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ADVISOR/CLIENT PROFILE

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Communication is the foundation of a bright future



IAN WILLMS FOR NATIONAL POST

Bill Vastis, vice-president and portfolio manager for RBC Dominion Securities, says listening to the needs of clients is vital for a long-term advisor-client relationship.

Although it would be tempting to describe the perfect financial advisor-client relationship as a really strong marriage, a more accurate description of the successful bond between the two would be a long and happy courtship.

“The first and most important thing is that the advisor has to know how to listen to the client,” says William Vastis, a vice-president and portfolio manager with RBC Dominion Securities. “If an advisor is listening to the client properly, then they can gain that trust and, given what has happened in the markets over the last few years, trust has become more paramount than anything.”

Simply knowing the extent of a client’s financial holdings and laying them out on a spreadsheet are not enough to create a winning bond between advisor and client. “You really can’t provide wealth management strategies unless you know everything about that client,” says Mr. Vastis, a Toronto-based advisor who specializes in a high-net-worth clientele. “We want to gain access to all of their personal information so we know if there is a need to protect them, to make them more conservative than they are, to readjust their risk tolerance based on what has happened in the last few years.”

Just how much risk a client is willing to take on in the risk-reward continuum, a function of age, the state of their portfolio and recent

experience with the performance of investments, has generally been ratcheted down in recent years, he says. “We have noticed a lot of baby boomers have taken a couple of steps back in their risk tolerance, so that changes their

entire plan and how they view the markets, how they view their personal estate planning matters, and how they even look at their personal side, whether they want to have the same lifestyle as before the last market cycle.”

Mr. Vastis, who has been in the business about 15 years, added that a well-functioning advisor-client relationship goes well beyond the dollars and cents of investing and retirement planning. “We don’t just help clients with

their money, we help them with personal decisions.” He provides the recent example of a client who has recently moved his family to Canada. “He wanted to know where to live, what clubs to be involved in, what schools to put their kids in and doctors to recommend ... We don’t get compensated for it, of course. We just do it because we look out for our clients and want to make sure” clients can focus on their careers.

Mr. Vastis’s constant process of listening and questioning have proved to be the basis of a strong and growing advisor/client relationship with a Mississauga, Ont.-based financial planner. “What I found with Bill is the first thing is he listens. He matches my profile to his recommendations and implementation,” the planner says.

While the process of listening to a client and creating and following the financial strategy that is best for them sounds simple and straightforward, the planner says that happens less often than it should. “I have found over the years that that was not always the case with other advisors who tended to want to make money for their clients or do more trading than dealing with the client,” he says. “Bill is a step above that. He has listened quite well on my front with my family assets.”

What started out as a single, if stellar, advisor-client relationship between the two men of different generations has blossomed into a far larger interaction as the planner began introducing his client base to Mr. Vastis. “I have brought a significant portion of my clients to work with him. He’s very very good at understanding that each client is unique, each client is different and he listens very well.” Today, the two work on approximately 75 client ac-

counts, Mr. Vastis says.

Technically savvy, something that the planner admits he is not, the RBC advisor and investment partner in the case of their shared investor base are quick to communicate with clients. “I have a number of clients who are retired and receive RIFF payments,” the planner says. “Large organizations can miss a payment or have a delay. Yesterday, a retired client missed his RIFF payment and emailed me and Bill, and before I could do anything Bill checked his back room and emailed back to the fellow and it was solved. Because of technology, he is way more on top of things than I have seen with other people.”

The two men meet face to face on a weekly basis, with Mr. Vastis armed with his iPad computer with which he invariably sends out a summary of the meeting to both advisors’ teams at the end of the meeting. The duo also carry out daily conference calls, a schedule that did continue even when the planner was on holidays in Florida.

The RBC advisor has also been able to work within the planner’s own very unique advisor-client base, an ability the older man has found to be a fairly rare trait. “In my business I call my asset management teamwork,” the planner says. “The client is the president and CEO of our team and they are in control and make all the decisions. I am the guy to make sure that their goals and objectives and comfort zone are clearly conveyed to me and the advisor, being Bill. And I make sure that Bill does his job and Bill is the implementer of the strategy and the information flow.”

“Rarely before was I able to get a comfort level if I referred a client to a broker,” he says. “I think it is being able to park your ego.”

the dealer IIROC regulated platform. ■ Integrated and institutional boutiques that engage in capital-intensive trading and financing will continue to build up regulatory capital — with shareholders’ equity, already up one-third to \$18-billion over the past two years — to facilitate client needs and withstand inevitable financial shocks. ■ Firms will continue to focus on cost-cutting initiatives in all areas of their business.

■ Firms will continue to seek out compatible mergers and acquisitions that can achieve economies of scale and diversification into other businesses. ■ Firms will also continue to make efforts to integrate financial planning operations (mutual fund registrants) into

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SETTING A CLEAR DIRECTION IN ROCKY SEAS

The outlook firms will face in the coming year is not difficult to anticipate. Expansion in capital markets activity will grind on at a modest but steady pace, interrupted by exogenous

shocks from economic and financial events that exacerbate volatile capital markets. Industry performance will remain spotty across sectors and firms, reflecting changing market conditions, with resource markets continuing to demonstrate relative strength.

Firms that weather these conditions best will be those able to shape a broad strategic vision to seize business opportunities in continually changing markets and client demand, exploit the benefits of technology to improve service and reduce costs, and establish effective partnerships and make the right acquisitions for business success.

When old models stop working, the way to succeed is to create new ones.

Resource sector will build global presence

EQUITIES

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■ Dealers with a diversified business base will rotate internal resources through their trading, banking and advisory businesses to capitalize on business opportunities as market conditions change.

■ Many dealers (large and small) that engage in research, trading and the underwriting and distribution of equities in the resources sector will continue to build a global presence — expanding their client base outside Canada to sell trading and investment ideas, execute debt and equity transactions, and distribute new

securities offerings. These firms will also finance the expanding global operations of Canadian mining and resource companies.

■ Advising dealers with retail clients who have built record cash balances (given the hesitancy to invest in equities and the low-return government and corporate bonds) will continue to strengthen efforts to deploy client assets profitably in dividend-paying stocks, traditional bonds and structured products. These dealers will deploy good research, effective diversification, pro-active client coverage, and will improve capacity to access and execute across a wide product suite.

■ Integrated full-service dealers and specialized retail franchises, including introducer firms serviced by carrying brokers, will respond to changing demographic trends by shifting investment focus from asset accumulation to asset distribution. These firms will identify new products and services, and build financial and estate planning capacity to meet these portfolio needs.

■ Firms will continue to adapt technologies and systems that create and improve user-friendly tools for client access to online accounts, facilitate access to investment materials for clients and their advisors, and provide effective

back-office securities clearing and settlement, client statements, etc.

■ Small and mid-sized dealers will identify and exploit technologies that can automate compliance processes and systems, such as the surveillance of large-sized transactions, client suitability requirements, and trade execution on multiple trading markets.

■ Firms will continue to seek out compatible mergers and acquisitions that can achieve economies of scale and diversification into other businesses.

■ Firms will also continue to make efforts to integrate financial planning operations (mutual fund registrants) into

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