

The Importance of Collaboration Between Your Professional Advisors

By Frederick M. Misilo, Jr., Esq.

Collaboration between advisors in joint client engagements leverages the knowledge base and technical expertise of each professional advisor. Since this common sense premise is so obvious, why isn't there a higher level of collaboration between attorneys, accountants, wealth managers and insurance professionals in working together to meet client goals and objectives?

In a recent article published in the *Journal of Financial Planning*¹, financial advisors were asked to comment on how attorneys could work with them more effectively on client matters. Improved communication and collaboration were the key themes emerging from the financial planners' comments. According to Jamie Bush of Bush & Company, Boston, Massachusetts, (www.bushandcompany.com), "I often advocate meeting with family business clients and their advisors every year or two to give the whole group a chance to hear how both the business and the family are moving toward their goals and expectations. Major growth and/or setbacks in either one can have a great impact on both tactical and strategic planning ideas and having all of your advisors hear this news at the same time, each from their unique perspectives, can be of great benefit to the advisors themselves as well as the clients. When I raise a question or an idea in these meetings, the accountant, the attorney, the corporate CFO or the client's spouse hear the thoughts and responses from the client or other advisors. There is almost invariably a sense that everyone is on the same page after these meetings. The client becomes comfortable having the advisors speak to each other off line, leaving him/her out of the loop regarding ideas which he doesn't really want to know about until such time as the advisors are in agreement that the timing is right to bring it up. Encouraging your advisors to speak to each other lets them act together in your interest without posturing or feeling as if one or the other of them has to defend the client's interests against a 'sales idea.'"

A tangible benefit of collaboration and improving communication between advisors is a greater understanding of the roles and responsibilities of each adviser when working on joint client matters. It can also ensure that all advisors understand the client's goals and objectives and how each contributes in helping the client succeed. Thomas Bartholomew of Bartholomew & Company, Worcester, Massachusetts, a wealth management firm with over \$1 Billion under asset management (www.bartandco.com) comments, "Professional advisors who value collaboration with other professionals put the client's interests first at all times. It is about

understanding what is in the best interest of the client and working together to understand and achieve the clients' goals and objectives. It's about developing and maintaining a long term relationship with the client. It is definitely not about helping another advisor to convince my client to purchase a particular insurance product or donate to a particular charity if that particular product or charity doesn't fit into the client's plan. Often, some professionals take a short-term "what's in for me?" approach rather than "how can I best serve this client?" Each advisor owes a duty of loyalty to the client above their own economic self-interest. I've found that my success comes from helping my clients become successful. If I focus on that, everything else falls into place."

Collaboration, or the lack of it, may be influenced by underlying attitudes and misperceptions. For instance, in the article mentioned above, the majority of financial advisors believe that attorneys hold a very limited view of their role in joint client engagements and, as a result, fail to recognize the value that they can add. One respondent stated that "most attorneys think financial advisors are simply brokers or investment managers," and others repeatedly commented that they are viewed as "salespeople." On the other hand, the attorneys believe that they are often viewed as too controlling and unwilling to listen to other advisers in a meaningful way on joint client matters.

Besides attitudes and misconceptions which inhibit collaboration between advisors in joint engagements, varying business practices or business interests also can play a role. According to Thomas Bartholomew, "A definite bar to collaboration is when advisors take a competitive approach with other advisors. What better way to discourage collaboration if an advisor tries to replicate your service or sway the client to pick his product over yours?" Varying billing practices also can have a chilling effect on collaboration. "When this goes awry," according to Jamie Bush, "it has occasionally been due to someone, generally an attorney or accountant, who bills the client for every off line conversation about any issue that comes up. This doesn't happen when advisors bill the client on a flat fee basis which includes the expectation or possibility of speaking to other advisors during the planning process. For example, "I'm going to charge you \$5,000 for this estate plan and will be speaking to your insurance agent and wealth manager from time to time until the plan is executed and those conversations will not be billed separately" versus the client getting a bill showing several "conversations with insurance agent" next to a charge for 20 minutes and \$200."

¹"Examining Perceptions of Financial Planners and Attorneys in Joint Engagements", Belik and Violette, *Journal of Financial Planning*, 2013

You should encourage your advisors to collaborate by meeting jointly with them to help clearly define roles and responsibilities at the beginning of a matter. It is also valuable to have a clear understanding as to how each is to be compensated for their involvement at the outset of the engagement. One important role to consider and make clear to all is: who is coordinating the work? As the client, you should pick the advisor who you have the best relationship with and insist that all are working together to advance your best interests.

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