

Business Courier of Cincinnati - September 28, 2009
[/cincinnati/stories/2009/09/28/focus3.html](#)

BUSINESS COURIER

Friday, September 25, 2009

Investors want to talk – a lot

Client communications

Business Courier of Cincinnati - by [Jacob Dirr](#) Courier Contributor

Few relationships – outside of those with loved ones and close friends – carry the significance of the one between investors and their financial advisers.

Much is at stake in the partnership, which makes it imperative to have clear communications on both sides of the table.

A recent study found that more than a quarter of investors are displeased with their financial managers. One reason: Investors expect to be called back less than a day after reaching out.

Tri-State investment managers said that while clients' personalities vary widely, they are right to expect prompt service. When feeling ignored, clients should be proactive and honest about their concerns, they said.

Tim Meyer, of Anderson Township-based **Meyer Capital Management**, said clients should call their adviser, not e-mail, and request a meeting to lay out their stance.

Clients should request a regular meeting schedule, monthly or quarterly, and come prepared to have an honest conversation.

"Ask them directly, 'Are you willing to do that?'" Meyer said. "Get clear on who is going to call who, so that both sides know what they are in for."

If agreements aren't met, it is time to look elsewhere, he said.

There are many advisers who have good intentions, said Kathy Brown, client relationship manager at Covington-based **Legacy Financial Advisors**.

A February study, published by the **Charles Schwab Corp.**, found 71 percent of advisers focusing on existing client relationships as their top priority.

Almost every adviser said that one-on-one communication with clients is important, and 50 percent said that it has increased in importance.

But in an overwhelming business it is possible to have something fall between the cracks, Brown said. "Sometimes we are human," she added.

In a separate study, published this past summer by the Chicago-based **Spectrem Group**, only 14 percent of investors said they planned to use their advisers more.

Meanwhile, another 16 percent said they plan to cut back on how much they use an adviser.

The most important thing to investors is returned phone calls, with 36 percent wanting a call back within one to three hours and another 51 percent claiming less than one day as acceptable.

Being an unhappy investor can stem from not having a candid discussion at the onset of the relationship about expectations and if the adviser can accommodate those, experts said.

Richard Curry, branch manager at the Cincinnati office of **Stifel Nicolaus & Co.**, said the more successful a potential client has been in life, the more apt they are to have clear aims.

But money is very personal with many tied-in emotions and it's all right to ask a lot of questions from the get-go, regardless of confidence, advisers said.

Brown said because the time of little risk/high reward is over, clients are also thinking more carefully about their investment strategy, which leads to increased communication needs.

Meyer said the majority of impromptu investor calls arise from something they have read or seen recently in the news.

"They are using us as the fact-check service," Meyer said. "They want to know our point of view and how they should interpret what they read."



Tim Meyer

[View Larger](#)

Becoming disgruntled is often not the result of one tardy returned call, but instead a succession of events, Curry said.

“Some advisers who have been in the business for a long time have a large book of clients,” he said. “Whether they say it or not, they have ‘A’, ‘B’ and ‘C’ clients.”

In some cases, whether clients are being left behind for bigger fish or their portfolios has shrunk, they can get unofficially demoted.

“Clients can sense that you have lost interest or you are getting distracted,” Curry said. “Everyone has had that happen.”

Client-Adviser reunions

- The more volatile the market, the more investors want to talk to their financial advisers about what's happening. They not only want to know how to best handle their money, they also want advice on how to interpret what they read and hear about in the news.
- Advisers can expect their clients to want excellent service, including prompt return phone calls and suggestions on how to reach their financial and retirement goals.
- Parties on both sides of the table should set clear expectations and not be afraid to ask lots of questions. More frequent discussions can help strengthen and retain the relationship.

All contents of this site © American City Business Journals Inc. All rights reserved.