

by *bobby hickman*

HIGH TOUCH CLIENT SERVICE

Direct, Personal and Often



Most financial advisors acknowledge that strong client relationships are a vital component in building a successful practice. However, many firms still struggle to deliver effective client services.

The 2020 Natixis Global Survey of Financial Professionals found that client relationships – not portfolio performance – are the main reason firms lose clients. The study found 60

percent of clients leave because their advisors did not listen to their needs, while 58 percent said firms did not meet their expectations for effective communication. However, 54 percent of advisors polled by Natixis stated frequent client communications are a critical factor on their firms' success, while 50 percent said it is highly important to know clients personally.

"One of the things that is quite cliché in the industry, and is often taken for granted, is client services and the client relationship," said

Sheraz Iftikhar, AIF, managing partner and co-founder of Arch Global Advisors in New York City. "It has become cliché because everyone claims they are unique. Yet when you dig deeper, you see a lot of similarity between one company's offerings and another's."

However, Iftikhar continued, Arch Global's proactive, high-touch approach provide his clients with a unique and beneficial experience. The company maintains contact with client as frequently as possible, particularly during difficult times. He said his advisors do considerable "hand holding" as needed, and are always available regardless of the time of day or day of the week.

"Clients are confident that we are not only available on the phone or in person, but that we are investing sufficient time managing their investments behind the curtain," he added. "They see us spending sufficient time bringing them new ideas and new solutions. That's the biggest compliment that we get from our clients: they see we are putting in extra effort because of the end results."

One example of how Arch Global provides added value is its proprietary asset management program, Asset Track Program. For many years, the firm was outsourcing investments to some of the largest money managers in the world, Iftikhar said. In 2015, the company realized those managers' performance had become substandard.

"We decided this was a relationship that did not benefit our clients if they consistently missed their targets," he continued. "Plus, at the end of the year, we're the ones facing the client, explaining why our choices of asset managers have not performed."

That year, the company decided to change the process to become more competitive and to provide its clients with the best possible return. Arch Global hired a Chartered Financial Analyst and launched the Asset Track Program in 2016. The initiative had grown to six investment models and several employees by 2020.

"Over the last four-plus years, we have consistently beaten our benchmarks," Iftikhar said. "We were also able to reduce costs for our clients significantly. On average, our



clients only pay one-third what they previously spent on asset management.”

He added, “This was a combination of us taking a proactive approach towards investing by focusing on performance, and reducing costs for our clients. We believe in being proactive. We do not want to be reacting to market volatility or to challenges in the economy. We should be proactive enough to identify those challenges for before they become obvious.”

Iftikhar added that other firms and advisors seem to take for granted how important it is to spend time with clients, or the need to spend time understanding the challenges clients may face in the future. He added the firm takes pride in its process to service existing and potential clients.

Client engagement begins by determining whether prospective customers can benefit from the services, products, and platforms Arch Global provides. If there is a good match, a discovery process follows so the advisor can gather data and information about the clients, as well as provide details about the firm’s services and platform. This allows both parties to mutually decide whether to move forward.

“Once that is done, we will establish a relationship, bring their investments to our firm,

and create an investment strategy,” Iftikhar continued. “That’s based on making sure the client understands what that strategy it is. We don’t finalize the strategy until we get their feedback and there is mutual consent.”

He added another major factor in Arch Global’s success is the firm does not make decisions for the client.

“Our job is to provide advice and to provide options. Our job is not to make the decision,” Iftikhar said. “At Arch Global Advisors, we are driven by experience and a disciplined approach. We build investment solutions that are mindful of our clients’ needs, not our own. We try and bring wellbeing across time and help our clients build a legacy for generations to come.”

After the strategy is finalized, Arch Global implements that strategy. The last phase is actively monitoring and managing these investments throughout the client relationship.

The firm uses numerous different formats to stay in touch with clients and keep them informed. Those include annual reviews, multiple in-person meetings and – particularly in the current environment – virtual meetings. They also regularly share commentary on markets and the economy. During most years (except for 2020), the company typically hosts seven

to nine more casual events, golf outings and customer appreciation events.

“In terms of client services, our number one goal is to make sure that they can benefit from our services as professionals,” he added. “We like to keep our clients informed and educated. We take great pride in educating our clients about the markets and their investments, so we can prevent the loss of generational wealth through financial education.”

Iftikhar added, “Arch Global Advisors’ brand values include generational wealth. It is estimated that 70% of families lose their wealth in the second generation, and 90% lose it in the third.”

Financial literacy is important because educated clients make the process easier and more efficient. Unlike many firms, the majority of Arch Global clients are financially savvy, Iftikhar noted. Their largest demographic is clients ages 50 and up who have invested in the markets for decades, although the number of younger clients has increased over the last few years.

“There are a handful of clients – more now than before – who come in with limited information,” he noted. “Our responsibility is to make sure that we educate these clients as much as we can and as quickly as we can. At the end of the day, if they understand the markets, the volatility, the risk and reward ratio, it makes our work easier.”

Arch Global expects to build its client base in 2021 through an acquisition that will bring total assets under management to more than \$300 million. Iftikhar said his firm is updating its model to expand its service offerings to this new set of clients.

For more information on Arch Global Advisors, visit: archga.com

At Arch Global we put the client first, because your success is our success. As a full-service independent wealth management firm, each one of our associates operates as your personal financial advocate, giving special attention to your long-term financial goals.

