

Do it right two letters at a time



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IN AN ERA of increased industry and regulatory scrutiny, it's no secret that the main purpose of this column is to encourage insurance and financial advisors to practice and communicate exemplary ethics.

Last month, we outlined the many benefits of being ethical, including the simple reality that those who maintain a solid ethical record make more money. Why? Because research proves that ethics builds trust and trust sells — in the long term and (contrary to popular belief) in the short term, as well.

The word “ethics” is broadly defined as “the adherence to an upright moral code; a set of standards that defines good behavior.” For advisors, this means doing more than just “playing by the rules” out of a sense of duty. Ethics involves aggressive, positive action, a behavior that is exemplary, easily noticeable by all.

So what can you do to distinguish yourself as a truly ethical advisor? Use the letters in the word “ethics” to provide an acronym for three areas of action:

1. **ET (establish trust):** There is no question that trust is built over time and is earned through a series of positive experiences. But there are some things you can do early to speed trust along:
 - Be confident and smile, make good eye contact and speak slowly, and never rush or hard-sell.
 - Ask questions that relate to your client's values (not just his money), and truly listen and note his responses.
 - Tactfully explain your personal values and accomplishments and freely give out your personal profile document.
 - Offer the contact number of a cred-

ible source to verify your license and professional accomplishments.

2. **HI (honest information):** Honesty is not just the best policy, it's the only policy. This comes from knowing everything about the products you sell and adhering to the following:
 - Do not exaggerate the realistic returns clients can expect from your recommended product.
 - Outline both the positive and negative aspects of any investment.
 - Never omit or give misleading statements regarding a product's liquidity, surrender charges, expenses or fees.
 - Never pretend to understand something you do not know — always offer to do research and return.

3. **CS (customer service):** Following through on every promise you make speaks volumes about your character, establishes trust and credibility, and leads to numerous referrals and repeat business. Remember:
 - Pick up the phone and touch base.
 - Schedule regular client reviews, seminars and appreciation events.
 - Keep your clients informed by sending them your monthly newsletter.
 - Adopt creative ways to say, “Thank you, I appreciate your business.”

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