

# SURVIVAL GUIDE

**5 Resources to Help You  
Strengthen Client Relationships**  
In a Changing Investment Environment



At Janus Henderson, helping advisors build their business is one of our most important missions. Never has the investment advice landscape been more challenging — or filled with more opportunities — than right now. In this highly competitive environment, and the new era of fiduciary responsibility, advisors need these key strengths more than ever.

- + A strong, engaged team equipped to support clients
- + A clear value proposition that clients easily understand and embrace
- + A sound investment policy
- + A strong focus on client service for existing clients
- + The ability to engage clients in conversations about changing financial relationships


The five programs highlighted in this guide can help you fortify those strengths and deepen your client relationships. In the following pages you'll read about:

 **The Elements of Extraordinary Teamwork**  
— to help your team deliver great results through team chemistry

 **The Science of Negotiations**  
— to help you communicate better with clients

 **The Art of WOW**  
— to help engage and retain existing clients

 **Portfolio Construction Services**  
— to help reinforce and enhance your investment strategy

 **Capturing the Million Dollar Rollover**  
— to help communicate your value proposition and realize the opportunities in this growing advisory business

We think these are the best programs available to help you and your team thrive in what is a changing landscape for investment advisors. As always, your Janus Henderson Sales Director is ready to help.



# The Elements of Extraordinary Teamwork

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What makes elite teams deliver great results while others never seem to quite come together? Great chemistry is the key to teams that work. And great chemistry doesn't just happen naturally, it needs to be cultivated. Through research and partnerships with leading experts, Janus Henderson has isolated the core elements that impact team chemistry. One of the most important is your WHY story.

## The Advisor's Story

Jenny Sampson has a clear idea of what she and her team do. They look at their clients' full financial pictures, then devise investment plans that will help clients build savings for a great retirement.

But Jenny and her team take this approach a step further. They focus on their WHY. She and her team all have aging parents, each of whom is dealing with challenges — failing health, limited resources, needing to work longer than they expected. It occurred to Jenny that she and the team were motivated to help each of their clients avoid these challenges and achieve the best retirement possible. Each had a WHY and a signature story.

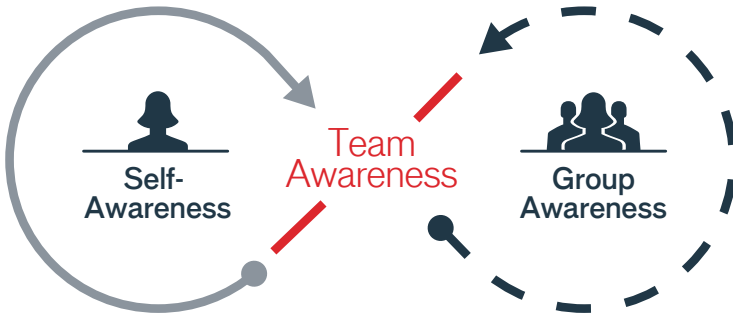
When Jenny and her team started telling their story and explaining to potential and existing clients WHY they do what they do, they found they made better connections with all types of people.

## Your Action Plan

How do you build a team as effective and focused as Jenny's? These three elements are key:

### **Create a compelling catalyst.**

This is your WHY story. What you do doesn't always move or motivate people. But a great story about WHY you do it can. This all comes down to what value you provide your clients.



### **Cultivate self- and group awareness.**

High self-awareness is one of the strongest predictors of overall success, according to a study by Green Peak Partners and Cornell University. The most effective advisor teams not only support a high level of individual awareness, but also demonstrate strong shared awareness when it comes to leveraging the unique skills and talents of their members. Keep this in mind: When you have a blind spot and your team wears blinders, business gets blindsided.

### **Use focus and discipline.**

Think of it as your “don’t” list. Success often depends on focusing on the one right project at the one right time and having the power to say no to everything else.

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### **Next Steps**

By finding your WHY, you’ll be in a much better position to develop effective value propositions, build business and help clients navigate the changing regulatory and economic climate. Find out more about **The Elements of Extraordinary Teamwork**, including help finding your signature story, evaluating your self-awareness and your team’s shared awareness and learning to focus on the WHY.

# 2

## The Science of Negotiations

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Negotiating well is a key component to building your business. Meaningful conversations with your clients are even more important in the current regulatory environment, especially, as in the example below, when you are in the midst of transitioning to a fee-for-service model.

### The Client's Story

Let's look at the case of Harry and Ellen Wilson, both in their late 50s. The couple sold their successful family business eight years ago and now spend time traveling the world and supporting charitable organizations. They became your clients four years ago when their longtime advisor retired. You agreed to offer the same substantially discounted commission schedule their former advisor charged to retain the account. The Wilsons' account is currently worth \$2.25 million and is earmarked for their children's inheritance.

You have begun the process of transitioning your largest clients to an advisory model. Knowing how sensitive Harry is about fees, you've been reluctant to approach him about this arrangement until now.

“ ...Credibility, based on evident sincerity, is the most important single asset of a good negotiator.”

**G. Richard Shell**

## Your Action Plan

### **Create trust.**

You want to create a trusting environment with all clients that will allow for open dialogue. Openly and willingly revealing information about products and fees increases your credibility, and research shows that credibility is the most important asset of effective negotiators.

### **Show you care.**

Working in the best interest of the client isn't just something the new rules talk about, it's what you've always done. Show how the new services you offer are commensurate with what the client needs. In the case of the Wilsons, a more advisory role will help free up the couple's time to pursue their passions, as well as help grow their children's nest egg.

### **Build credibility.**

Telling clients about the products and services you aren't recommending is also important. Revealing information that's not necessarily in your best interest, but is clearly in the best interest of the client, builds credibility and trust.

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## Next Steps

Find out more about [The Science of Negotiations Workshop](#) and request a [Negotiation Style Assessment](#) from your Janus Henderson Sales Director. Developed by Professor G. Richard Shell at the Wharton School of the University of Pennsylvania, the assessment can help you determine your bargaining style. Adopting the negotiation style that fits you best can help assure clients of your sincerity and help you identify the negotiating style of others.



# 3

## The Art of WOW – Moments of Impact that Create Clients for Life

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**Consider this:** Four out of five affluent investors said they'd be willing to switch advisors if they knew of a more compelling option. The reason? When it comes to affluent investors, satisfied just isn't good enough. Affluent clients who are merely satisfied with your services are less likely to give you additional assets and they are more likely to be wooed away by another advisor.

### The Client's Story

"It's just another day in paradise." That's the catchphrase this client likes to use. An owner of a large company who somehow manages to work 25 hours a day/eight days a week, he always has that same sincere and chipper reply when anyone asks how things are going.

### The Advisor's Story

One summer, while I was vacationing in the Florida Keys, I stumbled across a gift shop. Inside, I saw a painting of a beach scene with "It's just another day in paradise" showcased on the print. My hardworking client immediately came to mind. Without hesitation, I purchased the artwork and sent it his way. It arrived on his birthday (a tidbit I had stored in his client file for just this type of occasion).

But even more fun, I walked into his office one day and saw an almost identical painting hanging next to it. Turns out, my client's 13-year-old daughter saw the same painting online. She couldn't afford to buy it for her dad, so she painted it herself. It was a magical, inspiring and emotional coincidence. It was a true WOW.

### Your Action Plan

Here's what you can do to make sure you WOW clients the way this advisor wowed his "paradise" client.



## Uncover your clients' passions.

Gather, record and leverage information about your clients that can help you engage them. Listen when they don't think you are listening so you can show you are interested in their lives. Take their passions, interests, personalities and emotions into account as you develop a plan to offer services that will touch their lives directly.

## Deliver a unique experience.

The paradise painting is certainly a perfect example. But every advisor can offer a client something personal and surprising based on the client's unique preference. Do you have a client who is a travel fanatic? For his next trip you could provide a personalized travel guide to his destination. Or, you may help a retired client fulfill a longstanding wish. And don't forget the little things that make a big impact. For example, acknowledge client account milestones with a personal, handwritten, sent-in-the-mail note. (That may sound like a small gesture but in this age of email, research shows notes sent through the mail are almost guaranteed to be read — and appreciated.)

Even satisfied clients are at risk:

4 out of 5

affluent investors may switch advisors.

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## Next Steps

Contact Janus Henderson about **The Art of WOW**. Our program, designed to drive extreme client loyalty, was developed in partnership with Dr. Joseph Michelli, internationally recognized client experience expert and author of "The New Gold Standard: 5 Leadership Principles for Creating a Legendary Customer Experience Courtesy of the Ritz-Carlton Hotel Company and The Starbucks Experience."



## Portfolio Construction Services

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Assessing your clients' portfolios for risks and returns is the lifeblood of what you do. To help reinforce and enhance your investment strategy, Janus Henderson offers a range of Portfolio Construction Services to align this process. Through these services advisors can partner with Janus Henderson to build portfolios that are designed to navigate uncertainty in the markets and are positioned for optimal performance relative to client goals.

### The Advisor's Story

You're working with a new client and together you've determined your first step will be a thorough portfolio review that will lead to your advice on how best to position your client's investments going forward.

### Your Action Plan

#### **Ensure portfolio construction aligns with investment goals.**

Our comprehensive model analysis and customized consultation provide key observations that can help you determine how well positioned the new client's current portfolio is and how that compares with your suggested strategy.

#### **Conduct a risk analysis.**

We offer several tools for assessing risk and identifying assets that can grow without large drawdowns. Some examples:

- + Risk-adjusted return comparisons to see how prudent the use of risk has been in the past in relation to the creation of wealth.
- + Value at risk measurements to indicate how well a portfolio may be positioned to face a detrimental market impact.
- + Correlation analysis to determine how diversified a portfolio truly is.
- + Manager-level risk-based factor analysis to help understand how well an investment is performing relative to its stated objective.



### Navigate Volatility

Providing observations about how diversification across assets, sub-assets and managers may benefit an advisor's model by elucidating where stress points in a model might lie and when they might be most impacted by market events.



### Find Pockets of Potential Growth

Increasing wealth for clients is driven by the ability to identify assets that can grow over time, without large drawdowns.



### Defend Against Rate Risk

Discussing a variety of reasons a rising rate environment may impact a portfolio.

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## Next Steps

In these unpredictable markets, portfolio construction is full of complex decision-making. It takes trusted analytics, modeling and risk assessment to conduct a top-quality portfolio review. [Portfolio Construction Services](#) can help. Request a portfolio analysis review from your Janus Henderson Sales Director.



# 5

## Capturing the Million Dollar Rollover

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Not only has the aging population increased the number of rollover opportunities, but the capital market performance since 2009 has dramatically enhanced the average transaction size. However, where there is opportunity, there are also challenges. One thing is for certain: there is perhaps no greater responsibility than the careful stewardship of a client's retirement money.

### The Client's Story

Tom Jones, age 56, separated from service earlier this year. He currently has an employer-sponsored 401(k) with a \$780,000 balance, diversified across several asset classes. His spouse will receive a pension when she retires five years from now. The couple has approximately \$60,000 in savings and Tom's wife's salary covers household expenses. Tom wants to know what his options are for rolling over his 401(k).

### Your Action Plan

Craft a compelling value proposition. Start by answering three questions:

- + What do clients want when they hire you?
- + What do you provide rollover clients?
- + How are you different from other available options when it comes to rollovers?

An effective value proposition engages a client's curiosity, opening dialogue and inviting consultation.

Once you put together the words and phrases that answer these questions, key points should be communicated verbally during the course of a natural conversation with your clients. And keep in mind, there is no right or wrong way to approach this. The point is to pique your client's interest so they ask for more information.

### **Tell clients the benefits you bring to a rollover.**

Clients often ask why do I need to move my account when I can simply keep my money in my employer's plan? To answer, you need to weave important points from your value proposition, as well as specifics, into the conversation. For example, your customized asset allocation approach tailored to fit your client's personal needs may be a compelling reason to leave the employer plan.

### **Talk to your clients about their specific needs and goals.**

This can help determine the appropriate rollover and withdrawal strategies. In the case of Tom Jones, you find out that he needs \$100,000 immediately to take a long-desired trip to Europe and to remodel his house. Beyond that, Tom's future cash needs are minimal because Tom's wife's salary and future pension will easily cover household expenses.

Because Tom is below age 59½, he is subject to a 10% premature distribution penalty if he rolls over his entire retirement account balance into an IRA. It may make more sense for him to keep the \$100,000 he needs for his trip and the home renovations in his employer plan. He'll be subject to ordinary income taxes but he will not pay the 10% penalty when he withdraws from his 401(k) because he separated from service in the calendar year following the year he turned 55.

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## **Next Steps**

Complete the [Million Dollar Rollover](#) workbook with the help of a Janus Henderson Sales Director. In it you'll find help developing your value proposition, answers to questions clients frequently ask and several case studies.



## Priorities for My Team and My Business

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## Looking for More?

Please contact your Janus Henderson Sales Director for additional ways to strengthen client relationships.

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For more information, please contact your sales director or visit [janushenderson.com](https://www.janushenderson.com).

**Janus Henderson**  
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