

# Client Education Powers Their Best Decisions

Portfolio customization is the buzzword dominating the financial management conversations many advisors now have with their clients.



President, Billy Vail

Getting away from cookie cutter plans is taking precedence over simply plunking a client's hard-earned cash into a pre-determined series of investments.

"Every client is a unique household, every client has a unique personality, and thus we design a custom solution for each of them," Billy Vail said. "While we do have certain preferences for strategies and solutions in different circumstances, no two situations are alike."

Vail is the president of Integrity Wealth Advisors based in Granger, Ind. He has been watching as some in the financial services industry strive to "gamify" investing through the defining and application of alpha, beta and gamma. He sees this gamification as a focus on tools, numbers and software programs.

In his experience, those aren't the things his clients need. He believes that a client's fears, goals and passions are where he, as a financial advisor, should focus his attention. Vail said that, once he masters those, the rest fall into place.

"It is something I do not think we do very well in our industry. When we are developing the financial plan, we go into this in-depth discovery process, but what really is not addressed in all of this discussion and banter is the behavioral component," Vail said. "As practitioners, we deal with numbers all day – and that means we can easily get caught up in them and miss the emotions."

"The emotions," Vail said, "are what fuel a client's dreams." He explained, "The dreams in turn are supported by money and financial security. That approach demands a financial advisor

to bring relationship along with tools and number-crunching to the table. It creates an accountability factor based on the ideal that the advisor and the client have embarked on a financial journey together."

Vail's approach to client relationships is the leading reason that he brings just as many, if not more, questions to clients as they do to him.

He has read the parade of advice-oriented articles providing tips on what a client should seek in a potential financial advisor. While he thinks the bulk of these articles contain good advice, in his opinion, even these miss what ought to happen when advisors and potential clients first meet.

"What I really believe is more important is what questions the financial advisor asks you as the potential client," Vail said. "It is more important for the advisor to find out about what a client's financial history is and how they feel about debt. The feelings are the foundation of a financial plan."

In Vail's experience, it is crucial that the client truly has both the desire and the passion to continuously improve his or her financial situation.

"I cannot care more about somebody's financial well-being than they do. However, I also believe no one will work as hard or care as much about a client's overall financial success as we will at Integrity Wealth Advisors."

Vail puts the proof in the pudding of that statement by taking his first steps with potential clients in a speculative manner. After conducting a preliminary discovery in which applicable household financial information is shared confidentially, he then takes what he calls "the business risk" up

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front to present that potential client with a fairly extensive, preliminary financial plan.

He knows some “potentials” will walk away – but Vail also knows that quite a few won’t.

“I like to have the prospective client come in and see firsthand our work that was prepared based on their data,” Vail said. “They get to make a really good buying decision.”

The potential client’s reaction to the work prepared at no charge also gives Vail the opportunity to determine – or perhaps more appropriately, “size up” – whether the prospective client represents the possibility of a successful, long-term relationship.

“I get to make a really good decision, too. I do not have to let them hire me,” he said. “If I do not think the relationship is going to be successful long-term, then we won’t engage.”

Once Vail does engage with a client, however, here is what they can expect: Education regarding the where, what, when, why and how of the advice and investments Vail suggests and enacts upon approval. He doesn’t want to simply push the buttons for his clients; he wants

them to fully comprehend the reasons supporting the decisions.

The topics he addresses range from planning for college expenses to the range of returns they can expect from their portfolios based on changing market conditions, to the use of time-segmented retirement investment strategies

administered in Indiana. “Unlike many other states that require Medicaid recipients to spend down their assets to a paltry \$2,000 or less, the Indiana Long Term Care Partnership allows for total asset protection,” Vail said.

“By providing that kind of education to our clients as they are getting into their 50s, we are giving them the tools necessary to make the best decisions for themselves,” Vail said. “Our approach is always about the individualized decision-making.”



– and to the less than pleasant reality of the potentially depleting impact of long-term care.

Developing long-term care proposals is standard operating procedure for Vail when working with clients entering the 50-plus age bracket. These proposals include the pros and cons of self-insuring versus basically paying out of pocket, the use of insurance policies versus reliance on the federal Medicaid system as



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