

## “Know the Client, Do the Plan”

Hugh Massie, Financial DNA Resources

April 2004

True client centric financial planning involves to some degree “life planning”. This is about integrating the ups and downs of a client’s life journey into the financial plan. All clients have a desire to be “understood” and treated uniquely and ultimately an enhanced comprehensive financial planning service requires a life planning approach being taken.

Critical for financial advisors is the need to become equipped with the personal confidence, knowledge, tools and processes to deliver this deeper service at a reasonable cost, regardless of the client’s wealth.

### Linking Wealth to Financial DNA<sup>®</sup>

Advisors can assist to liberate clients by assisting them to better understand themselves so they have the confidence to link their wealth creation decisions to the core of who they are. A client’s family and business relationships, as well as the relationship with their advisor can significantly influence their money clarity and financial decision-making. Everyone has a Financial DNA<sup>®</sup>, their unique ‘financial personality’ comprised of their hard wired natural motivations, expectations and attitudes towards money, and the key to wealth creation is the ability to commit to make decisions that are aligned to your “financial emotional intelligence”. **Successful people are able to firstly find and then operate in this small zone with financial strategies developed around their innate preferences and behaviors, not a packaged external model.** In this zone, their emotions are in control for rational decision-making. The starting point for rationality stems from understanding one’s own financial personality and being synchronised with one’s key relationships.

“How I got here is pretty simple in my case. Its not IQ, I’m sure you’ll be glad to hear. The big thing is rationality...It gets into the habits and character and temperament, and behaving in a rational manner.” - Warren Buffett in Fortune Magazine, July 20, 1998

So, uncovering behavioral knowledge must develop the foundation of a client’s financial plan. Importantly, this information must be objectively uncovered with a reliable process. A key issue in the discovery process is that if a client or financial advisor do not see themselves objectively then there will be a distorted result. There can be many disconnects between what is seen on the surface and what is reality underneath. **Being able to reliably predict how a client will behave in during positive times, excitement and windfalls as well as disrupted and stressful times is crucial to help them stay on course.** Some people are naturally good at handling change and others learn, but pressure from life and financial transitions can be a significant force.



To “truly know” our clients could take 10 years or more and unlimited budgets. To be successful financial advisors need to look beyond traditional risk profiling processes as they capture only a small part of what they need to know and because of this, can in fact cause more damage.

The most structured way to execute the human behavioral approach is the use of financially oriented user-friendly behavioral assessments. This is then followed by easy to interpret reports, self-coach modules and incisive facilitation tools and programs designed to make the outcomes meaningful in the wealth creation process and with the right questions having been asked.

Financial advisors do not need to be trained to become behavior specialists, but simply to become behaviorally aware. With a structured process and obvious results, there will be a natural progression to a deeper level of discovery. Such a process will only complement any existing discovery process rather than replace it. There are 3 major “attitudinal” changes that need to take place:

1. Advisors and clients have to be prepared to put more time into the up-front discovery process to build the planning foundation with greater behavioral knowledge. The savings downstream over the next 2 - 5 years will be significant.
2. Clients need to be educated that greater wealth comes from within. There is no point having a great high-return financial strategy on paper, if it is not matched to the aptitudes, knowledge, emotions and innate preferences of the client. If the integration is not right, then the client will struggle to remain committed to the strategy in times of down turn or stress, causing larger unwind costs.
3. The greater discovery will need more trust between advisor and client (and within the family). Experience shows that the best starting point is for advisors to be more open by revealing more of themselves. One cannot ask clients to expose themselves without empathy. This is called “knowing me knowing you”. No client expects an advisor to be perfect, in fact demonstrating self-knowledge and experience is more powerful.

For the financial planning process to change, both the advisors and clients need to be committed to the new paradigm. Agreeing to philosophical change is one thing, doing it is another. The right tools and process must be available and transferable to financial advisors to introduce to their clients. Similarly, the process needs to be available to clients to take on their own, so they will be better armed when meeting with a financial advisor and can receive a deeper and higher level of service.

---

About the Author: Hugh Massie is the President of Financial DNA Resources. In his work as a Wealth Mentor, Hugh specializes in human behavioral discovery using the proprietary Financial DNA® 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 the author of a book “Financial DNA® – Discover Your Unique Financial Personality for a Quality Life”. Refer [www.financialdna.biz](http://www.financialdna.biz).