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Commentary

4 Ways to Build Client Confidence Now

A top Lincoln executive says a great place for you to start is by taking good care of you.

By **John Kennedy**

Americans have faced unparalleled economic, health and social challenges so far in 2020 and are turning to experts to help them navigate it all. Across the country, many financial professionals have needed to adjust and adapt to unfamiliar circumstances, particularly as they enter into their fourth straight month in a work-from-home environment.

For a profession that's built on personal connection and interaction, financial professionals have quickly adjusted by adopting technology and digital resources. Yet, it's undeniable that these will not be short-term changes. The ways we live and work will be permanently impacted. Going forward, financial professionals will need to leverage new strategies that combine both traditional and virtual approaches to connect effectively with clients, on their terms.

In this environment, building and maintaining trusting client relationships is more important than ever. There are best practices to take that can help strengthen their business, build relationships and drive success now and into the future. These tactics are tried-and-true fundamentals, but they are evolving in how they are put into action.

1. Invest in your physical and mental health first.

As the adage goes, "Put on your own oxygen mask first," or in other words, we cannot help others before we help ourselves. In order to help clients remain calm, financial professionals must be calm themselves, and to help clients feel positive, financial professionals should believe it themselves. Although financial professionals cannot fix the economy or resolve the chaos, they can build confidence in their clients to make informed decisions by remaining calm, steady and focused.

Mindful self-care, whether yoga, meditating, reading or other methods, and positive physical habits like exercise and healthy eating, will help financial professionals remain steady and strong amidst crisis, so they provide optimal service. By taking time to invest in their own health, financial professionals will be able to set the right tone for the discussion and continue to cultivate trust.

2. Communicate early and often; offer compassion and support.

Clients are not just in need of financial advice in times of crisis — they're looking for connection. Most are feeling scared, anxious and uneasy. Providing a listening ear that goes beyond the scope of financial service will boost emotional connection and strengthen the relationship far beyond the current environment. This emotional connection will put the advisor in a better position to find solutions to help meet financial needs.

For example, during the Financial Crisis of 2008, when asked which of their financial professional's behaviors were most beneficial, 68% of respondents cited accessibility, underscoring the importance of keeping open lines of communication with clients and proactively contacting them during the most volatile times. Being proactive is the differentiator. Financial professionals should check in with clients regularly and remind them that they're available to talk at any time. In the absence of face-to-face meetings, virtual meetings via Skype, Zoom or Facetime can help build connection and rapport.

Throughout conversations, financial professionals should take extra time to focus on empathetic listening, including asking about their concerns, checking in on their health and finding new ways to help. While topics like finances and goals are relevant to an advisor's ultimate agenda, clients are likely hoping to focus on family, health and current events.

Financial professionals can develop stronger relationships by broadening the conversation to make the client feel understood as a full person and not just, well, a client. Specific questions, followed by careful listening, will demonstrate care and empathy, for example: "What activities are you keeping busy with during self-isolation?" and "Are you and your family all staying safe?" Following that, understanding how clients want and need to be communicated with will keep them optimistic and the relationship thriving.

3. Look to the future.

As financial professionals help clients navigate through the present environment, it's important to continue to educate and focus on the future. Challenges are and always will be a natural part of the market, but the short-term intensity doesn't have to define client outlook.

As seen in other economic downturns, including the Great Recession in 2008, investors who remained calm and stayed the course more than doubled their investment when the market recovered. With proof in the pudding, nearly eight in 10 investors agree that the best thing to do in a market downturn is to sit tight and wait it out. Even now, research also shows that high net worth investors believe that "waiting out Covid" is the right move. There is strong reason to remain positive and forward-focused in client conversations.

Individual investors have a wide range of reactions when faced with a financial crisis, and financial professionals need to pivot to effectively respond. While some will feel uncertain and apprehensive about the impact to their portfolios, others will take a steady approach or even find opportunity in the volatility. How clients react to the current environment will play a key role in their ability to reach their long-term income objectives. Although past performance is no guarantee of future results, time and again, it is investors who stayed the course and leaned into market lows who saw better returns in the long run.

4. But for now, protection is king.

Clients feel empowered by knowledge and solutions. With the relationship on solid ground and trust well established, financial professionals can build the plan that tackles pre-crisis concerns, addresses issues caused by the crisis and uncovers opportunities for future protection for their portfolios.

A top priority of many investors will be protecting their retirement savings, and they will look to financial professionals for recommendations and to help steer the protections put in place. Lincoln Financial Group recently conducted a study looking at consumer sentiment towards protection in a post-Covid-19 world. Nearly 60% of investors are now more concerned about future market volatility and its impact on their investments, and more than 40% are more concerned about having enough money for a comfortable retirement.

Solutions that can offer downside protection, like indexed annuities, can help clients feel reassured of their retirement income security and can be leveraged to appeal to different kinds of client perspectives. Through careful listening and questioning, financial professionals can help guide clients towards an approach that best suits their comfort level while also leaning into the potential opportunity of a down-market.

While the current crisis is undoubtedly unparalleled, the U.S. economy and American people have overcome adversity time and again. As history proves, resiliency will power us through the recovery ahead; today's adversity makes us stronger for tomorrow. It is the commitment to one another — our clients, colleagues and families — that cultivates the trust that will help us weather the storm and plan for sunnier days.

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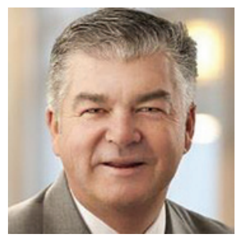

John Kennedy is head of Retirement Solutions Distribution for Lincoln Financial Distributors. In March, Lincoln launched a program for financial professionals, "From Crisis to Confidence." Lincoln's Crisis to Confidence ***Resource Center*** *works to help financial professionals build client confidence, build their business in a virtual environment, get inspired, and invest in their own health.*

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