THE GLOBE AND MAIL

# How advisors are managing clients with limited time and resources

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Many companies are turning to technology such as customer relationship software to help manage growing client volume, but some say they aren't always the best option for managing relationships.
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A growing appetite for financial advice, coupled with increased regulation and compliance work, has advisors struggling to manage their client capacity and keep up productivity.

Some are hiring more advisors to help carry the load, which has been more challenging in the current jobseeker's market, while others have stopped taking on new clients altogether to focus on existing ones.

"[Advisors] are under an enormous amount of pressure with the [growing] regulations, the need to keep clients informed and to be on top of their needs in this ever-changing environment," says Norm Trainor, founder and chief executive officer at The Covenant Group Ltd. in Toronto, which provides coaching for advisors.

As a result, more advisors are being forced to decide if they want to have fewer clients and provide them with greater value, or vice-versa, he says.

Mr. Trainor says many choose to take on fewer clients and provide them with more value-added services such as tax, estate and succession planning.

"The differentiation is client intimacy – the ability to get really close to your clients and become their trusted advisor," he says.

Rona Birenbaum, certified financial planner and founder of Caring for Clients in Toronto, says her firm isn't accepting new clients and put a note on its website outlining the need to focus on existing clientele along with the option to join a waitlist.

"We'd love to work with everyone who knocks on our door," the website states. "However, we're a curated financial team with an approach that's rigorous and personal, just not easily scalable. Caring takes time."

Ms. Birenbaum says the move was necessary to provide the best service to clients and avoid burning out staff.

"It's about making the most out of the time you have," she says.

Clients also appreciate that her team is committed to looking after them properly. She has paused taking on new clients temporarily partly because two of her advisors are going on maternity leave later this year.

"Knowing this is coming means you have to turn off the taps in advance to avoid a flood," she says.

## Delivering 'a personal experience'

Although many wealth management firms are turning to technology such as customer relationship software to help advisors manage growing client volume, Ms. Birenbaum says these tools aren't always the best option for managing relationships. For example, she has the option of using online appointment scheduling software but prefers to set up meetings directly with clients.

"Technology can be great, but it doesn't always deliver a personal experience with the client that I want," she says.

Wes Ashton, co-founder, director of growth strategy and portfolio manager at Harbourfront Wealth Management Inc. in Vancouver, says his firm has been hiring more advisors to manage the increased workload, but finding top talent is a challenge.

"Finding good people was tough pre-COVID-19 and is still tough because there are fewer people out there looking right now," he says.

Adding to capacity concerns is a growing number of Canadians looking for more comprehensive wealth management.

"What we offer is expanding, but we need to be specific about what we're expanding into," he says.

For instance, his team offers tax planning and guidance, but it doesn't have in-house accountants who complete and file tax returns. Instead, it collaborates with a range of outside tax professionals.

"We can't be everything to all people," he says.

Mr. Ashton says the firm is also more selective about new clients by being mindful of the relationships they bring in.

"We've turned away people with significant assets that just weren't the right fit," he says. "It's important because this is someone who we'll be working with for the next five, 10, 15 years or more… and I want everyone on both sides to have a good time doing it."

## Letting go or transferring clients to other advisors

There may come a time when an advisor needs to let go of a client, either because it's not a good fit anymore or because of capacity issues.

"Giving up a client is very difficult," Mr. Trainor says, because advisors and clients often have an emotional bond, especially if the relationship involves broader wealth planning. "It can be painful on both sides."

He says more successful organizations are planning ahead by taking on a more team-based approach, which would mean passing the client over to another advisor.

"That makes it much more amenable for clients," Mr. Trainor says, adding that any transition should happen respectfully and over time.

"There has to be a sensitivity to the commitment the client made," he says. "If the advisor has grown to a point at which that relationship is no longer viable in terms of their model, then they should find a way to transfer them to [another] model either inside the firm or to another firm."

Mr. Trainor says the transition should be done in a way that ensures the client doesn't feel their portfolio is being jeopardized.

"When you commit to a client about their money, that has enormous implications emotionally and in terms of expectations," he adds.

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