How Data Strengthens Advisor-Client Relationships

Advisors live and breathe data. They constantly track and synthesize numbers—where the S&P landed at the closing bell, the Fed's current balance sheet and how crude oil futures are trending.

For your prospects and clients, though, data may feel intimidating. Financial services is full of industry terms and lines heading up or down. It's often difficult for outsiders to get their footing.

The advisor that makes the world of investing feel accessible and manageable is the one that will win new clients. How can you use data to educate your clients, strengthen trust and, ultimately, build your book of business? Let's explore.

Put Yourself in Their Shoes

When you walk into the office in the morning, you likely head straight to your Morningstar dashboard. Perhaps you let out a contented sigh, ready to enjoy your coffee and dive into the latest numbers.

But imagine you're a client who's never even heard of Morningstar—what would they feel if they sat down at your screen? Likely, the sea of numbers would cause confusion and discomfort.

It can be hard to remember that what is part of our daily routine feels completely alien and overwhelming to many prospects and clients.

As an advisor, step back from your day-to-day and put yourself in your client's shoes. Resist the temptation to send them a monster PDF with every stat you can think of. Instead, be selective. Start by asking yourself these questions:

- What information does my client need to make an informed decision?
- How can I present it to a non-expert in an approachable way?
- What market information is irrelevant to this client?
- How can I tailor my proposal to cater to this specific client's investment knowledge?

These kinds of questions can provide a better sense of how to speak with any given prospect or client. Some folks are informed enough to want the nitty-gritty details. Others may bolt if they see 100 pages of data.

By tapping into your intuition and experience with clients, you can determine the right approach for your audience.

Use Stories To Present the Data

Storytelling undergirds the entire HiddenLevers experience. We partner with a titan of investment data, Morningstar, to fuel our scenarios and stress-testing analysis. But we rely heavily on imagery and narratives to present the outcome of those tests and analyses.

Storytelling helps bring numbers to life on the page. Seeing dozens of charts and percentage points may cause a prospect to glaze over. However, when you transform those graphs and percentages into a story, suddenly, you've got their attention.

Imagine you're trying to explain the current situation with the Federal Reserve to a novice investor. They do not want to hear about rate hikes, basis points, and Paul Volcker. They want to know how the scenario may impact their money.

In our War Room on the Fed's Shock Therapy, we used an image of a pale Uncle Sam, unconscious on an ER table, a doctor hovering over him with the paddles to represent our baseline scenario. In the baseline outcome, a recession is unavoidable, but the Fed's efforts to right the economy will keep the downturn

short and shallow.

You don't need a degree in economics to grasp what that picture of Uncle Sam is saying about the scenario's outcome. As they say, a photo is worth a thousand words (or, in this case, a thousand data points).

Educate Yourself on the Data

Do you have any stories you break out at parties again and again? They're always a crowd-pleaser, and it's because you know the details like the back of your hand. You read the room as you're retelling it, and you adjust the story to hold your audience's attention.

You should take this approach when telling your prospects or clients a story about data.

Begin by devouring as much financial information as you can. HiddenLevers and Morningstar combine to give you access to a tremendous wealth of investment data and a tool to analyze and find unexpected connections.

Just because you're limiting the data your clients see doesn't mean you should bypass it yourself. You are the expert who knows how to read and interpret all the figures. It's your job to do the legwork and present it in a digestible format.

You can go into the client meeting with a sense of your story, but as you discuss things with the individual, you can modulate your narrative—adding greater detail or pulling it back to suit the particular client's needs.

Lean on Technology to Synthesize All the Data

A strong advisor unites client and market data to build a portfolio that's advantageous based on current scenarios.

But even the most brilliant advisor can't possibly visualize how thousands of data points interact. That's where technology comes in.

Morningstar provides an enormous well of information. HiddenLevers uses the figures Morningstar turns up to run scenarios and spot potential upside and downside risks. While an investor may have a gut feeling about how the war in Ukraine may impact a grocery store's stock, HiddenLevers takes hundreds of

levers into account to provide a more nuanced picture of potential effects.

This level of analysis is something we could only have dreamed of 40 years ago. Today, everyone from individual advisors to enterprise-level firms can make the most of data and technology to guide clients toward the strategy that works best for them.

Armed with empathy, a strong narrative, and a well of detailed, up-to-the-minute data, you can win prospects over and remain a trusted advisor for years to come.

Learn how the dynamic fintech combination of HiddenLevers and ORION can help you better serve your clients–today and tomorrow.

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