

Trust is a must for success (Part 1)

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TO SAY THAT THERE IS A LACK of trust in the financial services business is like saying water is wet. Today more than ever, consumers doubt their financial advisors. Eventually, this doubt becomes active mistrust, and eventually mistrust sparks defections to other advisors. And the cycle begins again.

Consider a recent study from the Spectrem Group, a Chicago-based financial research company. The survey found that one in five affluent households had switched financial advisors in the prior three years. Most cited lack of trust as their primary reason for making the switch. Has this ever happened to you? Are you ready to do something about it?

Unfortunately, mistrust seems to be the spirit of our age. But that doesn't mean it has to define you. In fact, let's be contrarian and ask, "What if your clients trusted you more?" What would your job and firm look like then? And what would your personal and family lives be like?

If trust became the norm, your clients would probably do some of the following:

- Consider your recommendations on their merits, rather than through the haze of mistrust
- Take action on important financial matters sooner, rather than later
- Buy multiple products from you with confidence
- Remain clients for decades rather than days or months
- Gladly refer you to their friends and families
- Not sue you

Similarly, if trust trumped mistrust, you would probably do some of the following:

- Enjoy your career and your clients a lot more
- Have a better reputation in your community

- Get more referrals from professionals in other fields
- Take more pride in your work and your accomplishments
- Have less employee turnover in your firm
- Earn greater respect from your spouse and children
- Make a great deal more money
- Retire earlier, rather than later
- Not be forced to understand the limits of your E&O policy

Your personal lists will vary. But here's the bottom line: Trust is something we all control, and who we are and what we do establishes a climate of trust — or mistrust — in our lives. And at the National Ethics Bureau, we know that advisors can increase their personal trust quotient by leaps and bounds when they implement the following four strategies:

1. Enhance your personal credibility by broadening your education and delivering top-shelf professional results.
2. Assure your personal reliability by always following through on your client commitments.
3. Achieve greater client intimacy by connecting emotionally with your clients and their families, if possible.
4. Always put your clients' interests ahead of your own.

Sound obvious? Perhaps, but the devil is in the details, which we will cover in next month's column. For now, remember that in today's world, trust is a must in financial services. If you want to reshape your business — and your life — do something today to spread trust among those you serve and love.

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