



I submit to you that the financial services industry is changing even more substantially and dramatically than many of its most elite participants realize. Certainly, we all know change is coming. Yet most have not yet conceived of the nature and substance of the real changes that are taking place. Ironically even as I write this, these same institutions and advisors have already felt the pain of impact.

The ensuing comments are focused on the industry and its players as a whole, but they are intended to be a laser beam into the business plans and models of the top 1% -- those advisors successfully providing sophisticated products or services to America's largest wealth holders.

Take a moment to peel back the layers of resistance one automatically puts in place when an external party pointedly challenges the life-blood of your business vision. You might find the comments here to be dramatic, even over-the-top. My hope is that my colleagues and clients offer the external credibility required giving these statements a lasting impact on your thoughts and your business.

A Flawed Foundation

Perhaps you're one of the many who feel they can see the client's plan taking form after your first or second meeting. It's crystal clear. Of course, you're the expert.

I believe this is a symptom of an industry-wide, decades-long problem. It stems from a culture in which advisors merely give lip service to the discovery process. Data Gathering is what advisors do in order to find out what the client needs. I submit to you that this business model is out of synch with the desires of the modern wealth holder.

The Battle for Brain Share

Why is it that every client you work with has embarked on a planning process with many other advisors many times before? Why is it that every wealth holder you meet has an incomplete, inappropriate or dysfunctional plan? Is it simply that they hadn't met you? Are you really that much more effective and competent than every one of your peers?

Moreover why do advisors accept the delays so prevalent in planning for significant wealth holders? When face-to-face with a client, the relationship seems so pure. Yet once out of sight, the battle for client brain share regains momentum. The things and people that take precedent between meetings cause a stop-start cycle that's as painful as the year is long. Clearly, it's not your fault if the guy doesn't want to take ownership and move forward. You're doing the best you can. As competent, ethical advisors, why is this pattern acceptable? Advisors have been conditioned to operate in this model over so many years that pure inertia causes blindness to the changing demands of wealth holders. There is a methodology that helps families plan with ownership, energy and momentum. It requires a wholesale change to the way advisors achieve trust and intimacy in client relationships.

Much to advisors' dismay, the client is longing for a different way to plan. The mindset of America's wealth holders has changed. Therefore the method in which they best receive planning and formulate decisions has changed. Their tolerance for the old school methods is evaporating by the minute. They're telling us this with their actions. The question is, which advisors will take the time to

listen -- and evolve -- in response to their pleas? And which will keep their nose to the grindstone until the enormity of it all swallows their relationships, vision and cash flow?

Don't Take it From Me

Dr. Paul G. Schervish of The Center on Wealth & Philanthropy at Boston College is the country's premier research expert when it comes to the super affluent's behavioral patterns toward wealth and their motivations for planning and giving. What follows are excerpts from Dr. Schervish's findings.

"Wealth holders are increasingly disinclined from simply maximizing transfers to heirs, minimizing taxes, and treating charitable transfers as a by-product of the other two. Rather, as a result of enhanced material capacity combined with new methods of self-reflective financial advisement, increasing numbers of wealth holders, at an earlier age and at more realistic levels of wealth, understand themselves as enjoying redundant resources. As more and more donors have the opportunity for self-reflection about their wealth and values in an atmosphere of liberty and inspiration, we expect to see trends resulting in more inter-vivos giving to charity."

The Three Models of Communication: Sales, Advice & Discernment

So here we are. The entire financial services industry is chasing the high wealth marketplace yet the industry is steeped in the tradition of two models, neither of which align themselves with their prospective clients' most daunting challenge -- how to develop a plan that resonates as their plan.

The Sales Model is America's good old fashion method of bringing a product to market. A company or a person has an idea or a product to sell and they set out to find someone who can see the light. Banks, insurance companies and brokerage firms -- even those charging fees for their advice -- still operate in this model. Yet high wealth families in increasing numbers are refusing to play ball.

This disconnect clenches the heart of competent advisors working in the Sales Model. Planning seems to stall, stop and stutter along for years. Even where trust exists in the client/advisor relationship, trust alone no longer generates enough momentum to carry the process to fruition.

The Advice Model operates such that advisors with a fantastic depth of technical knowledge provide a variety of solutions from which the client may choose. The solutions claim to be customized and cutting-edge, and are often sound from a legal and tax perspective. Many financial planning firms as well as law firms, accounting firms, trust companies and private banks operate in The Advice Model.

If the advisor or institution is acting with integrity, what is the harm in this approach? The answer is embedded in the frustration felt by advisors operating in The Advice Model. The process fails to motivate the client to participate at the necessary depth. By nature of receiving advice versus being thoroughly engaged in creating the solution, the client commitment level is substantially subdued. As a result, the advisor operates in a constant struggle to get families to stick with the process and tie a ribbon around even one piece of the plan.

The Discernment Model - Consider the three-year-old who peppers the world with questions of "why?" They're hoping to absorb your wisdom and gain guidance toward the right context and the right path. Have you ever noticed how their repeated questioning always seems to leave you with increased perspective about that which you already knew and previously experienced?

As advisors, we owe it to the wealth holder to be that three-year-old. No preconceived notions, strategies or grand plan. Just an uncanny ability to inquire and reflect, over and over again, stimulating ah-ha's for the client about what their intricate past has meant and how it might define their future.

This is the essence of The Discernment Model. It creates an environment in which clients' life experiences and unique wisdom are carefully extracted and confirmed and then built into a foundation on which they find themselves empowered to make decisions. While the two historical models help families to muddle through complex decisions, The Discernment Model provides energy and insight. It returns freedom and simplicity to the lives of high wealth families.

Advisors operating in The Discernment Model experience the following:

- Clients place a priority on getting together even during hectic times
- Clients act with interest as they dedicate the time -- and the brain share -- that allows you to properly share your unique wisdom
- Clients make sound decisions steeped in intention, ownership and responsibility
- Clients follow their choices to fruition with decisiveness not consistently duplicatable in the preceding two models

Perfecting Your Craft If you feel you do this intuitively, you likely have the natural talent to operate in The Discernment Model. Now, what are you doing to take this natural talent and hone it into a predictably repeatable skill? Do you have a strategic approach to building trust with clients and prospective clients? Do you perform these activities with the structure and consciousness of a true business owner? How do you objectively measure your trust-building capability in the minds of your clients?

We all have a few incredible clients who would climb mountains to introduce us to their friends and colleagues. But how many of these referral cheerleaders do you develop for your business each year? Can you plan for it and meet the goal in a manner that's predictable? If you can't articulate your process for creating fabulous client bonds, step by step, then how can you be sure you're operating in the best of your ability with every new family?

Getting Started:

Let's take an honest look at the advisor curve if The Discernment Model is what you've been craving, consider the following transition strategies for getting there.

Transition #1:

We live in an industry that thrives on the notion of activity. Whether you work with 10 new clients each year or 100, each year starts with excitement or fear about generating enough activity to achieve your goals. The Discernment Model allows you to more effectively ascertain the potential for mutual value in new client opportunities.

Transition Strategy: Carefully establish minimum client standards and give them time to mature. Put them in writing and read them at least monthly.

Transition #2:

When a process leads with quality of expertise or products, the process itself necessitates constant change. We cannot control the structure of tax laws, insurance products or investment vehicles. When a process is focused on people, the process inherently accommodates and embraces changes.

Transition Strategy: Begin to develop a turnkey business system that allows you to consistently and confidently conduct business from one client to the next without reinventing the wheel.

Transition #3:

When a process is driven by commodity - the sale of products or strategies - advisors often choose to fly under the radar screen of the client's other advisors. First we'll gain the upper hand, and then we'll move in for control.

Transition Strategy: In The Discernment Model we embrace the client's existing advisors and planning. After all, the client chose them. To make this transition you must change your self-perception and have the confidence to fly above the radar.

The Identity Crisis of an American Icon

In today's society, professional advisors are somewhat of an icon. Good, bad or inaccurate, every American has formulated a picture of what you do. The Discernment Model offers a refreshing way to once and for all -- take a deep breath here -- differentiate you. If you've ever felt like you were providing value to a client who did not remember, acknowledge or explicitly perceive the energy and benefits you were bringing to the table, this new model can offer the lasting visibility you've been craving. The final and ultimate reward is that businesses operating in The Discernment Model are more salable, as tangible value can be assigned to this unique planning methodology.

Choosing the Path Less Traveled

Most advisors don't have the stomach to stop the insanity. Now is the time to ask yourself whether you have the guts and the wherewithal to act against the inertia of not only your existing business but the industry as a whole. I have found that the financial and spiritual rewards are ripe for the picking. The only remaining question is whether you will choose to clear out the variety of mental obstacles

About The Legacy Companies

Discovery is at the core of all we do at The Legacy Companies. It has revolutionized the way the industry thinks and operates; it has changed the way advisors and clients communicate. Through workshops, consulting, proprietary tools, software and online training modules, Legacy provides Advisors with an innovative turnkey business model that easily integrates into an existing practice.

Visit www.valueofdiscovery.com or call us directly at (888) 649-4591 to learn how the Value of Discovery can transform your business and the results you deliver for your clients.