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ATTRACTING AND ADVISING MILLIONAIRE CLIENTS

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Mining The Millionaire Market

By John Craig

The market of Canadians with at least $1 million in investable assets is anything but inaccessible for financial advisors. Between weak investment performance, inadequate expertise and a failure to understand the needs of this group, the door of opportunity to the millionaire market is ajar, according to one expert.

Keith Sjögren is a Toronto-based consultant whose firm Taddingstone Consulting Group produces the *Canadian Millionaire Report*, an extensive annual survey of Canadian millionaires. Sjögren says there are 330,000 millionaires in Canada with approximately 100,000 advisors chasing them. And while there may be some congestion of advisors vying for business at the upper end of this market, Sjögren says there is business to be had further down the chain.

"The opportunity is with the 'middle-class' millionaire, or the individual with $1 million to $5 million to invest," says Sjögren. "But at that level as well, the client is seeking an expert with a track record of solid investment performance who is willing to educate the client."

Think Partnership

However, one surprising trend that arose in Taddingstone's *2001 Canadian Millionaire Report* was the number of millionaires who consider themselves their own primary advisor, despite media reports giving the impression investors are seeking more professional guidance. "Nearly 40% of millionaires have an online brokerage account, which is considerably more than the investment population as a whole," says Sjögren.

Sjögren also notes a marked shift towards "partnership" and away from "providership" with millionaires. "In other words, with the high net worth segment, the days of the salesman with a focus on asset gathering are over," says Sjögren. "If you want to be successful with millionaires, become their partner in building and

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protecting family wealth."

How To Meet Millionaires

While there are millionaires in every community and in all occupations, Sjögren suggests advisors narrow their focus when trying to meet members of this niche market. "A growing number [of millionaires] are entrepreneurs and advisors would do well to join associations that also attract entrepreneurs," says Sjögren.

Existing wealthy clients are also an excellent source for new contacts of the same ilk, according to U.S.-based advisor Ron Carson. The key is bonding with these clients through common interests, whether it's golf, a love of fine wines or — in Carson's case — flying. "Think about what you do and you're going to find that there's probably a bond there with some of your higher A-plus clients, and you can develop that into other relationships just like them," Carson recently told a group of advisors attending an educational conference in Toronto. (To read about how one Canadian advisor used his love of scuba diving to bond with his top clients, please go to www.advisor.ca/advisor/take5/wine/index.epl?=21065).

How To Treat Millionaires

Millionaires generally don't like seminars and respond negatively to cold calls and direct mail, according to Sjögren. However, they do welcome the opportunity to meet third-party experts in small groups.

Advisor Kurt Rosentreter cautions against placing too much emphasis on performance and building wealth and instead recommends focusing on preservation when dealing with millionaires. "[The wealthy client is] more concerned about keeping what they have than you getting 20% for them in the future," noted Rosentreter, senior financial advisor at Berkshire Securities in Toronto, at a recent educational workshop in Toronto. "Put performance in your toolkit but don't lead with it."

U.S.-based advisor marketing consultant Martin Baird told Advisor.ca that opportunities in the millionaire market exist for advisors willing and able to step up their own level of expertise and approach to the business. "It's not good enough to just do asset allocation and asset management — [millionaires] want and demand more," said Baird.

Sjögren says one way for advisors to better equip themselves for advising the millionaire market is to know as much about alternative investments as they do about conventional ones. "If there is an area of opportunity, it is the recognition that new types of investments like hedge funds and less liquid investments like property are of importance to millionaires and require the same degree of wisdom as more conventional investments," says Sjögren. "Millionaires also want to see far greater focus on the family rather than the individual."

Landing The Big One

Because millionaires demand quality in everything, including their advisors, Sjögren recommends that advisors learn as much as they can about millionaires' wants and needs and to do a quality test on themselves before attempting to land the big fish.

"The most important thing is to recognize that before you go fishing, you need to become an expert at reading the river, understanding the feeding habits of the fish and being patient," says Sjögren. "If the only experience you've had is fishing for bass off the dock, don't expect to land a tuna the first time out."

Canadian millionaires are the most targeted group of clients and yet there are still significant holes in service advisors provide to them. Juggling the responsibilities of their business, family and community leaves millionaires with little time, but huge needs from their advisor.

The July issue *Advisor's Edge* takes a look at what millionaires really want from their advisors and the mistakes advisors sometimes make with their wealthy clients. To view archived *Advisor's Edge* articles or to sign up for a free one-year subscription, please go to www.advisor.ca/advisor/edge/index.epl

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The Rich Client's Malady: Affluenza

By Jim MacDonald

Billionaire and parent Warren Buffett once recommended that wealthy parents should leave "enough money to your kids so they can do anything, but not enough so they can do nothing." Buffett's advice goes right to the heart of something that troubles many wealthy people — the affliction of "affluenza" among heirs.

Affluenza is loosely defined as a lack of ambition or motivation brought on by a life of wealth and privilege. Dr. Ronit Lami, the director of Britain's Affluenza and Wealth Psychology unit, describes affluenza as an unbalanced relationship with wealth or the pursuit of it. Manifestations can include anger, fear and rampant materialism.

Not A Rare Disease

"I would say that [affluenza] is quite common," notes Thane Stenner, senior investment advisor with CIBC Wood Gundy in the Vancouver area. Stenner specializes in advising wealthy clients.

"Money always amplifies personality, whether it's of the parents or the kids," Stenner told Advisor.ca. "The amplification of potential problems with money is definitely there."

More wealthy Canadians, says Stenner, are concerned about how younger generations will be affected by large wealth transfers. A 1996 U.S. Trust survey of wealthy Americans found that 68% worried that their children will put too much emphasis on material possessions. (www.ustrust.com/ustrust/html/knowledge/WealthManagementInsights/SurveyofAffluentAmericans/index.html)

"Abundant wealth has a way of separating heirs from the grist of life. For some inheritors this separation manifests as a painful inability to identify their real needs and longings or to connect with meaningful work or occupation," wrote Dr. Lami in 2001.

Preventive Measures

Parents can prevent affluenza by instilling strong values in their

"Abundant wealth has a way of separating heirs from the grist of life."

> "Children should be taught how to relate to money, both psychologically and financially."

children and teaching self-reliance, Stenner says. Another recommendation is to foster humility about wealth and show them that riches come with responsibilities.

On a practical level, Stenner encourages clients to educate children about managing wealth, while encouraging them to pursue independent careers. This can be done by involving heirs in family trusts or urging them to make choices about charitable giving. Stenner advises caution when doling out large allowances or other financial gifts.

Making Wealth A Family Matter

Stenner advocates helping families create a process for handling their wealth, and then fostering a family discussion throughout the process. This can communicate that the parents are not control freaks about money. A key underlying strategy is to pass on wealth in increments. Stenner says the flexible structure of a family trust or foundation can have a dramatic impact on a person's relationship with inherited wealth.

Stenner outlined his ideas in his book *True Wealth: An Expert Guide For High Net Worth Individuals*, (True Wealth Enterprises, Inc., www.truewealth.ca), and here are some suggestions:

Incentive trusts: Parents establish certain dates and/or achievements upon which an heir receives a portion of the trust. Examples could be at graduation from university or when the child is hired for his or her first "real" job.

Tangible or illiquid gifts: A way to pass on assets without providing a temptation to spend.

General inheritance pool: Create a "family bank" supervised by a professional trustee. Terms of the trust spell out qualified uses for the funds. Heirs could apply for trust funds, and would face restrictions on their use.

"It's extremely important to try to define what things the parents want their adult children to understand about what this wealth meant to them," explains Stenner, who notes that affluenza can affect children of all ages.

Touchy Subject

Affluenza can be a sensitive topic for clients, but Stenner says advisors should be prepared to raise the issue if need be or look for opportunities to indirectly broach the subject within families. Parental attitudes towards money or an heir's lack of financial education are often linked to the loss of inherited wealth, says Dr. Lami, so children should be taught how to relate to money, both psychologically and financially.

Adds Stenner, "You can't write a cheque to make sure you have good kids."

Are any of your clients suffering from affluenza? Did you help them cure it? Let us know how in the Talvest Town Hall online discussion forum at: www.advisor.ca/advisor/statistics/partner_success/index.epl?redirect=talvest.

Jim MacDonald is Advisor.ca's managing editor and can be reached at jmacdonald@advisor.ca.

Insuring Wealth

— And Your Edge With Millionaires

By Scot Blythe

The number of millionaires in Canada isn't large. Keith Sjögren, a research leader at Toronto-based Taddingstone Consulting Group, puts it at 330,000. What may be more significant, however, is that 26,000 of this group change advisors every year.

Who are those advisors? Generally, they're full-service brokers. The reasons for dismissal are various, and poor service is part of it. But it's actually deeper, Sjögren says.

Advisors who try to cherry-pick a high net worth investment account are in danger of overlooking several factors.

First, the number of advisors seeking clients is growing faster than the number of millionaires, and private investment counselling firms are cashing in. Second, what millionaires don't want is more investment advice. Their number-one concern — something advisors often fail to heed — is how their family is going to be looked after.

Integration Opportunity

This need should raise an alarm bell

> "[Millionaires'] number-one concern — something advisors often fail to heed — is how their family is going to be looked after."

— or an idea light bulb. Wealthy individuals are frequently business owners or retired business owners. They probably already have lawyers and accountants. What they don't have is someone who oversees all their interests, and the interests of their families, including cash flow, tax and estate management.

That's an opportunity for dual-licensed planners. They have a low profile among the wealthy, Sjögren says, which is neither positive nor negative. "Insurance is rarely integrated," he adds. All the same, "we find millionaires have a very high regard for their insurance agents."

Insurance Solutions

Insuring millionaires depends on what needs to be funded, says Glenn Stephens, a lawyer and estate planning specialist with Equinox Financial in Toronto. Clients may be concerned about the tax liability on an estate. They may need a way to pass on a business, either to a child or to a partner. Or they may want to pass on a significant amount of wealth to a charity.

It's actually a little more complex, Stephens adds, and he's written a book on the subject (*Estate Planning With Life Insurance*, published by CCH Canadian Ltd.). At its most basic, insurance can be used to fund the tax liability on death. When it comes to a family business, insurance might be used both to fund the tax liability and to ensure that children who don't participate in the business get an equitable inheritance. "Sometimes some kids get shares and the other kids are left out in the cold unless there's something else for them and insurance will often fill the gap," Stephens says.

If the concern is about an orderly transition in a business where the partners are not family, then insurance can have a role in funding a buy-sell agreement. It can eliminate concerns about tax liabilities, forced sales and bank loans. What is key there, Stephens notes, is the most efficient way to pay for the insurance, which is generally through a holding company. That spares the business owner an additional personal expense.

That's useful to keep in mind. Although the high net worth are wealthier, they are also extremely frugal, particularly when it comes to taxes, Sjögren notes.

Variety Of Vehicle Options

What insurance product to use is another matter. The options range from whole life to universal life to term-to-100, and there is an intense debate among insurance specialists about what one is the cheapest and most reliable vehicle.

Universal life is widely acknowledged as an effective tax shelter, but its index-linked investment component is not robust. Overly generous investment growth assumptions may lead to a policy lapse, as the investments fail to generate the income to make the policy self-funding.

That has led some, seeking stability in premiums, to look again at participating or whole life. But their returns in the form of policy dividends are tied to an insurance company's actuarial and investment acumen. Another route is term-to-100 insurance, which can be used alone or wrapped with a universal life policy to get an investment component.

Uses And Misuses

Robert Haisman, a planner with Assante in Sarnia, Ontario, suggests using "lazy and redundant money" — money that a couple isn't likely to have to draw on for living expenses — to fund a universal life policy built on a term-to-100 chassis. Then, depending on a couple's needs, there could be riders covering critical illness, for example.

But, Haisman says, advisors have to be clear about the uses and misuses of insurance. Insurance is not a tax shelter for clients to "build cash that they can reach in and play with." The idea is not to provide investment management, but multigenerational wealth management. In other words, looking after the family, the foremost concern of the wealthy Canadians.

Are you considering universal life insurance for your clients? Advisor.ca has built a Universal Life Search Engine to help you find and evaluate the universal life products that best meet the needs of your clients. The universal life search is located under "Power Tools" on the left hand navigational bar of Advisor.ca or at: http://209.146.210.203/cgi-bin/jump-to.cgi?adid=adv-ulife1.

For more articles on insurance, estate planning and other-product related themes, be sure to check out Advisor.ca's Product Zone at www.advisor.ca/advisor/product/index.epl.

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Instant Wealth: The Challenges And Opportunities Of Advising "Sudden Money" Clients

By John Craig

Individuals who suddenly come into life-altering amounts of money will become more common as clients of Canadian financial advisors. Whether it's through inheritance, divorce settlements, the sale of a business or a good old-fashioned lottery win, advisors who understand the emotional impact of newfound wealth and hone their skills to help clients manage their windfalls will realize a significant opportunity to retain clients and attract new ones, according to one expert.

"Your clients are going to have 'sudden money' experiences, and even long-term relationships can end when a client comes into new money — the client is in a new phase of their life, and as their advisor, you will need to understand this," says Aileen Miga, a Certified Financial Planner and financial advisor with Berkshire Investment Group Inc. in Burlington, Ontario. "When people are in transition, they frequently change advisors seeking new advisors whom they perceive have greater skills. The planners who have the skill set and understand the client's experiences will benefit from this migration."

Inheritance Boom

According to the Cap Gemini Ernst & Young report *Perspectives On The Canadian Wealth Management Market 2001*, the number of inheritances in Canada is projected to grow steadily and increase in value, with some $550 billion expected to be received from Canadian sources over the next 10 years. Half of this transfer is anticipated to be added to the pool of investable financial assets through inheritance conversion. Miga, who is also a member of the U.S.-based Sudden Money Advisor Network, says this factor alone could spell opportunity for advisors.

"With investment products becoming more sophisticated, and more people making the switch from being savers to becoming investors, an increasing number of people are seeking the help of an advisor," says Miga. "This trend will continue into the future and may be particularly true with respect to inheritances."

A Time Of Reflection

An inheritance may be the first time an individual feels compelled to seek out the advice of a financial planner, as inevitably there is some reflection on finances, values and mortality and there is often a surprise involved with how much — or little — was passed on, says Miga. "In any case, inheritors often resolve to pay more attention to their own finances and begin to visualize how they would like [their money] to impact their own children at the time of their death," she adds. "This can be a powerful motivator for people to take action and seek out a financial planner."

Recognizing The Emotional Impact

Many advisors fail to recognize the emotional impact an inheritance or any other sudden windfall can have on a person. "One major pitfall that occurs is that most advisors see 'sudden money' events as simply an increase in assets under administration for them, and expect their clients to act like other clients — they don't realize how difficult the situation can be," says Miga. "The success rate of integrating new money into a family is not impressive — the difficulties and challenges have been around for generations and appear to transcend culture and time period."

Taking Time To Digest

For advisors working with clients in the midst of receiving some form of windfall, Miga recommends encouraging them to commit to not making any life-changing decisions until they have had a chance to "discover what the money means for them." Miga also suggests being proactive with these clients, helping them find their own pace while "continuously preparing them for the decisions that they will eventually have to make."

It may be difficult to get a client to stick to a plan for managing their new riches until the client has completed some sort of wealth orientation, explains Miga. The U.S.-based Sudden Money Institute (www.suddenmoney.com) offers a package of strategies and software that Miga says focuses on "creating a financial plan that is sensitive to the client's experience of money in their lives."

Being Aware And Prepared

Miga says all advisors should be aware of the various issues involved with different "sudden money" situations. However, Miga warns that advisors must be genuinely interested in adding value to client relationships in this way because the transition isn't easy or quick. "It takes about a year of training to make the shift in your practice, but this is the time to be honing these skills because we are at the beginning of this trend, not at the tail end of it."

Miga adds, "These are the kinds of skills that make us better advisors because they respond to the needs of our clients. When we are meeting the needs of our clients, it makes attracting new clients easier."

For more information on the Sudden Money Institute in Canada, Aileen Miga can be reached by phone at 905-319-9000 ext. 330 or by e-mail at amiga@berkshire.ca. You can also visit the Sudden Money Institute Web site at www.suddenmoney.com.

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Other Tips For Working With "Sudden Money" Clients

1 Recognize that the family probably has some intergenerational concern. "They want to provide for their children, but also make sure that their children are not influenced by the many negative images of money in society," says Miga. "They want their children to have a good relationship with money."

2 For "new money" clients, understand that it will take some time to establish a new lifestyle and grow into their orientation of money.

3 For "old money" clients, address key non-financial matters such financial literacy programs for the children, philanthropy, protecting wealth as from outsiders (such as the kids' ex-spouses) and market losses. "High net worth families want to handle these life situations and keep the money in the family," says Miga.

Are You Millionaire Market Material? Try Our Online Workout

According to Keith Sjögren — whose firm, Toronto-based Taddingstone Consulting Group, produces the annual *Canadian Millionaire Report* — Canadian millionaires (defined in the Taddingstone report as individuals with at least $1 million in investable assets) demand quality in everything, including their advisors. So how well do you know this market? Do you have what it takes to prospect and serve this market? Complete this *Millionaire Market Material Workout* and find out:

1 Most millionaires prefer conventional investment strategies.

- True
- False

2 As an advisor to a millionaire, your primary focus and strength should be investment strategies.

- True
- False

3 Millionaires don't mind carrying debt and make great banking customers because they use credit products.

- True
- False

4 Millionaires prefer to consolidate all of their financial needs with one trusted advisor.

- True
- False

5 Many millionaires show a decided lack of interest in their life insurance policies.

- True
- False

6 Millionaires don't have time for a lot of extraneous information, and prefer streamlined research and briefings from one source — their advisor.

- True
- False

7 Less than 25% of Canadian millionaires with a comprehensive financial plan had it developed by a financial planner.

- True
- False

8 When selecting mutual funds, the top criteria for millionaires is historical performance.

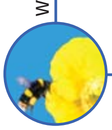
- True
- False

9 Full-service brokers already have a powerful hold on most of the millionaire market.

- True
- False

10 Once millionaires have selected a primary advisor, they tend to stick with that person.

- True
- False



Answers

The following answers are based on information from Taddingstone Consulting Group's *2001 Canadian Millionaire Report*.

1 False. According to the *2001 Canadian Millionaire Report*, millionaires love alternative investments. Twenty-three per cent of active millionaires have investments in private companies, followed closely by royalty and real estate investment trusts.

2 False. Twenty-six per cent of the over 400 Canadian millionaires surveyed for the *2001 Canadian Millionaire Report* are retirees. "This is the largest single occupation category, and an increasingly aging population will add to this statistic," says the report. "Millionaires will logically place increased importance on retirement and estate planning; are financial service providers prepared for that?"

3 True. Twenty per cent of millionaires have yet to pay off their mortgage, 35% have loans and lines of credit and 25% carry a balance on their credit card.

4 False. Only 19% of the respondents to *2001 Canadian Millionaire Report* indicated they are likely to consolidate all their financial needs with one advisor. More than 50% are concerned with the risk of "putting all their eggs in one basket," while 40% worry about a lack of objectivity.

5 True. Despite the fact that 77% of millionaires surveyed in the *2001 Canadian Millionaire Report* reported having life insurance, 23% admitted to never reviewing their coverage.

6 False. "There is a strong demand for varied, detailed and objective research for which millionaires are willing to pay," says the *2001 Canadian Millionaire Report*. "They also turn to trusted external sources in various media such as CNBC and ROB-TV, periodicals, investor newsletters and many Internet Web sites such as Yahoo!Finance and BigCharts.

7 True. Only 24% of millionaires who currently have comprehensive financial plans had them developed by a financial planner. In addition, the use of financial planning companies dropped 7% to a mere 24% between mid-summer 2000 and mid-summer 2001.

8 True. Historical performance remains the top criteria for selection of funds. Only 40% of millionaires choose mutual funds based on your recommendations.

9 False. The *2001 Canadian Millionaire Report* found that the percentage of millionaires dealing with full-service brokers fell to 71% in 2001 from 82% in 2000. Meanwhile, investment counsellors captured a larger portion of the market, moving to 41% in 2001 from 27% in 2000.

10 False. Twenty-seven per cent of millionaires switched their primary advisor over the last three years. One of the biggest reasons for doing so is frequency of contact. "On average, a millionaire wants to meet his primary advisor in a formal way every six months," Taddingstone's Keith Sjögren told Advisor.ca earlier this year. "In fact on average they meet once every eight months." Taddingstone's *2001 Canadian Millionaire Report* found that 25% of millionaires claim they don't meet frequently enough with their advisor and that 17% of millionaires have not met their financial advisor within the past 12 months, despite declining markets, the tech bubble burst and the September 11 terrorist attacks.

Scorecard

Give yourself one point for each correct answer.

8-10 points
Fire up your Mercedes Benz (the car of choice for Canadian millionaires) and get out there to sign up more affluent clients — you are showing a strong grasp of this market.

4-7 points
You need to do a little more homework to fully understand the needs and wants of millionaires. As Keith Sjögren told Advisor.ca previously, "It's key for advisors to understand the mind of the millionaire, not just the balance sheet and the income statement — it's critical to understand how the millionaire behaves."

0-3 points
The only silver lining is that non-millionaires need good financial advice, too, so maybe it's best you stick to this market.

Over-The-Top Appreciation Events For Your Top Clients

By Wendi Phillips

Q: How can an advisor grab the attention of their wealthy clients and build stronger relationships with them at the same time?

A: Offer a creative and unique client appreciation event. Read how five Canadian advisors used their imaginations to come up with five unconventional activities for some unique getting-to-know-you time for advisor and client.

1 Under The Sea

Doug Schwann, an investment advisor with National Bank in Vancouver, let his personal interests dictate his unusual event: scuba diving and snorkelling lessons. Both licensed scuba divers, Schwann and his assistant, encouraged by frequent questions from clients about their hobby, decided to host an afternoon of underwater fun with the help of a local diving store.

"[Hosting scuba diving and snorkelling lessons] appealed to us because it was an event so totally different... [Our clients] loved it. For the people who tried diving, it was an experience they will never forget. The snorkellers received some very useful tips for their next holiday and the folks who brought their kids are still being pestered for lessons," says Schwann.

Keeping affluent clients impressed and entertained is key for Schwann when deciding on a client appreciation event. "We like to do something different — we had to show our uniqueness just to obtain the account, so we want to show that our innovation is in everything we do."

Possible Expenses:
Pool and equipment rental and invitations

Estimated Total Cost:
$200

2 Wilderness Adventure

Taking advantage of the breathtaking surroundings in her part of the country, financial consultant Laura Fralick decided to appeal to her top clients' sense of adventure by holding a wilderness hike to an untouched beach in the Thunder Bay area.

To make her event even more compelling, Fralick invited a geologist and an archaeologist to accompany her group, as well as her regional sales manager and a prominent fund manager.

"I invited people I knew would like this type of activity, and also invited people who were curious and willing to talk it up with other attendees, ensuring that my name would come up," explains Fralick, who put her KYC forms to good use in finding top clients with an interest in "outdoorsy" type of activities.

Fralick's guests enjoyed the great outdoors, a delicious packed lunch and learned something about their environs that they might not have known otherwise.

Fralick's reward was closer and more solidified relationships with her clients. "Despite the state of the stock market, they're firmly my clients... It takes time to work with the high net worth, and they've been sold to many times, so they're looking for something different."

Possible Expenses:
Invitation and map printing, packed lunch for group and transportation to the hike location

Estimated Total Cost:
$240 for 18 guests

3 Off-Road Thrills

Thane Stenner, senior investment advisor with CIBC Wood Gundy in the Vancouver area, heads up a boutique group specializing in high net worth clients called The Stenner Group. Stenner has a unique insight into the high net worht market and is always on the lookout for a client appreciation event that will “wow” his clients. "You've got to be doing stuff that's different, besides good investment expertise, financial planning and client service, and you have to be ahead of the competition."

Stenner's latest relationship building idea is hosting a day of off-roading fun of the 4x4 variety. After hearing about a local company that holds off-road training in SUVs for groups, Stenner decided this event would be suitable for his enthusiastic wealthy clients.

A full day of driver training and a run through an exclusive course designed specifically for off-road four-wheel drives, the use of the company's vehicles and a full lunch will cost Stenner a bundle, but it's all about making the "connection" with his clients. "I know that if I can put a person into an experience where it will give them a rush, it's something they'll talk about with others of their ilk," says Stenner.

Possible Expenses:
Transportation to site of event, invitation printing and mailout, cost of off-roading company package

Estimated Total Cost:
$1,700 ($195 per vehicle [two people per], maximum eight vehicles, includes lunch)

4 Cast Adrift

Investment advisor Lori Kilburn with BMO Nesbitt Burns in White Rock, B.C. was looking for a casual appreciation event that would allow her "A" clients to mingle with one another. While a boat cruise may not sound like a unique idea on its own, when it's combined with a champagne reception and an extraordinary fireworks display, the event achieved Kilburn's goal and then some.

Taking advantage of the fact that the city of Vancouver hosted the spectacular "Celebration of Lights" fireworks display, Kilburn decided to give her clients the best view of the pyrotechnics. After seeking feedback from some of her wealthy clients, she began planning her event. Finding a suitable boat was the biggest challenge.

Creating the sense of fun and appreciation starts with the invitations, according to Kilburn. "We did not use anything with our business logo on it. We had lovely invitations

Tips For Over-The-Top Events

Make sure it's well organized.
Have an agenda for the evening and be able to communicate it to your clients if required. "Have a very organized program so that everyone participates and so people don't feel uncomfortable with people they don't know," recommends Fralick.

Make sure it's high-end and high energy, but not necessarily high cost.
Keep the event enjoyable and unique. "The HNW individuals we deal with are invited to lunches and cocktail parties at tedium. They like and want to be impressed and entertained... [but] they aren't typically impressed by a lot of money wasted on the event," explains Schwann.

“I know that if I can put a person into an experience where it will give them a rush, it's something they'll talk about with others of their ilk.”

made up... so that [the event] would seem special. Once the client confirmed, we sent them a package containing everything they needed to know about the night — how much traffic to expect driving downtown, where to park, what to wear, an agenda — so they knew what to expect."

Possible expenses:
Boat charter, catered dinner, invitations, bar cost

Estimated Total Cost:
$100 per guest

5 Host A Whodunnit Murder-Mystery

Murder, intrigue, suspense... nothing says unique client appreciation like a murder-mystery evening with your wealthy clients. Instead of playing "jovial host," the advisor must work with his clients as a team to solve a whodunnit. Brandon, Man.-based planner Darren Zarn discovered how hosting a "team" event can improve relationships with top clients.

"The team dynamics were tremendous — I went from advisor to teammate working hand in hand on a project... Our relationship with each of the client couples is now on a level that they see me as their trusted advisor... and this [event] increased my credibility in their eyes," explains Zarn.

This event also proves that it's quality not quantity that's important when planning your over-the-top event. Zarn was also rewarded financially from this event despite only inviting five of his top client couples. After two weeks, Zarn already had three new clients as a direct result of this event, as well as a slew of follow-up appointments.

Possible expenses:
Dinner for group, prizes, hall/restaurant rental, tickets for murder-mystery

Estimated Total Cost:
$450

Looking for more unique client appreciation ideas? Be sure to check out Advisor.ca's Client Appreciation archive (www.advisor.ca/advisor/take5/archive/index.epl?zone=client). Have a client appreciation idea you want to share with your peers? Let us know in the Talvest Town Hall online discussion forum (www.advisor.ca/advisor/statics/partner_success/index.epl?redirect=talvest).

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Your Advisor.ca/*Advisor's Edge* Millionaire Archives And Web Resource Cheat Sheet

If you are prospecting and advising wealthy clients, it is essential to be prepared with myriad information and resources. Here are some direct links to some past Advisor.ca and *Advisor's Edge* articles concerning challenges and opportunities associated with the high net worth or millionaire market in Canada, along with some links to useful Web-based resources and tools:

Cultivating HNW Clients All About Vision, Duplication And "Painless" Referrals:

An advisor's ability to attract "premier" or high net worth clients boils down to three factors: a focused target market, a duplicable system and a strategy for generating "painless referrals," according to U.S.-based consultant and author Paul Karasik.
www.advisor.ca/advisor/news/today/index.epl?id=20899

Give Wealthy Canadians What They Want – Advice For The Family:

Financial advisors should always remember that rich Canadians see wealth as a "family affair," says Keith Sjögren, a research leader with Taddingstone Consulting Group. This attitude towards wealth reveals a need for advisors to offer counsel to not only a wealthy individual, but also his or her family.
www.advisor.ca/advisor/news/today/index.epl?id=20936

Canadian Millionaires Send More Business To Fee-Based Counsellors:

Fee-based investment counsellors appear to have grabbed some of the market share of advising Canadian millionaires from full-service brokers and financial planners. A survey of 400 millionaires in 2001 found that the number dealing with fee-based counsellors increased, while planners and full-service brokers lost ground. Most millionaires worked with more than one advisor.
www.advisor.ca/advisor/news/today/index.epl?id=20103

A Wealth Of Information – Stenner's New Book Unveils The Mind Of The HNW:

What do rich people want and need in their wealth management plans? How do the affluent think about money? Those are a couple of the questions Thane Stenner, first vice-president and senior investment advisor with CIBC Wood Gundy, answers in his book about high net worth individuals, *True Wealth: An Expert Guide For High Net Worth Individuals (And Their Advisors)*.
www.advisor.ca/advisor/news/today/index.epl?id=20880

Book Excerpt: *True Wealth* By Thane Stenner:

Wealth isn't simply a number on a quarterly investment statement – it's a state of mind. And while money certainly can't buy happiness, when one accumulates a certain amount, it can change the way one thinks. Anyone hoping to provide advice to a high net worth individual (HNWI – a person with at least $1 million in investable assets) or an ultra high net worth individual (U/HNWI – a person with at least $10 million in investable assets) needs to understand how he or she actually thinks about wealth.
www.advisor.ca/advisor/edge/archives/index.epl?document_id=ADVEDGE090104

Analyzing Canada's Millionaire Market:

Millionaires in Canada have a common complaint about financial advisors. Simply put, advisors tend to focus only on the liquid assets of the wealthy and don't offer enough advice about the non-liquid assets. That's one of the conclusions of a study of Canadian millionaires produced by the Toronto-based research and consulting firm Taddingstone Consulting Group, Inc.

www.advisor.ca/advisor/news/today/index.epl?id=18521

Wealthy Canadians Advice-Dependent – Survey:
The majority of high net worth Canadians are heavily reliant on financial advisors, according to a recent survey. Nearly three-quarters of HNW Canadians questioned by Ipsos-Reid rated professional financial advice as their most important source of investment information and 85% said they had used an advisor in the last year. www.advisor.ca/advisor/news/today/index.epl?id=18983

Higher Ground – The Lowdown On High Net Worth Investors:
Whether it's a look at Canada's growing HNW market, a client template letter dealing with "sudden wealth" or a mini-kit to help you host your own HNW dinner event, it's worth your while to get the lowdown on dealing with the high net worth investor. www.advisor.ca/advisor/practice/guest/guest_column/index.epl?id=17890

On Cloud One Million – Strategies For Attracting & Retaining HNW Clients:
It's every advisor's dream. A wealthy client strolls through your office door, looking to you to tell him what to do with his money. Not only does he bring his investable assets, but he also brings a gaggle of other high net worth friends with him. Can this dream come true? Yes, but only if you build and nurture effective relationships with your clients. Advisor.ca gathered tips from three financial advisors on how to both enhance relationships with clients and build your HNW client base through client appreciation strategies. www.advisor.ca/advisor/take5/wine/index.epl?id=17701

Set Sail:
Want to rub elbows with the high net worth? Think open water. If you've never considered braving the waves and taking up boating or sailing as a recreational activity, consider this: It is the second most popular recreational activity among high net worth Canadians. www.advisor.ca/advisor/edge/archives/index.epl?document_id=ADVEDGE060102

Hedge Fund Distributor Says HNW Clients Charting Own Course:
High net worth clients are more open and knowledgeable than most advisors when it comes to alternative investment products such as hedge funds, says the head of Excalibur Investment Strategies. Denise Castonguay says HNW clients prefer a proactive approach, contacting firms directly about products, and having their advisor complete the transaction. www.advisor.ca/advisor/news/today/index.epl?id=18043

Growth Of HNW Market Will Drive Demand For New Financial Services:
Canada's market of high net worth individuals is predicted to grow by 9% each year to exceed $4 trillion by 2010. One study also concludes that the net worth of many of these Canadians will rise through inheritances. This wealth transfer could prove to be a "turning point" in the client's relationship with their financial advisor. www.advisor.ca/advisor/news/today/index.epl?id=17125

Pulling The Tax Trigger:
The wealth management industry in Canada is booming, and will get much larger yet. I have spent my career advising high net worth diems and have found these clients to be long past maximizing RRSPs and have accumulated significant taxable wealth where saving tax within the investment portfolio matters. Focusing on after-tax investing can be a powerful differentiator in your advisory services as you compete in the new wealth management industry for affluent clients in Canada. www.advisor.ca/advisor/edge/archives/index.epl?document_id=ADVEDGE040107

Your Millionaire Market Web Resource Cheat Sheet

Allenbridge's Advisory Practice: Articles and insights on the effects of wealth and "affluenza." www.affluenza-and-wealth.com

The Affluenza Project:
Information on the symptoms, causes and cures of affluenza. www.affluenza.com

Bill Gates Net Worth Page:
The ultimate ultra high net worth perspective check. www.quuxuum.org/~evan/bgnw.html

Altamira Net Worth Calculator:
Just how high is your client's net worth? Figure it out with this free online calculator. www.altamira.com/altamira/toolkit/net+worth+calculator.htm

Millionaire Calculator:
Have clients who are aspiring millionaires? Find out how long it will take them with this calculator. www.tcalc.com/tvwww.dll?Save?Tmplt=Millionaire.htm&Cstm=ubt

Canadian Business' Rich 100:
The ultimate prospecting list of Canada's 100 wealthiest citizens. www.canadianbusiness.com/rich100/listindex.asp