

Working Together

A Professionals Guide for Financial Advisors
and Estate Planning Attorneys



Yourefolio

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Financial Advisors and Attorneys guide to working together

In my role as CEO of an estate planning software, I often hear complaints from both professionals about working together. Spoken from experience, when working a case with another professional, there is always a chance for some confusion. Most of the time, from my experience, it has been extremely pleasurable. It really comes down to a common understanding when working with each other to make the experience good for both professionals and outstanding for the client.

In the subject of estate planning, financial advisor referrals can be a great source of business for an attorney. Typically, a client is touched by both professionals during the process. Developing an understanding from both points of view is imperative to a good working relationship. Here are a few tips I have gathered over the years to guide professionals at a good working relationship.

There are more financial advisors than estate planning attorneys

When you look at both professions as a whole, there are simply more individuals and entities that provide some type of financial advice than attorneys who solely practice estate planning. This is probably one of the most important aspects of the relationship to understand. For one, referrals aren't going to match up. Estate planning attorneys will receive referrals from multiple sources. Advisors need to understand that the role of the estate planning attorney is to provide opportunity in the referral, not refer new business to the financial advisor.

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It is important to remember estate planning is more than a document. If financial advisors are just looking for a document, you may need to re-evaluate your approach. Estate planning is essential in any individual's life. It is also essential to build relationships and grow the average cash value of a client. If financial advisors approach working with an estate planning attorney as just getting a document done, it will challenge the working relationship. Developing a common understanding to the approach of a client's estate plan is essential no matter what level of economic means the client has.

Estate planning is typically transactional

Unlike the “assets under management” that financial advisors work under, estate planning is transactional, and compensation ends at a point. Yes, there are ancillary ways to make money beyond documents, but at one point, the client is done paying. Some attorneys offer maintenance or client care programs but many times that overlaps financial advisors’ efforts. Knowing that both professionals are working to get paid, it is important to remember that maximizing the cash value of the client from both ends is also one of the goals of each professional.

We need each other

As financial advisors, estate planning is simply part of the planning process. While we may have a good understanding of estate planning, unless you have a J.D., you may not be the expert. Your clients will pass and in order to keep the assets under management, you will want to be involved in the settlement of the estate. Estate planning attorneys are there to help and can be essential in the settlement process. Likewise, the first point of contact is financial for most people. We all make money first and typically estate planning is at the back of the planning process. Starting that process with estate planning attorneys is essential to attorneys growing their practices. Working together is essential in each other’s success.

Know your role as the financial advisor

Don’t make it about referrals, make it about your client and a solution to his or her plan. This goes for referrals from CPA’s as well. Financial advisors are the quarterback, but not the running back and wide receiver. The prep work toward establishing an effective plan falls on the advisor. It is part of knowing your client. Gathering beneficiary information, understanding distribution, challenges, and other aspect of putting a plan together should be the role of the financial advisor. How to support those aspects legally is where the estate planning comes in. Your clients will expect you to provide a reliable estate planning attorney. Acting on behalf of your client and the referral will go a long way in strengthening the relationship and building credibility with your client.

Know your role as the estate planning attorney

It is important to remember that the referral is both the advisor's and attorney's client. The key is separating the role. Attorneys are there to provide the expertise around how to legally handle all of the wishes of the client. Attorneys also can offer a recommendation to the advisor first before offering it to the client. It is never a good idea to offer a solution to the client directly because it may undermine something that an advisor has recommended. It may also make the advisor look bad. Preparing the client's plan should be done together first before an introduction to the client.

Knowing your role as a team

Most plans fail because of a lack of organization and not being properly funded. Accomplishing this is a team effort. An advisor and attorney should work together to properly fund a plan, insuring the client, title accounts and connect the other needs of the plan for successful implementation and maintenance. In the end, this is about the client, not egos as professionals. A common understanding of what each brings to the table and what it does for the client capitalizes on the team effort.

In the end, all professional relationships are imperative to success. Finding a solid partner can lead to robust careers. Getting the working relationship straight can lead to many referrals, high client engagement and financial stability. Empathy, understanding and communication is key in every relationship including work between advisors and attorneys.

About Yourefolio

Yourefolio is the leader in Estate and Legacy Planning Software for professionals. Designed to be a one-stop software platform for all your planning needs. From engagement to settlement, Yourefolio has all the modules to help you service your clients needs. Yourefolio is the future of Estate and Legacy planning software.