

FINANCIAL ADVISOR

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The New Frontier By Mitch Anthony

Getting to the right side of the advisory business.

"Future products will have to appeal to our hearts, not to our heads. Now is the time to add emotional value to products and services." Rolf Jensen, The Dream Society

Joe, a senior executive in the financial services industry with more than 30 years' experience, told me that he recently had a very sophisticated financial plan developed. When the time came for the planner to present the plan, Joe told me that the thing was as thick as a mid-size city phone book—and made absolutely no sense to him. It was just a confusing and confounding pile of paper.

Joe left wondering what in the world this had to do with what he wants out of his life and money. He told me, "This guy was great with processes—he just didn't have a clue about me. If I've been in this industry for 33 years and can't comprehend this plan, what in the world is it like for the average Joe?"

Is there anything truly unique or compelling in telling clients today that we are good at fund selection, asset allocation, probability analysis, financial planning or any other technical function that has become ubiquitous in the financial landscape? Are we in danger of depleting the technical and tactical "well"—thereby leaving us extremely vulnerable to the forces of commoditization? Commoditization is that daunting and obdurate force that is attended by the two-hooded horseman of the advisory apocalypse—expanded competition and shrinking margins.

The prominent lesson I'm learning regarding today's advisory/planning marketplace is that most of the existing value propositions are based in the left side of the brain. Multiplying and dividing, analyzing and allocating, selecting and projecting are all left-brain functions and processes that, while being valuable, are easily duplicated and consequently commoditized. These functions are remnants of a scientific age and ideology, which in my opinion, are now on life support.

How much more value is left in measuring, calculating, projecting and scrutinizing when everyone purports to do it and we all have standardized tools to do it with? The present age calls for us to trade in our microscopes for an MRI machine that will help us to see into the inside of the matter—that which cannot be observed (or measured) on the surface.

An example is the CFP incultation intimating that the heightened ability to manage, manipulate and project numbers—as well as produce sophisticated financial plans (i.e. perform the mechanics of financial planning)—will sustain their business. Someone could be the greatest tactician in the world and yet be completely clueless as to how to connect with a prospect or client.

The new frontier in financial services is on the inside of the matter. The interior concerns, hopes, stories, lessons, experiences, regrets and dictates attached to people's money is the true driving force for where they will park that money, and to whom they will hand their keys.

The new frontier for building your business is in mastering those functions that cannot become a commodity—and those functions and competencies are based in the right side of the brain. These are the intuitive functions: establishing context for the work you will do; discovering the basis for your clients' hopes and fears; and conceptualizing, strategizing, sensing and connecting with the key emotional drivers. Astute students of financial advice and planning acknowledge that this business boils down to helping clients formulate and actualize their dreams—it's about using money to make the uttermost of their innermost.

The great upside exists in learning how to master the intuitive skill sets. The following chart contrasts the left-side/right-side functions. You may have already observed that every function listed on the left side is up against both expanding competition and contracting margins and fees.

"Take a look at your conventional overstuffed garage. Paradoxically, affluence has not led to fulfillment. Of course, the search for meaning takes place in the right brain." - Daniel H. Pink, *Wired*

The fact is that the left brain seeks to analyze and the right brain attempts to synthesize. While the left brain attempts to gather and organize content, the right brain seeks to discover the living context for all this information. While the left side digs for details and facts, the right side seeks out the "emotional information" by gathering stories and formulating the big picture.

The left side strives to get itself around the means (the raw material substance—what it is and how it will be used) while the right side endeavors to wrap itself around what it all means (the meaning and purpose of all this "stuff").

Curiosity is present in both sides of the brain. While the left side is concerned about that which can be quantified and measured, the right side is concerned about the qualitative—the emotional story (reading between the lines) that is better weighed than measured. The end product that benefits the client is the utilization of full-brain advice, which I believe is a superior form of strategic insight. But strategic insight that hits the bull's-eye with a client's deepest wishes and goals is hardly possible without an understanding of who a client is, which requires moving way beyond what a client has to where he or she has it stored.

Who your clients are—why they want what they want, who they will trust, and the emotions attached to the assets they have gathered and how they are to be distributed—belong to the right side of this business. This new frontier involves the inside of the client and the potential on the inside of the advisor, which we have hardly begun to recognize or explore. That will all change in the years ahead.

Not Like Politics

Recently a successful advisor came to me after a speech I delivered on the intuitive side of this business and remarked that all the things I was talking about—reading between the lines, getting the client's story, figuring out the meaning of money for each client and understanding the emotions associated to money—have always come very naturally to him. He just struggled with doing all that versus all the technical and tactical processes (which he could also do quite well) that his company advertises as their chief value.

I told him that he didn't have a problem—he had a gift. He just needed to purge the word "versus" from his description, because this is not an either/or proposition, right brain versus left brain, intuitive versus rational. These functions are designed as the perfect complement (unlike politics, where the left and right are at odds with one another). The left and right sides of the brain are the ultimate allies seeking to blend the emotional and factual into one pure solution.

Part of the problem is that in the educational process, both academically and in corporate training, we were taught to place a premium on left-brain skills. IQ is measured this way. Scholarships and promotions were given on this basis.

Things are beginning to change. We're fast approaching the law of diminishing returns on numbers crunching, analysis and micro-management functions at the retail level. Today's market is calling for more. Clients are seeking insight, experience, interpretation and, ultimately, wisdom.

How do we begin to prepare for such a marketplace? These functions are not accomplished in the left-side computer or the man-made machines that mimic these processes. Instead, they are formed in the blender that mixes, chops, and purees all the elements at play—and shows us what we actually have.

It will also become important to understand the organic order in which these functions need to operate. The big picture (the contextual work of the right brain) needs to precede the small picture (detail work of the left). We need to weigh a client's emotional comfort level with our recommendations before we implement those ideas. We need to figure out the objectives for the money before we decide where to direct the money.

I continually see advisors who do possess the (right) stuff diminishing their value proposition to reflect commoditized services based on computation instead of skills founded on intuition and experience. I think that this is because, even though they possess the intuitive functions, they do not know how to sell the "right stuff."

Once they learn how to sell the stuff and services of right-brain origin, no one can compete with them or turn their value proposition of insight into a commodity. The reason being because the right-side value proposition is about how well I know you, how tuned in to your situation I am, how much I care about you reaching your potential and making your life count, and how well I pay attention on an ongoing basis. What price will the consumer pay for this value proposition? There is abundantly more economic upside in the right-side proposition than there is in the expanding competition/shrinking margin left-side proposition.

There is only one way out of the hell of comparative numbers driving your life and business—begin to plant your value proposition squarely in the right side of your client's brain.

Rather than deal only with things measured, I would much rather deal with those numbers in the context of matters that are weighed. Percentages, returns, rates, analyses and probabilities are a dime a dozen in today's marketplace. They are too easy to calculate and all one needs is a calculator.

But the other matters—those that are weighed, by conscience, intuition, spirit and imagination—are

implied, inferred, read between the lines and spiritually discerned. The very words excite every cell of being and intelligence, to say nothing of the financial planning process, which they bring to life—literally. Measuring is what we do with the life of matter, but weighing is reserved for matters of life. It's time to start moving this industry in the right direction.

Getting It Right	
Building the Bridge from Left-Side Rationale to Right-Side Intuition	
Rationale	Intuition
Analysis	Synthesis
Content	Context
Detail	Big picture
Facts	Stories
Information	Emotions
Investigating	Sensing
Means	Meaning
Quantitative	Qualitative
Reading the lines	Reading between the lines
Story of numbers	Number of stories
Technical insight	Strategic insight
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Mitch Anthony is the author of Your Clients For Life, The New Retirementality, and Your Client's Story, and is a regular keynote speaker at industry events.

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