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Wise Is As Wise Does

By Mitch Anthony

*"It is not that I'm so smart. But I stay with the questions much longer."
—Albert Einstein*

In my last column, I introduced the idea that today's advisor, to be successful and remain above the fray, must evolve into a merchant of wisdom. In this article, I will define the competencies advisors should attempt to cultivate as well as the roles they must play to become wisdom merchants. While the curricula are expanding at universities around North America in colleges of financial planning, I have yet to see a course titled, "The Transfer of Wisdom to Clients." Isaac Asimov once said that the saddest aspect of life right now is that science gathers knowledge faster than society gathers wisdom—i.e., our learning curves are not arcing in synchronous patterns.

The same could be said about the so-called "sciences" of financial planning. In all the knowledge gathered around asset allocation, distribution rates, market causes and effect, investor behavior and "black swan" effects, we must ask: Have we accelerated our wisdom learning curve or that of our clients? Wisdom is transferred only when we become intentional about it—when we settle on the idea that the pursuit of financial wisdom in financial decision-making is our chief value to our clients.

In the ROL—Return on Life—centered practice, the transfer of wisdom and the benefit of this transfer to clients is the central value proposition. "I am in the business of helping my clients make wise financial decisions so they can get the best life possible with the money they have," is how to articulate this value proposition. To become a source of wisdom that people will gladly pay to engage,

we will need to address areas where we require further development—1) our understanding of human behavior, 2) communication and relational skills, 3) inquiry aptitude and 4) intuitive response. If you feel as if you already know everything you need to know, you may want to skip over the next few paragraphs, as I will challenge that assumption with a framework for developing oneself into a source of wisdom.

In Figure 1, I use the analogy of the anatomy of fruit (the orange) to describe the makeup of wisdom merchants. The seed represents their core. The fruit represents the meat of what they have to offer, and the skin represents what they articulate to clients on the surface. Before embarking on marketing to the public, wisdom merchants attend to their development to ensure that they are bringing real substance to their clients' situations. The core of that substance is integrity. One can never pay too much attention to integrity issues, as it only takes one slipup to destroy a lifetime of reputation earned.

Those who have integrity at the core don't require definitions of what integrity means. It is limned in every aspect of their business—how they treat clients, associates and the organizations and investments they are aligned with.

This sense of integrity informs the competencies they bring to bear (intelligence, intuition and inspiration) and the roles they play (philosopher, strategist and capitalist). If the question is, "How do I bring more to bear than my competitors?" then the answer is, "By paying attention to my maturation in these various competencies and roles that are present in the merchant of wisdom." Allow me to enlarge upon each aspect:

Competencies

Intelligence: Perpetually addressing the need for furthering your knowledge of investments, markets and capital strategies.

Intuition: Being a student of human behavior, life dilemmas and transitions, communication and relational skills.

Inspiration: Intentionally seeking to move people closer to their goals and best possible outcomes. Challenging people to pay attention and stay on course.

Roles

Philosopher: Asking the questions that need to be asked but aren't being asked, starting with, "What is the money ultimately for?"

Strategist: Individualizing each plan of advice around the unique attributes of a client's life situation and objectives.

Capitalist: Deploying assets in a vigilant manner that achieves returns without exposing clients to unnecessary levels of risk.

It is rather evident that most financial advisors have attended to fiscal intelligence as a competency and to the roles of capitalist and strategist to varying degrees. To morph from a run-of-the-mill advisor into a wisdom merchant will require magnifying the competencies of intuition and inspiration and moving toward the role of fiscal philosopher in interactions with clients.

Recently, an advisor shared with me the remarkable change in his client interactions when he simply started with the question, "Ultimately, what is this money for?" He told me, "The conversations have been rich with meaning, and they are giving me wonderful insights into who my clients are." This is exactly how one plays the role of philosopher with clients—by asking the obvious but rarely attended to inquiry. How is it that we talk about every aspect of money and personal finance yet neglect the central concern of why our clients need the money in the first place? The ultimate end of the money should be the horizon from which we work backward into a specific plan.

Other advisors have told me this type of philosophical inquiry opens up aspects of clients they didn't formerly appreciate—how generous many of them are, how concerned they are about the world around them, the responsibilities they take upon themselves and their need to do something meaningful with their money.

By offering wisdom as a "product," you will stir a scholarly appetite for better understanding human beings—what they really want and need—and learn how to forge deeper connections with them, ultimately becoming an inspiring protagonist in the story of their lives. Ask yourself what you are currently studying to help you become more agile in your understanding of human behavior and in your ability to stir clients toward transcending their own assumptions about life and money.

Wisdom merchants do not sound anything like stereotypical advisors when they describe who they are, what they do, whom they work with or how they get paid. There is a noticeable energy and authenticity present that gives the impression that their work is more of a mission than a job. It is up to you as an individual to

select the language that describes your competencies and the role you will play for clients—in short, your value to them.

The lexicon must expand beyond the banal and ubiquitous phrases: that you “manage assets,” “create a financial plan,” “manage risks” and “monitor investments.” While all these functions are embedded in the job description, they

FIGURE 1



are too common to stir any passion for further inquiry on the listener’s part. As you develop your capacity for understanding people and for prodding them toward more progress, the description of your value will emerge with language that does that service justice. Words such as “wisdom,” “inspiration,” “responsibility,” “benevolence,” “stewardship,” “purpose,” “meaning,” “contentment” and “prudence” will become integrated into those descriptions of you and your business.

In my next column, I will talk about some advisors who offer a very specific path of wisdom to their clients and who harvest the satisfaction of knowing that every day is meaningful and every relationship is rewarded because of the wisdom they have developed.[]

Mitch Anthony is widely regarded in the financial services industry as an expert on building client relationships and has been recognized for his pioneering work in Financial Life Planning. His innovative tools for strengthening client relationships are available through his Advisor Insights™ at mitchanthony.com.