

Podcast Transcript
Synergize: Unscripted Conversations to Help Guide Advisor Growth
Episode 3: Steve Harvill: Putting the “Personal” in Personalization

INTRO:

Welcome to Synergize, unscripted conversations where we explore the evolving role of the financial advisor in an emerging AI-driven world. Join us as we bring together thought leaders across a range of disciplines, and industry experts, sharing insights designed to help RIAs thrive in the industry of tomorrow. And now, here's your host, Bill Coppel.

BILL COPPEL:

Hi. I'm Bill Coppel, Chief Client Growth Officer at TradePMR and Head of Advisor Evolution Sciences, a TradePMR Company.

With the implications of technology today and the changing sentiments and expectations we're experiencing, I believe it's becoming more challenging -- more critical -- for financial advisors to deliver a deeper human connection to drive a unique client experience. Are you ready to up your game?

Thanks to people like Steve Jobs and Jeff Bezos, we now expect to get what we want, when we want it, and the way we want it. That's the new bar. And you've got to be able to exceed that bar.

Today, we'll look at what this means for RIAs. We'll also explore how advisors can evolve their thinking and leverage their abilities as human beings to create much more personalized client experiences and outcomes.

At the end of the day, every client and family you serve is different, and therefore it's imperative that the client experience you create recognizes this. And I believe this is an important lever for the growth of your business.

My guest, Steve Harvill, shares this perspective.

STEVE HARVILL:

Biologically, we are social creatures. It is one of the astute aspects of the evolution of our species. We are social. The more you remove that aspect from any interaction, remove the social aspect, the more distance you are putting between the emotional connection you need with that client and your service or product.

BILL COPPEL:

Steve is the founder of Creative Ventures, a strategic consulting firm based in Austin, Texas.

He's also the author of "21 Secrets of Million Dollar Sellers," a book published by Simon & Schuster, that reveals the powerful behaviors of top producers across seven industries that set them apart.

I had a chance to talk with Steve recently to get his take on the value of the client experience.

Here's our conversation:

BILL COPPEL:

Steve, there's a lot of change underway in the financial services industry and other service-based businesses. What is the state of service-based businesses today and how have you seen them evolve over, say, the last two decades or so?

STEVE HARVILL:

When you look at these kinds of connective points, a lot evolves around sales, right? I mean, there's not a company on the planet that doesn't have some type of a sales function to it. And the sales function changes all the time. And I think you have to look at the world as having like a transactional phase and a relationship phase. Now, the transactional phase in the old days, you look back 15 years, was a one and done kind of deal.

But I think Amazon changed all of that and they made transitional aspects look like relationship aspects. Whereas on the other side of relationships, you're looking for that idea of a connection that goes beyond just whatever the product or service is. And if you're in that side of things in which relationships become a critical player, you're looking at connecting emotionally, connecting at a bunch of different levels with your client.

That kind of separates the two of those, even though the barrier is fuzzier than it was in the past, I think. Then you'll see what are companies doing to strengthen that, right? And if you're not strategically looking at your sales functions, your sales skill set, the sales training that you're doing, I think you're immediately in the left-behind category. You're going to get left behind. Because those skillsets...which some are permanent and some are transitional around elements like that, are the only aspect of how someone's success is judged, right?

Every company has only one question: How do we get better? That's the only question. There's all sorts of stuff that surrounds it, but the core of the question is how do we get better? And the only way you get better, there's only two ways that you do. You get rid of the people that work for you that aren't any good and replace them with good people.

Or you take your people and you make your people better. You commit to making them better. And companies are focusing a little bit more on that. Technology is an interesting subject. But I think you've seen the impact of it in all the array of positive elements of knowledge-based buyers of all of those things, one of the things you've seen is a loss of

people skills. It's got a tail that's dragging it in the service and product industry that's dragging it in that people are losing human skills. And you see it all the time. You can't even have a decent conversation hardly.

BILL COPPEL:

Right. And I want to go back to what you said, because I think it was very insightful, right? When you kind of broke this process into these two spheres, the notion of a transaction and the notion of a relationship. And I think what I'm hearing you say, and I agree with this, is that one thing technology has done is it reshapes the transaction. And it begins to blend it, to a large degree, into a relationship simultaneously.

So, what we know from some of the research that's been done, particularly by two gentlemen from Oxford who did research on the future of employment, you know, one of the predictions that they made was that there's a high probability that if you're in a highly transactional role today, that's going to be vulnerable to technology. So, I think the point you're making is very important, and particularly the idea behind the notion that the human side of it, or I should say the relationship side is beginning to blend.

Say a little bit more about that and how you're working with folks to begin to not so much separate it, but as you mentioned, improve, which is a dying art, this ability to create these relationships through more effective communication.

STEVE HARVILL:

Yeah, I think it is an interesting place to be. A number of the projects that we have right now are ... one of the larger ones is on people-facing skill sets. That if you have a person that is working in your team that is people facing, client facing, that they're focusing more on those skills becoming more important.

Even take this particular client is a large resort client. And if you take how much contact a person has from the moment they leave their taxi cab, Uber, rental car, and they make their first point of contact all the way through just getting to your room, you're touching, there are touch points all along there. And if you don't give the people that are being touched the right skillsets, you can destroy a client experience at the door...at the check-in counter. It happens rapidly and recovery at that level is staggeringly difficult. So, the companies are now saying, okay, we need some help with those skill sets. How can we make sure our people are at their best creating the experience we want from the beginning, the genesis point of it? And so, you're seeing more effort being put towards that. I think that's fantastic. Those are skill sets that people when they hire -- it used to be in the old food and beverage days you'd hire a new wait staff person and you'd say, okay, you're assigned to follow Bill today. And at the end of today, you're a waiter tomorrow. That was the training program for the food and beverage industry. And so, I think you're seeing people, companies being more cognizant of the fact that we're building, if not long-term relationships, we're building a series of connected micro relationships. And we need skill sets to do that.

And the best part about it is they're all learnable skill sets. None of them are that complex. If you put an accountability element strategically into it, the impact is almost immediate from the training program.

BILL COPPEL:

So, what I'm hearing you say that in highly commoditized businesses, meaning businesses that pretty much have to do it the same way, one of the things that differentiates them is in fact the client experience. And in most cases, that client experience has to be delivered by a human being. I recently checked into a hotel in Las Vegas, and I was greeted very nicely at the check-in desk.

A typically high-end resort, and the person checking me in said, oh, and your concierge is Rosie. I thought, wow, that's great. I'm gonna have someone I can talk to. Well, Rosie was an AI chat bot.

So, the reality of it is, Steve, how do we differentiate that human piece that you're talking about and why does that matter? And before you answer that, I just want to mention the fact that we're moving in a direction largely due to artificial intelligence where we've created an expectation among clients, generally speaking, clients for personalization. Connect the dots for us around that client experience and personalization and how that's best delivered by a human being not a chatbot, not Rosie the chatbot.

STEVE HARVILL:

You can start biologically, right? Biologically, we are social creatures. It is one of the astute aspects of the evolution of our species. We are social. The more you remove that aspect from any interaction, remove the social aspect, the more distance you are putting between the emotional connection you need with that client and your service or product.

You're creating distance instead of closing distance. And so, the idea of being able to replace that is foreign to us. We can even recognize biologically, at least currently, and maybe AI will change all of that as we go, when there's a non-human figure that's been made to look almost human, and our eyes capture it, and we feel uncomfortable immediately around it.

It's part of that social mechanism built into our brain. So, the question becomes to a company is, are you going to leverage that successfully in your client experience? Are you going to isolate it, throw it out, and think you can do everything a different way? Irrespective, I think, of the impact, and we have been through massive impacts. And you're right about task-related elements being susceptible to anything, right? A task-related element is susceptible to AI. It's always been susceptible to technology.

The industrial revolution, task elements were susceptible to technology. It's happened all the time. The past is filled with how we get through those things, how we adjust to it. The future is always iffy, but the past never lies. So, you can go back in history and say,

oh, here's how we handled that. Or here's how this looked for us. And this is how we adjusted to that. But I don't think there's any way that if you are, especially in the industry that in your industry, in the financial services industry, that you can mess with someone's money without being somewhere along the line, sitting down with them and saying, hey, I'm here to help, kind of, right? That human element is not as replaceable as people might think it is, and it needs to be leveraged to its highest. And it's not expensive, it's not hard to do to leverage human capital.

STEVE HARVILL:

It's incredibly expensive to leverage technology capital, but human capital, it's not. I think the client experience doesn't happen without human interaction. It simply doesn't.

BILL COPPEL:

So, Steve, how important in your experience working with top performing people in a sales capacity, how important is the development of the relationship with the client on a multi-dimensional level? And what I mean by that is beyond simply the scope of the specific thing that you're engaged with them over. How does that, in many ways, how does that reshape the relationship? How does it deepen the relationship? How does it create a lasting relationship in your experience?

STEVE HARVILL:

Let me give you an example from the "21 Secrets" book, which I'm now up to 330 million-dollar producer interviews. I did 175 for the book and I just continued adding elements and updating information. One of the guys is the leading seller of Jaguar cars in America. And most people think of car purchases as fairly transactional, right? You know, you go in, you buy the car.

Of course, when you're buying a luxury car, that shifts, right? The client experience changes to a much more interpersonal one, right? You're selling something that's very expensive. That person's going to have some weird emotional relationship with that vehicle. You're going to take them by the hand to the service division, introduce them to their service, personal service person. Then the amazing part was he would make house calls.

A month after the purchase, he'd call somebody up on the phone and say, Hey, I'm driving by the house. Can I stop and talk to you about how the car thing's going? And he would do a house call to his customers, sit down and say, tell me how the car is doing. What are people saying about it? Oh, by the way, is there anybody I should talk to about a Jaguar? And that idea of stretching what is considered a commoditized transactional thing into building a relationship made this guy staggeringly successful. And he's not the only one like that.

People that create a level beyond, a one level above what we call OLA, one level above the expectation. And those were all human interactions, not technology interactions, they were human interactions. And so, no matter what the tech level is, there's space for that.

BILL COPPEL:

Steve, let's spend a few minutes here really diving a little deeper on the client experience piece. And again, this is an area of expertise that Creative Ventures brings to companies that you work with. The importance of it. And again, this is against this backdrop of personalization.

As we evolve our approach to it, you know, as purveyors of advice and guidance to people about their financial life, how does the client experience, how should we be thinking about the client experience relative to the implications of technology today? As it continues to remove friction in our lives, it makes things easier for us, it removes our effort, it removes a lot of effort today.

So, it seems to me that if your client experience is built around giving people things they can get on their own or they can get through some kind of a technology solution, we're probably not hitting the mark. Talk to us about how you see or how we should be thinking about and approaching creating a unique client experience.

STEVE HARVILL:

Well, think of it as technology providing surface knowledge. It provides a ton of surface knowledge. You can see people who have read a blog or watched a video or something start talking about whatever the subject was and positioning it like they actually understood it. The great Nobel Prize winning physicist, Richard Feynman said, to know the name of something is not to know the thing.

And so this element of surface knowledge that it creates, it creates the client thinking that they know more than they do. And so that challenge point then has to be met on a personal level, right? I don't know, well, first of all, it's easy for me because I know what I don't know. And so, I need help with anything I don't know. And when I entered into my relationship with my FA, I did not know or understand how to build a financial future for myself. That is the vast majority. The overwhelming majority of potential financial clients do not know how to build their own financial future. And they don't because as you know, and I learned this from you, is that there are so many emotional barriers for people talking about what they want, what they're expecting, where they think they're going. To share with someone that is essentially at the beginning, at the genesis point, somewhat of a stranger, right? There's a great quote, and I'm not sure where it came from, but to say, there's no strangers once you know someone's story.

And that idea of being able to connect with a person through that aspect of getting their story is where the value of the FA comes in on the client experience side of things, right? You can, I'm sure...type in any vehicle for looking at market conditions, looking at rise and falls of equities, looking at which bond is good, whether I need an annuity, all of those kinds of things which are incredibly complex. And the industry is getting more complex, not less complex. And as that happens, the regular person, even a high-net-worth person.

A person who has made their money in a specific business is an expert in that business, but that expertise doesn't necessarily translate to their personal financial life. If you're the world's largest seller of chlorine, you know everything about chlorine, but that doesn't necessarily mean you're prepared to map your financial future. And without that, without a financial future, you don't have a future. There's only two things that get you to the future -- your health and your money. That's it. And if you don't have help in those areas when you need it, the hopes of you being able to do that all on your own in the meantime running your business or going to work I think are very limited. So, I think the potential for the financial services industry is gigantic. I don't think they leverage their knowledge well enough or their human interactions well enough.

I'm not sure they're great active listeners. I don't think they know necessarily how to get the right story out of a potential client on elements along that stuff. But I think that's where the industry is. I think it's unbelievably critically needed now, as you see so many people completely unprepared for their financial tomorrow.

BILL COPPEL:

And I think the point you made, which is really important here, is that that success that got someone the wealth they have today doesn't necessarily, the knowledge and experience they get there doesn't translate to knowing what their future needs to be. And to your point, which is not only their financial future, but what you said, which I think is really important and really feeds back into the client experience, is help them define where they want to go, not just simply how they want their money allocated or invested, without knowing the direction any basic portfolio is likely to be successful.

So, this is where that personalization comes into play, that story comes into play, understanding who these people are, what's important to them, and then shaping the plan. Less about their money, but more about where they want to head is the shift.

STEVE HARVILL:

Yeah, those skill sets aren't difficult to learn. You know, those skill sets aren't difficult to learn. You know, a story has only two parts, a crafting and a telling. Active listening is something you learn to turn on, away from your passive listening side of things. They're all learnable. They're all learnable skill sets. I think you need to have them in any industry.

BILL COPPEL: Agreed. So, let's just, in the last few minutes we've got, let's just break it down for our listeners as you begin to approach rethinking or evolving your thinking on defining that client experience rooted in a deeper relationship. What are the three or four things, or I know you Steve, you know, it's only three, two's better than three and one's ideal, but I'm going to ask you for three.

What are the three things that you would advise advisors, RIAs, to begin to think about to evolve their approach to better capture that personalization that clients are looking for?

STEVE HARVILL:

Let's take it from not only an FA standpoint, but a leadership standpoint, right? So, there are two macro categories to have expertise in that will allow you to do anything on the planet. The one is you've got to be a good communicator. And the second is you have to be a good thinker. Those are the two macro skill sets.

Under communication, you have only two categories. Interpersonal, one-on-one communication. And I'm talking about in any modality, whether it's email, it doesn't matter. It's either you're either one on one or there's more than one person, which then makes a group. So, you need to have good one-on-one communication skills and good presentation skills. Those two under communication need a staggering amount of emphasis in your skill development goals.

The second thing is thinking. You have to be able to know what a problem looks like. You have to have intense clarity around a problem before you can solve it. Well, Einstein's quote is, "If you give me a problem," this is paraphrasing, "Give me a problem that my life depends on and give me one hour to solve the problem. I'll spend 55 minutes understanding the problem and five minutes on the solution." That idea is, that's the foundation of a critical thinker, right?

So, you need to be able to understand, how do I solve a problem? How do I make a decision? What are the processes that are in place for that? And if you marry those two things together, your communication skillset and your thinking skillset, you have everything you need in the context of the client experience. And all of those things are kind of process driven. So, they're learnable. They're like a guy who's never thrown a football in his life, right? You give him a football, say, throw a spiral. He can't do it. He doesn't know how to hold it. It's not round.

Then you go up to him and you say, put your fingers here and try it this way. He throws a horrible but rudimentary spiral. Say now, snap your wrist a little, decrease the pressure. And in five tries, he's throwing a spiral, right? That's the concept of skill enhancement. You need to be working constantly on that primary question. How do I get better? Because that's where the client experience comes from. It comes from you being able to deliver it to me.

That's what I'm looking for.

BILL COPPEL:

So just to recap what I heard you say, because I think this is really, really important and very insightful, which is, you know, learn how to communicate, which is 99% listening, and ensure that you understand what you're solving for, the critical thinking component of it. Marry those two together, and incrementally continue to refine both of those skills, not only for yourself, but for your team.

And you begin to then redefine the relationship, which ultimately redefines the experience, because I still think people buy people, not things, and the experience weighs heavily in the value we place on whatever the service is we're getting. Your thoughts?

STEVE HARVILL:

And you need to be able to say, you know, when you're looking at a problem, you need to know the scale of what you're helping someone with. Right? I mean, is this what are we going to have for dinner problem or is this the Suez Canal problem? Right? I mean, they have scale and being able to understand that then puts you closer to the client than you've ever been before.

BILL COPPEL:

And I think it's important as you bring up that the client understands the scale. Because if we can help the client understand the scale, we'll begin to lower anxiety. We'll be able to address some of the biases and without understanding that scale and then playing that scale back, you know, doesn't almost does a disservice to the client.

STEVE HARVILL:

We were with a financial services company in December and I had them draw the client journey from the genesis point to providing, to actually being a service provider to them. And they struggled the whole time being able to tell me what went where and how did that go there? And I turned at the end of the meeting and I said, it's a miracle you have any clients.

It's just a miracle. It's not a complex journey. And if someone sees it, as you know, the power of being visual on elements, it becomes even a faster connective point. If you're sitting down with a client and financial and you're an FA and you're going through the googly goop of a 75-page prospectus, you can forget it. You know, people are checking out. The wife is already gone. The kids aren't involved. You've got no hope.

You need to make those things simple. You need to understand the connective element. You need to know what the narrative is. All of these things are unbelievably important and lack complexity. They're simple things. They just need focus.

BILL COPPEL:

So, to recap, here's what advisors and firm leaders in the RIA space may want to think about as they work towards creating unique client experiences that position their firms for growth:

- First, understand how technology has changed the way clients engage with the world and what they expect from financial advisors
- Second, work on developing your human skills – your ability to relate, connect and communicate – to help differentiate and grow your business
- And third, help clients identify what matters most to them and create a personalized experience that helps them get where they want to be in life.

We hope you enjoyed today's conversation. If you like what you heard, please take a moment to subscribe and follow us on social media.

Thanks for listening and watch for our next episode where we'll bring you more insights and actionable ideas to help you grow your business. And remember, the challenge is yours to capitalize on what the future offers.

OUTRO

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