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## The Goals Conversation Is Overrated By Mitch Anthony

**Start connecting with clients on “what is” and “what will be”—not just on “what might be.”**

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 of some risk management issues weighing on his mind. He said that this fellow engaged first in the predictable and ceremonial chitchat about family and hobbies and then casually turned the conversation to business with the lead-in, “So, tell me, Gary where do you see yourself five years from today?”

Gary, a seasoned sales professional himself, commented to me regarding this ubiquitous and banal question, “Every emotional cell in my being shut down. That question was so artificial and contrived—I just knew it was right out of the training manual.”

Gary politely ended the meeting.

Gary, who is in his early fifties, finished his story with this epilogue, “This guy wants to come in here and talk to me about pie-in-the-sky, but hey, 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.”

### **Bad Psychology**

Why has the financial services industry tried to operate contrary to years of documented psychological research? For example, take Maslow’s Hierarchy of Needs, as fundamentally sound an idea as you will find for effectively approaching people’s issues. Maslow discovered that people cannot and will not address higher-level emotional needs until the lower level needs are met. Survival is the most basic need of all. Once survival is ensured, then a person is ready to move up the pyramid toward meeting safety needs, helping those they love, addressing self-esteem issues and finally ascending this thing called self-actualization, which is closely correlated to goals.

Whether through ignorance, misguidance or hubris, the financial services industry routinely trains its advisors to fly right past the first four levels in Maslow’s Hierarchy and establish a relational premise on goals! What is the point of this? As the above example with Gary so well illustrates, the advisor, by hopscotching to the top of the pyramid and flying right past the important safety issue that was driving Gary’s concerns, missed an irretrievable opportunity for establishing a relationship.

Most of your clients need a conversation on the first two steps of the pyramid. They are facing important survival questions such as, “Will I outlive my money?” If they have been at a career for 20 years or more, they are pondering safety issues like, “How do I protect the gains I’ve made?” They are also facing issues regarding those they love, such as, “How can I help my parents and my children?”

### **Laughter From The Heavens**

“Focus on your clients’ goals.” “Find out where they want to be.” “Help them achieve their dreams.” Such phrases have become half-mantra, half cliché in the modern advisory world. If you’re smart, you’ll build your client conversations around something other than the proverbial pie-in-the-sky and focus on what really matters in the undeniable here and now.

Fragile, fickle and frivolous whimsical musings and capricious contexts are no place to build the foundation for a lifetime advisory relationship. While there is certainly a place for a goals conversation, I just don’t believe it is in the initial stage of the relationship.

There is also some industry baggage around this “What are your goals and dreams?” conversation, as

it has been routinely used as a launching pad for cheap salesmanship by people masquerading as advisors. A better place than goals to commence a lasting conversation is in the realm of transitions, changes, passages and concerns—the here-and-now episodes your clients are encountering on the road of life.

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

Connect on the basis of the inevitable—not just on wishful thinking. The simple 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, thereby restricting 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 your clients' lives. Companies are going to "change directions," pensions are going to be halved (or disappear altogether in some cases), 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. The only thing that is certain in life is that life will certainly change. And while life is changing direction, it is not necessarily taking its cues from our turn signal or intentions.

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 trite and overused, "Tell me about your goals." Have you ever witnessed the deer-in-the-headlights, conceptually constipated response to that question? The truth is a lot of people really don't know what their goals are. They are too busy dealing with "what is" to concern themselves with what might be.

<b>&gt; Top Ten Life Concerns &lt;</b>		
<small>Below are the results of a recent survey by the Financial Life Planning Institute of more than 3,000 advisory clients.</small>		
Rank	Name of Transition	Last Quarter Rank
1	Concerned about an aging parent	1
2	Develop or review an estate plan	3
3	Give to church/religious organizations or causes	2
4	Concerned about personal health	4
5	Reconsidering investment philosophy	5
6	Give to other charitable organizations	6
7	Concerned about debt	8
8	Child preparing for college	7
9	Concerned about the health of a family member	9
10	Phasing into retirement	10

### 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 being given dire directives at the time about the axiomatic necessity of: 1. Writing down my goals; and 2. Keeping those goals in front of me. While I don't remember the exact statistics the instructor gave, the odds were somewhere between the penthouse and the outhouse if we failed to subscribe to these commandments.

So, I wrote all my goals down—and promptly misplaced the goal sheet—not to surface again until, serendipitously, this moment five years hence. And, upon reading it, I had to thank goodness and fate that I had lost it in such prompt fashion.

In retrospect, my goals fell into two neat categories:

1. Already happened; and
2. What was I smoking at the time?

I began to reflect on what a goal really is. If a goal truly is a goal, will it not take root organically and grow? Will the lack of a Tony Robbins chant really hold back my goal from growing into reality if it is indeed organically rooted within my being? And, if it's not a goal—and is rather a 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 newly minted former boat owner quip, "The two best days in a boat owner's life are the day you buy it and the day you sell it."

### Come Back From The Future

I feel that a conversation about goals and dreams is not the starting point for advisors who are intent on building serious lifetime relationships. These goal/dream conversations are too fuzzy, too elusive and too susceptible to impulse and fad to suffice as the foundational dialogue in a "clients for life" 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.

For the past few years at the Financial Life Planning Institute (FLPI), we have been researching the impact of life transitions and life goals on a client’s financial well-being. In our research we differentiated transitions and goals this way: Goals are what people want to happen, and transitions are what is happening. The bottom line, we have discovered, is that financial professionals are much better off getting and staying in touch with their clients’ transitions first—as those are the issues that have the greatest impact on a client’s financial status and well-being at the moment.

FLPI research has uncovered 65 life transitions that we can expect to take place between the anticipation of the cradle and the retrospection of the grave. As individuals we do not pass through all of these transitions because of our unique family and career circumstances, but we all will pass through a multitude of transitions in our lifetimes.

These life transitions fall into four categories: personal/family, ca-reer/work, financial/investment and community/legacy. We have developed a checklist (Life Transitions Profile) for financial professionals to administer periodically to clients so they can indicate the changes in life they are faced with and are most concerned about. The full list is at flpinc.com.

Recently the FLPI completed a national survey on the “Top Ten Life Concerns” of more than 3,000 advisory clients. It is ironic to note that many of these top ten concerns are rarely mentioned in the typical advisor-client conversation or industry literature. A classic example of this is the number one concern, “Concern about an aging parent,” which was far and away the top concern but is scarcely surveyed by the typical advisor. Others that made the top ten list include “Reevaluating my investment philosophy (people are looking to anchor their plans in sound principles and stable investment philosophy) and “Phasing into retirement” (something other than old-world, cold-turkey retirement).

To look at the literature from most firms, you would assume only three transitions or concerns occur in life (college, retirement and death) rather than 65. Could it be that 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 a prominent firm in the financial services industry made a pithy observation on the dearth of “real life” advice regarding a life transition he and his wife passed through recently—their daughter getting married. 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 also our plans for the future were profoundly impacted as well. This is a conversation we wish we would have had ahead of time.”

The most prudent place to focus your primary attention is on the here and now and the near horizon—real life as it unfolds before your clients’ eyes. And, with this focus, you will continue to have opportunities because life never stops changing. Every time life shifts there may be a need to respond financially to it.

“Take no thought for tomorrow. Sufficient for today is the evil thereof.” These famous words from the Sermon on the Mount make for good guideposts for an effective inaugural and periodic touchpoint client dialogue. There is a time and place for a goals conversation. But that time is after all of today’s concerns have surfaced and have been addressed.

Dig deep into the here and now and you’ll find no trouble making connections for the sweet bye and bye.

*Mitch Anthony is founder of FLPI, which educates, trains and develops tools for financial advisors.*

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