



YOUR NICHE IS WAITING

Wealth at Work

Help your best clients build wealth at their workplace.



Your success. Our priority.

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WHAT IS YOUR CORPORATE CLIENT'S MOST VALUABLE ASSET?



Primary residence?



Retirement assets?



Investment portfolio?



Collectibles?



Savings for future generations?



Children's 529 plans?

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THE MOST COMMONLY OVERLOOKED ASSET

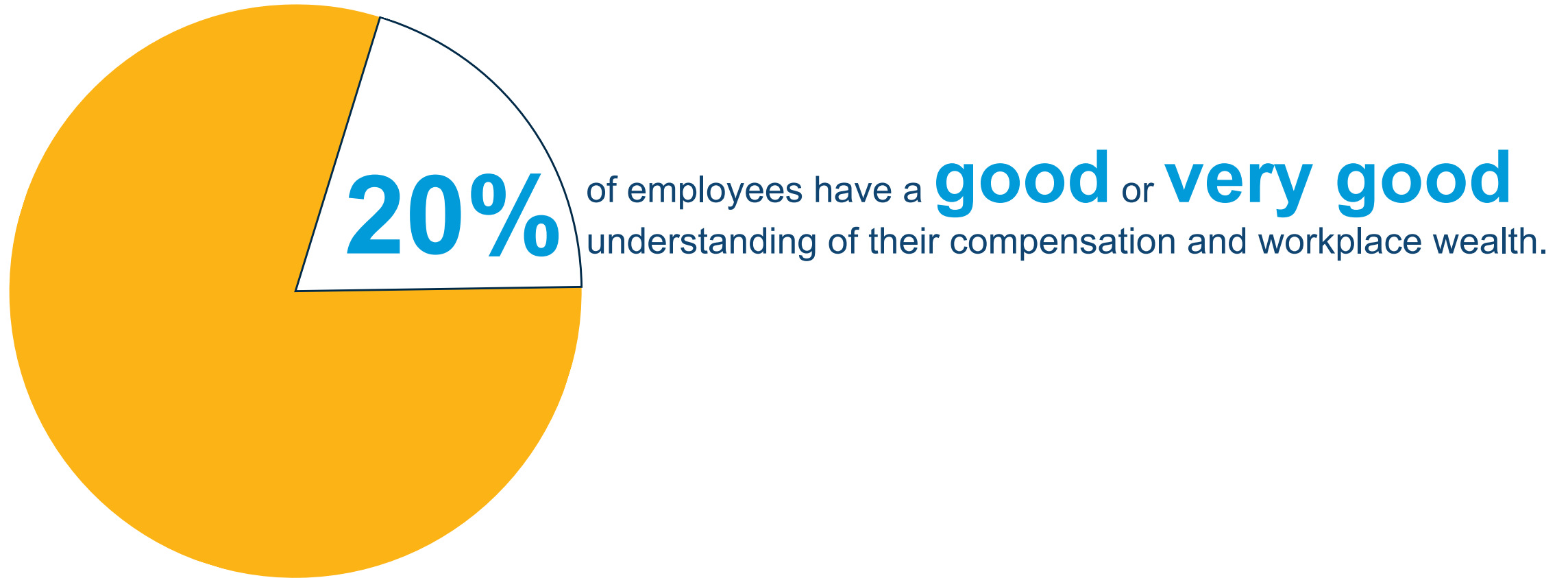


Compensation

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EMPLOYEES NEED HELP



Source: International Foundation of Employee Benefit Plans, Benefit Communication Survey Results as of February 2016.
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Data shows that few employees (20%) understand their compensation plan. Do you think that finding is:

- Pessimistic – it's not that bad
- Accurate – about right
- Optimistic – it's even worse

YOUR COMPETITION: FINANCIAL WELLNESS AT WORK PROGRAMS

- Mid- to large-size companies are putting financial wellness programs in place
- Their goal is to better educate their employees on their workplace compensation and increase their financial planning knowledge
- These services were traditionally focused on the C-suite, but are expanding to include all employees

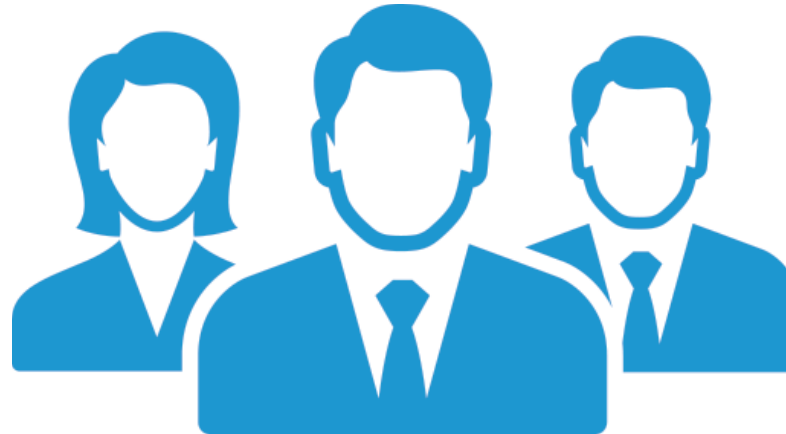
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I'm nervous that someone will ask a question about their compensation I don't understand, and I'll look bad

I don't want to be seen as self-serving

I don't get paid for that. How can I get compensated for discussing compensation?

I don't want a review of their workplace compensation to dilute my discussion around investments



I don't really know enough about compensation plans to be helpful beyond investments

I don't know how to talk about executive compensation in a goals-based financial discussion

My clients don't want to talk about their compensation

I don't know what to do with the compensation information once I have it

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AGENDA

Who's your target client?

How can you win in a crowded market?

What are your next steps?

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Who's your target client?

TARGET CLIENT:

Employees at various levels



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TARGET CLIENT:

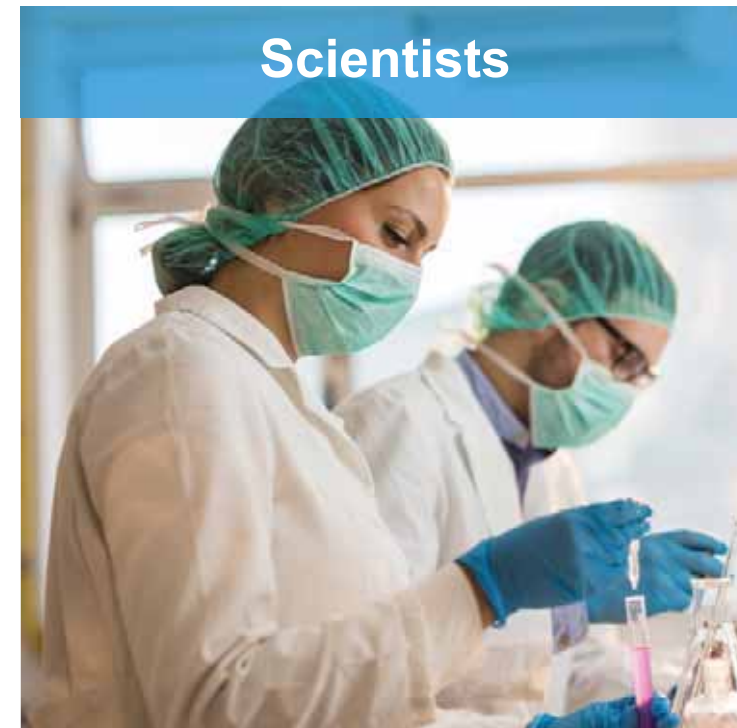
Highly compensated employees

Engineers

Did you know the
manufacturing industry
employs the
most engineers?



Scientists



Source: U.S. Bureau of Labor Statistics, 2018 career outlook

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TARGET CLIENT:

Highly compensated employees

Product developers



Sales and operations professionals

Your target corporate client may not scream “corporate”: Professional, scientific and technical services industries have the highest percentage of telecommuters relative to their share of the workforce.



Source: *The 2017 State of Telecommuting in the U.S. Employee Workforce*, published by FlexJobs and Global Workplace Analytics using U.S. Bureau of Labor data

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TARGET CLIENT:

Highly compensated employees

Accountants, HR and marketing professionals

The heads of these functions often report directly to the CEO, and have many direct reports who are highly skilled and paid. Dissimilar to many other roles, over 70% of HR managers and more than 60% of accountants are female.



Pre-IPO entrepreneurs and staff



Source: U.S. Bureau of Labor Statistics, *Women in the Workforce: A Chartbook*, as of 2017

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TARGET CLIENT:

Executives

Myth

Executives consider themselves too sophisticated for financial advisors and self-direct their investments.

Truth

Only 20% of C-suite executives self-direct their accounts, whereas 31% of other HNW households (including business owners) self-direct their investments.

Source: Spectrem Group, *How to Serve the C-Suite*, 2016.

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OPPORTUNITY:

Case study: pension plan de-risking

13



13 clients worked for a large telecommunications company

Oklahoma City, OK



Benefit plan change:
lump-sum distribution
or annuitized payments

13 → 150



13 clients invited their coworkers,
and over 150 people attended
the advisor-led event

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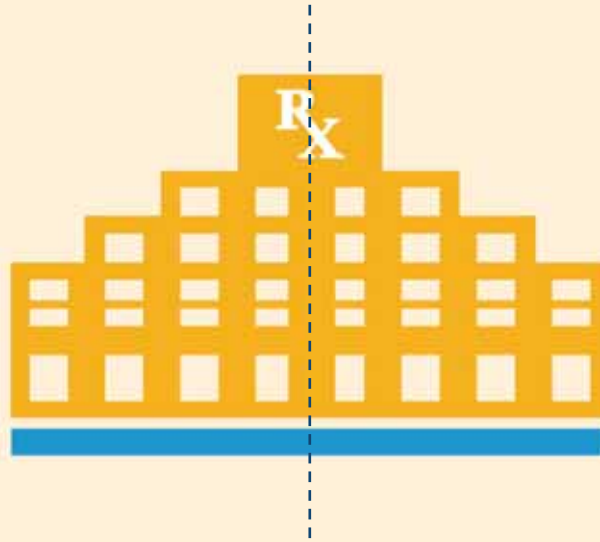
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OPPORTUNITY:

Case study: company restructuring



A financial advisor had a client who was a divisional sales leader at a large pharmaceutical company



The large pharmaceutical company announced plans to divide into two units



The client asked the advisor to attend several regional meetings with his direct reports. The advisor acquired five new clients in a year

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Do you have any clients this year who faced job changes, company merger/ restructure, or pension de-risking?

Yes

No

How can you win in a crowded market?

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HOW CAN YOU WIN IN A CROWDED MARKET?

Beat the competitors

Sit on the
same side of the table
as your client.

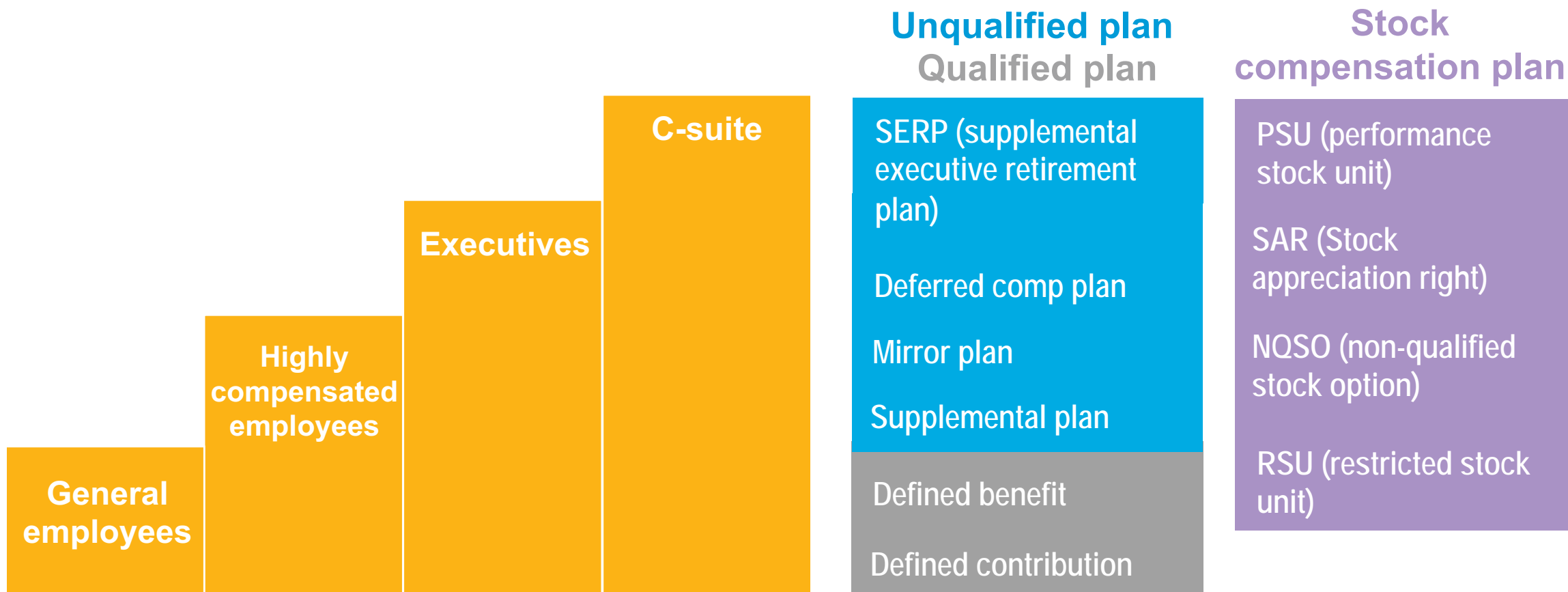


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HOW CAN YOU WIN IN A CROWDED MARKET?

Learn more about workplace wealth benefits



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HOW CAN YOU WIN IN A CROWDED MARKET?

Deferred compensation example: plan taxable income in advance

Client concern

Employees with deferred compensation benefits will experience a taxable event when they receive the benefit distribution.

Strategy

Some deferred compensation plans are flexible and allow you to plan the distributions, and defer distribution to build more wealth.

Advisor opportunity

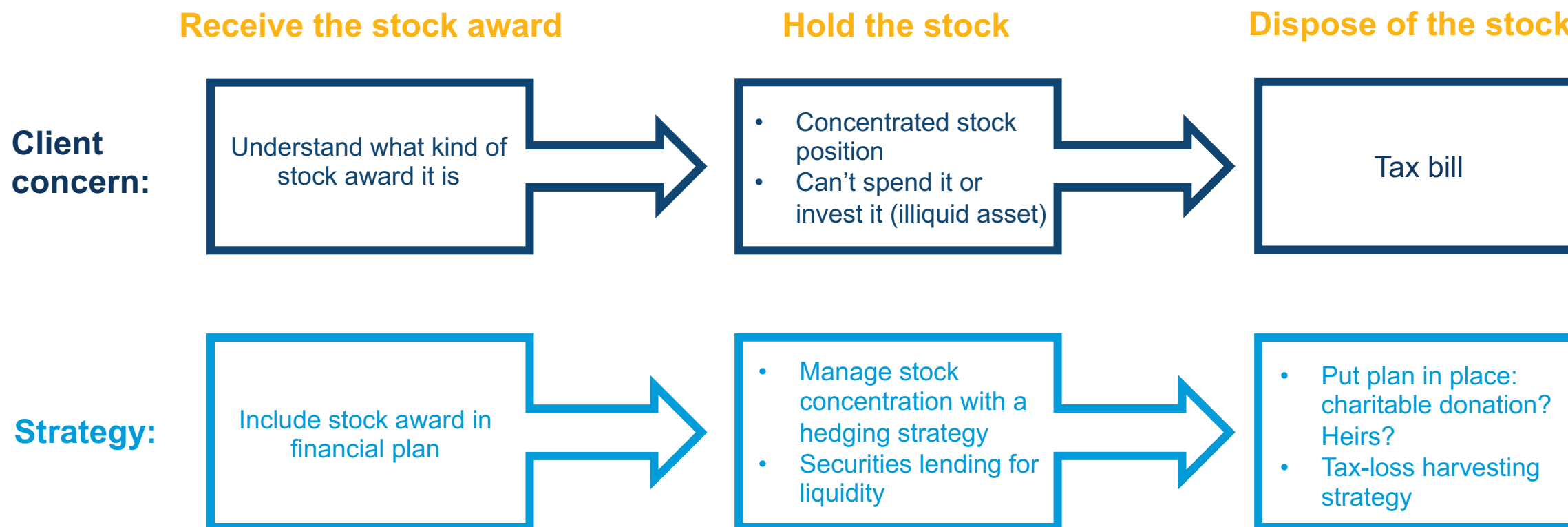
By understanding the flexibility of the retirement plan, you can set up a distribution plan in advance to help mitigate taxes.

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HOW CAN YOU WIN IN A CROWDED MARKET?

Stock compensation example: get ahead of it



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How familiar are you with these workplace wealth benefits?

- Very familiar
- Somewhat familiar
- Unfamiliar

HOW CAN YOU WIN IN A CROWDED MARKET?

Get your clients to talk about compensation

Remember

- The client's story is more important than your story.
- When you encourage the client to tell their story, they'll be able to tell you how you can help them.
- When the client shares their story, they begin to trust you more.

Ask good questions

- Ask open-ended questions.
- Ask story-leading questions.
- The best type of question? A follow-up question.

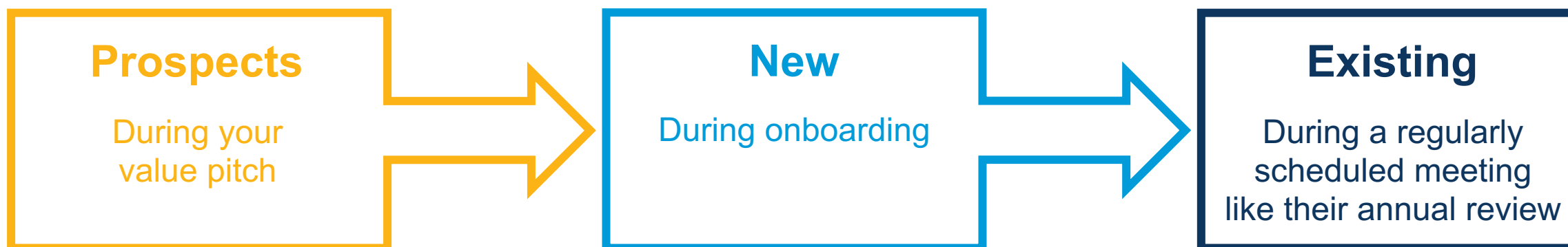
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HOW CAN YOU WIN IN A CROWDED MARKET?

Make it a routine

Know the best time to begin compensation discussions with your clients



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HOW CAN YOU WIN IN A CROWDED MARKET?

Follow a process

Compensation review process

| | |
|---|--|
| 1 | Initiate a conversation on workplace wealth with your clients |
| 2 | Begin to collect information |
| 3 | Help your client get additional information from their HR department |
| 4 | Review the information and send it to Columbia Threadneedle for additional support |
| 5 | Prepare for your client meeting |
| 6 | Present the analysis |
| 7 | Finalize the analysis, document and implement. |

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What are your next steps?

WHAT ARE YOUR NEXT STEPS?

Learn, talk, repeat

Learn

Invite us to do a meeting or webinar to dive deeper into the topic. We'll discuss practical strategies you can use with your clients.

Talk to your clients

Engage your clients by discussing compensation early.

Repeat

Make this part of your regular process with new and existing clients.

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IN SUMMARY

- Employees have a significant asset that is often overlooked and not included in a financial plan: their compensation.
- Many corporate executives and highly compensated employees are being underserved, and they want guidance from a financial advisor. If you don't begin to have these discussions with them, someone else will.
- You need to establish a simple client engagement process that makes sense for both you and your clients.
- To start the conversation, you need to be able to ask the right questions and familiarize yourself with compensation vernacular and concepts.

Questions?

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