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Strengthen Client Relationships by Determining if They Are Cargo, Passenger or Co-Pilot

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Do you know how your clients want to work with you? Knowing this is vital to gaining more wallet share, retaining your clients and possibly gaining new referrals. The key is finding out how they think about and relate to their investments, which you can discover by asking them one simple question.

“When it comes to investing, are you cargo, passenger or co-pilot?” Let that sink in. I can assure you they won’t have an immediate answer. They have never been asked this question and might even be put off by the fact that you have made cargo one of the three choices. That’s good—it will stimulate their brains and make them sit up and pay attention.

Then explain what you mean: *“Imagine an airplane. Cargo, like your suitcase, just needs to ride underneath in the storage area. Passengers, however, want to know where they are going, want to plan the trip, and enjoy looking out the window. Co-pilots are passengers too, but are also capable of actually flying the plane. However, they all end up in the same place. My question is, how would you prefer to get to your destination?”*

If you treat your client like cargo, but she sees herself as co-pilot, we have a problem.

I have all three types of clients—and so do you—although you may not know it yet. Cargo could not tell you the difference between a stock and a bond. But, that doesn't mean they can't be excellent investors with the help of a patient advisor. Passengers are competent or at least curious investors, want to learn more and follow a plan. Co-pilots are experienced, able investors, equipped to invest themselves, but still need help, and appreciate having another set of hands on the wheel in an emergency. One is *not* better than the other. Don't position this as a scale or ranking. For example, co-pilots are not necessarily better investors than cargo, they simply need to have more control.

Think of this from your client's perspective. If you treat your client like cargo, but she sees herself as co-pilot, we have a problem. The client's need to direct and course correct may not be met, and it could even bruise her ego, which will frustrate her and make her seek another advisor.

If you treat your client like a co-pilot, but he is cargo, he's in for a scary ride. He doesn't want to hold the wheel for take-off and landing; he simply wants to get there. The more you scare him by showing him charts and graphs (as in flight plans), or computer analyses of the peaks and troughs of the market (as in panoramic views out of the cockpit window), the more uneasy he will become.



Finally, if you treat your client like cargo, but they prefer to be passengers, then they won't have the positive and fulfilling experience they desire. They may shut down completely, and it could strain your relationship and their financial future.

Here is an actual example. I was fired by important clients because I treated them like passengers. They really wanted to be more in control of their investments than I thought they did. I discovered too late that they were co-pilots. When they told me they wanted to invest in bank stocks at the bottom of the market in March 2009, I told them they already had enough. When they said they wanted to invest their free cash, I told them that they needed to keep a cushion. This is not how you treat a co-pilot. It was my fault—the clients found an advisor willing to share the cockpit. Lesson learned.

The whole point of this conversation is to understand your clients better. Perhaps it will be easier having this type of conversation if you use this analogy. I believe this will be more effective for you than the more traditional way of getting to know your clients by asking about their tastes in restaurants, movies, religion or politics. Your clients' likes or dislikes may be important, but they have little direct relationship with how they manage money. Finding out where they belong on your airplane does.

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