

INSIDE INFORMATION

The newsletter for serious financial advisors. (www.bobveres.com)

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Client Services: *A crash course in advanced planning communications.*page 7

Marketing: *How to create the kind of client services or marketing campaign that a broker would love.*page 11

Client services: *Who, or what, is the Money Coaching Institute?*page 13

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EARLY WARNING

● Notable upcoming conferences: the NexGen Conference, July 20-22 at St. John's University in St. Cloud, MN (70 miles from Minneapolis/St. Paul), and the FPA Reunion at the same site, July 18-21. Register at: <http://www.fpanet.org/nexgen/> and at <http://www.fpanet.org/reunion/>.

Also: the PridePlanners conference in Washington, D.C., at the L'Enfant Plaza Hotel, September 27-29. Register at: <http://www.prideplanners.com>.

BEYOND GALILEO

NAPFA's annual meeting explored the art and science of creating client portfolios in a new post-MPT era of investing.

The NAPFA National conference in Chicago was really four conferences held in the same time and space. First, the organization is pioneering something called NAPFA University, which (eventually) will be the subject of an article in this newsletter. For now, let's just say that every NAPFA meeting now includes an organized curriculum in each technical area of the profession, with increasingly advanced-level courses in development.

Second, each conference also features Basic Training, helping newer advisors get up to speed on creating and running a planning practice.

In addition, this particular meeting was organized around two interlocking themes: 1) helping advisors become better communicators--in speeches, in their client presentations on complex topics, even in their e-mail messages; and 2) an unusually detailed look at the evolving science of creating and tending client portfolios. The actual theme might be fairly summarized as: why traditional modern portfolio theory is becoming increasingly quaint and outmoded.

We'll focus on the communication theme in the next article. Theme

Two began with a bang: the opening keynote presentation by Woody Brock, of Strategic Economic Decisions, Inc. Brock started with a more general issue: he told the audience that their biggest challenge going forward will be figuring out how to resolve a growing information overload problem--for themselves and their clients. "Where do we turn for accurate guidance?" he asked aloud. "How can we tell what DOESN'T matter?" Brock envisions a day (I think he

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advisors can have the client's account information on the site. "We are talking with data aggregators out there that, if we can make certain deals, we can just turn a switch if the firm wants to post the holdings, and it will be there and they won't have to do any integration at all," says Shulman. "This could become a powerful way to solidify and reinforce the relationship between the advisor and the investor. The investor becomes dependent on this site."

Cost? \$1,000 a year per advisor, with discounts depending on the number of advisors. The first three customers are two small full-service broker-dealers who Shulman says are really commission-oriented, and one bank that has put ACS in its 'fee-based' channel.

My guess is that, initially, the readers of this newsletter are going to opt for the more customized client communication services offered by AdvisorSites. But I also think that your clients are going to start receiving very persuasive, plausible marketing messages from S&P, on behalf of brokerage-based advisors down the street. And, going forward, S&P will begin to fill its ACS service out with more content and more sophistication. You don't need much imagination to see how client communications can be mass-customized in interesting ways, linked to a mass-customized web site that looks like it was hand-crafted especially for each client, with account information included for an added fee.

This is an early peek at the wave of the future. Be ready. ■

Getting to 'Aha!'

Here's a client service program that seems to straddle the line between life planning and psychology.

Very few advisors have spent as much time evaluating different systems for getting at the "life planning" and coaching issues in a client's life as Steve Shagrin, of Planning for Life in Walnut Creek, CA. He has been through the Kinder Institute workshops and has worked with Money Quotient, all in an effort to help his clients not only manage their assets efficiently, but also to live a balanced life, financially, emotionally and spiritually. "There's something very satisfying about taking people to a very deep "aha!" moment," he says. "I have seen some amazing things in terms of awareness of the true issues around a person's ability to manifest with comfort in their lives, and those have been my best moments in the profession."

Lately, Shagrin has been working with Deborah Price, of the Money Coaching Institute, author of *Money Magic: unleashing your potential for wealth and prosperity*. Price believes that the key to helping clients overcome obstacles in their life is to identify their unconscious money habits. "We have these patterns, which are passed down, generationally, from one family system to the next," she says. "The system that I created makes it really apparent

how that works. People look at it, and say, oh my God, I had no idea I was doing that, and you are exactly right; that is exactly what my mother did, or exactly what my father did. People can begin to see, oh, now I understand why I've been hitting my head against the wall around money all my life."

The process begins when clients are invited to write down their money biography, which may be as short as a single page, or as long as 15-20 pages. This, Price says, can reveal how a person might be mirroring one or both parents. "We take them through this process of identifying how their parents were around money individually, and then we take a look at that compared to the way they described their own behavior around money," she says. "People are usually blown away because most of us kind of think we are not like one of our parents. But the person you usually think you are not like, especially if you are adamantly trying not to be like that person, it is usually because you are holding a lot of the same qualities around money. It is either held in shadow or held in a way that we are in denial about it. Either way, it has a greater influence on us."

The Money Coaching system

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also attempts to compare client behavior with archetypal patterns--what Price describes as the eight money types. Her theory is that every client exhibits a bit of all of these behaviors, but one or more may be dominant. The list of suspects includes the often-fearful *innocents* who deny their responsibilities around money; the resentful *victims*, who are prone to living in the past and blaming any failures they have today on things that happened to them years ago; the decisive (or driven) *warriors*, who make bold decisions and rely on their own instincts; the long-suffering *martyrs* who instinctively neglect their own needs as they meet the needs of others; the judgment-impaired *fools*, who are always looking for a shortcut to wealth; the ethereal *creator-artists*, who have a conflicted love/hate relationship with money; the manipulative *tyrants* who use money to control the people around them; and the highly-effective *magicians*, who are fully self-aware and able to use their personal power to create wealth. (Ideally, you would want to have all magicians as clients, but these are the least likely to need your services.)

Leverage in Life

Once a client is able to see his/her personal dynamics--and the flaws, logical fallacies and dysfunctional archetypes--the rest of the work can go in either a practical or spiritual direction. The practical advice starts with

an evaluation of a person's skills, talents and abilities--a list that may be broadly divided into education, life experience, work experience and natural talents or inclinations. The goal, once this inventory is complete, is to evaluate how well the client is utilizing these personal attributes--whether they are getting what Price calls "a high return on your personal assets. In many cases," she adds, "how you leverage as a human being determines the output and the result you get in life. We've found that what people have on the inside is often their most valuable asset."

How do you leverage this inside asset? "Have you ever met somebody who had many incredible talents and gifts, but they could never quite make it happen?" Price responds. "You take a person like that, and help them get really clear about what they are good at, and then help them see the things they should bring in others to do."

For example, consider the chiropractor whose income was about half the average in his field. The problem was that he was spending a lot of his time and energy on holistic healing--additional value-added services that potential customers didn't know about, and that he was reluctant to charge for. Price was able to bring in somebody to do his marketing. This person is now working helping him get speaking engagements, and putting together CDs which are sold to the general public.

Price has found that, in many cases, these evaluations are not exactly rocket science--that is, to

an outsider. "Most people don't have people around them who can see the flawed decision-making processes in their lives," she says. "And most people have flawed decision-making processes around money and financial decisions."

When offering these practical services, Price and her organization maintains a boundary between what they do and what the traditional financial planner does. "When it comes to handling the financial side of things," she says, "we refer out to advisors in the community. We don't," she adds, "manage money here."

Spiritual Coaching

As it happens, many clients who work with The Money Coaching Institute are pretty good with their money; they earn enough of it, they know how to save and invest. The practical side is pretty well set, but there's still something missing in their lives.

In these cases, Price offers spiritual counseling whose goal is to uncover and identify each client's life purpose.

"You know they need this kind of work when they exhibit a sense of hopelessness, helplessness and confusion," she says. "Or, sometimes, contradiction."

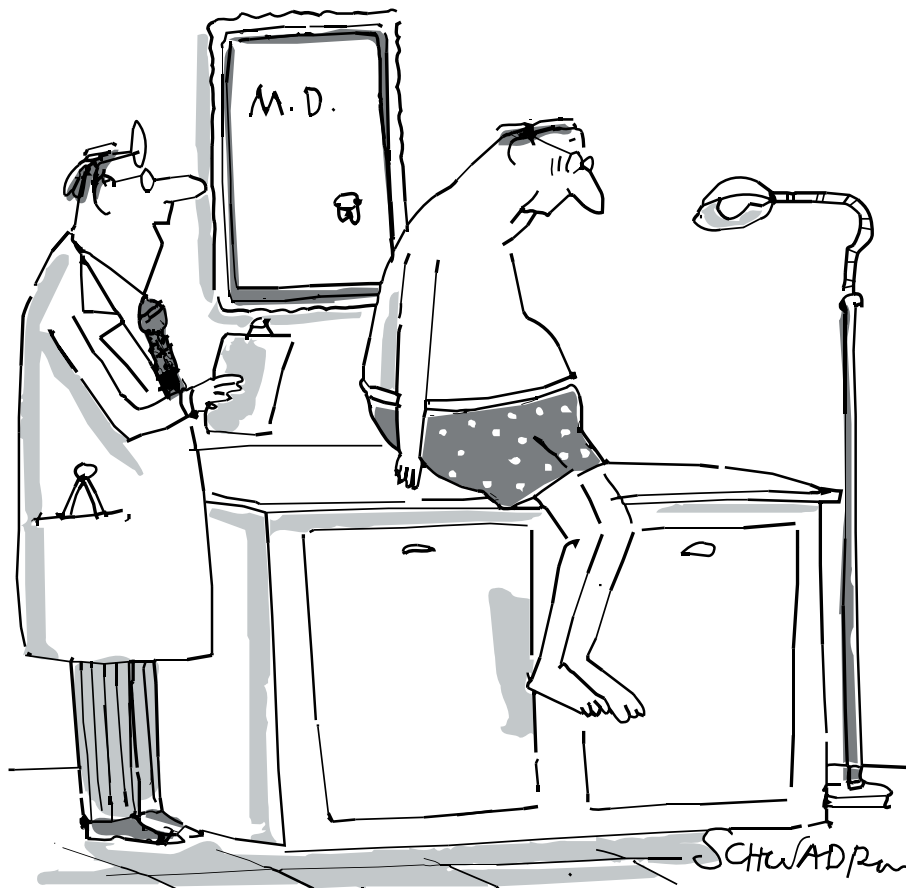
In one recent case, the initial work uncovered the fact that a woman client had been abused as a child by her father--who, in addition, would always slip her a little bit of money, and wink and say, 'this is our secret.' "In later life, any time she was receiving money, she felt cheapened,"

says Price. “She started having relationships with men who were married, but they would take care of her. The whole thing got very intertwined in a way that really was very specifically tied to money, and none of her therapists had ever found this. She was holding onto tremendous amounts of guilt and shame relative to collusion about taking money.”

Another example is a husband and wife living in Los Angeles, in an affluent lifestyle, who came to Price after he went through a bout of therapy for prostate cancer. “The concern was he was going to get cancer again,” says Price, “and she was willing to just sell the business and move and create a different lifestyle. But their overall money issues prevented them from making changes. They continued to have more and more fights, and that kept them from finding what they really wanted.”

Eventually, Price was able to help them clarify their choices. “Did they want to spend the rest of their lives working hard, hard, for more, more, more,” she says, “or did they want to simplify their lives and have a lifestyle and maybe more living? “He had previously lived in Bali,” she adds. “They took a trip together and decided that they could possibly live there.” After living there for six months out of the year initially, they sold their Los Angeles home and moved to Bali full-time.

In her role as spiritual counselor, Price finds that her job is forcing people to confront issues and overcome personal obstacles in ways that can be painful. “We



*“I can’t say I like the way this is going.
Five years ago, you were sound as a dollar.
Unfortunately, you still are.”*

never tell people that this is easy,” she says. “All of us are very deeply patterned, and those patterns run our lives. We don’t let people pull the plug on their whole life without really being clear that this is what they want. And are they ready for the consequences? Because there can be consequences to some of these changes.”

Once again, Price maintains a strict boundary between her work and that of professional specialists.

Just as the firm doesn’t do planning or asset management; it doesn’t do psychology with clients who receive spiritual counseling. “Our job is not to go in there and do deep family psychotherapeutic work,” says Price. “We bring these issues to surface, and if people end up feeling like they need a deep cleaning, so to speak, they are referred to professional therapists.”

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Personal Mismatches

For advisors, and clients, the Money Coaching Institute offers several options. Clients can attend a two-day intensive workshop in Petaluma, CA, or spread out the work in hour-long sessions once a week, a minimum of four for the first step, more if practical or spiritual coaching is required. “The main difference between them is that in the workshop, you get to witness other peoples’ experiences,” says Price..

Advisors can go through the program and earn the right to use the Money Coaching Institute material with their own clients. For them, there is a full one-day program plus an eight-week coach mentorship program, which includes a weekly phone conference. During that time, the advisors are required to do an assessment on two people, using the full process. To date, about 60 advisors have been so trained, including Shagrin, who says that the process opened his eyes to his own money issues. “It was a slap in the face, almost, in terms of patterns that were repeating in my life,” he says. “I just needed to break them, and become a little more self-actualized about using what skills, talents and interests and abilities that I had on a higher plane.”

Specifically, he discovered a mismatch between what he enjoyed and where he was spending his time. “While I was really good

at financial planning, and I was getting some satisfaction out of it, and it pays fairly well, I love educating,” he says. “I love being in front of people doing workshops and facilitating. My webinars were one way of doing that even though we weren’t face-to-face.”

Eventually, Shagrin moved into money coaching and workshop facilitation. What he once called financial planning, he now calls one-on-one individual education. As an example engagement, he tells the story of a couple who had been married for 10 years. “His family did very well; they had more real estate than they ever imagined they would have in their lives, and they had a lot of money,” says Shagrin. “In his family, gift-giving was very open. The woman, in her family, any time there was a gift, there was always a string attached or another shoe was going to drop eventually.” As a result, whenever the wife’s in-laws would bestow a gift on them, which she had trouble accepting it.

“In exploring the archetypes with them, she had strong warrior energy,” Shagrin continues. “She wanted to make things happen out of her own resources, and one of the examples which really brought all these issues to a head, which caused her to call me into this, was a simple electric garage door opener.” The two had gotten tired of pulling the door up and down every day, and one day she told her husband that she intended to buy a present for the house. “She was a massage therapist,” says Shagrin. “She told her husband, I’m going to set \$15 aside out of every massage, and at the end of the month, I will

have enough set aside that I can buy the garage door opener.”

Alas, her husband mentioned this to his dad the next day, and he immediately called one of his real estate crews, sent them over, and they installed a garage door opener. “For him, it was a \$300 gift,” says Shagrin. “But to her, it had stolen her energy. She had all these plans made, and he came in and sucked it right out from under her. She was very upset about the gift, and that was a true eye-opener for her.”

Both Price and Shagrin are quick to say that their clients are not “healed;” only that the process helps them recognize where their dysfunctions and unhappinesses are coming from. They are more empowered to make better choices about how to live, how to change directions, and perhaps even to overcome some of their natural tendencies. They envision alliances between advisors and organizations like the Money Coaching Institute, where the Institute helps clients overcome their resistance to implementing the recommendations that planners are making.

This, it seems to me, is an emerging question in the financial planning space: if life planning services are becoming ubiquitous and increasingly detailed, does it make sense for planners to outsource it, or train themselves to provide it? The Money Coaching Institute offers both options.

Next month, I’ll write in some detail about direct alliances between planners and psychologists, and how that partnership can work for the benefit of clients. ■