To help, AIG “brings reps together to discuss the transition,” Sierra says, and recently launched a workshop called “Sales to Solutions: A Fee Transition Process.” From now until April 2006, with help from Mark Tibergien of Moss Adams (and an Investment Advisor columnist),

"...but one of them would make war rather than let the nation survive, and the other would accept war rather than let it perish..."

Abraham Lincoln’s second inaugural address
March 4, 1865

right" way. (There are some regulatory boundaries establishing a few “wrong” ways.)

Now why would I, a compliance consultant, be so concerned about this issue? First of all, I am a unique breed, since I consult on both compliance and marketing issues. Wearing my compliance hat, I would argue that full disclosure is important. While compliance and marketing can live in perfect harmony (as do ebony and ivory), the key is to play the notes in the right sequence to make beautiful music. Your Form ADV is your full disclosure document. Schedule F will indicate the details of how you get paid. And yes, disclosure starts before you get to the point of handing out your Form ADV.

But let me put on my marketing hat now, and provide an example from politics that helps illustrate the real issue. Aren’t we all sick and tired of ads from politicians decrying, criticizing, condemning, belittling, and disparaging their opponents? Aren’t we yearning to know what is on the politician’s mind and agenda? We’re all eager to vote for someone we believe in, not just settle for the lesser of the two evils.

What is your unique selling proposition? (No, “selling” is not a dirty word: even fee-only planners have to sell themselves to clients.) What are the features and benefits you bring to the table? (By the way, charging a fee is neither a feature nor a benefit.) Are you a “dream catcher” who helps clients realize their dreams? Are you the best asset manager because of your technical analysis skills? Maybe you are a financial coach putting together the best team of financial professionals because of your people skills. Do you have the ability to go the extra mile for your clients because you practice life planning?

Your virtue, your essence, your strength are the services you provide for your client, not how you are paid for providing those services. Let’s all keep the focus on meeting the client’s needs, not on how we get paid.

Nancy Lininger is founder/consultant of The Consortium, based in Camarillo, California, which provides compliance and marketing services to investment advisors and broker/dealers. The Consortium publishes ComplianceE-News and has other resources to help with disclosure obligations. She can be contacted at 805-987-6115, or at nancy@liftburden.com.