



# Berkshire

## DIVIDEND STRATEGY

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Practice Management Insights

### Simple Sentence = Proactive

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There is one great sentence that proves you are proactive, not reactive.

It's not:

- "Everything is fine...."
- "Just stay the course..."
- "Over the long run...."

The client review/service cycle sometimes gets in a rut. Sure, you return phone calls quickly, meet, discuss performance, and go over parts of their financial plan. That's a minimum standard these days.

But in between, sometimes the statements and boiler-plate firm commentary leaves clients feeling a little empty. And the number one complaint seems to be some version of "I like my advisor but he/she just doesn't seem to be proactive or on top of things."

#### **"I've been contemplating a few potential changes to your plan."**

This statement shows you think about the client in between meetings or times when they call you. It shows you are on top of the markets. It shows you have a forward looking approach to their objectives and not just recycling what your firm thinks or reacting to the latest headline. Like it or not, your clients watch far too much financial news. In the midst of all the sensationalized coverage they urge you to "Do something!"

Instead of reacting or playing defense, go on the offensive. For example, you might call a client and say:

"I am monitoring the situation in China and contemplating some potential changes for you. Emerging markets are getting hit indiscriminately and since we have very little exposure in your account there, if that market goes down another 5-10%, I'll think we should add 3% to that asset class."

Or "A few years ago when the world was worried about inflation, we correctly worried deflation was still a bigger issue and we added longer bonds to your account. As rates have come down so much, better opportunities have emerged to help you maintain your life style. So therefore I am contemplating a dividend growth strategy. I'll call you with options when the time is right."

A best practice is to clearly articulate, in advance, the conditions for taking specific portfolio action. So when conditions are met, you call and say "let's put your plan in to action" vs "now is not the time to panic". Clients are much more likely to agree with this approach, putting you in the driver's seat.

Note the purpose of this is not to make changes for changes sake. If no changes are needed, explain why and articulate under what condition changes might be warranted. Clients appreciate a well thought out, intentional decision to do nothing. They do not however appreciate neglectful inaction.

**Berkshire** is a fee-based, SEC registered advisory firm serving the portfolio management needs of high net worth and institutional clients. Over the past 29 years, we have successfully implemented highly focused equity, fixed income and balanced portfolios. Our guiding principle is a belief that success is achieved by combining rigorous, well-crafted investment processes with an exceptional level of client service and attention to detail. Asset Management with a Difference... Diligence, Integrity, and Focus.

#### **Dividend Highlights**

- Dividend growth can often provide transparent insight into a company's fundamentals and vitality.
- Dividend growth can provide an attractive stream of increasing cash flow to satisfy many financial objectives.

This simple statement demonstrates you understand the client, the market and the value you bring to the process.

For more practical business building ideas or information about our Dividend Strategy call or email me.

-Gerry

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