

## **The International Launch of Financial DNA<sup>®</sup> - by Hugh Massie, December 2005**

A business mentor of mine once said to me that there is a long way between a person's passion or vision and the financial statements – what column is passion or vision on the bank statement he asked? Getting caught in the gap can be akin to being in the valley of death.

Of course, all businesses have to start somewhere with some level of faith, belief and commitment by the founders and their team. There is no doubt the development of a new product and then launching it into a new market (that perhaps does not exist yet) is not for the faint hearted. Importantly, there has to be a viable plan capable of execution and a team developed which is capable of going on the journey that will have many turning points. Today, after 5 years from starting the journey in Sydney, Australia I am proud to say the Financial DNA business is now thriving as an international wealth mentoring business based on using the Financial DNA<sup>®</sup> Discovery Process for enhanced behavioral insight.

### **A New Business Model**

In September 1999, when Financial DNA<sup>®</sup> was conceived the financial services market worldwide was at its peak. For many, these were very profitable times and the prospects seemed fantastic. However, my thinking was that over the coming years there would be a sharp decline in commissions, much greater regulation and a high demand from clients for value added services that truly addressed their whole of life needs. I could see the whole industry being transformed over 20 years with a new industry born.

The challenge was to develop a business model for advisors to connect with clients in a new way to earn revenue for providing their guidance and to empower them to take more ownership of their financial decision-making based on knowing who they are. Central to our approach is the philosophy of *understanding people before numbers* with understanding behavior being the key to understanding people. In essence, bringing financial planning back to the core concept of “know thyself” starting off with highly validated behavioral profiles. What we have learned is that behavior underpins every decision and understanding it is foundational to personal and financial success.

### **Launching in the United States**

Once Financial DNA<sup>®</sup> was developed in November 2002, a key part of our vision was to launch it in the US market first although we tested it in Australia. This decision was driven by a range of factors, including:

- A much deeper market for financial services and better positioning for global commercialization;
- An independent fee only planning market that whilst relatively new was more developed;
- A much greater recognition of the concept of life planning in the financial planning process;
- A greater propensity of the American people to accept an approach involving behavioral analysis;
- The concept of wealth coaching being increasingly accepted by clients.

What is success? In the end, it is hard to truly define. However, there is no doubt we have penetrated the US market (and from those efforts, Canada and more recently the Netherlands and New Zealand) with

over 3000 advisors receiving Financial DNA<sup>®</sup> training to some extent and over 120 advisors having joined our higher-end wealth mentor program. Since, January 2005 we have quickly built national distribution capability through a strategic alliance with Wells Real Estate Funds. Similar strategic alliances in other countries are being worked on and are expected to roll-out in 2006. We are confident a “Tipping Point” will come as the market evolves a bit more.

### **The Success Factors**

The keys to our success have been and will be the ability to:

- Accurately and reliably predict a person’s behavioral style;
- De-mystify behavior for the advisors so that it is easy to work with, yet not mitigate the power of our analysis;
- Simplify the integration of the Financial DNA<sup>®</sup> system into the advisors fact finding and planning process from the moment of engaging with a new prospect;
- The ability to easily leverage the behavioral insight into many applications;
- Enable advisors to easily differentiate themselves in acquiring new clients of any level of wealth.

Now it is three years on into the commercialization phase, we can see that investors worldwide are demanding a much more holistic approach to financial planning that is focused on who they are and their feelings. In response, advisors in a more commoditized industry are becoming more focused on adopting new processes that enable them to deliver additional value to their clients with a broader perspective than “closing a financial transaction”.

### **The Applications**

The broad vision was that Financial DNA<sup>®</sup> would be used by financial and professional advisors to better understand the behavior of their clients for building a more holistic financial plan and meeting the know your client rules. Interestingly, a much greater range of applications which leverage the behavioral insight have emerged including:

#### **Client Applications**

Advisor – client matching  
Advisor - client relationship dynamics  
Life purpose for setting goals  
Behavioral portfolio construction  
Family dynamics and succession  
Philanthropic motivations  
Quality life planning workshops  
Business succession

#### **Practice Management Applications**

Personal development  
Practice focus  
Hiring and benchmarking  
Team facilitation  
Leadership development  
Practice succession  
Business planning  
Client behavior education

### **Advisors Getting Started**

The Financial DNA<sup>®</sup> Discovery process is highly automated and can be administered to the client independently from our team by accessing our website: [www.financialdna.biz](http://www.financialdna.biz).

Once the client has completed the profiles, typically the advisor will use a series of very simple application tools and a simple facilitation approach that we have structured to:

- Advisor – Client Match: what service is expected versus what will be provided? Is there a compatibility of values?
- Information Flows: How will the parties work together? How will information be provided by the parties? How will the parties communicate with each other?
- Managing Expectations: What are the goals of the client? What is their purpose? How do you reconcile who they are versus who they say they are?
- Investing Style: What is the unique decision-making style of the client? How can they focus more consistently on their natural strengths and aptitudes?
- Disciplined Execution: How emotionally comfortable is the client with their decisions? What will be the accountability process for the client and their decisions?

### **Benefits**

Any process that delivers value for the advisor will directly or indirectly have benefits for the client. However, Financial DNA<sup>®</sup> does have a number of direct benefits for the client which all lead to a *quality life* including:

Liberation in thinking	Personal empowerment
Peace of mind	Goal and money clarity
Committed decisions	Increased trust
New decision making patterns	Aligned relationships
Effective communication	Optimal wealth

### **Ongoing Research and Development**

The development of the Financial DNA<sup>®</sup> system is continuing with ground-breaking research on the following topics currently taking place:

- The impact of husbands and wives on their combined risk profile;
- The learning styles of investors in how they make financial decisions.

By June 2006 we will complete the process of transferring all of our training programs to CD-Rom and other electronic media for increased access.

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### **About the Founder:**

Hugh Massie is the President and Founder of Financial DNA Resources. In his work as a Wealth Mentor, Hugh specializes in human behavioral discovery using the proprietary Financial DNA<sup>®</sup> Discovery Process to liberate and empower people, families and organizations internationally to implement committed wealth creation decisions aligned to the core of who they are. Hugh is also the author of a book: “Financial DNA<sup>®</sup> – Discover Your Financial Personality for a Quality Life”.

To find out more about Financial DNA<sup>®</sup> please contact us at: [inquiries@financialdna.biz](mailto:inquiries@financialdna.biz).