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$even FIGURE FIRM

How *to* Build *a* Financial Services Business *that* Grows Itself

CHAPTER 6

PSYCHOLOGY AND PERSONAL DISCIPLINE

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PSYCHOLOGY AND PERSONAL DISCIPLINE

If I could change one thing about the training program I went through at my first broker/dealer, I'd make sure there were classes on the psychology of sales. In fact, there were many times I wish I'd gotten my degree in psychology instead of business, because so much of what we do involves psychology.

Consider this: The quintessential task of a financial advisor is to identify a path for the client to follow. We create a plan. It usually involves purchasing investment or insurance products. Sometimes it involves working with other advisors like CPAs or attorneys. We all know the plan isn't worth the paper it is written on if the client doesn't take action. We also know clients don't always take action or agree with our plan. Why? We think we created a perfectly good plan that will lead to the exact outcome the client has articulated. Why doesn't the client just go along with it? That is the $64,000 question.

In my career, I have more than once literally scratched my head and asked myself, "What happened? How did I get this so wrong?" I have learned over time that there are a number of key concepts to understand:

1. Prospects often have preconceived ideas of who you are and what you do. In order to differentiate yourself from your competitors, you have to quickly change any preconceived notions; otherwise you look just like the last advisor with whom they met.
2. Clients may not be able to articulate what they truly want from you.
3. Clients don't necessarily want your best answer immediately; they tend to appreciate it when you walk them through the process so they can arrive at the same conclusion you have.
4. Women approach financial services with different expectations and needs than men do. Therefore, you have to approach women differently.
5. If you want to win over both members of a couple, you have to show how a plan meets both of their needs.
6. Don't ignore or patronize the female partner in a couple.
7. If you are a female advisor who works with male clients, be careful not to intimidate the man's partner.
8. Don't use language that's too advanced for your prospects or clients.

THE PRECONCEIVED NOTIONS OF PROSPECTS

The first thing I always teach advisors when I am coaching them is this: When a new prospective client walks in the door, he or she likely has a preconceived notion about who you are and what you do, largely based on the last person they met who called themselves a "Financial Advisor." For some prospects, their only experience has been with a stockbroker, so they think you'll be just like the last stockbroker they met. Some have only dealt with life insurance agents, so they assume that you're going to be just like the last life insurance agent they met. Unfortunately, this is likely true for everyone in our industry. People often have preconceived notions, not only about who we are but how we think and what we'll likely recommend for them. The first thing you have to change, as quickly as possible, is that perception.

Also keep in mind, most people maintain the perception that someone who holds a juris doctorate (an attorney) is extremely smart and therefore held in the highest regard. After the attorney, someone who holds the title of CPA (certified public accountant), is often considered the second most credible advisor. I always joke that the next person in the credibility pecking order is probably the Mercedes dealer, followed by us, their financial advisor.

As I mentioned in my introduction, some of this perception arises from the actual barriers to entry in each of those professions. The attorney, whom clients or prospects hold in highest regard, has gone through college and law school and has passed the bar exam. The CPA has gone through college, perhaps gotten a master's degree and sat for the CPA exam. The Mercedes dealer? We don't know how much schooling he's had. The financial advisor, other than taking the Series 7 test and maybe the Series 63 or 65, hasn't had to clear the same hurdles as the attorney or the CPA, so it stands to reason why prospects might regard us as "less than" their other professional advisors. The first thing we have to do is prove to prospective clients in a short period of time why we deserve to be given the same credence as their most trusted advisor(s).

CLIENT PSYCHOLOGY 101: UNDERSTANDING WHAT YOUR PROSPECTIVE CLIENT TRULY WANTS

What does your prospective client REALLY want? That can be a very tough question. Sometimes what they tell you they want is not what they really want. Sometimes they don't know what they really want. Other times, what they want isn't available in the real world. Have you ever had someone tell you they were VERY risk averse, but they also wanted to beat the S&P 500? I've had people say they wanted to beat the S&P 500 but to make sure their principal was guaranteed and completely liquid.

In my firm, I work mostly with retirees, people who are age fifty-five and older, who have worked for thirty-five to forty years. I have had to learn to read between the lines and interpret what they really want. I have learned that, for the most part, my clients want to be able to do what they want, when they want, with whom they want, and not worry about their money. The degree to which I can help them not worry about their money is the degree to which they will either hire me (if they are a prospect) or keep me (if they are a client.)

On the other hand, your target market might be accumulators who are willing to take a little more risk. They want accelerated rates of return. They have an entirely different mind-set, so if you start talking to the accumulators about something as boring as bonds that don't represent accelerated growth, you'll lose them.

I'm firmly convinced that if you want to be successful in our business you really have to understand the mind-set of the person sitting in front of you. At the end of the day, your job is to get the client to say "yes" to your recommendations. Presumably your recommendations are the precise prescription to get the clients to the place they told you they wanted to go. To get there, they need to take action. It is your job to help move them along that path. As such, they NEED you to read between the lines of what they are saying and what they are not saying. They NEED you to figure out what makes them tick. They NEED you to figure out what they are afraid of, because they are likely not going to tell you. The extent to which you can understand their psyche is the extent to which they will say "yes" and you will become their trusted advisor.

A COUNTERINTUITIVE WAY TO GAIN CLIENTS' TRUST

I had been in business for over twenty years, yet I missed something that eventually came back to haunt me. From about 1995 until 2008, I was fortunate to work with a group of executives from one Fortune 500 company who were all connected to one another and also very good referrers. The phone would ring and the new prospect would say, "My friend Joe says I should work with you." The strength of those warm referrals cannot be overstated. With a strong referral, generally the new client believes your advice to them will be similar to the advice you gave to their friend. Often, when you get a warm referral, there is very little pushback when it comes to product implementation.

Unfortunately, these clients were in Atlanta and I lived in Dallas. After thirteen years of commuting between the two cities, I made a decision in 2008 to stop traveling as much and to build a network of new clients in the Dallas area. These were all brand new prospects, and I did not have the benefit of trust that comes with a warm referral. But I didn't realize that at first. I used the identical process for these new clients and expected to get the same results. Because my advice was sound and ideally suited to these new clients, I was befuddled as to why they gave me so much pushback when it came to implementing the investment products.

I knew something was wrong, but I couldn't put my finger on it. I finally decided to ask one of these new clients, a woman who had also become a good friend to me. My client (I'll call her Susan) had been in both the commercial and residential real estate business for her entire thirty-year career. She had gone through our financial planning process, and when I asked her why she and other new clients hesitated to implement my firm's recommendations, she was able to immediately articulate the reason. What she said was eye-opening.

She gave me this analogy: "Erin, when I was new to the commercial real estate business, people would call up from all parts of the country and describe to me over the phone the type of commercial real estate space they needed. They would say they needed fifty thousand square feet, wanted a downtown location with this amenity or that. By the time I got off the phone, I knew exactly the right space for them. After all, I was a professional and I knew every property that existed in the Dallas area. The representatives from the company would fly in, and I would take them to the space I had in mind. Every time, they were astounded at the degree to which this space matched exactly what they had told me over the phone. They were excited and, by all indications, they were interested in leasing the space I showed them. But then they'd get on the plane and with very few exceptions, they would get 'buyer's remorse' or start wavering in their decision to lease the space."

Susan said it took her awhile to figure out what was going on. She could commiserate with me because I was experiencing the same thing. I knew exactly the right investment recommendations to make for each new client, just as I had known the exact formula for all the warm referrals who had come over the years. But these new people, who didn't come from a warm source, were hesitant to take my advice. In fact, I lost three in a row. Why?

Susan then proceeded to tell me what she learned and how it applied to what I was experiencing. She said, "Erin, let's use the example of residential real estate. When I was in that market, my greatest desire was to find my buyers the perfect house for themselves as quickly as possible. If I could spare making them look at twenty houses and only have to look at two, I thought I was doing them a favor. So I would work very hard and try to select the perfect houses for them; I could drive them directly to what I felt were the one or two that were best suited for them. Each and every time, the buyers agreed I had nailed it. My expectation would be that they would sign a purchase agreement, and we'd be in escrow within a few days. But each and every time, the buyers would get buyer's remorse. Why? Because although buyers trusted me, they wanted to ensure *themselves* they had seen every single home that remotely met their specifications.

"In their minds, they would say, 'I know Susan showed us two properties that were amazing and completely met our requirements, but could there be other homes that were even more right or more amazing for us?'"

The same held true for Susan with her commercial real estate clients. The company representatives felt responsible as agents for their firms to make sure they had seen ALL office buildings that could have met the company's needs, not just the ones Susan showed them. Here's how Susan relayed her experience as a client with us. She said, "Erin, when my husband and I engaged your firm, I'm sure you knew by the time we left your office the first time we met the exact investments you were going to recommend for us. You are a seasoned professional, and you know what our situation required. But here's the problem: We didn't know. Just like the people who want to drive around and see every house that meets their real estate requirements, we wanted to 'drive around' and see all the potential investment products that could meet our requirements. In a sense, you went right to the first house—the perfect house for us—but you didn't give us the chance to drive around and see all the other houses so we could see for ourselves how perfect your recommendations were."

I was never so grateful to anyone. As a result, I created an entire process based on the idea of driving my clients around to see every investment so they could be a part of the process of narrowing down the final recommendations. We call this part of our process our "Investment Collaboration" process. We have an entire meeting dedicated to going through all the various types of investments that are out there—in broad general categories—and giving our clients the chance to learn, provide feedback, and be a part of the overall *collaborative* process. We have found this collaborative method gives the clients a sense of ownership in the final outcome presented in the plan. In the end, we normally arrive at the same place we would have gotten without this meeting, but this process gives our clients the confidence that comes from knowing they have reviewed the alternatives themselves and come to the same conclusion as their advisor.

THE PSYCHOLOGY OF WORKING WITH WOMEN

If you are working with a married couple, the biggest mistake you can make as a financial advisor is to discount, marginalize, ignore, or talk down to the wife. It is a HUGE mistake, but one I see over and over again. I have coached many financial advisors on this issue and have come to the conclusion that most people in the industry are clueless as to how to deal with female clients. You might think this is only a problem when the client is a single woman. That couldn't be further from the truth. The bigger issue is how women who are part of a couple are treated. To me, this shows a complete lack of understanding as to who the actual decision maker likely is in the relationship.

What you should never forget is that it is the woman, in almost every case, who makes all the decisions! That comes as a surprise, doesn't it? Okay, I'll soften my stance just a bit: *It is the woman who retains ABSOLUTE VETO power*.

I'll give you a personal example. Many years ago, my husband, Bob, and I built a house and decided to put a pool in the backyard. Bob called me one day and said the gentleman who was building our pool wanted to meet with both of us to talk about the number and type of pumps that would be required for our pool. I immediately said, "No honey, you can handle that; I'm not really interested in dealing with that subject. Whatever you decide is fine with me." But my husband said, "No, this man really insists you be there for the meeting; he wants to talk to both of us." Reluctantly, I agreed and made a point of leaving my office at 3:30 p.m. so I could attend the meeting.

At precisely 4:00 p.m., the gentleman arrived and spent ninety minutes talking to us about pool pumps. The problem was, he never once looked at me or acknowledged I was even in the room. It was so unbelievably rude. I was furious! Believe it or not, I didn't say anything. I sat there and thought, "This is such a great lesson." The meeting ended. We showed him to the door. I shook his hand and was very kind, but as soon as he left, I looked at my husband and said, "Nope, that's not going to happen. We are not buying anything from that man." My husband looked at me incredulously and said, "Are you kidding? The man just spent an hour and a half with us; he has a great product." I said I didn't care if he had spent half his life with us. He was condescending; he ignored me entirely, especially after insisting I attend the meeting. There was no way I was going to reward that behavior by giving him his next sale and that was the end of it. VETO!

From my perspective, there's absolutely no question about who runs the show, or at the very least, who has absolute veto power in a couple. The degree to which you acknowledge that reality is the degree to which you'll be successful in winning with couples. This shouldn't come as a shock. Our society recognizes the power women hold, something that is even acknowledged in a few adages, such as, "If mama ain't happy, ain't nobody happy." Funny as it may be, I remember what my husband told my son when he got married: "Son, the only two words you need to learn to have a successful marriage are, 'Yes, dear.'"

Here are some other pointers that might be helpful to know regarding the woman in a couple. As much as a woman says she doesn't want to be at the meeting, sometimes she really does want to be there. Either way, you have to make the woman feel like she is a valued part of the process. You have to engage her on the heart level, not just the numbers level. I tell the wife I very much appreciate her coming to the meeting, and as I have said before, I seat her at the head of the table. I tell her that her input is incredibly valuable; something that is, in fact, underscored by my seating her at the head of the table. If we are doing estate planning, I tell her I will not conduct that particular meeting unless she is present. I really go out of my way to make her want to be there and be an active participant. I also tell both of them I don't expect them to learn everything I know. I tell them they will probably only remember ten percent of what we talk about, but what I do want is for *both of them* to leave with a sense of confidence that we know what we are doing, that we will listen intently to what each of them have to say, and that we will do our best to respect their time. I stress to her, in particular, how grateful I am that she cares about their outcome and, as a result, I will do my best to deliver the best possible solutions.

Because I'm a woman advisor who works with couples, I also face another challenge: Sometimes women prospects can be a little intimidated by another woman. I don't know why that is, but I have observed this on enough occasions to know it merits mention. In my experience, this mostly happens with women who have chosen to stay home and raise their families. I highly respect that as the most difficult of all careers, but the woman may not know me or know I feel that way. If you are a female advisor and you sense this "tension," there is a simple thing you can do to help the woman in the couple feel completely at ease with you.

Make it a point to focus on the woman at the beginning of the meeting. Give her almost all your attention, while giving her husband just a glance now and then. Keep focusing on her until you sense the barrier has melted. That is what I do. I go out of my way and overtly give the woman nearly one hundred percent of my attention until I have her nodding her head in agreement with me. When I know she and I are on the same page and that she not only doesn't feel threatened by me but also has come to believe I have her best interests at heart, then I will bring her husband into the conversation. Until that time, my attention is on her.

I suggest male advisors take the same approach. Seat the woman at the head of the table and engage her from the very beginning.

Even if she shrinks back and lets her husband do most or all of the talking, stay aware of her presence at the table and keep her engaged in all parts of the discussion. Treat her in a way that lets her know that you understand she is ultimately in charge of the meeting's outcome, because in all likelihood she is. I can assure you that before the garage door opens on their return trip home, she will have her say about whether or not you will be the couple's next advisor.

The other thing I do—when I sense that the wife (or in some cases, the husband) doesn't have much knowledge of financial planning—is to speak at the level of the lowest understanding in the room. In any meeting where we will be discussing industry concepts, I will always preface my comments by telling those present I'm going to be speaking at a fifth-grade level. I tell them I am not doing this to be insulting or patronizing; I just want to be sure everyone in the room is on the same page and is tracking with me. As soon as I can see they're with me, then I will raise the level of how I speak to them. As such, I'm never condescending, but I also don't want to talk over anyone's head. Talking over someone's head does nothing to impress them. You just lose them and the opportunity to get the outcome that is best for your client. Be aware, of course, that it is not always the woman in the couple who has less financial knowledge. I have worked with many high-powered female executives whose husbands were the less-knowledgeable parties.

WHAT WOMEN WANT

If you want to get a better handle on what women want from financial planning, consider these surprising findings from a recent study done by Allianz. This European financial firm found that forty-nine percent of women—"across all corners of life and affluence"—fear ending up broke and homeless. What is truly stunning is that this "irrational fear" (Allianz's term; not mine) is found among the twenty-seven percent of women with annual household incomes above $200,000![4]

According to the survey, the statement, "Deep down, I have a fear of becoming a bag lady," holds true for fifty-six percent of single women, forty-three percent of married women, fifty-four percent of divorced women, and forty-seven percent of widowed women.[5] It's also true for nearly half (forty-six percent) of women Allianz considers "financially savvy and financially empowered,"[6] even though these women are "generally less worried about their retirement savings."[7]

Given the findings, you can assume a typical woman never wants to be placed in a situation where she feels that something could go wrong with her finances or that the rug could be pulled out from under her.

Women are generally not huge risk takers. If they are going to take risks, they want the risk/reward profile to be well articulated.

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4 "INSIGHT 5: 'Bag Lady' Fears Persist Among Even the Most Successful Women," Allianz Life's Women, Money, and Power Series, accessed July 22, 2016, https://www.allianzlife.com/retirement-and-planning-tools/women-money-and-power/bag-lady.

5 "INSIGHT 5."

6 "INSIGHT 2: The Rise of 'Women of Influence.'" Allianz Life's Women, Money, and Power Series, accessed July 22, 2016, https://www.allianzlife.com/retirement-and-planning-tools/women-money-and-power/women-of-influence.

7 "INSIGHT 5."

They definitely want to know the downside of any plan presented to them. I've noticed that very few women are comfortable rolling the dice when it comes to their investments. That said, women tend to make very good investors. They do their homework, and their expectations tend to be very realistic. They're not looking for home runs.

Single women, especially, tend to make very good investment decisions. Because they are alone, they don't have a safety net. They know it's up to them, so they usually do their research. Once they set their minds on a strategy, they tend not to second-guess it.

I wish I could say the same about widows. As a female financial advisor, I have found that it can be challenging working with widows. The widows we encounter in my firm are usually over sixty-five years old. Most have played a traditional role in their marriage. Typically, the husband was the primary income provider and the one who took care of their investment decisions.

A widow who comes from these circumstances will often bring in one of her sons, who then acts as the decision maker. If not, she goes back to her husband's financial advisor, typically a man. I can understand this. She has always had a man managing her money and finances, so it probably gives her comfort to continue this pattern. If you look at this dynamic from a psychological standpoint, male advisors have an edge with this clientele. If I were a male advisor, I would certainly consider older widows as a potential target market.

I have had male advisors ask me if I think it is a mistake for them to go after the female market. I say, "Absolutely not." I think male advisors have a great advantage when it comes to women clients. There is already a belief that the financial world is dominated by men (which is true), so it is not so far-fetched that many women would assume a male advisor would likely have more of an aptitude for finance. The biggest thing any advisor who works with women has to remember is to never talk down to a woman or worse, ignore her. Make sure her concerns are addressed and she is made to feel like an integral part of your process. If she has a spouse or partner, treat her and her partner as equals.

A NURTURING NATURE

Finally, let me admit I take advantage of the fact that I *am* a female advisor. As a female, it is assumed I have a nurturing nature. That very much appeals to women prospects and clients. With all clients, I spend an entire appointment letting them talk about themselves. Who doesn't like to talk about themselves? I ask probing questions. I want to know all about their family of origin, where they were raised, what they were taught about money. I want to know all about their parents, siblings, nieces, and nephews.

We call this meeting our Visions and Values Conversation™. It is an opportunity for prospects and clients to talk about what's important to them. I tell them I am looking for one of two things: potential "train wrecks," or opportunities in lifetime or at death to take care of the people or causes that are important to them. This is the kind of touchy-feely conversation that I imagine is more comfortable for female advisors than male advisors.

In these conversations, I have had male clients break down in tears as they talk about disappointments in life or failed expectations or any number of missed opportunities. They feel comfortable opening up because I have provided a safe space for them to openly share their deepest emotions. I have not heard many stories about men doing this in front of other men; it just isn't done. I'm not sure that matters in the overall scheme of things, but it is quite a privilege to have a grown, successful man feel comfortable enough to be that vulnerable in your presence. It creates a bond that is not easily broken.

THE PSYCHOLOGY OF WORKING WITH MEN

I don't know how it is for other female advisors, but generally speaking, I find male clients easier to work with than female clients. I'm not sure why this is, but I don't think it's that much different than in other areas of life. It seems to me that men, typically, are just not as complicated as women. I always joke that most men are happy as long as they have a big screen TV and a remote control. My husband would add a cold beer to that equation, but that's about it! But that's not to say they don't have their own needs and expectations for the financial planning process.

While women tend to want financial security, men tend to be bigger risk takers. They want to talk about the home runs; the big hit; the next big deal; or the double-, triple-, or ten-bagger. Just like they like to drive fast cars, men want their investments to be fast and furious. Why is that? In my opinion, the DNA of men and women is vastly different. (I use that term casually, not scientifically.)

From the dawn of civilization, men (in most hunter-gatherer societies, at least) have been assigned the role of hunter. Their job was to bring home the bacon. Her role was to fry it up in the pan. In many parts of the world today, this is still how things work. Regardless of how much has changed over the centuries, I still believe these differences are hardwired in men and women, to some degree. A man expects to go to work, be the provider. He has done it all his life and knows if the chips were down, he could do it again. That's why he isn't predisposed to worrying about running out of money. His internal DNA says if he runs out of money, he'll go make some more.

This is just not so for women. As I mentioned earlier, it has been well documented that women fear running out of money more than just about anything else. Hence, there's an art to working with couples. You have to address both of their deep-seated needs. If you only appeal to the woman and her need for safe, safe, safe, then you will bore the man to death. If you start talking about the next start-up opportunity or the new hot deal, then you may get interest from the man, but you will often lose the woman.

To overcome the inherent clash of needs, you have to acknowledge the differences in their inherent natures. You need to point blank tell the woman your plan is going to take care of her. She needs to know that all her security needs will be met. At the same time, you need to assure the man you will also meet his need to have some Vegas money or to drive in the fast lane. The sooner in the conversation you can bring these points to the forefront, the better; otherwise, you're going to lose one or the other of them.

As I said before, men do have fears. However, you will generally not get that from him in a meeting with his wife. Normally, the only time you'll get a sense of what the man fears is when he's by himself and you put him in a safe environment. What I have found from the many, many conversations I have had with male clients over the years is that even the most successful men fear disappointing the people around them, the people that depend on them. A lot of times men feel that they've been put on a pedestal and they're supposed to have made all the right decisions, all the right moves, and they're supposed to be the caretakers of their families.

The last financial crisis has been very hard on men. They did their best to do well by their families, only to lose a lot of money in real estate and the stock market. So many men base their entire identity on their position as the leader of their family or the status of their job. When they lose a lot of money or feel they have made terrible mistakes (or worse yet, get fired), they fear the potential loss of status more than anything in the world. Overall, men don't require a lot to make them happy, but losing the respect of their families or status among their peers is a huge issue for most men. They will go to great lengths to protect themselves from that type of loss.

If you're a male advisor working with men, it's easy. You have such a clear advantage because men do business on the golf course and in other social settings. I've seen my male colleagues leave the office on Wednesday afternoons—the afternoon doctors traditionally take off—to pick up a golf game with a bunch of doctors. In general, I think you men are much better at networking with each other and setting up introductions. Men have no problem calling another man and asking for an introduction. I belong to a couple of professional women's groups in Dallas, and we have often discussed this clear difference in the way men and women network. We decided there was significant value in having the "good old boy" network.

ADVICE FOR WOMEN ADVISORS

As a female advisor who was practically a "pioneer" in the financial service industry, I know only too well the advantages and disadvantages of being a woman in this business. In the course of my career, I generally refused to give in to any stereotypes about my place as a woman in the industry. I have never allowed myself to see or acknowledge a "glass ceiling;" in my mind the only ceiling that existed was in my own head. Because I was an entrepreneur who never received a W-2 paycheck from an employer, my ability to make the same as any of my male counterparts was certainly within my own control. The commission schedules were the same; the payouts were the same, etc., so I never felt I couldn't compete on equal footing with men, or make myself an even stronger competitor if I chose. That being said, there were some prospecting methods I felt were not well suited to me.

Let's take golf, for instance, which we know works so well for men, I admit I thought about taking up golf as a way to meet potential clients but ultimately ruled it out. As a woman, I did not think it would be wise to show up at the golf course on an afternoon in the hopes of picking up a golf game as a fourth with a group of men. Why? First, having a woman join the game would likely change the nature of the men's experience on the course. Rather than being able to spit and cuss on the course, (along with other things my husband said are probably not appropriate to mention in this book), most men would naturally clean up their act to accommodate a woman playing with them. They might not like that; after all, it's their afternoon to play and be "themselves."

Second, if I did go golfing with three other men, I have to imagine their wives wouldn't be too excited to meet with me after that. I can just envision the conversation at home: "Honey, I met this amazing woman golfing today. She was out there by herself and happened to join the three of us men for a round of golf. Oh, by the way, she is a financial advisor, and I really think we should meet with her." I can only imagine the wife's response.

At one point, I did consider taking golf lessons and playing in the weekly women's nine-hole golf outing. Then I realized if I were going to do this, it would have to be solely for the love of the game, not because I wanted to use it as a prospecting tool to meet female clients. Why? Because there is an unspoken rule that would have likely worked against me. Care to guess what it is?

Let me give you a hint: What is the one question that's never asked of a woman by either a man or another woman?

Stumped? Most people would be. I have noticed, however, that no one ever asks a woman, "What do you do?" It's taboo. That's because no one wants to put a woman in the position of possibly having to answer, "I don't do anything." Or "I'm a homemaker."

I have a funny sideline story to prove my point here. My husband and I have gone to five of his high school class reunions—the tenth, fifteenth, twentieth, thirtieth, and recently his fortieth. When we left the last reunion, I told my husband I couldn't believe that, in all the reunions we attended, not one person I spoke to at any of the functions has ever asked me what I did for a living. They all knew my husband was an airline pilot, but not one of them knew about my work. They didn't ask! I'm a woman—I swear asking the question is still taboo!

In short, if you are a female financial advisor golfing with men or women, the topic of what you do for a living would likely never come up in conversation. You could force the topic in both situations, but I doubt it would be comfortable in either setting, and it just might be off-putting. That's why I suggest you only take up golf if you truly love the sport, and not because you think it would help you market yourself.

If you are a female advisor who works with or prospects to men, here's another "sand trap" that requires careful thought and a careful approach. If the man is a part of a couple and you want to do business with the couple, go out of your way to make sure the woman in the picture never feels threatened by you. I remember when I was a younger advisor in my early thirties. I wanted to cut my hair short and spikey and wear interesting, fashionable clothes, including short skirts, to the office. A mentor of mine said, "You know, Erin, it's your prerogative to wear what you want outside the office. However, inside the office there's too much at risk if you become a threat to anyone, especially to a man's wife or an office coworker."

I realized he was right. That was great advice. From that day forward, I went out of my way to dress very professionally and one might add, a little on the "frumpy" side. As a result, I have never been a threat to a prospective female client. I could also count on the fact that my male prospects were looking at my eyes and listening to what I had to say; rather than distracted by cleavage or a short skirt. You certainly don't want the wife walking out thinking, "So, she wants my money and my husband!" That would not be conducive to your business relationship with any couple, so do not do—or wear anything—that could lead the woman to think this way.

OTHER PSYCHOLOGICAL FACTORS TO KEEP IN MIND

When dealing with prospects or clients, the maxim, KISS (**K**eep **I**t **S**imple, **S**tupid) always makes sense. I spoke at length, earlier, about why it is so important to make sure you are using language that can be easily understood, no matter how little knowledge your prospects or clients have of financial planning. You never want to be condescending, but you also don't want to talk above anyone's head. That's not the way to impress people. In fact, you lose their attention and the opportunity to get the best outcome for your client.

Also be careful to not baffle clients or prospects with industry jargon. If you don't know the answer to a question, don't make it up. It's much better to say, "That's a great question and frankly, it's been a long time since anybody's asked me that. I'll refresh my memory (or find out the answer) and get back to you." Clients appreciate the fact that you don't know everything. Anybody who tries to come off as if they know everything is usually exposed quite quickly.

Again, there are times when it is to your advantage to play "dumb." As I said in an earlier chapter, I actually try to underwhelm clients with my own knowledge because I want them to lean on the members of my team, not me. Very often, I will end the first meeting with a prospect by saying, "Now you know everything I know! From this point forward we'll bring in experts in all the areas that are relevant to your situation." I make it clear that the smartest thing I have ever done was to hire people smarter than me.

Clients are better served when they are not coming to you for everything. More to the point, that is the only way to build a business that can work without you. In the end, your responsibility as the founder and owner of the company is to make sure everything that is promised is done and done by people who have expertise in that particular area.

THE KEY TO IT ALL—TELL YOUR STORY

Clients will only do business with you and take your advice if they trust you and believe you have their best interests in mind at all times. As investment guru Nick Murray has often said, "Clients don't care what you know until they know that you care." I can't tell you how strongly I agree with those words. You really do have to care about the outcome for your clients. If you can't demonstrate that you care about their outcome, they aren't going to listen to anything you have to say.

One way to establish trust is to tell your own story. I try to tell my story as early in the relationship as I can, for good reason. I realize in the course of our process, I am going to ask them a lot of very personal questions. I have to, in order to do a good job. If I am to protect them and find out what they care about, I have to know nitty-gritty details about them, which many times includes the hidden dirty laundry known as family problems. Everyone has things they'd prefer to keep hidden; it's just a matter of how long it takes to uncover them.

The risk of not uncovering these hidden issues early in the relationship is that they will often come back and derail even the most meticulous plans you could have created to help your clients reach their financial goals. For instance, it would have been nice to know their son was in drug rehab; you could have set aside funds to handle future stays in rehab or other complications. It would have been nice to know that your client's mom was likely going to have to move in with them, which would require their current house to be retrofitted to accommodate her wheelchair. All those dirty laundry items have potential negative consequences for your clients' lifestyle.

I always tell clients, "I don't like surprises. I want to make sure we have considered every single thing that could come along and derail your plans." That is easier to articulate, once you have opened up and told your own personal story and perhaps revealed a couple of crazy aspects about your life.

In the beginning, that wasn't so easy for me to do. If you read my personal story in an earlier chapter, you know that my early years were full of tragedy and misfortune. Once I got through that period, I did my best to forget all that had happened. As such, I never told my story to anyone—not my friends, associates, and certainly not to prospective clients. I was ashamed of my personal background and didn't want people to know where I came from or how I got to this point. What a big mistake!

What caused me to tell my story was an actual prospect couple who came in and started describing what had recently happened in their family. Their son had been involved in a car accident with a motorcyclist in which someone was killed. I could see the toll this was taking on them. They felt guilt and fear. They were worried about losing their assets in a potential lawsuit, since the son had been driving their car. As I heard their story, I began to shake. It opened up an old wound and took me back in time, causing me to relive all those emotions. It felt like someone had just ripped a Band-Aid off an open sore. But, I knew what I had to do. I had to tell them the same thing had happened to me. I had to share with them that while their son felt like he would never laugh again, he would. Time would heal those wounds.

I found myself going through the drama and the details of my story, but more importantly, I noticed an immediate change in their demeanor. I wasn't just some uninterested third-party consultant. I was sharing in their humanity. I was relating to them on a very deep and personal level. What I realized that day was that prospects and clients want to work with REAL people, not glitzy salespeople. They want to relate to an authentic, caring individual. Their money is *personal* to them, just as their hopes, dreams, and fears are. The sooner you can relate to them on a real and personal basis, the sooner they let down their guard. It is then that trust begins to take hold.

Here's another example: A couple of years ago, I was asked to meet with another financial advisor whom I did not know. I wasn't sure why we were meeting, but a client wanted me to meet her so I agreed. When we walked into the restaurant, I could immediately sense that this woman was very intimidated by me. Her body language said it all; her hands were folded firmly across her chest, and she wouldn't look me in the eye. In our awkward first minutes, I found out she was a divorcée and a financial advisor who presumably specialized in working with other divorced women. That being said, it was like pulling teeth to get that information out of her.

When I tried to ask her some basic questions about her area of expertise, she gave me one-word answers. I still hadn't figured out why I was there, but I began to suspect that her friend may have thought I could be a good referral source for her or perhaps a mentor of sorts. Since she was so closed off to me, I figured that she was probably very closed off to her prospects and clients as well. I decided to try a little experiment and said, "Okay Kate, tell me about you, like how long were you married?" I was thinking since her expertise was supposedly in divorce matters, she must have been married—perhaps a good place to start. She responded by saying, "I don't think that's relevant or important."

Her answers to all my simple questions were borderline combative. It was clear I wasn't making any headway with her. Asking her questions wasn't going to help me develop this relationship; that was certain! I finally said, "Okay, maybe it would help you if I told you a little about me and my background." As I began telling my personal story, I could see her demeanor and body language change immediately. All her defenses came down and her arms opened up. A conversation began. Because I knew she was new to the business, I took the liberty of offering her some unsolicited advice. I said, "Kate, let me tell you what I just experienced in our meeting. When I arrived at this restaurant, you were clearly closed off to me, based on your obvious body language. You gave me one-word answers to everything I asked. Some of your responses were borderline combative. That was, until I decided to take the first step in trying to form a relationship with you by opening up and telling you all the gory details of my life.

"Here's what I observed: Once I opened up to you, you felt comfortable. I let my guard down, so now you feel comfortable." She started nodding in agreement. I said, "Let me tell you something about growing a financial services business. You said you're trying to grow your practice, and you want to work with divorced women. Don't you think they've experienced some of the same things you have and don't you think the very first thing you're going to need to do is tell your story so they know you can relate to them? I can tell you right now, if you behave in the manner you just behaved with me, your career is never going to work. Your prospects will likely be just as closed down as you were with me. How are you going to help them if you can't get them to talk? You are going to have to be the first to take off all your proverbial clothes and expose yourself to your clients. I call this 'getting naked first.'"

Kate had an overwhelming reaction to my comments; she started crying. The idea of opening up and exposing herself to me, or in particular to her future prospects, had never occurred to her. She said the idea was actually frightening. The story of her divorce was so painful to her, yet she quickly saw that allowing herself to be vulnerable would give her the greatest opportunity to actually relate to and eventually help her prospects. Since then, she has told me dozens of times how helpful that little piece of advice was for her. She admitted that she couldn't understand why female prospects were not opening up to her. She hadn't connected the dots. That was a huge breakthrough for my friend Kate.

EVERYONE HAS FEARS

Here is another example of the power of a personal story. A few years ago, I was given the opportunity to speak in Austin to a group of people whose minimum net worth was $50 million. They were members of a local group who met on a regular basis to hear new ideas. This day, I happened to be their speaker. From the moment I walked in, I sensed a really negative vibe. The body language of the attendees was so obviously closed off, I had to ask myself why they were even there. It was clear most of these people had been to dozens or hundreds of free lunches and dinners. Their body language told me they assumed they had heard every idea on the planet and they felt my speech was going to be another worthless presentation, as so many of the previous presentations had been. It was almost as if they were being polite just by attending. Mind you, I don't get opportunities to speak to one hundred people, all worth more than $50 million, all that often, so I was pretty intimidated. Fortunately, I had my silver bullet with me. I had my story.

After a brief but awkward start, I began telling my story. I talked about the fatal car accident I was in at age sixteen and my fear of being sued or worse, ending up in jail. I talked about my mother's fear of losing our only asset, our family home. I knew each of these people in the audience had a large net worth, they probably had children or grandchildren who drove cars or boats in their names, and they probably hadn't done adequate asset protection planning. Fortunately, asset protection strategies were my topic for this speech. What is always interesting in our business is that regardless of the net worth of the person sitting in front of you, on the other end of that $50 million balance sheet is a real person.

Once again, I watched the atmosphere in the room shift. Soon, audience members were engaged in my topic. It was as if they suddenly realized that essentially we were all the same. Maybe they'd gotten lucky and their business had been successful, but they all had the same general fears. After the presentation, I had so many great conversations and wonderful feedback. I found out some of the people in that audience feared they might accidentally invest their money with the next Bernie Madoff. Some worried that leaving all their money to their children would ruin them. Some were worried to the point they had bodyguards to protect their children from being kidnapped.

Interestingly enough, they all had worries and fears in common; it was the type of things they worried about that were different. The bottom line: everyone has fears. The degree to which you can connect with other people's humanity, including their unspoken fears, is the degree to which you have the basis for having truly authentic conversations and, ultimately, relationships. This is how to use psychology to create the optimal outcome for the client.

You need to be ready to tell a lot of stories. They need to be real stories; but keep in mind, *they don't have to be your own story*. Not everyone has a rags-to-riches story like mine. It doesn't matter. The stories just need to be relevant and to the point, not random or self-serving. The clients must be able to relate to those stories. Otherwise, it can be disastrous; so don't pull stories out of your back pocket that are totally irrelevant to the discussion just for the sake of telling a story. My best advice is to pay attention along your journey so that you're picking up relevant stories that you can share with the next person down the line.

PERSONAL DISCIPLINE REQUIRED

It should probably go without saying that a tremendous amount of personal discipline and dogged determination are required to achieve a high level of success in our business. I'm sure that could be said about any industry. As I said earlier in this book, I realize not everyone wants to be at the top of the heap. For those who do want to make it to high levels in our business, the concept of personal discipline cannot be ignored. In fact, I believe it must be mastered.

I had to create routines and rituals for me to stay focused because things like follow-through are not in my DNA and therefore not my strong suit. That being said, I was fortunate to have an internal combustion engine that thrived on achievement for achievement's sake, so it didn't take much to motivate me.

One thing I learned early was that I had to be very judicious with my time. When I started, I had a five-year-old at home and a husband who was commuting in and out of Panama City, Florida, from Dallas. Essentially, I was a single mom for the first couple of years in the business. I will go into the disciplines I established later on, but suffice it to say I was up early in the morning, took my son to his private school, and then began my day of prospecting. I knew every minute counted, so I tried to arrange meetings like my Out-to-Lunch Bunch for breakfast, lunch, cocktails, and/or dinners.

In the early years, cocktails and dinners were virtually out because I had to pick my son up from day care, but all other times in the day I had to be very focused. I was totally serious about building my business. The one thing I did pretty religiously was to leave my office by 4:30 each afternoon so I could pick my son up at the after-school day care center. More than anything in the world, I did NOT want my son to be the last child picked up. I can honestly say he never was.

Once I got home, I was "mom" until 8:00 p.m. when he went to bed. From 8:00 on, I went back to work (from home), doing paperwork and following up on things from that day or the previous days. I would fall into bed around midnight and get up and do the same thing over again day after day, week after week. It took that kind of commitment to make it. I still think it takes that kind of commitment. I still work very hard and put in long hours.

SUNDAY NIGHT DISCIPLINE

If there was one discipline that I think made ALL the difference in the world, it was my Sunday night routine. To give you some background on how this ritual came to be, it is helpful to note that from the time my son was in junior high until he left for college, I cooked the same meal every Sunday night. He and his good friend, Whitney, convinced me to cook roast beef, mashed potatoes, gravy, and corn for anywhere between twelve and twenty-five people EVERY Sunday night.

The people who came were neighbors and friends. They knew to let me know by Saturday night if they would join us so I could take out one, two, or more roasts from the freezer. On Sunday morning before church, I would peel the potatoes and have them in a pot on the stove. After church, I took about a one-hour nap. The rule was—everyone came at 6:00 p.m. and left by 8:00 p.m. *with the dishes done.* Otherwise I couldn't have pulled it off week after week. They also knew that five minutes after they left, our son went upstairs for the evening and I went back to work.

I didn't leave my home, but I got out my briefcase and started planning for my next week. I would go through all my e-mails from the week before to be sure all of them had been answered. I would consolidate notes from my yellow legal pads and make sure I had downloaded all my meetings. I would gather up my receipts for lunches or dinners from the previous week and get them ready, with their appropriate IRS explanation, to give to my bookkeeper (who was my husband for a lot of years). I then got out a brand new legal pad and started planning my week. I always had my top twenty prospects listed and my top twenty centers of influence to contact. The first page of my legal pad listed what I was going to do the following week; the pages subsequent to that were my questions or assignments for the team. My goal was to be completely finished and organized for the week by 11:00 p.m. I would then go outside and have a glass of wine and read something non-business related, like a cooking magazine, to take my mind off the work that lay ahead.

On Monday mornings, the alarm rang at 5:30 a.m. I have never worked out on Monday mornings; although, I have frequently attended evening yoga or other exercise classes. I often left my home at 6:30, depending upon traffic, because I wanted to be the first one at the office and ready to rock and roll for the week.

For years, I went to a Marriott Hotel next to my office, where I reviewed my notes and got ready for the week.

At precisely 8:00 a.m., our team would meet for an hour or so to go through the items listed on my pages and pages of notes. By the end of that meeting, the team knew what they were supposed to work on and what outcomes I expected to see. For me, the sense of confidence I gained by being one hundred percent organized every Monday morning was worth every minute I spent on Sunday night. I couldn't have achieved what I have without that routine.

Years later, after my son left for college, I did not do the Sunday night dinners anymore. Instead, I began my workweek around 6:00 p.m. so I could finish closer to 10:00 p.m. Also, we have transformed the Monday morning meetings substantially; now all team members are responsible for being prepared for the week. I no longer come in and tell them what they should do. In fact, we now start the meeting thirty minutes later (at 8:30), and a different team member leads the meeting each Monday.

By 8:15 a.m., each team member is responsible for going into our hard drive to fill out what we call our "At a Glance." Each team member writes what they did the previous week, and they write what they will be working on in the coming week. The business has evolved enough that I don't have to tell them what to do. We have professionals who know the steps of our process and know what they need to get done. Nevertheless, it gives me confidence to see this sheet in writing by 8:30 a.m. every Monday morning. I know every member of the team knows what they are supposed to do that week, and it gives me a chance to ask questions or redirect their time if I know of a more pressing issue.

YOUR ULTIMATE OUTCOME IS UP TO YOU!

Within the first year, I learned many lessons, most of which were painful. One of the hardest things for me to wrap my arms around was that I was pretty much on my own to sink or swim. Thank God for my friend, Hal, because he was not only my mentor but also my only real friend in the office. The other brokers initially liked me when I was new and nonthreatening. They were as convinced as my manager that I was going to fail. After all, I was twenty-nine, female, blonde, and new in town. I swear the office staff took bets on my demise and went out of their way to help me reach that conclusion.

I was never quite sure why people were so hell-bent on seeing me fail. It took many years before I figured it out. The truth is that most people are satisfied with mediocrity and anyone who rises above mediocrity is seen as a threat. Most people are not willing to do what it takes to achieve tremendous, outrageous success. It is hard, and it takes too much effort. Most people choose the path of least resistance and bristle at anyone who chooses to go down the road less traveled. For whatever reason, I have always chosen the road less traveled. What I have found is that all the "goodies" are at the end of that path. However, choosing to do what others will not do can be rather lonely. There are not always a lot of cheerleaders along the way. During the years I have counseled other producers, I have often made these two observations:

1. It is lonely at the top.
2. If it were easy, everyone would do it.

I don't know where you are in your career path. You may be satisfied with where you are and if so, congratulations! Keep doing whatever you are doing. On the other hand, you may wonder what it might be like to reach a higher level of productivity and financial success. You might be curious to find out what "goodies" are waiting at the other end of the rainbow. I'm not sure what drives you. For me, it has been two things:

1. Being able to help our clients create or maintain their preferred lifestyles and, equally as important, helping them protect their legacy for their loved ones. Knowing how hard our clients have worked for their money and how much they love their families inspires me to do the very best I can and be the very best person I can become.
2. Having a lot of money to be able to help my family and contribute to the charitable causes I am passionate about. Being able to influence the outcomes and the lives of others who have not had the advantages I have been afforded is a huge motivator.

That's it. That's what I live for and what drives me every day.

How about you? What drives you? I raised this question in chapter 1, and I am returning to it here because it's *that important.* You have to figure out what you're going to do with the money and what impact you want to have; that's what keeps you focused. Without that, you'll peter out in a hurry. The winds of discouragement will blow you over unless you are *passionately committed to something bigger than yourself*.

If you have a big enough WHY to sustain you, then it's easier to keep your momentum. So figure out what will drive you when the going gets tough. If you are very clear about that, then the rest is easy.

QUESTIONS TO PONDER:

- **Do you really understand the mind-set of the client sitting in front of you?**

  At the end of the day, your job is to get the client to say "yes" to your recommendations. Presumably your recommendations are the precise prescription to get the clients to the place they told you they wanted to go. To get there, they need to take action. It is your job to help move them along that path. Consider making the journey a collaboration between the clients and you.

- **Are you telling your story, or other people's stories, so that your clients can relate to you?**

  To connect with other people's humanity, you may need to show your vulnerable side first. Telling your story (as long as it's relevant and not self-serving) is one way to do that.

- **What are your weekly rituals that will keep you disciplined?**

  You cannot grow a large practice or reach higher goals unless you are personally disciplined. I will restate: my Sunday night ritual was probably the single greatest step in making sure I hit the ground running on Monday morning. Setting up your personal rituals and disciplines cannot be overstated.

- **Are you passionately committed to something larger than yourself?**

  Figure out what drives you so that you can stay disciplined and focused.

  For more information and additional resources, go to www.sevenfigurefirm.com