practice, match clients' investment strategies with their financial goals, or optimize client portfolios. The first step is to determine your current level of motivation for making meaningful changes in the way you manage your advisory practice. To this end, we have created a self-assessment designed to help you determine how likely you are to execute the various aspects of training and coaching available from ABAI.

Request this assessment to determine your current level of energy available to drive a change process into your practice.

Scott M. Tatum, CIMA, CFP Director

Scott Tatum delivers consulting and training to Financial Advisors and key leaders at AB's partner firms, specifically in the areas of effective communication with clients and practice management.

Mr. Tatum came to AB from MFS Investment Management, where he was a regional vice president. His 25-year career in financial planning includes two other important positions: he spent eight years in the Dallas area with OppenheimerFunds; earlier, he spent seven years as national sales manager for a financial planning firm based in Irving, Texas, where he coordinated marketing programs for a field force of more than 4,000 FAs.

In addition to being a Certified Financial Planner and Certified Investment Management Analyst, Mr. Tatum holds NASD Series 7, 24, 53 and 63 licenses. He is an honors graduate of the University of North Texas.

1 DEALING WITH CLIENT EMOTIONS

WORDS THAT CHANGE MINDS:

STEPS FOR MANAGING CLIENT BEHAVIOR

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Financial Advisors around the world are trained to understand the mechanisms and dynamics of the capital markets and how to navigate effectively within those patterns. Unfortunately, few of these same FAs are trained to understand human emotions or how to address irrational or impulsive client behaviors.

This 60-minute presentation provides a basic understanding of how the human brain functions based on evolutionary evidence. It explains the powerful effect irrational and impulsive behaviors have on rational thoughts and decision making, and gives tips on how to thoughtfully and intentionally manage a client relationship over time and how to strategically cope with highly agitated and emotional clients.

SPECIFIC TOPICS COVERED INCLUDE:

- + A practical understanding of behavioral finance
- + Strategies for managing client relationships over time
- + Specific approaches for dealing with highly emotional clients who have become distressed by volatile market conditions

MANAGING THE HARD CONVERSATION:

WORKING WITH EMOTIONAL CLIENTS

MATERIALS: PRESENTATION AND EXECUTION GUIDE

From time to time, all Financial Advisors face the challenge of the highly emotional client. When markets become volatile or when clients experience an unexpected setback, even the most rational of investors can become emotional and inclined to make irrational, impulsive decisions. Being able to manage client emotions is as important for investment success as the skills of managing money.

This 90-minute presentation teaches FAs some of the skills they need to make difficult conversations easier and shows participants how the brain processes information in two different “channels”—rational and emotional—and how these two parts of the brain interact and inform each other. These insights are used to help FAs learn a simple, four-step conversation outline to use with clients to help them diffuse irrational thinking and restore a more thoughtful approach to decision making.

SPECIFIC TOPICS COVERED INCLUDE:

- + How the human brain processes information
- + How the rational brain and the emotional brain interact with each other
- + How to “turn off” emotional reactions and “turn on” rational thinking in clients
- + How to manage a four-step conversation to move clients from impulsive decisions to thoughtful consideration of a prudent investment strategy

EUPHORIA AND DESPAIR:

INSIGHTS FOR ADDRESSING CLIENT ANXIETY

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Market conditions and investor psychology have changed dramatically since the 2008 meltdown. Faced with the brutal competition for assets, Financial Advisors must adapt or risk falling behind.

To help FAs become more familiar with the challenges Baby Boomers are facing and to help them meet the challenges, this 60-minute seminar spotlights the evolving influence of the Baby Boomer generation on the financial-services industry. Learning more about these influential investors will give advisors the conceptual building blocks they’ll need to develop more successful practices. This presentation helps prepare FAs to meet challenges by giving them a more holistic vision of what “practice management” means for their business and by enhancing their understanding of the environment in which they are working. The presentation offers an overview of cultural and economic changes and discusses how those changes influenced our industry. It continues by explaining the questions Baby Boomers are asking and closes by building an awareness of the four main dangers facing Baby Boomers in today’s markets.

SPECIFIC TOPICS COVERED INCLUDE:

- + An overview of how recent economic events have traumatized investors
- + A detailed explanation of the questions being asked by older investors: “What else might go wrong with financial services?” “When will it be safe for me to retire?” “Whom do I trust today?” “What will go wrong with my body?” “How many new things do I have to learn?”
- + An explanation of the four dangers in today’s markets: volatility, increasing correlations in asset classes, rising inflation and increasing tax rates

2 GROWING YOUR BUSINESS

THE PROFESSIONAL REFERRAL METHOD: BECOMING THE TRUSTED ADVISOR

MATERIALS: PRESENTATION AND EXECUTION GUIDE

In today's challenging environment, Financial Advisors are increasingly marketing not only to clients, but also to professional intermediaries who serve as gatekeepers to wealthy families. To accommodate this shift, FAs must change their message from one that is valuable to one that is referable.

This guide offers four specific strategies for executing a messaging process to this new market. It provides instructions for creating warm introductions to professionals, then teaches how to develop a referable message, structure a presentation for an intermediary and close a meeting for an action.

SPECIFIC TOPICS COVERED INCLUDE:

- + The difference between a valuable message and a referable message
- + A four-step process for managing outreach to gatekeepers
- + How to create a referable message
- + Scripts and guidance for scheduling and managing meetings

THE EFFECTIVE CASE STUDY: SELLING YOUR SUPERIOR PROBLEM-SOLVING VALUE

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Much of what a Financial Advisor does is complicated and difficult to understand—even for other professionals. Experience has shown that unless CPAs and attorneys clearly understand the value that FAs can deliver, they are often reluctant to refer their clients to any advisor. Therefore, advisors must provide clear and compelling examples of the value their services provide.

When the FA can present a case study that shows an example of solving a particular wealth-management or wealth-transference problem, a CPA or attorney is better able to understand the client experience that the FA delivers. To help FAs more effectively communicate this message and create a case study, this 60-minute presentation explores key aspects of communicating their value to other financial professionals.

SPECIFIC TOPICS COVERED INCLUDE:

- + How to target “high opportunity” problems related to wealth
- + How to use financial planning software as a problem-solving resource
- + How to construct a case study document that clearly illustrates the magnitude and complexity of a wealth-related problem and how to deliver the most effective long-term solution
- + Specific language patterns to use and information to include in the case study to increase its effectiveness
- + How to use the document in a meeting with a potential center of influence

INSPIRING REFERRALS FROM CLIENTS, ACQUAINTANCES AND SOCIAL MEDIA

MATERIALS: PRESENTATION AND EXECUTION GUIDE

As Bill Good pointed out, “Quit asking for referrals...you have to promote, not solicit, referrals.” As any seasoned Financial Advisor has experienced, asking for referrals generates a few names and a lot of annoyance—annoyance that an FA can't afford.

Experienced FAs know the difficulties of transforming a friend or social contact into a meaningful client—despite the fact that a large percentage of investors are either somewhat or extremely dissatisfied with their advisor. This shouldn't stop FAs from requesting referrals from existing clients or social acquaintances. The key is to educate the referral source and ask for the referral in the proper way.

To teach advisors the best way to request a referral, this 60-minute presentation explores key aspects of becoming a trusted advisor. Participants are given valuable tips for creating an outreach contact list, selecting the right capabilities to feature in a practice capabilities brochure and designing a preliminary storyline for the messaging.

SPECIFIC TOPICS COVERED INCLUDE:

- + The psychology behind when and why friends and current clients will and won't make personal referrals
- + How to create a referral-generating message
- + How to design and illustrate a practice capabilities brochure for use in meetings with clients and social acquaintances
- + Steps to making an “annoyance-free” contact with any client or acquaintance that will increase the likelihood of a referral

**TARGET MARKETING:
DEVELOPING YOUR UNIQUE VALUE PROPOSITION**

MATERIALS: PRESENTATION AND EXECUTION GUIDE

To succeed in today's highly competitive marketplace, Financial Advisors must appeal to increasingly sophisticated investors with a differentiated business. How? Define a target market and develop a compelling unique value proposition (UVP).

This 60-minute presentation introduces FAs to the challenges of prospecting in the "very small pond" of wealthy investors: what they demand in an FA and when and how to connect with them. A detailed model shows how to develop and deliver an effective UVP that will differentiate your business and help you achieve success. The material is highly practical and fast-paced and comes with a step-by-step guide to assist participants in developing their own customized UVP.

SPECIFIC TOPICS COVERED INCLUDE:

- + An overview of the changing financial-services marketplace
- + An explanation of what a UVP is and why it is important
- + Three approaches to defining your target market
- + Seven steps to developing your UVP
- + Six simple exercises to help you construct an ideal UVP

REFERRAL STRATEGIES FOR BANK ADVISORS

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Over the past 30 years, important changes have occurred in the cultural landscape of North America that have impacted the way bank-based Financial Advisors can build a pipeline of referrals from banking colleagues.

In this 60-minute practical and fast-paced presentation, advisors learn not only the building blocks of a referable message but also how to manage the conversation and organize their introduction of information in the first meeting with a banking professional. Part of the presentation includes an example of a referable message that advisors around the country have used successfully to motivate engagement. Participants leave with the ability to select a message, create an effective flow of information and manage a meeting effectively.

SPECIFIC TOPICS COVERED INCLUDE:

- + The difference between a valuable message and a referable message
- + Six criteria for an effective message
- + A six-step presentation model for managing the meeting
- + Tips for managing a pipeline of referrals

3 MANAGING YOUR BUSINESS

KEY STEPS FOR NAVIGATING THE TRANSITION TO ADVISORY

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Thoughtful Financial Advisors are aware that the minimum standard of excellence in every industry and profession tends to trend upward over time, causing approaches that were once considered the industry standard to become obsolete. In the financial-services industry, the traditional brokerage model has been pressured by inevitable forces, setting the stage for a new accepted standard of excellence: the advisory model.

To address this challenge, this 60-minute presentation helps advisors look critically at the forces that impact their time management and productivity. Participants are introduced to the advisory business model as one in which the client pays a retainer to have access to the advisor's knowledge. Practical, step-by-step guidance is provided for how to transition a practice from a brokerage focus to a fee-based focus, including models for defining the advisor's new value proposition, how to analyze the book of business, how to organize the rollout of the new model, and scripting for safely and comfortably introducing the advisory concept to existing clients.

This fast-paced, highly practical program assumes that the advisors attending the training have already concluded that they need to transition their current business to an advisory model.

SPECIFIC TOPICS COVERED INCLUDE:

- + How to define emerging challenges in managing a productive business model
- + A conceptual model for how to redefine and expand the practice value proposition to support a fee-based engagement model
- + Guidance and scripting for how to safely introduce a new business model to existing clients
- + A step-by-step model for managing a transition meeting with existing clients
- + How to organize a rollout plan for transitioning an existing business to an advisory model

A HIGHER STANDARD FOR HIGH-NET-WORTH CLIENTS

MATERIALS: PRESENTATION AND EXECUTION GUIDE

In today's competitive environment, Financial Advisors and their firms need to evolve to stay current. The status quo no longer works. This 60-minute presentation reviews the financial-services industry—where we are today and how we got there—and examines the concept of innovations. In particular, we consider how an FA can know which trends to follow, which innovations to accept and which ideas are “flashes in the pan” that should be avoided.

The bulk of the guide focuses on teaching advisors how to create a business that follows the holistic advisory model. We explain the concept of a Standard of Care and provide the executable steps needed to develop a personalized one. Following the steps outlined will enable an FA to create a logical, repeatable plan that delivers a satisfied engagement to each client and the transition to a holistic advisory model.

SPECIFIC TOPICS COVERED INCLUDE:

- + An overview of the financial-services industry today
- + How trends and disruptions occur in the market
- + A discussion of fragmented service providers versus holistic service providers
- + How a Standard of Care expands revenue and reduces client resistance
- + Highly practical steps for creating your personal Standard of Care
- + Scripts for introducing your new Standard of Care to existing and potential clients

DEFINING ROLES AND SETTING GOALS FOR A MORE PRODUCTIVE TEAM

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Most Financial Advisors are familiar with the annual business planning exercise, but few engage with their plan as a living document that provides essential decision-making support and daily guidance for managing their business and improving performance.

This highly tactical program shows how to make your business plan the practical cornerstone for managing your use of time, resources and personnel.

SPECIFIC TOPICS COVERED INCLUDE:

- + How to differentiate between outcome goals and performance goals
- + Techniques for creating meaningful goals in both categories
- + Guidance for defining roles and key methods
- + How to manage methods with tracking metrics
- + A model for three distinct types of team meetings to keep productivity on track

PRICING: CONNECTING VALUE TO FEE

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Forces at work within our culture impact how clients experience the value proposition of any Financial Advisor's business. Those forces lead FAs to ask, "What is the value proposition that I offer my clients?" and "How well do my clients see and appreciate what I do for them?" Thoughtful advisors want to manage their clients' satisfaction by enhancing the value clients experience, but often lack the strategies to accomplish this goal.

This program offers insight into the current environment, highlights the four key concerns to keep in mind when managing value, and provides specific tactics and methodologies for navigating conversations and influencing how clients perceive and appreciate value.

SPECIFIC TOPICS COVERED INCLUDE:

- + Introducing a vocabulary about the client's experience of value and price
- + Exploring the psychology behind how price influences client behavior
- + Specific tactics for increasing the client's appreciation of value
- + How to set your price in light of market pricing trends and your unique value proposition
- + Scripts for navigating the conversation about fees

4 BEHAVIORAL FINANCE

HOW TO GET CLIENTS TO TAKE ACTION NOW

MATERIALS: PRESENTATION AND EXECUTION GUIDE

In recent years, the study of behavioral finance has revealed a number of powerful psychological vulnerabilities that impact investors.

These natural tendencies become activated during volatile market conditions and make it difficult for advisors to convince their clients to take the necessary actions and reposition their investments. As DALBAR studies have shown, investors who follow their feelings and react to these behavioral finance vulnerabilities tend to experience painfully poor investment results over time.

This 60- to 90-minute program addresses these common issues and teaches advisors to cope more effectively with today's volatile market conditions and frequently "stuck" investors. It is designed not only to help advisors understand how and why investors get stuck and become reluctant to take action, but also to provide prescriptive guidance on how to select and present motivating investment ideas.

SPECIFIC TOPICS COVERED INCLUDE:

- + How to recognize and understand the key emotional dynamics that cause investors to get stuck and to become reluctant to take action
- + How market dynamics increase stress, reduce clients' emotional resilience, and create the need for simple and familiar messages about investments
- + Tips for introducing and structuring the flow of ideas about investments to increase their impact and motivate action
- + A simple, six-step presentation model that helps organize a presentation's flow and maximize its response potential

THE INNER STRUGGLE:

THE FA'S GUIDE TO UNDERSTANDING HUMAN BEHAVIOR AND INVESTING

MATERIALS: PRESENTATION AND EXECUTION GUIDE

For years, most economists assumed that people are basically rational decision makers. Recently, behavioral scientists have discovered the more irrational aspects that define human behavior. Behavioral finance has emerged as the field that examines the impact of human behavior on investment decision making. Some might say that behavioral finance is what happens when Freud meets Friedman. To understand investor behavior, the effective Financial Advisor will benefit from learning about built-in human vulnerabilities and how emotions influence decisions.

This 60-minute presentation provides an overview of specific aspects of human behavior and helps FAs understand how emotions factor into the decision-making process. It also examines how recent economic events have traumatized investors and discusses key pitfalls that influence investor behavior.

SPECIFIC TOPICS COVERED INCLUDE:

- + A historical analysis of the Global Risk Aversion Indicator—a way to measure how much fear is in the market
- + Illustrations of five pitfalls and biases and how they can be misleading
- + An understanding of the behavioral finance concept and how to recognize investor behavior as well as practical guidance for addressing these behaviors
- + Tips for avoiding the pitfalls and minimizing their impact on clients' investments

5 CLIENT ENGAGEMENT & DISCOVERY

EFFECTIVE CLIENT REVIEW: THE FOUNDATION FOR A MORE PRODUCTIVE PRACTICE

MATERIALS: PRESENTATION AND EXECUTION GUIDE

The annual client review is one of the best times for a Financial Advisor to effectively communicate with an investor. Distinct from the typical portfolio review, a client review expands the conversation from a focus on performance to a consideration of the broader themes of investing and a client's life experiences. Effective client reviews not only improve client service; they bolster client retention and help turn satisfied clients into powerful referral pipelines.

To help a client review achieve its fullest potential, this 60-minute presentation explores the vital role that the annual client review plays in building client satisfaction and creating opportunities to expand existing relationships. The presentation addresses the benefits of conducting client reviews, how to prepare for a review and how to develop an effective capital-markets outlook as a key part of a more effective conversation. It then focuses on a process for conducting an effective client review.

SPECIFIC TOPICS COVERED INCLUDE:

- + Why an effective communication plan is needed and tips to overcome the obstacles and client excuses for avoiding annual review meetings
- + How annual client reviews affect client satisfaction, service, retention and business efficiency
- + How to use the annual review to gain a greater wallet share and to generate referrals
- + How to identify and gather the appropriate information needed to prepare for a review
- + Tips on ways to organize and utilize suitable resources to construct and update a capital-markets outlook in a client-focused presentation
- + A seven-step process for conducting a client review, the significance of each step in the review and how to transition from one to the next
- + Advice for implementing the next steps discussed during the review process as part of a larger communication plan

HOW TO PRESENT YOUR CAPITAL-MARKETS PERSPECTIVE MATERIALS: PRESENTATION AND EXECUTION GUIDE

Experienced Financial Advisors know that the market can frequently disappoint clients and that when clients experience a significant investment loss, they may question an FA's ability to navigate markets. In anticipation of their clients' distress, efficient FAs develop creative ways to turn difficult conversations into opportunities to build or rebuild confidence. A clear, concise and well-illustrated presentation on the capital markets can help restore lost credibility—and trust.

To help FAs better understand why distressed clients react the way they do, this 60-minute presentation explores these clients' reactions and gives FAs tools to help clients become more resilient and confident in the face of market downturns.

SPECIFIC TOPICS COVERED INCLUDE:

- + Ways to strengthen credibility in difficult periods and tips to build more rational, stable and cooperative relationships with clients
- + Advice on organizing a clearly articulated capital-markets outlook that objectively explains what's happening, why it's happening and what's likely to happen in the future
- + How to draw on research and commentary provided by your firm to build a visually engaging capital-markets presentation
- + Tips on ways to organize capital-markets insights into a client-focused presentation
- + How to present key recommendations in a way that will encourage clients to take action
- + Techniques for sharing your point of view and convictions to help clients regain a sense of order and confidence about their investments

THE ART OF DEEP DISCOVERY

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Uniquely successful people have a profound need to be seen and understood for their uniqueness. When engaging prospective clients, pursuing this understanding of uniqueness is the whole purpose of discovery. In fact, the primary goal of discovery is not to find out financial information (fact finding); the real goal is to reveal the unique human being who is seeking advice and then demonstrate a profound understanding of that person—ideally in a way that helps the person understand him- or herself better than ever before. A successful discovery process clarifies the prospective client's hopes, dreams, fears, concerns, wishes and most heartfelt desires. The end result is a thoughtful conversation that establishes a profound human connection.

This 60-minute presentation is designed to help Financial Advisors learn how to conduct a deep discovery and develop better client relationships. Participants will learn the tactics and skills needed to uncover what truly makes each client unique.

SPECIFIC TOPICS COVERED INCLUDE:

- + Scripts and strategies for working more effectively with prospective clients
- + How to manage the preliminary phone call, assess suitability and set up the first meeting
- + Tips for getting started well: beginning the meeting, setting the agenda and clarifying current concerns
- + Strategies for conducting a values-clarification interview and uncovering/exploring key areas and desired outcomes
- + How to clarify a client's priorities and flexibility
- + Strategies for testing and determining a prospective client's level of engagement
- + Scripts for closing the proposal meeting

THE ART OF THE EFFECTIVE CLOSE

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Engaging prospective clients effectively is the most important and challenging aspect of new business development. Whether the Financial Advisor is working with sophisticated individual investors or business professionals in institutional settings, the critical step of any new engagement is the propose-and-close strategy. Managing this step properly results in a new client engagement; handling it poorly means a significant waste of time, effort and energy. While no advisor ever achieves a 100% close rate, many can significantly increase their efficiencies by understanding the psychological dynamics of the close.

This hands-on 60-minute program is designed to teach FAs a process for managing the propose-and-close conversation. Participants will learn specific scripts and strategies for becoming more effective at closing the sale.

SPECIFIC TOPICS COVERED INCLUDE:

- + An understanding of the language patterns, relationship dynamics and psychology behind an effective close
- + The importance of connecting to the discovery findings and building on the fact-finding process
- + How to create a proposal that reflects the unique needs of the investor
- + An effective four-step propose-and-close strategy

6 TEAMS AND LEADERSHIP

FIVE MISTAKES THAT TEAMS MAKE AND HOW TO AVOID THEM

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Increasingly, Financial Advisors are considering forming teams with colleagues. They may be responding to surveys of high-net-worth clients indicating that sophisticated investors prefer to work with a team of advisors rather than an individual practitioner. Or it may be that an effective team can offer greater depth of professional expertise, exploit efficiencies and allow specialization by team members.

In response to this trend toward collaboration, this 60-minute presentation is for FAs who are considering building or joining a team. This presentation shows advisors how to avoid common pitfalls that can cause breakdowns, conflict and fragmentation. Despite many good reasons for working with a team, experience has shown that many advisory teams are unstable and that few achieve their full potential. This program provides a road map for avoiding five common mistakes and guidance for building a highly effective team structure and team management process.

SPECIFIC TOPICS COVERED INCLUDE:

- + The interpersonal dynamics that contribute to instability within teams and why so many financial advisory teams break down over time
- + The importance of psychological compatibility, commercial success and fairness among team members
- + The role of a meaningful business plan
- + How to define responsibilities and create a consistent communication model to build team effectiveness
- + How a team manager can increase a team's productivity
- + Techniques to define metrics for team roles
- + Models for reporting and monitoring accountability among team members to ensure consistent fairness

POWER TOOLS FOR HIRING: INTERVIEW TECHNIQUES FOR BUILDING A HIGH-PERFORMANCE TEAM

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Building the best team can be a challenge. All too frequently, interviews focus on determining if the applicant will be compatible with other team members. When building a high-performance team, it is more important to discover if the candidate has the

traits needed to naturally fit into the role. A good fit is essential, as the team member will then need less supervision, require less training, and contribute to a positive work environment and better morale. In addition, the team will have lower turnover and achieve the ultimate goal: increased client satisfaction.

To help Financial Advisors find such team members, this 60-minute presentation offers useful advice on building a high-performance team. The presentation discusses why traditional interviews often don't produce good results. It demonstrates how to clearly define the role and conduct a behavior-based interview that reveals the candidate's authentic personality traits and natural behavior style.

SPECIFIC TOPICS COVERED INCLUDE:

- + Guidance on defining the role and determining which traits are required and which must be avoided
- + Techniques for defining nine traits necessary for every position on the team
- + The nonobvious questions to ask and observations to make during a behavior-based interview
- + How to conduct and score the interview
- + Scoring guidelines to make it easy to adopt the protocol

SUCCESSION PLANNING

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Advisors who have invested much of their lives building a thriving business often find ensuring business continuity or planning an exit strategy to be one of the most painful personal decisions. Many avoid making proactive decisions and thereby risk undermining client confidence, devaluing their business, affecting the salability of the practice or leaving suddenly because of health or other unexpected events.

This 60-minute, highly practical program can help advisors grapple effectively with business continuity and will teach them how to build a successful exit strategy. It examines the challenges from psychological, practical and financial perspectives. It will help readers resolve their personal discomfort and outlines the key steps that can maximize the value of a business. The goal is to make an advisor's process of exiting as creative and manageable as possible.

SPECIFIC TOPICS COVERED INCLUDE:

- + Explanations of the value of succession planning
- + Step-by-step guidance on how to build an exit strategy

7 WHITE PAPERS

PRIORITIZING DISCIPLINE: SETTING PRIORITIES WITH CLIENTS

Maintaining consistency in the way you react to client requests and market fluctuations is critically important. Consistency allows you to set a standard (establish a pattern) in how you interact with clients and how you perform overall.

This white paper is designed for Financial Advisors who want to develop a fully repeatable strategy for client interaction.

SPECIFIC TOPICS COVERED INCLUDE:

- + An overview of the importance of setting and managing expectations
- + How to set guidelines for client interaction
- + A step-by-step formula for developing a prioritization strategy

THE VALUE EXPERIENCE: KEY STEPS FOR DEEPENING ENGAGEMENT AND IMPROVING CLIENT SATISFACTION

How a client perceives the value a Financial Advisor brings to the relationship directly impacts an FA's business. While every client experiences value differently, all are affected by external forces within our culture. FAs who are seeking to grow their business should continually question the value proposition they offer to clients and work to improve every client's vision and appreciation of value.

This white paper offers specific tactical guidance to those interested in intentionally managing their clients' experience of value.

SPECIFIC TOPICS COVERED INCLUDE:

- + A comparison of traditional and comprehensive engagement models
- + A discussion about the shifting perception of value
- + An explanation of mispricing: why it happens and how to avoid it
- + Easy-to-follow steps to take to feel more confident
- + An explanation of how clients perceive and appreciate value that will allow FAs to develop a systematic business-management process for significantly shaping the client's experience of value

VOLATILE TIMES: MANAGING CLIENTS IN TODAY'S MARKETS

Baby Boomers represent a singular demographic force that has a significant impact on the financial-services industry. Events of the past five years and the natural process of aging have created an anxious and pessimistic group of investors who are greatly affected by volatility in the market.

This white paper is written for Financial Advisors who recognize the unique needs of these investors and want to develop strategies to help clients achieve their investment objectives. It provides an overview of the Baby Boomer generation as well as specific investment strategies that enable investors to pursue returns while reducing uncertainty and volatility.

SPECIFIC TOPICS COVERED INCLUDE:

- + An overview of the Baby Boomer generation: who they are and what makes them different
- + Three strategies that seek to manage volatility in the market: Market Neutral, Dynamic Asset Allocation and Real Asset

PAY ME NOW, OR PAY ME LATER

Remember the 1970s advertising campaign for FRAM oil filters? Jerry the mechanic said ominously, "You can pay me now, or pay me later!" At that time, an entire generation of new drivers learned how taking simple actions of preventative maintenance, such as changing the oil, protected the investment of their cars. The same thoughtful approach is true for Financial Advisors today. You have the choice of making changes now that will protect the engine of your business or waiting until later when it may be too late to take effective action.

This white paper explores a simple strategy for taking important, low-risk actions that aim to save your business—and your clients—from needless pain down the road.

SPECIFIC TOPICS COVERED INCLUDE:

- + An explanation of the many important changes in the municipal bond marketplace of which most clients and many FAs are unaware
- + How to work with and talk to clients about their misunderstandings about the yields, income and total returns in their municipal bond portfolios
- + How providing a bond analysis can inoculate your business and protect you from irrational client reactions
- + Tips for starting a comfortable conversation that offers clients a wider range of options for investing their safe money

WHAT MAKES CLIENTS ANGRY

Compared to many other professions, the role of the Financial Advisor is uniquely challenging. From moment to moment, the effective advisor must balance the rational task of navigating capital markets with the nonrational challenges of managing client emotions. In important ways, navigating investor behavior is more complicated than navigating capital markets, since human emotions swing more wildly and less predictably.

For obvious reasons, negative emotions are more important to understand and manage than positive emotions. There are many types of negative feelings that investors can have about their investments—and their advisor. Anger is one of the most powerful and most difficult to manage. Notably, conditions in the financial markets today have set the stage for many clients to become angry—even outraged—at their advisor.

SPECIFIC TOPICS COVERED INCLUDE:

- + An explanation of why clients get angry and what causes outrage
- + A consideration of the specific market conditions that are creating a cause for concern today
- + An exploration of the emotional difference between investing in equities compared to fixed income
- + Guidance for how to take action that can help avoid negative emotional reactions from clients

FOLLOW THE LEADER:

A CHILDREN'S GAME, NOT AN INVESTMENT STRATEGY

Warren Buffett has built a uniquely successful career by avoiding the common human errors in judgment that most investors make. Instead of following the herd, he has disciplined himself to make investment decisions on the basis of guiding principles rather than instincts or intuitions. In fact, one of his most recognized comments about investing is a critique on human instincts: "I will tell you the secret of getting rich on Wall Street. You try to be greedy when others are fearful. And you try to be fearful when others are greedy."

Buffett is a student of the behavioral vulnerabilities that impact most investors. He conscientiously avoids these types of errors in thinking when making investment decisions. Advisors can become more effective in guiding their clients' most important investment decisions by studying good and bad investment heuristics.

SPECIFIC TOPICS COVERED INCLUDE:

- + An understanding of the origins and role of heuristics in human behavior
- + An explanation of how profoundly negative decision-making heuristics can influence investment decisions
- + A consideration of the heuristics of social proof, narrow framing, confirmation bias and simplicity
- + A practical exploration of how to avoid negative heuristics for better decision making when approaching fixed-income investing in today's complicated markets

FOUR GREAT REASONS TO HIRE A MUNI PRO

For nearly three decades, investors enjoyed falling interest rates and the subsequent attractive investment returns in their fixed-income investments. Municipal bonds became the investment of choice for retirement income strategies: robust returns, cheap insurance, plentiful supply and the confidence that "I know I'll get my money back" helped many Financial Advisors build their book around a competency in municipal bond investing. Ultimately, an entire generation of investors—and their advisors—came to feel that investing in municipal bonds was easy.

Conditions today have changed dramatically, calling into question many of these assumptions. Insurance has all but disappeared, AAA-rated bonds are in short supply, yields have dropped to historically low levels, and the cost of buying and selling bonds has skyrocketed. What once was easy has become much more difficult, which has helped to shine a brighter light on the value of active professional management for municipal bonds.

SPECIFIC TOPICS COVERED INCLUDE:

- + Four common reasons that advisors give for not hiring a professional manager to actively manage their bonds
- + The various ways that managers add value and earn their fee in ways that advisors cannot provide to their clients
- + The value of "capturing roll," in-depth research and institutional pricing—and how these help managers improve investment returns
- + Common myths that many bond investors still believe and how recent changes in the municipal bond markets have made professional management even more valuable to investors than in previous decades

8 RETIREMENT SERVICES

MANAGING THE RETIREMENT CONVERSATION: INSIGHTS FROM THE BEHAVIORAL SCIENCES

MATERIALS: PRESENTATION AND EXECUTION GUIDE

Retirement has become more expensive, and traditional retirement income sources have diminished. This is why Financial Advisors and clients are reluctant to speak about retirement funding. But the conversation doesn't have to be difficult. This guide introduces FAs to insights from the behavioral sciences that will help them more effectively navigate the retirement funding conversation.

SPECIFIC TOPICS COVERED INCLUDE:

- + An in-depth look at why the conversation is challenging
- + Insights into human psychology and decision making
- + A practical prescription for managing the retirement conversation more successfully

THE PROFESSIONAL REFERRAL METHOD: A PIPELINE OF CORPORATE CLIENT REFERRALS

MATERIALS: EXECUTION GUIDE

In today's challenging environment, Plan Advisors are increasingly marketing not only to clients, but also to professional intermediaries who serve as gatekeepers to wealthy families.

To accommodate this shift, Plan Advisors must change their messaging from one that is valuable to one that is referable. This guide offers four specific strategies for executing a messaging process to this market. It provides instructions for creating warm introductions to professionals, then teaches how to develop a referable message, structure a presentation for an intermediary and close a meeting for an action.

SPECIFIC TOPICS COVERED INCLUDE:

- + The difference between a valuable message and a referable message
- + A four-step process for gaining an introduction to a CPA, retail advisor or other professional
- + How to create a referable message
- + Scripts and guidance for scheduling and managing meetings

BECOMING A RETIREMENT LEADER

MATERIALS: EXECUTION GUIDE

To build your retirement plan business, you need to stand out from the crowd. Retirement leaders have learned that trust is the key. To build trust with plan sponsors, you need to focus on becoming a retirement leader.

This execution guide focuses on specific strategies that contribute to retirement leaders' success and highlights the factors that distinguish them from more traditional advisors. Each strategy is described and illustrated, and guidance is provided to help advisors build their book of business through referrals, high levels of plan sponsor satisfaction and plan retention.

SPECIFIC TOPICS COVERED INCLUDE:

- + Case study
- + The trust equation and the three pillars of building trust
- + How to build your reputation on objective, replicable processes
- + How an intentional outreach process and an effective unique value proposition can make your business valuable
- + How a culture of accountability and high expectations can impact business growth

**UNIQUE VALUE PROPOSITION:
POWERFUL MESSAGING FOR THE RETIREMENT PLAN MARKET**

MATERIALS: EXECUTION GUIDE

This execution guide is designed to help advisors learn how to approach and communicate their value to plan sponsors. The guide begins with an update of recent changes in the retirement-services industry and advisor demographics. The highly executable three-step process helps you select a target group and build an effective unique value proposition (UVP) for your business.

SPECIFIC TOPICS COVERED INCLUDE:

- + Common factors that lead plan sponsors to change advisors or service providers
- + Three approaches to defining your target group of retirement plans
- + Principles of a UVP and how to distinguish your business
- + A three-step process to developing your UVP
- + How to deploy your UVP to engage and interest prospective plan sponsors
- + Sample call scripts to utilize with prospects
- + Common problems you might face in positioning your business and how to avoid them

**BUILDING YOUR CAPABILITIES BROCHURE:
DEFINING YOUR BUSINESS AND ENGAGEMENT MODEL**

MATERIALS: EXECUTION GUIDE

Communication in the advisory business is critical. It is the methodology by which a plan sponsor is educated and convinced to work with an advisor. In a similar manner, the capabilities brochure is a critical resource that enables advisors to educate referral advocates about their unique process and to differentiate themselves from other advisors.

The key is to help the prospective client or referral advocate understand the full value of your business and all the ways you provide value to their plans. Doing so allows the prospect or referral source to become excited about the caliber of your service and understand the value of doing business with you.

This execution guide explores key aspects of communicating your value to plan sponsors and referral advocates, all with the goal of helping you build an effective capabilities brochure.

SPECIFIC TOPICS COVERED INCLUDE:

- + Publishing guidelines for your capabilities brochure
- + How to define the value proposition of your business and the target groups you want to serve
- + The six essential questions that will allow you to tell the story of your business
- + Practical examples of how to formulate each page in the capabilities brochure
- + How to use the capabilities brochure in meetings

EFFECTIVE PLAN REVIEW: ELEVATING YOUR RETIREMENT BUSINESS

MATERIALS: PRESENTATION AND EXECUTION GUIDE

The annual plan review is one of the best times for an advisor to effectively communicate with a plan sponsor. A plan review focuses on the many factors that impact the overall success of a retirement plan. Effective plan reviews not only improve client service; they bolster plan retention and help turn satisfied clients into powerful referral pipelines.

This presentation helps a plan review achieve its fullest potential. It explores the vital role that the annual plan review plays in building plan sponsor satisfaction and in maintaining ERISA compliance. The goal is to help advisors design and implement their own seven-step plan review process.

SPECIFIC TOPICS COVERED INCLUDE:

- + Why an effective communication plan is needed, and tips to overcome the obstacles and excuses for avoiding annual plan review meetings
- + Why reviews should be done annually and how they affect client satisfaction and plan retention
- + How to identify and gather the appropriate resources and information needed to prepare for a review
- + The significance of each step in the review process and how to transition from one to the next
- + Advice for implementing the next steps discussed during the review process as part of a larger communication plan

THREE CRITICAL CONVERSATIONS: NAVIGATING INCOME DECISIONS IN RETIREMENT

MATERIALS: PRESENTATION

Many Financial Advisors are attracted to the opportunities to build their practice around managing 401(k) plans. Most are disappointed, as plans are difficult to acquire, and plan sponsors are often bombarded by advisors and reluctant to engage a new provider in the discovery process. Most successful 401(k)-focused advisors have developed a robust network of referral advocates, usually both within and outside of their firm. On the way to establishing a successful network, these advisors had to navigate three critical—and very different—conversations with CPAs, branch managers and peer advisors.

Most CPAs are connected to one or more plans and can lend their existing trusted-advisor relationship with a plan sponsor if they are properly motivated to make a referral. Similarly, branch managers have deep connections and unique knowledge about the advisors they supervise, and can facilitate a conversation about building a meaningful, win-win collaboration. For the advisor who wants to specialize, gaining the advocacy of CPAs and branch managers is an essential part of constructing a referral network. Importantly, many peer advisors who do not specialize in 401(k) plans but work within the same firm can provide equally compelling introductions to plan sponsors.

The focus of these strategies is on the tactics of messaging and on understanding the unique hot buttons and motivators of these centers of influence.

SPECIFIC TOPICS COVERED INCLUDE:

- + Specific guidance and language criteria for how to develop a referable message for CPAs that motivates engagement
- + A six-step structure for managing the meeting with a CPA or branch manager, presenting a referable message, and closing for a next step
- + How to approach and engage branch managers as a source of contacts for prospective collaborators
- + How to save time and effort by avoiding inappropriate or inexperienced advisors
- + How to manage a recruiting conversation with other advisors to build a network of engaged referral resources

As an advisor, your ultimate goal is to build better outcomes for your clients. At AB, we share your commitment. We've put our research to work for our clients around the world:

- + Exploring the opportunities and risks of the world's capital markets and the innovations that can reshape them
- + Helping investors overcome their emotions and keep their portfolios on track
- + Defining the importance of investment planning and portfolio construction in determining investment success
- + Providing tools to help advisors build deeper relationships that benefit their clients and their practices

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