

How Advisors Can Find Life Balance and Best Serve Their Client Families

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Chris Sleight

Founder and CEO at TruAdvice

For this new series, we have asked guest bloggers from established financial advisory firms to provide their views on a range of topics. TruAdvice is a growing investment advisory firm dedicated to helping advisors gain the support they need to build and run successful businesses. We asked Chris Sleight, TruAdvice founder and successful wealth manager, to participate in a Q&A around trends in the industry.

WisdomTree: What do you see as some of the biggest challenges to advisors' success today?

Sleight: Many advisors are leaders in their communities. They provide important services to families and businesses in their areas. And I've noticed that many of today's advisors are often publicly successful but privately stressed. And rather than running their business, their business is running them.

It's not surprising, because today's advisors need to be able to provide great advice and the highest level of client service, while simultaneously running their businesses, staying on top of the markets and keeping up with changing regulations in order to be successful. So, I think one of the biggest challenges they face when they're trying to do it all themselves is the potential for burnout. A problem is that when this happens, it can have a waterfall effect on the community, because if they fail, a family or business can fail, and the entire community can end up getting hurt.

WisdomTree: What do you think advisors can do to avoid this?

Sleight: John Bowen of CEG Worldwide interviewed about 300 CEOs to find the qualities leaders have in common. What he discovered is that successful leaders make sure they get their own time first, before they share themselves with clients or colleagues or anyone else. First, they get up early and get their workout in (they know it won't happen if they don't do it first). Next, what may surprise some people to learn is that the most successful business leaders often meditate, pray or recite affirmations in order to start their day on a positive, calm note. Then they go to work. It's like that idea that on an airplane you need to put on your own oxygen mask before helping those around you.

WisdomTree: And how can advisors find balance?

Sleight: We believe that advisors should focus on the things they do best and then find the best resources they can to help with the rest. For example, a comprehensive advisory service platform can provide the support advisors need for things like marketing and compliance, tools for client management—and

more—taking away much of the burden of day-to-day business management. Another idea is to incorporate model portfolios into their businesses.

WisdomTree: How can model portfolios help?

Sleight: We believe that model portfolios provide a number of advantages for advisors who embrace them. They can:

- Enable advisors to spend more time with clients, as they spend less time managing assets
- Help meet regulatory requirements, as there are defined processes
- Make it easier to scale the business, as they can streamline investment management
- Streamline the review process, as there are fewer stories to learn
- Help advisors reinforce their value

WisdomTree: How do model portfolios help advisors reinforce their value?

Sleight: We believe an advisor's value is based on three things—investment consulting, advanced planning and being the client's advocate. Model portfolios can help them in all of these areas as they provide clients with:

- Access to broadly diversified portfolios designed to meet their unique objectives in one investment
- Institutional-quality model portfolios built by teams of experts (often CFAs and PhDs) whose only job is to build and manage these model portfolios
- Exactly what they expect, as the processes that model portfolios are built with are very disciplined and unlikely to be influenced by emotions or to have any style drift or other surprises

Clients hate surprises, and when advisors can provide quality investment portfolios that do what they're designed to do, that reinforces their value.

WisdomTree: What do you think may be holding advisors back from embracing model portfolios?

Sleight: Well, many advisors think their value is in managing the assets, but that's simply not always the case. The advisor's true value is in knowing their clients as well as they know themselves, so they can build their comprehensive financial plan and then find the right experts and model portfolios to help them achieve their goals.

Remember that institutions have been using model portfolios for a very long time. That's what families need, too. The families our advisors serve expect their advisor to help them find the best model portfolios, but they don't expect—or want—they to actually manage the assets. They want the advisor to do the due diligence and to help them find the best model portfolios to meet their specific goals.

In my experience as an advisor, the last thing I would talk to clients about was actual investments; I wanted to learn about their families, their businesses, their hobbies and their values, dreams and fears first. How else could I even begin to know which investments might be right for them?

WisdomTree: Are all model portfolios created equal?

Sleight: I think that model portfolios are kind of like mobile phones. If I still have a flip phone, sure I have a phone, but I'm falling behind, and it will become harder and harder to communicate with me over time. The advent of ETFs allowed people to get diversification in a typically lower-cost solution. Now, ETF model portfolios are the equivalent of today's smart phones—we believe they're the future of investing.

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