

SENIOR CONSULTANT

The Voice of the Investment Management Consultant

The Educated Advisor, Part I: Getting the Right Help at the Right Time

Steven R. Drozdeck, President/CEO, The Progress Center

This article is the first in a series that will help you advance to the next levels of productivity by exploring various educational options available, including:

- Coaching and mentoring (the subject of this article)
- Training
- Conferences – traditional and web-based
- Books and courses
- The School of Hard Knocks
- Industry updates

This series is designed to do three things:

1. Explore new avenues on the road to success, sometimes shifting your perspective, other times making you aware of various alternatives.
2. Provide a series of solutions (often tools and techniques) that will provide you with the means to achieve your ends.
3. Provide you with additional resources.

Progress

“Progress,” according to Webster’s Dictionary, means: “moving forward, advancement, onward movement, development, improvement.” Progress, especially in our business, requires interdependence and assistance so that we don’t have to spend the time and effort trying to do everything ourselves.

The vast majority of financial advisors learn the hard way: by trial-and-error. When you were a rookie, you sought the advice of those who were available to you – sales trainers, your manager and the more senior advisors in your office. Of course, it was the most logical thing to do at that stage in your career. These people acted as coaches and mentors, with all their strengths and weaknesses; they helped to shape you and your future. While their advice might have been the best-in-class, it was more likely the best available. (Rookies must take what they can get and have a very limited ability to discern between excellent advice and “garbage.”) Everyone gave you their opinion based on how they did business. Their advice probably didn’t take your individual needs into account, your learning

style, psychological attitude or even your distinctive personality. You probably received the cookie-cutter approach to learning. While okay for rookies, it isn’t okay for you now.

As you gained business “experience,” you simultaneously developed good and bad habits, came to proper understandings, corrected a few misconceptions, developed good and bad techniques and discovered some strong and weak business approaches. Without a doubt, you did the very best you could with the limited resources you had available. But, that was the past. The present, for many of high level producers in our business, includes obtaining professional assistance in business development. The future – whether immediate

or remote for many readers – should include “professional” assistance in business development.

Can You Become Better?

Here is an important question: “Do you believe that you can become better than you already are?” If yes, this entire series of articles will assist you. If no, reading beyond this point will be a waste of time. Coaching financial advisors is big business. Many top financial

advisors owe much of their success to effective coaches. A number of these advisors continue the relationship with the coach because they are star performers and know that they can become even better. The coach can motivate, inspire, push and prod. Just as in sports, the coach is there to tweak the athlete’s performance so that the athlete becomes incrementally better. In any major sport, becoming “incrementally better” can mean hundreds of thousands – even millions – of dollars in increased revenue for the individual athlete, and hundreds of millions of dollars for the team. A good sports coach is worth his/her weight in gold. The same is true in our industry.

The difference between a sports coach and most coaches in the financial services industry is that the sports coach knows a lot about their sport. They’ve been there and done that. They are experts in their sports. They provide motivation, help players set goals,

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hold them accountable and, most importantly, give them tips and techniques to increase their performance. Within the financial services industry, however, only a handful of coaches have actually been in the trenches, so to speak. Because of their industry experience, they are often able to provide a higher level of service by also being a mentor-teacher. For the sake of this article, those without industry experience will be renamed coach-motivators.

Advantages and Disadvantages of Coaches and Coaching

Recently I had the opportunity to attend a conference and listen to presentations made by different coaching organizations. Each group discussed how they help advisors identify what is important, further define or refine the goals to make them more meaningful and then help their advisor-clients to achieve personal and professional goals¹ by holding the advisors accountable for performing key activities. I think that is laudable. It works for many people, especially those who, as you will see, are already very experienced. Many advisors are working so hard that they don't do enough planning and/or miss out on life. Coaching programs help them step back, identify what is really important and then create a systematic game plan to attain key goals, BUT there is one major flaw in this approach that has precluded many advisors from effectively working with coaches. That is, the coach-motivator will ass/u/me that the advisor has the necessary "how-to" answers needed to do a better job, which may only be true with very experienced advisors. Since the vast majority of coach-motivators do not have actual, in-the-trenches" financial experience, they are relegated to being "carrot-stick" motivators who hold advisors accountable for performance standards, but can't necessarily show the advisor better ways of doing things. For example, if an advisor must conduct a demographic study of his book, the coach may offer some general ideas on what to do but may not be able to tell the advisor specifically what to look for or how to do it most efficiently. The coach-motivator doesn't know how to precisely

identify good clients and doesn't have the knowledge to conduct an in-depth demographic study. As a possible consequence, the advisor can do a relatively poor or inefficient job, but report back that the task was accomplished. The coach-motivator doesn't actually know if it was a good or bad job, therefore, assumes that it was good and makes the appropriate check mark on the advisor's goal sheet.

To offer an even more dramatic example, consider financial profiling. If the coach doesn't know what questions to ask and how to ask them, a neophyte advisor may only ask how much money clients have, what their investment goals are, and where the money is now. Period. Anyone reading this publication would immediately offer a host of other ques-

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tions that the advisor should be asking and provide the rationale for asking them. Not the coach, though, because the coach doesn't know what additional questions to ask or even which ones must be asked. The fictitious advisor then starts to conduct more and more, essentially worthless, profiling interviews. Yet, because he has increased numbers of interviews, he will also increase his sales, proving to himself that the coach really has the answers.

Granted, this example is too simplistic. Most coach-motivators know that there is more to financial profiling than that and would have enough coaching experience to suggest that there are a few additional questions that the advisor should ask and that the new advisor should ask a senior financial advisor for advice. Yet, when we raise the bar to something like conducting targeted marketing campaigns,

developing effective teams, penetrating the foundation market segment, etc. we can see where something more than a coach-motivator is needed. What is needed is a *mentor-teacher*.

A great benefit of having a coach-motivator is that they hold you accountable to fulfill your promises. For example, if you had verbally contracted (promised) to do X by a certain date, the coach expects that you will have done it. Excuses like "my sister came to town," or "the council had an emergency meeting," don't count. The coach would say, "So, why didn't you do X?" Again, excuses don't count. Performance counts, and you are held accountable. This may seem overly strict, but the imposed outside discipline forces may people to do things on a timely basis, that otherwise may have been lost in the shuffle or postponed. A coach helps you to identify your A-level activities and will push you to perform those important activities. B, C, and D level activities don't count.

Coaching is generally an expensive proposition making it viable only to those who have already attained a certain level of accomplishment. Prices vary from \$500 to \$3,000 per month, which precludes the vast majority of advisors from these services. Frequently these services also involve a contractual obligation. It's like going to a restaurant and only being able to order a full-course meal, when ala-carte may better suit your needs.

Some small group coaching services exist where advisors can participate in a weekly motivational conference call or listen to a recording of that call. Some good general sales ideas and techniques are offered (participants from all industries are welcomed), and the speakers gets you pumped up to do something without the knowledge of how to do it.

Advantages and Disadvantages of Mentors and Mentoring

In our industry, a mentor is someone who has the experience, knowledge and sophistication to provide specific guidance and answers. A mentor in the previous example of the neophyte advisor would tell the advisor to ask a host of specific questions and then teach that



advisor to organize the information obtained in a useful manner. The same or different mentors would know the tricks and techniques to conduct a targeted marketing campaign, the know-how to build a team and offer suggestions on what duties and responsibilities each team member should have, and the specifics of the endowments and foundations markets, etc. Mentor-teachers can be useful people to have around. They help us to avoid reinventing the wheel.

Mentors are generally difficult to find and often don't have the time to work with a group. They can be product specialists, more senior advisors, managers, peers with specific expertise, trainers, etc. They generally provide a lot of "how-to" information and then assume that you have the capability and the desire to implement their suggestions. Except in rare occasions when you find a mentor who takes a personal interest in your success, the mentor provides the information and leaves the rest to you.

Advisors in larger firms can often find numerous experts to act as short-term mentors. Unfortunately, the hundreds of thousands of independent advisors or advisors at small-firm don't have that opportunity, and they must look to books, pamphlets and courses to obtain the information they need. Many times they don't know what they don't know and often don't even know where to look.

Mentors are generally free of charge because they offer advice as part of their normal activities. But "free" also means limited availability and limited effort on your behalf. Multiple mentors, each addressing different topics/areas, are often needed, requiring you to do a lot of searching. Since you must take what is available to you, you don't know about the quality and viability of the advice until you've implemented it and have had a chance to evaluate your results. (That's potentially the same position you were in as a rookie.) Unfortunately, in many cases, advisors discover that the advice was worth the price they paid. Part of the problem may be that the product representative may not have the sales experience or practical information you need, so you may be put in the position of receiving information without the ability to effectively use that information. What a dilemma.

The Ideal: Coaches, Mentors and Mentoring Coaches

When The Progress Center was formed, we offered an approach that included the best of all worlds. Drawing upon the expertise of numerous industry experts, we offer mentoring services that allow advisors to obtain useful, pragmatic, sales-oriented information from experts who, in many cases, literally wrote the book. Each of our industry experts is a recognized keynote speaker or workshop leader at various industry conferences and/or has written extensively on the subject.

At The Progress Center, we use a blended solution of coaching and mentoring. A senior

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staff member, with good industry experience, conducts an initial interview to determine the specific needs of the advisor. Depending upon those needs, a customized program is created that may include a coaching relationship – with various mentor-teachers participating at key junctures. For example, a coach (with industry experience) would be the primary liaison who would help you identify, define and achieve your personal and professional goals, recommend which courses to take and hold you accountable. At certain points the coach might bring in specific industry mentors to ensure that things are done in the most effective manner or to provide specific information that is needed to save you a tremendous amount of time and effort. Penetrating the foundations market, for instance, would possibly involve Sandra Champion – one of the country's foremost experts on this topic as a mentor. As a targeted marketing campaign was implemented, Jerry

Rosenstrach, co-founder of three marketing departments at major firms, might be called upon to help. Don Trone's course on "Fiduciary Responsibilities" might be recommended as well as Bruce Wright's "Macro Strategic Planning"™ course. Meanwhile, your coach would monitor your progress. Other mentors would be brought in as-needed to deal with specific issues/topics. This premier service allows each advisor-client the opportunity to regularly obtain best-in-class information and services, and is ideal for many top advisors. Most of the courses at The Progress Center are currently available only to firms that sponsor courses for its advisors. Whether at a training site or over the internet, participants receive information tailored to their sophistication level. The breadth and depth of information provided depends upon the composition of group and the particular topic. Eventually, we will be able to offer recordings of these courses to those who cannot currently participate in a learning group.

Small Group Coaching

To meet the needs of newer and mid-level advisors – those who need coaching/mentoring services are generally the ones who can least afford it – we are initiating a new service that allows advisors to participate in regularly scheduled conference calls conducted by an industry expert. These calls will provide useful, practical information to increase productivity on topics such as discovering hidden assets, becoming the advisor of choice, advanced communications techniques, analyzing and developing a business, developing an effective team, etc. As this service expands, we anticipate being able to provide small group coaching/mentoring sessions at a fraction of the cost of traditional coaching. Since these participants can be drawn from many different firms, we can create special study groups of people with similar backgrounds and needs.

How Do You Hire a Coach-Mentor?

This is a very difficult and significant question. Unfortunately, there is no easy answer.

Your choice of coaches and/or mentors must depend upon a host of factors, including:

- Personality match. You should feel comfortable and like the person. After all, you'll be spending a lot of time together, and you'll be sharing a lot of personal information.
- Credibility. Their credentials should be impeccable. Ideally, they should have excellent industry experience in the areas that will support your professional growth. If not, they should have a network of experienced professionals from whom they can draw to provide you mentoring assistance in a host of areas at critical junctions. This should not only include others within your coaching or peer group, but industry authorities.
- Recommendations by others.
- Depth of interview and questions asked. Did the potential coach get simple information or did he/she delve down deep and explore your ideals, your life purposes, where you want to be (not ought to be) in five and ten years, the legacy you intend to leave? Anything less represents a cookie-cutter approach to helping you identify, define and achieve your goals.
- Costs. Be wary of long-term contracts.
- Success measurement standards.

In Conclusion

There are very few people who would say that there is nothing else to learn, that they can't learn or that they cannot get better than they already are. Those who do believe are probably delusional. Even those advisors who

are managing over \$1 billion in assets² emphasize the need for continued education and personal development beyond the standard industry conferences.

To move forward, to progress, you can try to do it alone, or you can substantially increase your probability of success by drawing upon the expertise of others. Professional athletes use coaches and mentors to gain the edge. Having "the edge," regardless of profession, translates into significant rewards. ■

Notes

¹It's interesting to note that, as advisors, we help our clients "identify, define, and achieve their goals." However, we also act as mentors because we help clients avoid the pitfalls and provide them with practical financial suggestions. We don't tell our clients to come up with their own solutions or assume they know everything they need to know to make an investment decision.

²*The Mega Producers: Secrets of Financial Services Superstars to Lead You to the Top* by Steven Drozdeck will be released by Dearborn Trade Publishing in mid-November 2003. (Just in time for Christmas.)

About the Author

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Notes

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