

## **The Perfect RIA, Episode 89: Am I Charging Too Much?!**

*“What could someone possibly do to justify charging a client \$50,000 a year?!”*

### **Action items:**

- 1. Check our Assistants Webinar.** If you didn't have a chance to attend, you should definitely take a look. It was directed at financial advisors but also at their assistants and teams. It was about how your team works and how that synergy needs to come together to have a perfect RIA.
- 2. Compare your firm and your fees to those who have that you want to have.** If you see someone who lowers their fees, check their ADV and if they don't have it, don't even bother to look at them. If they have ADV and they are more successful than you, learn from them. Take advantage of that and see what you can improve to be where they are
- 3. Set a Delivery Massive Value schedule.** Do it minimum twice a year, in spring and fall. Set at least two deliveries of the mass in values that you're going to do. Make a schedule for it so that you are sure it will happen.
- 4. Don't engage with online trolls.** It's not worth it and it's just a waste of time. Create a forcing mechanism so that it doesn't happen. Don't let anybody make you think that you are not worth your price or that you don't provide as much value as you're saying you do.

In this episode our hosts are talking about something that every advisor probably thought of at least once. The fees. Are you charging your clients too much? Maybe your prices should be lower? How about other advisors, are they cheaper than you?

Matthew spent some time on social media, and he found an interesting post on LinkedIn. Someone wrote: “I'm still trying to figure out what any #advisor could possibly be doing to justify charging a client 50,000 a year in advisor fees”. So, Matt and Micah decided to actually take up on that and justify that.

They can both say that their fees are somewhere around that number. Micah has at least one client who pays \$5,000 a month so if you count it, that's \$60,000 a year. Why do people still come to him if he's so expensive? Because it's not about being the cheapest but providing tons of value to your clients. You have advisors who charge you and then don't really help you with what needs to be done. Being a financial advisor doesn't mean taking people's money and leaving them alone without them knowing what's happening with their situation. It means talking to them, explaining things in a way everybody understands, taking them step by step through the whole process of planning and making sure everything is done correctly and in a clear, understandable way.

As Matthew reminds in this episode, a lot of advisors get head trash and say that maybe they should lower their fees, maybe they charge too much. No. If you have clients, if people come to work with you, it means they are okay with the prices, otherwise they wouldn't come. You don't force anybody to pay you, they make their own decisions.

Matt and Micah did a quick math on the situation of the guy who posted the post on the social media and it's not bad, but it could be much better. He is trying to argue that there is no way that you can have that much money as they have, there is no way that you can provide as much value as they do. And yet, here we are, having Matt and Micah helping out their clients and making them happy with their choice.

It's a good example of a situation that happens quite often but definitely shouldn't. People who are less successful than others are trying to find an excuse for why those other advisors have more money. "They must have done something unethical to get there" – that's usually what other people are saying because they just cannot believe that you can earn a lot, actually help people, and have everything you wanted to have.

Don't be afraid to admit that you are good at something. Micah is one of the top financial advisors in the United States, or maybe even in the whole world, and he keeps repeating that. Because he has something to be proud of. He worked hard to get there, and people should know about it. Don't try to convince yourself that you have to do everything alone – hire an assistant or the whole team. You

don't have to be the best at everything, there are things that your team will be better at and that's perfectly fine. Use that, delegate some tasks and focus on what you do best. Provide value to your clients and charge for that because you can, and you should.

It can be compared to such a situation: you go to have a knee operation and there is only one person. He will do everything on his own, he will be the doctor, the nurse and the anaesthesiologist all in one. But he is cheap. Would you still go for the operation or you would look for someone more expensive but more convincing?

Look around and see what other, experienced, and valued financial advisors are doing. You will probably not see them worrying about the fees, they know what they charge for and they don't even think about it. They know their value, so go and do the same.

Matthew admitted that sometimes he gets head trash when he talks to a high net worth client. But he goes through it, he tells them that if they don't like it after a quarter, they can part as friends and there will be no problem. Most of his clients never go away, they stay for their whole lives with Matthew.