

14 DAY
FREE TRIAL



THE A+LIFE FAMILY PENTAGON

MORE THAN MONEY™

YOUR DIGITAL SOLUTION TO ATTRACT AND RETAIN HNW CLIENTS

"Legacy planning, by nature, involves participants from several generations...**Every family would benefit** from having someone to facilitate multi-generational conversations and find ways to bring the family together."

—Investment News
February 24, 2017



- ◆ Scale your core business
- ◆ Create differentiation from competitors
- ◆ Build valuable multi-generational relationships
- ◆ Grow your number of referral sources
- ◆ Leverage existing, warm relationships
- ◆ Increase residual revenues
- ◆ BD compliance-friendly (if applicable)

"A+LIFE is easy to pick up and is unique in three very valuable ways. First, it's a complete system. It's all right in The MTM Vault. Second, it clearly shows 'how to' grow your business. Finally, it's comfortable to market as you visit with existing business partners and clients."

—Steve Legler

START YOUR FREE 14 DAY TRIAL AT
WWW.ASPIDA360.COM

More Than Money Wealth Management

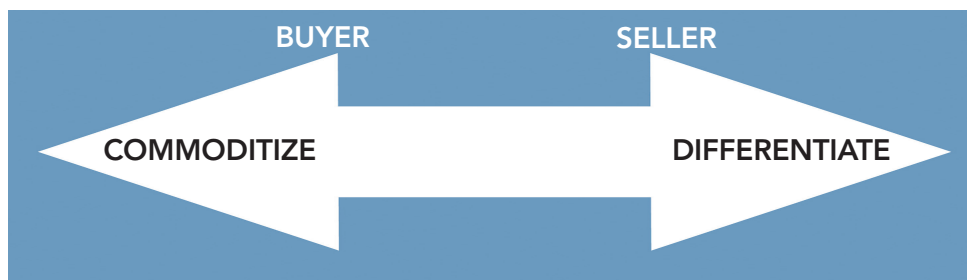
The Tallest Pygmy Syndrome



Commoditization hurts your professional consulting business in multiple ways and, in turn, adversely impacts your clients.

Here is the definition of "commoditize":

"Commoditize refers to a process in which goods or services become relatively indistinguishable from competitors over time."



"Indistinguishable" is not a word business owners want to hear. We all want to add value and stand out from the crowd to gain additional and higher quality clients. As we know, commoditization makes this increasingly difficult. In addition, it occurs over time.

"Often after a period of rapid growth, services become commoditized and

price, not quality, becomes the primary element of differentiation."

— Dan Sullivan, Strategic Coach

There are two important points from this quote. First, competing on price is a losing proposition for professional consultants. If your competitors continue to reduce their fees, the margins in the entire industry will become razor thin. Second point, Dan

Sullivan wrote the above words on February 1, 2004. The pain of commoditization on professional advisory practices has been affecting all of us for quite some time. The time to act was yesterday, if you want to eliminate competition and commoditization.

The effects of commoditization have been profound, but different in the various professional advisory industries. Advancements in technology have also exacerbated the problems of professional consultants. For example, estate planners provide mostly the same documents and planning strategies. Wills, powers of attorney, trusts are largely the same at most firms. Lawyers believe they are different somehow, but most are not. A more detailed fact finder does not differentiate your business. Technology has also had a devastating effect on estate planners. Now, these documents can be provided online at numerous websites for the fraction of the cost an attorney would charge. It's all part of the commoditization process and the pain it inflicts on professional advisors.

Now, accountants are limited by the laws, rules and regulations within the IRC and their respective states. There is only so much one can do within the bounds of all the laws. That's a common theme: the number of laws and regulations on professional advisors has increased two-fold since Dan Sullivan wrote those words. More rules and more regulation also led to increased costs to maintain your business within those bounds. How about the effect of technology on accountants? Ever heard of Turbo Tax? The evolution of technology has and will continue to exacerbate the pain of commoditization on professional consultants.

Family offices and financial advisors offer many of the very same investments and strategies due to the increasing top-down compliance rules from BD's, FINRA, SEC, Dodd Frank, etc.

However, perception is reality. Most clients do not perceive a significant difference

between hiring Wells Fargo or UBS to manage their assets. Truth is, the difference is probably minimal, and it does not matter. The perception of clients is that little differentiation exists between most family office and financial advisory firms.

And even if you are able to distinguish yourself from the others, all you are trying to become is the tallest pygmy! So you're bigger and better than the others, but you're not any different. That's the stale thinking that permeates the financial wealth management industry.

"More Than Money Wealth Management" puts you in a category of your own. You need to "dare to be different". When you truly are a commodity, you are the same as others. What if you all charged \$99 for your services? Hard, if not impossible, to differentiate yourself. So you can lower your price to \$98, but you still blend in with the others.

Even a change to \$102 is not enough to have you stand out from the pack. It's only when you break rank and change color that you truly become unique.

Commoditization hurts our clients as well. We, as an industry, have stopped evolving to their needs. Unfortunately, we are not serving the needs of this HNW marketplace. They have plenty of wealth managers, lawyers, tax specialist, consultants, etc, but a huge hole (and opportunity) exists and assisting with their "More Than Money" assets.

Nearly every family faces daunting challenge to protect all assets of value.

Please consider the following:

91% of all wealth transfer fail by the time assets reach the wealth creators' grandchildren. *For love and Money 2011*

61% rate legacy development as a top financial need. *Mindscape Study, 2008*

77% of families say it is important to leave values and life lessons as inheritance. *Morningstar, 2011*

As a result, families are seeking solutions to fulfill these needs and mitigate significant risks.

Extensive research supports this claim:

a. 77% want to pass on values and life lessons. In this research, *Morningstar* provided a list of assets that could be

\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99

\$99	\$99	\$99	\$99	\$99	\$102
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99

transferred to the next generation and the participants could only pick one. 77% chose values and life lessons. Only 11% chose the money. How are you helping your HNW prospects and clients transfer the assets they find most valuable?

b. 61% rate legacy development as a top planning need. *Mindscape* did this study which illustrates how commoditization has "pigeonholed" professional advisors into a box. And because of all the laws, rules and regulations in our industry, we have become timid about "thinking outside the box" and clients have unmet needs.

c. 91% of wealth transfers fail by the end of the second generation. 70% fail in one generation. And get this, less than 2% of failures are due to faulty legal and accounting work! As the largest wealth transfer in our countries history is about to take place, HNW families need to mitigate this overwhelming risk.

d. 25% of families receive all the advice/ services they want from their advisors. 75% want more and better services! Again, commoditization has all of us in our areas of comfort, but HNW clients are telling us it is not enough. Commoditization hurts our prospects and clients as well. The very best professional consultants that reach a higher level of advising break the cycle of commoditization and address the needs of their target market in a simple, elegant and effective manner.

So break the "Tallest Pygmy Syndrome" and ranks of the Traditional Wealth

\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$98	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99

\$99	\$99	\$99	\$99	\$99	\$102
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99
\$99	\$99	\$99	\$99	\$99	\$99

Managers by moving into "More Than Money" Wealth Management.

In the next issue of "More Than Money Wealth Management is Living in an Inverted U-Shaped World". [📖](#)



Monroe "Roey" Diefendorf, Jr.
CLU, ChFC, CFP®, CIMA, CAP, RFC®

Monroe "Roey" Diefendorf, Jr. CLU, ChFC, CFP®, CIMA, CAP, RFC® active since 1970, Roey is the 4th generation of his family in the business. He has authored over a dozen books, including *"3 Dimensional Wealth: A Radically Sane Perspective On Wealth Management"*. Roey, in conjunction with Shawn Barberis, JD, has introduced "A+ Life Family Pentagon" a technology tool to deliver "more than money" wealth management. This platform is the nuts & bolts that make 3 Dimensional Wealth consulting transformational for clients who wish to become "legacy" families.

Contact: 516.759.3900
roey@3dwealthadvisory.com
www.3dwealthadvisory.com