



**EBOOK**

# Grow Your Book of Business with Affluent Households

| MAXIMIZER CRM LIVE

Published By |



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# Introduction

## Introduction

High Net Worth Individuals (HNWIs) are the holy grail of clients for advisors. With millions in investable assets, even having a few of these in your book is a dream. But the reality is there are only so many go to around. So how do you grow your book of business while still targeting good quality investors?

Sitting somewhere between HNWI's and the rest of the population are the Mass Affluent; a demographic which has been identified as the sweet spot for advisors looking to build on their client base. The only problem is not a lot is known about them and unlike your HNW clients and prospects the Mass Affluent are a little harder to spot. This eBook explores these segments in further detail, how they compare against each other, the characteristics of each demographic and how to reach out to these prospects.

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## **CHAPTER 1**

# Defining High Net Worth Individuals and the Mass Affluent



## Defining HNWIs

We won't dwell too long on this, but it's always worth recapping on the definition of this group to see how they compare to the mass affluent further down the line. HNWIs can be summed up in the following two bullet points:

- They have a total NET worth of more than \$2 million.
- They have \$1-5million in investable assets.

While we're looking at HNWIs there are an estimated 620,000 (source: Capgemini World Wealth Report) in Canada alone with \$1trillion (USD) to be managed.

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## Defining the Mass Affluent

The demographic known as Mass Affluent are defined as having anything from \$100,000 up to \$1 million in investable assets. Aside from this there is actually very little else known about this group. There is a little more information available in the U.S. however, with the Mass Affluent accounting for 33% of households – If we extrapolate these figures and apply them to Canada's 13 million households (StatsCan) we can estimate there are around 4 million Mass Affluent households in Canada, and this number is growing.

**The Mass Affluent has anything from  
\$150,000 to \$1 million in investable assets**

## **CHAPTER 2**

Who are the wealthy Canadians?



## Who are the wealthy Canadians?

- **Accomplished Professionals and Executives**
  - individuals whose affluence has been brought about by career progression.
- **Retired Individuals**
  - This can include former business owners who have sold their share or those cashing in on the real estate boom.
- **Newcomers or first generation Canadians**
  - This group now reflects a third of the population and is the fastest growing affluent group in Canada.
- **Business owners**
  - This is stating the obvious but there is a strong correlation between being a business owner and wealth.
- **Heirs**
  - This is particularly relevant when considering the intergenerational wealth transfer between baby boomers and their millennial children.

“46%

**of wealthy Canadians  
don't have an advisor”**

– Vanguard/Spectrem “New Trends” 2013



## **CHAPTER 3**

# Characteristics of HNWI's and the Mass Affluent

## Mass Affluent Households vs. High Net Worth Individuals – What’s the difference

The differences in investable assets and numbers of each group aside, Mass Affluent are actually a lot more different to HNWI's than you would think. For starters they are much harder to spot than your HNWI clients.

### Five things you need to know about the Mass Affluent

- 1. They're elusive** – they don't flaunt their wealth as they probably don't consider themselves well off.
  - 2. Insecure about their finances** – Retirement is at the top of their worry list, even more so than personal relationships!
  - 3. Conservative investors** – Protecting their current assets is their main priority. It's been estimated that 44% of their money sits in cash.
  - 4. Affluent households think they are smarter than you** – according to a report by the Canadian Securities Institute, the emerging Affluent are better educated investors who often see themselves as more sophisticated than their advisors.
  - 5. They'll choose an advisor based on trust** – which is why referrals are important.
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### Five things you need to know about HNWI's

- 1. Wealth preservation is key** – They are interested in keeping wealth, not creating wealth.
- 2. They have complex financial situations** – Be prepared to handle complicated financial strategies and to work with other advisors. This group probably has more than one.
- 3. Long term planners** – Whereas the Mass Affluent are preoccupied with funding their children's education or planning for retirement HNWI's are planning well into the future, considering what may happen for generations after them.
- 4. HNWI's are very knowledgeable** – They have very high levels of financial literacy with sophisticated knowledge of investments, insurance and financial strategy. You'll need to be on top of your game.
- 5. They are very, very busy** – HNWI's are busy people, so getting the chance to spend time with them face to face can be hard. This also means the sales pipeline can be lengthy.

## **CHAPTER 4**

How do you meet HNW and  
Mass Affluent investors?



## How do you meet HNW and Mass Affluent investors?

- Go where they go: wine tasting clubs, gallery openings, film festivals, charity events, and golf tournaments.
  - Do your research: Build up your prospect database, gather information and research social media (although don't go as far as cyberstalking) – LinkedIn can be a useful tool.
  - Harness the power of referrals: People hang around with people like themselves, that's why it's important to leverage your existing database. Why not try asking your top clients for a referral? Using a robust CRM system will help you to do this.
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## What you can do to land HNWI and Mass Affluent clients?

### **Your approach**

Differentiate yourself and spark curiosity with them. This could mean creating a well-honed elevator pitch that really resonates with them. They will have other advisors vying for their attention, so think about what makes you different. It could be your approach and philosophy but make sure you do this early on. You won't want your approach to be incompatible with the client.

### **Meeting with prospects**

This is where you need to be a really adaptable. Not all clients will want a face to face formal meeting. Chances are if they are an HNWI they probably won't have the time to meet. Remember their time is precious and they'll want to see you can adapt to their needs and not the other way round. Maybe consider phone calls or more informal meetings at client friendly times.

## **CHAPTER 5**

How CRM can help you



## How CRM can help you

A robust and efficient CRM can help you when targeting new clients for your practice. A CRM tailored for financial services, like Maximizer CRM Wealth Manager can help:

- Record all research, intelligence gathering, contacts, making it easier to track even lengthy sales processes.
- Links referrals, so you remember who knows whom.
- Track your pipeline and manage clients.



# MAXIMIZER CRM

## About Maximizer CRM Wealth Manager

### **Maximizer CRM Wealth Manager is helping advisors across North America**

Our CRM solutions come fully loaded with the core Sales, Marketing and Service functionality companies need to optimize sales productivity, accelerate marketing and improve customer service. With flexible on premise, our cloud and your cloud deployment options, tailored-to-fit flexibility, state-of-the art security infrastructure, industry-specific editions and anywhere/ anytime mobile access, Maximizer is the affordable CRM solution of choice.

## About Maximizer

### Maximizer CRM is fueling the growth of businesses around the world.

Our CRM solutions come fully loaded with the core Sales, Marketing and Service functionality companies need to optimize sales productivity, accelerate marketing and improve customer service. With flexible on-premise, our cloud and your cloud deployment options, tailored-to-fit flexibility, state-of-the art security infrastructure, industry-specific editions and anywhere/anytime mobile access, Maximizer is the affordable CRM solution of choice.

From offices in North America, Europe, Middle East, Africa and AsiaPac, and a worldwide network of certified business partners, Maximizer has shipped over one million licenses to more than 120,000 customers worldwide.



#### AMERICAS (HEAD OFFICE)

##### Maximizer Services Inc.

208 W. 1st Avenue,  
Vancouver, BC,  
V5Y 3T2, Canada

Sales +1 800 804 6299

Phone +1 604 601 8000

Email [info@maximizer.com](mailto:info@maximizer.com)

Website [www.maximizer.com](http://www.maximizer.com)

#### EUROPE / MIDDLE EAST / AFRICA

##### Maximizer Software Ltd.

1 The Courtyard  
Eastern Road,  
Bracknell, Berkshire,  
RG12 2XB, United Kingdom

Phone +44 (0) 1344 766 900

Email [enquiries@maximizer.com](mailto:enquiries@maximizer.com)

Website [www.maximizer.com/uk](http://www.maximizer.com/uk)

#### AUSTRALIA / NEW ZEALAND

##### Maximizer Software Solutions Pty. Ltd.

Level 1, Suite 14, 32 Delhi Road  
North Ryde, New South Wales,  
2113 Australia

Phone +61 (0) 2 9957 2011

Email [info.anz@maximizer.com](mailto:info.anz@maximizer.com)

Website [www.maximizer.com/au](http://www.maximizer.com/au)

[WWW.MAXIMIZER.COM](http://WWW.MAXIMIZER.COM)