

Advisor Insights: Atlas Wealth Advisors Managing Director Kyle Walters on Making Clients' Lives Easier

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For this series, we have asked guest bloggers from established financial advisory firms to provide their views on a range of topics. Atlas Wealth Advisors is a growing investment advisory firm dedicated to helping clients have the confidence they need to make smart financial decisions today and tomorrow.

We asked Kyle Walters, founder and managing director of Atlas Wealth Advisors, LLC, and L&H CPAs and Advisors, an experienced wealth manager and best-selling author, to participate in a Q&A about trends in the industry.

WisdomTree: What do you see as some of the biggest challenges facing advisors today?

Walters: Contrary to popular belief, I do not believe the rise of robo-advisors is a big challenge for advisors. The way I see it, clients working with advisors aren't suddenly going to decide to go with robo-advisors—because if they wanted to do it themselves, they already would be.

Clients, however, will leave you and go to another advisor if they believe they will get more value out of that relationship. That's why I believe that delivering true value is the biggest challenge advisors face today.

WisdomTree: And how do you recommend advisors solve this challenge?

Walters: Well, I don't think the answer is necessarily detailed education about all aspects of investing. In fact, I think advisors, myself included, have been making the mistake of assuming our clients want to know more than they do for a long time.

For years, I spent endless amounts of time expounding on the investment and market minutiae that fascinates me. Until, one day, I realized that most of my clients didn't really care and were simply listening to be nice. Ask yourselves how many of your clients have ever said, "When I have enough money, I want to learn the intricacies of estate, tax, investment and insurance planning." The answer is zero. No one has ever said that.

Any time a client calls asking about something happening in the market, what they're really asking you is "Am I going to be okay?" I believe that understanding this simple truth—and then making sure you're answering the real question—is critical to successfully providing value to your clients.

WisdomTree: So, what do you think matters to clients?

Walters: In my opinion, unless you're making your clients' lives easier, you are not truly helping them. One way that we did this was to build a separate, but integrated, accounting firm. This was critical to helping us grow and I think it could help other advisors too.

WisdomTree: Why create your own accounting firm? Couldn't you partner with accountants?

Walters: As you know, taxes and investing are usually connected. I believe that to provide the best advice to clients, you need to have a deep understanding of—and involvement in—both.

And while we tried having those referral relationships, there were too many challenges with that model. For example:

1. Most clients consider their CPA to be their most trusted advisor—that was a blow to the ego, but helped us realize that CPAs are going to guard those relationships well.
2. Financial advisors and CPAs see ideal clients VERY differently and that can be frustrating.
3. Different firms tend to have different operating systems—and that can make it harder for you and your clients. Our two firms, while they have different internal processes, have a consistent communication process focused on helping shared clients make better financial decisions.

The upshot is that we believe providing a full-service CPA firm enables us to do more for our clients in a comprehensive and cohesive way. And being able to help clients manage increasing levels of complexity definitely makes their lives easier.

WisdomTree: How else do you make your clients' lives easier?

Walters: I believe another critical piece is to have a plan today for when or if things go awry tomorrow. Consider that talking about money is stressful in the best of times. Clients don't want to have these conversations at all. So, in the very beginning, I try to really make sure they understand the best and worst that can happen, and we make the decisions about what we would do, while they're clear-headed.

When things do go sideways, it's often too late to have these conversations because everyone is emotional. I find handling it up-front provides clients with some comfort and I don't get nearly as many phone calls when the market moves.

We also have defined processes—for investing, for coordinating with our CPA partners and for everything else too. Without a thorough process, too many things can fall through the cracks. I think advisors too often put the onus on their clients or their technology and that can be a mistake.

WisdomTree: Any tips for how other advisors can determine their own unique value?

Walters: I think the first question advisors need to ask themselves is, how are they making their clients' lives easier? If you're not yet, how can you? And I recommend that whatever they determine their value will be, that they go all in. I like to say, "burn the boats" and jump right in.

That's what we did when we built our own CPA firm. And while that might not be the right move for everyone, there are always ways to go deeper than you are right now. For example, if you have an interest in partnering with CPAs (or other experts), consider going to their conferences to learn about what matters to them. Find out what their biggest challenges are. Learn about what their ideal client looks like. Understand the pressures in their industry.

I believe that this practice has made a huge impact on Atlas Wealth and has helped us to be better partners and to build deeper, stronger relationships with each of our clients.

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