



## No “I” in team

# Five practical steps to evaluating a wealth advisory team

In today's complex investment and tax environment, working with a team of advisors is crucial to ensuring a comprehensive wealth management approach. The benefit to investors is clear — advisors who work in teams show more asset growth for their clients than solo advisors, according to data from PriceMetrix.<sup>1</sup> Financial advisors are taking notice, as more than 60 percent of advisors say they now work in a team, according to Investments & Wealth Institute.<sup>2</sup>

Deciding to work with an advisory team— and choosing the team best suited for your wealth management needs— is a decision that should come after careful thought and analysis. Whether you are exploring working with a wealth management advisory team for the first time, or evaluating your current advisory team, here are a few starting considerations and questions to help ensure a well-rounded team.

## What questions does the advisory team have for you?

One of the most important initial steps when working with an advisory team is an exploratory conversation. During this exploratory conversation, the advisory team learns about your financial goals and needs. However, there's an important distinction in the types of questions they ask at this stage. Advisory teams should focus first on discovery questions to learn about what's important to you and your family, before diving into fact-finding questions to learn what assets your family has.

When advisory teams ask discovery questions, they're demonstrating they want to get to know you — not just the numbers — to implement a customized wealth management plan that meets your goals.

Examples of discovery questions are:

- How do you visualize life in retirement?
- What challenges in your community do you care about?
- What would you like to leave as your financial legacy?

## The five steps to evaluating a wealth management advisory team:

1. Determine whether the team explores your life goals or simply counts your assets.
2. Assess whether the team includes advisors with various areas of expertise that meet your financial objectives.
3. Inquire as to whether the team has ever successfully worked with clients that are similar to you and your financial needs.
4. Gauge whether the team proactively and comfortably works with your full family.
5. Understand whether the team operates on the fiduciary standard of care, rather than the suitability standard.

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## Is the advisory team multidisciplinary?

Given the complex investment landscape, it's unlikely a team comprised of one to two professionals with the same expertise will meet your needs. Perhaps you have financial goals related to estate planning, business owner transition planning and charitable giving. This requires advisors with different expertise who collaborate to provide a holistic view of your wealth.

Additionally, a well-rounded wealth management team will have multiple credentials, such as CFP®, CPA, CIMA, CTFA and LL.M. This allows clients to stay better informed about any economic or legal developments — such as the Tax Cuts and Jobs Act signed in December 2017 — that could impact your full financial plan.

## Does the advisory team have niche expertise or clients with similar wealth management profiles?

In addition to a multidisciplinary advisory team, you'll want to be sure that you have access to niche expertise that speaks to your specific lifestyle. When a wealth management team has successfully worked with clients similar to you, the knowledge they've gained from those clients is advantageous. The team can use its experience to not only solve problems, but anticipate problems and opportunities that you may not be aware of.

For example, an advisory team that specializes in working with retirees may be able to ask retirement-related lifestyle questions that you'd never considered, highlighting any oversights or missed opportunities.

## How does the advisory team build relationships with key family members?

To combat the trend, of high net worth families losing their wealth by the second generation, wealth management and financial planning must become a family activity. Thus, it's critical that you understand

how an advisory team operates with the entire family, in addition to you. For example, how often will the team or members of the team meet with the entire family? Do they have methods for encouraging cross-generational family financial conversations that promote transparency and help push younger family members out of their financial comfort zones?

See our research on second- and third-generation wealth, including topics such as [long-term care](#), [college-bound children](#) and [legacy and estate planning](#) for more information.

## Does the advisory team operate on a fiduciary standard of care?

Wealth managers who operate under the fiduciary standard of care — rather than the suitability standard — must make objective, unbiased recommendations that are in the best interests of the client. By industry regulation, the fiduciary standard is the highest level of care for clients.

To determine whether the advisory team operates under the fiduciary standard, consider asking:

- Is your team committed to the fiduciary standard of care? How long has your team been following this standard?
- Does your team have any potential conflicts of interest in providing financial advice to clients?
- How is your team compensated? Do you receive any commission or compensation based on the investments you recommend?
- What incentive does your team have for selling me certain financial solutions, and what are my other options?

Watch our video on the fiduciary standard to [learn more](#).



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## Working with a wealth advisory team

No matter your wealth questions, concerns, needs or interests, a team of professionals with deep experience is critical to navigating your wealth management challenges and opportunities — and preserving and protecting your wealth over the long term.

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If you'd like to learn more about the benefits of working with a wealth management advisory team and the professionals that comprise a team, [read our approach to building successful financial teams.](#)

For more information, [please contact your Key Private Bank Advisor.](#)

## Key Private Bank



Page 3 of 3

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<sup>1</sup>PriceMetrix. "A Winning Formula: Teams in Retail Wealth Management" [Web log post]. (2015, October). Retrieved March 14, 2018, from: [www.pricemetrix.com/cms/wp-content/uploads/PriceMetrix-Teams-in-Retail-Wealth-Management.pdf](http://www.pricemetrix.com/cms/wp-content/uploads/PriceMetrix-Teams-in-Retail-Wealth-Management.pdf)

<sup>2</sup>Investments & Wealth Institute.<sup>TM</sup> "Explore the Advantages of High Performing Teams" [Web log post]. (2017). Retrieved March 14, 2018, from: <https://investmentsandwealth.org/teams>

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