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How to handle getting fired by a client

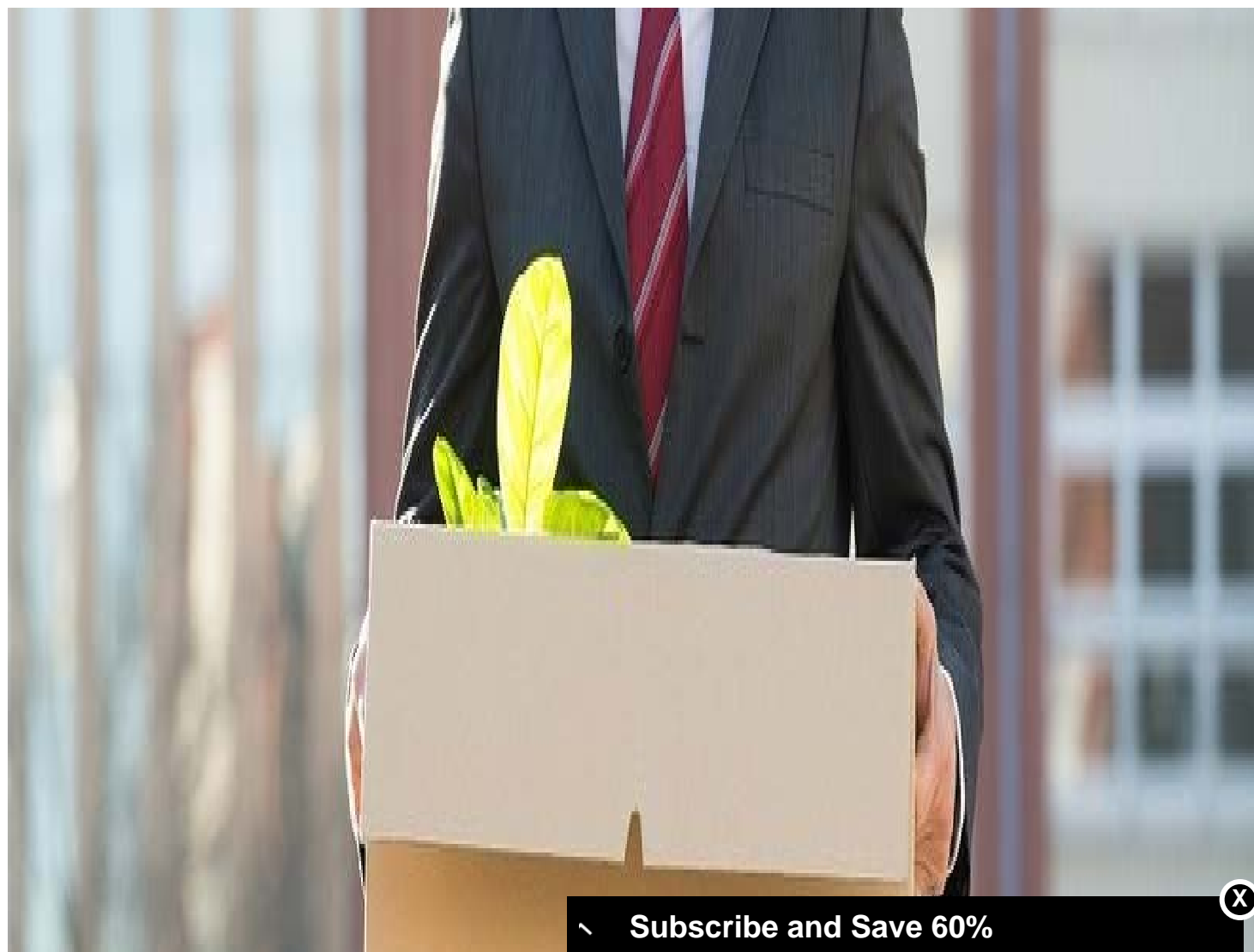
Conduct exit interviews, stay positive and learn something when a client is just not that into you

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By **Jeff Benjamin**

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Unlike fishermen, financial advisers don't typically boast about the one that got away. But when pressed to reflect on the times they've been fired by clients, the stories can be insightful, educational and even entertaining.

"In 28 years, I've had a few clients leave, and I'm skeptical of anyone who says they haven't had clients leave," said Leon LaBrecque, managing partner and chief executive officer at LJPR Financial Advisors.

Mr. LaBrecque recalls being blindsided a few years ago when a client for which he had gone "above and beyond the call of duty," literally used the words "you're fired" when parting ways.

"He seemed quite happy and he took me out for a drink, where he thanked me for all the good service and then said, 'You're fired,'" Mr. LaBrecque said. "I thought he was kidding, but he said, 'No, you're fired, I don't need you anymore.'"



As is often the case in service industries like financial planning, **client relationships can be fragile** and sometimes advisers don't recognize the breakdowns until the client is gone.

"I guess I should have known better since that particular client was an executive in charge of downsizing at a major company," Mr. LaBrecque said. "I got downsized by a downsizer."

April Rudin, founder of the RIA marketing firm Rudin Group, said being fired by a client is a reality of having clients, and that the key is learning how to benefit from the experience.

"Advisers don't usually want to talk about it or think about it because it seems like a bad experience when a client leaves. But you want to learn from it, and you shouldn't fall into the habit of blaming the client," she said.

But in some cases, blaming the client might be the easiest way of coping with what is essentially a relationship gone bad.

"Because of the nature of my business, which includes hourly consultations, I don't get so much fired as people just don't come in as often or at all, which I think in the dating world is called 'ghosting,'" said Kristi Sullivan, owner of Sullivan Financial Planning.

"It may be because they feel they've gotten what they need from me and are ready to be independent, or maybe they didn't like me, but don't want to tell me," she added. "I figure if they don't feel they need me anymore, then they don't."

Like Ms. Sullivan, Tim Holsworth, president of AHP Financial Services, takes the attitude of letting bygones be bygones when a client hits the bricks.

"I don't typically focus on the clients that have left, because I'm almost never given a

reason, and it's almost always a surprise," he said.

Mr. Holsworth said he might lose a couple clients per year, but usually only one of those clients is "somebody I really don't want to leave."

"Sometimes you might be blamed for the market, but most of the time I think clients leave because of a personal matter or some other song and dance," he said. "It's human nature to feel bad when somebody leaves, and I wonder if maybe I should have seen them more often. But I don't really know because I don't have any long discussions with people who are leaving."

But, according to Ms. Rudin, discussions of some kind are among the best ways to benefit from the loss of a client.

"You should always try to do an exit interview, because there are a million lessons that can be learned from being fired," she said. "Some people will be honest and others won't, but you can certainly gather the information."

Ms. Rudin added that a pattern of clients leaving could reflect a larger **practice management issue**, but usually the problem is that the client was a bad fit from the start.

"There's an adviser mentality sometimes that any client, particularly one with lots of money, is a good fit," she said. "But the number one reason clients leave is because the adviser is onboarding the wrong type of client."

Ms. Rudin gives the example of a prospective client who is a business owner nearing retirement.

"That might look like a good client, but you might not have the resources or network to handle that type of account," she said. "The assets can make advisers turn themselves inside out. But the cost of the account might get too high because you end up spending too much time on it, which jeopardizes the relationship with that client, and it hurts the relationships with other clients who are being ignored."

Carolyn McClanahan, founder and director of financial planning at Life Planning Partners, recalls a client leaving due to **opposing political views**.

"As soon as I started saying good things about the Affordable Care Act, this particular client was having an issue with that," she said. "It turns out she is very, very far right, and I'm a moderate."

Ms. McClanahan, who said she typically loses about one client per year, believes the key to keeping clients is frequent communications.

"One of the most important things about being a good adviser is good communication from the beginning," she said. "There will be signs that people aren't happy because they will never ask questions, or they will be hard to get in touch with."

Kashif Ahmed, president of American Private Wealth, also recalls having a client leave him for political reasons.

"They pressed me to share my political views, and I suspect that's why they left, because we didn't share the same political views," he said. "But I also suspect they're not happy where they are now because they keep emailing me with questions about their financial situation."

Mr. Ahmed said he learned not to discuss politics with clients.

Paul Schatz, president of Heritage Capital Management, said there is an endless list of reasons why clients might want to leave, and advisers should be open to the reality that some client relationships just won't work.

"I have lost clients because they didn't value the services we provide, and because we never had a strong relationship and because of a period of weak market performance," he said. "The one thing I never do is get angry or argue with the client who is leaving, because I tell my clients all along that I don't want a client who doesn't want to work with me. And if they don't trust me, don't like me or don't have confidence in me, it's unlikely to change and we should part ways."



What do you think?