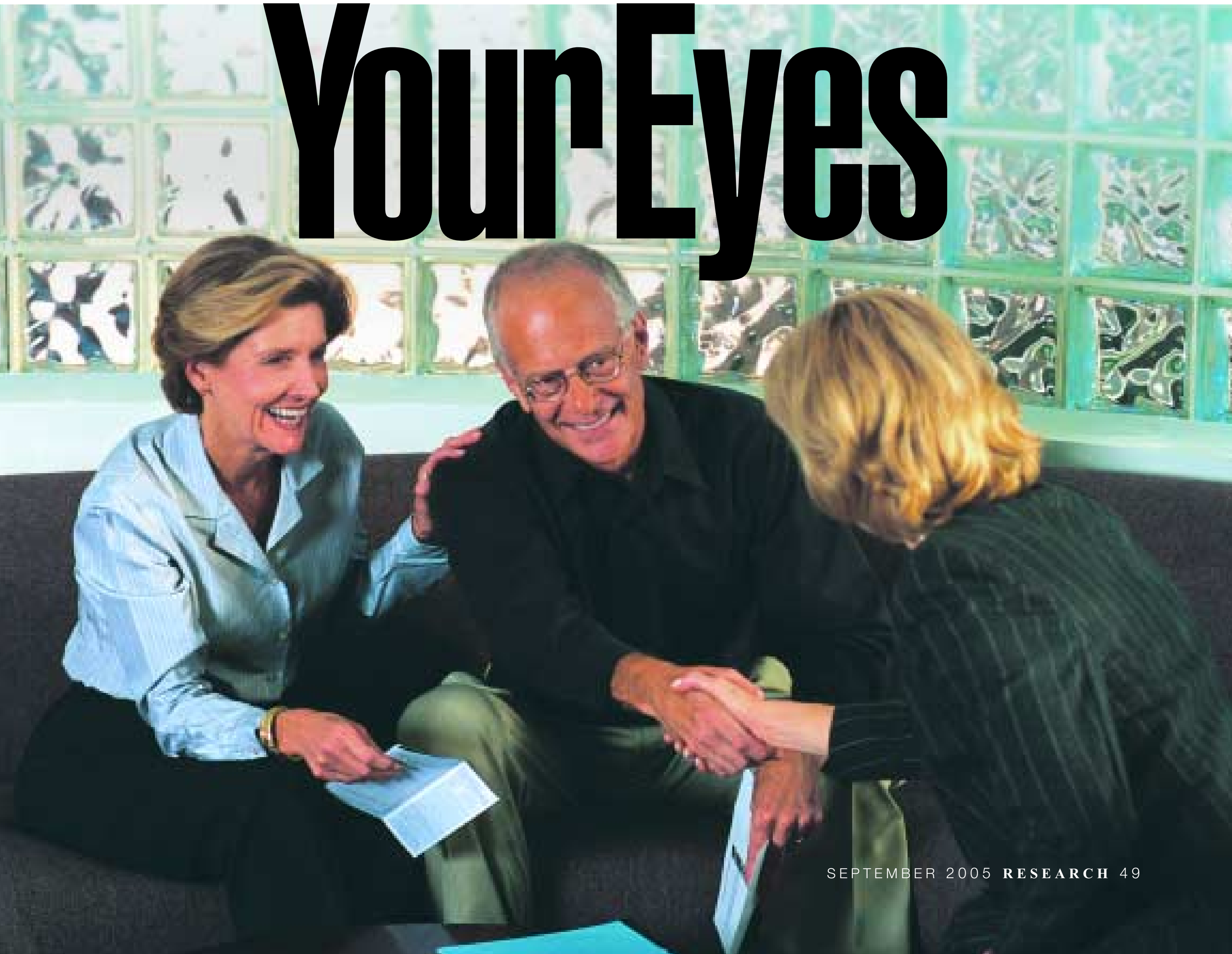
BY MITCH ANTHONY

You connect with clients on the here and now, not on distant goals.

Right Before Your Eyes



"FOCUS ON YOUR CLIENTS' GOALS." "FIND out where they want to be." "Help them achieve their dreams." Such pie in the sky is no place to build the foundation for a lifetime advisory relationship. There is a place for a goals conversation — but it isn't in the formative stage of the relationship. A better place than goals to commence a relationship that will last is in the realm of transitions, changes, passages and concerns on the road of life.

It's a matter of focusing on what *is* happening rather than on what we *want* to happen. It has been said that, "If you want to make God laugh, tell Him your plans." Life is what happens while we are making our plans. Do you want to anchor your client relationships on the events that will happen or on those that might happen? Better think about it because your answer today will determine whether you exist on a foundation of rock or sand 10 years from now.

Connect on the basis of the in-

evitable — not just on wishful thinking. The truth is that a lot of your clients' goals are not going to come to pass. Life is going to get in the way. Parents are going to age and need assistance — and restrict your clients logistically and financially.

There are going to be health challenges. Children are going to grow up, move on, move back and continue to bring challenges into their lives. Companies are going to "change directions," pensions are going to halve, and entire professions are going to become automated. The best-laid investment plans and the markets are not obliged to go along with our goals and hopes.

We would be much better off asking clients what their concerns are or what passages of life they are going through or what changes they see coming than we are spouting the banal and overused, "Tell me about your goals." Have you ever seen that deer-in-the-headlights, constipated response to that question? The truth is, a lot of people don't know what their goals are — they're far too busy dealing with "what is" than to concern themselves with what "might be."

WHAT WAS I THINKING?

One day while rummaging through old files I came across a "goals sheet" that I had been cajoled into filling out in a workshop. I remember the instructor giving dire directives about the axiomatic necessity of: Writing down your goals, and keeping these goals in front of you.

I don't remember the instructor's exact statistics, but the odds were somewhere between the penthouse and the outhouse if you failed to subscribe to these commandments. So, I jotted down all my goals and promptly misplaced the goals sheet — not to be seen again until this moment five years hence. And, upon reading the list, I had to thank goodness and fate that I had lost it so promptly.

In retrospect, my goals fell into two categories: already happened (even without ever looking at them again); and what was I smoking at the time? (How could I ever have convinced myself that I wanted *that* to happen?)

I guess if a goal is really a goal, it will take root organically and grow — and the lack of Tony Robbins chanting won't hold it back from growing into reality. And, if it's not a goal — just a mere whim or capricious desire — then the winds of personal awareness will blow it away to some other garden. Many of our so-called "goals" change as often as the fashion world. I think of this every time I hear a recently relieved late boat owner quip, "The two best days in a boat owner's life is the day you buy it and the day you sell it."

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COME BACK FROM THE FUTURE

I just happen to feel that, for advisors intent on building serious lifetime relationships, conversations about goals and dreams are not the place to start. Goals are too fuzzy, too elusive, and too susceptible to impulse and fad to suffice as the foundational dialogue in a "clients for life" type of relationship. Opt rather to build that foundation on the "here and now" and "coming soon to a life near you" realities, concerns, and transitions of everyday life.

As president of the Financial Life Planning Institute, my organization has researched over a period of years the impact of life transitions and life goals on a client's financial well being. First, some definitions: Goals are what people want to happen; transitions are what *is* happening. You are much better off getting in touch and staying in touch with your clients' transitions first as those are the issues that have the greatest impact on their financial status and health.

FLPI research has uncovered 65 life transitions that take place between the anticipation of the cradle and retrospection of the grave. These transitions fall into four categories: personal/family transitions, career/work transitions, financial/investment transitions, and community/legacy transitions. The institute has also developed a checklist for clients, which is designed to underscore the matters and changes in life they are faced with or are most concerned about. (A partial checklist follows; to view the full list, go to flpinc.com.)

Once a client's chief concerns are identified, the advisor is able to engage him or her in a meaningful conversation on ways to navigate successfully through this change in life. This conversation naturally becomes centered on the "here and now" and the "coming soon" aspects of the client's life — with a built-in urgency to act, because quality of life is now on the line for the client

and his or her loved ones.

Recently the FLPI completed a national survey on the Top 10 life concerns of advisory clients. It is ironic to note that many of these concerns are rarely mentioned in the typical advisor/client conversation or literature. A classic example of this is "concern about an aging parent," which was far and away the top issue — but scarcely surveyed by the typical advisor.

Some other concerns and transitions that made the Top 10 list include:

• Re-evaluating my investment philosophy (people are looking to anchor their plans in sound principles and stable investment philosophy);

• Giving to church/religious organizations; and

• Concern about personal health.

To look at the literature of most firms, you would assume there are only three transitions in life (college, retirement and death), rather than 65. Could it be the industry lacks the education to engage in meaningful conversation about the other aspects of life and/or lacks the imagination to see how their products and services could be utilized to meet the needs of these transitions? I suspect it is a little (or a lot, as the case may be) of both.

A director of training for one of the biggest firms in the financial-services industry made a pithy observation on this dearth of "real life" advice regarding a recent life transition he and his wife passed through recently — the marriage of their daughter. He said, "We just experienced the biggest financial distribution we will probably ever experience, and we were in no way, shape, or form prepared for the impact. Not only did we see our investable assets take a major hit but our plans for the future were profoundly impacted as well. This is a conversation we wish we would have had ahead of time."

FIVE YEARS FROM TODAY

My friend Gary recently called me after experiencing a first-time meeting with a financial advisor from an insurance company. Gary had scheduled the appointment because he had some risk-management issues on his mind. He said that this fellow made the ceremonial chit-chat about family and hobbies indicated by the photos and memorabilia in Gary's office and then casually but abruptly turned the conversation to business with the lead-in, "So… tell me, Gary, where do you see yourself five years from today?"

Gary commented to me regarding this ubiquitous and banal question, "Every emotional cell in my being shut down. I mean, that question is so artificial and so contrived, and I just knew it was right out of the training manual."

Gary politely ended the meeting.

Gary, who is in his early 50s, finished his story with this epilogue: "This guy wants to come in here and talk to me about 'pie in the sky, but I've got some real-life issues right in front of my nose. The first of which is not losing what has taken me over 30 years to build. I'm much more interested in protecting than I am in accumulating at this point."

Client's Top 10 List of Transitions

1. Caring for an aging parent
2. Giving to a religious organization
3. Developing or reviewing an estate plan
4. Addressing personal health issues
5. Reconsidering an investment philosophy
6. Giving to charitable organizations
7. Preparing a child for college
8. Coping with debt
9. Supporting an ill family member
10. Phasing in retirement

Source: Institute for Financial Life Planning, 2005

Why has the financial-services industry tried to operate contrary to years of documented psychological research? Take, for example, Abraham Maslow's hierarchy of needs, which is as fundamentally as sound an idea as you'll find for how to approach clients' issues effectively.

Maslow discovered that people cannot and will not address higher-level emotional needs until the lower-level needs are met first. Survival is the most basic need of all. Once survival is ensured, then people are ready to move on up the pyramid toward meeting their safety needs, then helping those they love, then addressing self-esteem issues, and finally seeking this thing called "self-actualization" which is closely correlated to goals.

Whether through ignorance or hubris, the financial-services industry routinely trains its advisors to fly right past the first four levels in Maslow's hierarchy and to establish a relational premise founded on goals. What is the point of this? As Gary's example illustrates, the advisor, by hop-scotching to the top of the pyramid at goals — and thereby flying right past the important safety issue that was driving Gary's concerns — missed an irretrievable opportunity for establishing a relationship.

The here and now and the near horizon — that's where to focus your primary attention. Focus on real life as it unfolds before your clients' eyes. There is plenty of opportunity right in front of you.

Mitch Anthony is the founder of the Financial Life Planning Institute (www.flpinc.com), which is dedicated to educating advisors and clients on the financial impact of changes in their lives.