



Transparency = Client Confidence = Client Retention

Even in the face of what most pundits believe is a recovering economy and improved market conditions, investors are still not convinced as they look at key bell weathers such as unemployment, housing and other lingering economic issues. Here are the findings of a recent study [1]:

- 49% of those who identified themselves as “previous investors” said that they had either stopped or reduced investing in stocks or mutual funds
- 26% of those survey reported that they “had no intention of investing in either stocks or mutual funds in the next three years.”

According to Clarence Hahn, co head of AlixPartners, author of the study, “Investors who placed their trust in the investment industry are cross, cautious and confused.”

With this knowledge, RIAs and investment managers must be able to articulate “Who They Are,” “What They Do” and “How They Do It” while emphasizing the risk management techniques they use to mitigate future market / economic interruptions.

Clients and prospects alike are asking questions not just related to stocks and bonds, but also taxes, real estate and other macroeconomic factors.



A question you may want to ask yourself is “What lessons did our firm learn in 2008 that has now been incorporated into our process to help protect clients should a repeat of the economic and market downturn happen again?”

Considering the baby boomer generation is currently America’s largest investing population (many of whom have since gone back to work to make up for losses suffered in the meltdown), what kind of reassurance can you offer them to keep them invested?

Many professionals have said that traditional asset allocation is designed to be effective over the long-term. Since this age group does not have a terribly long investment time horizon, have you instituted as asset allocation process



that includes investment vehicles that could potentially mitigate short-term negative market action?

Finally, in your conversations with clients and prospects, have you addressed the rogue element of what led up to the 2008 downturn, i.e. how are you different and why your firm is “Ponzi proof?”

What is your opinion of greater oversight regulation that could be helpful in combating the tactics that were prevalent leading up to 2008? Have you had those kinds of conversations with your clients and/or prospects?

If not, it may bring a sense of calm on the part of the client or prospect to know more about how you and your firm offer the transparency necessary to protect them.

At AK Advisory Partners LLC we are prepared to help your firm retain your current assets and effectively attract new ones. We are proficient at enhancing your brand; helping you articulate your mission and value propositions and training your employees on best practices in the investment environment we find ourselves in. Your charge is to determine who your target market is and how to instill the trust that is so sorely needed in order to grow your business.

[1] “The Americans Investing Outlook Post-Financial Meltdown” survey conducted in August 2009 by the international consulting firm AlixPartners.

AK Advisory Partners is a consultancy to the financial services industry, providing advice and training to firms and individuals in the fee-based, investment management and wealth management areas.

Our Principals have gained in-depth knowledge of the banking, brokerage and investment management businesses during their successful careers and varied roles at preeminent small, midsize and large companies. They have developed an adaptable mix of mentoring, problem-solving and communication skills and a strong network of industry contacts and resources. They also have reputations for decisiveness, honesty and fairness.

AK Advisory Partners LLC is committed to listening to our clients’ needs and collaborating to help meet their stated objectives. Our credibility rests on open and honest communication at all times and on delivering the unparalleled service that our clients expect and deserve.

Please give me a call to discuss how we can partner for success.

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