

SENIOR CONSULTANT

The Voice of the Investment Management Consultant

The Business Purpose Statement. How to Use Your Values to Differentiate Yourself.

By Michael Lovas

Every time you introduce yourself to a stranger, your mere mention of your own name cranks the ignition of a psychological program inside your own subconscious. You actually get a chemical reward inside your brain. Now, imagine being able to tap into that program and crank up the intensity so it becomes magnetic to people you want to connect to. That's what this article is all about.

Question:

What are three common things in the business world that have lost their validity?

The answer:

Mission, Vision and Values statements.

They are ubiquitous in business. They sound wonderful and compelling. However, when you look at the language the firms use in their marketing and every-day communications, the words contained in the mission, vision and values statements are typically absent.

What does that mean?

It means that the firm is not connected to those statements. That's a fundamental incongruence that raises a big red flag. It means the firm is not necessarily what it says it is. That incongruence opens a Pandora's box that creates doubt and skepticism in the minds of other people. As a psycholinguist, part of my job is to spot those inconsistencies in language, then figure out the truth.

How does this relate to you?

Over the past twenty-some-odd years I've found that very few financial advisors, portfolio managers

or investment professionals develop a mission, vision or values statement. If you have any of them, you're in the minority. The lack of those statements tells me those tools hold little value in our industry. But, it doesn't matter, because those statements are intended for internal use. And, ours is an industry focused outward — on getting clients.

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THEREFORE A CAREFULLY CRAFTED
BUSINESS PURPOSE STATEMENT POWER-
FULLY CONNECTS US TO OUR CLIENTS.**

Go to the edge!

With that in mind, let's break the rules. Let's shatter the box and explore a statement that will serve both internally and externally. Let's explore a business statement that will show you at your best, differentiate you from other professionals, and give your prospects something they will actually remember.

Meet the "Business Purpose Statement."

You might think of it as A Values Statement — on steroids! It is based on the idea that each partner in a firm has a Life Purpose. When those Life Purposes are aligned, the firm finds success significantly easier to achieve.

In our work with self-development over the past ten years, we've helped hundreds of people define and articulate their personal life purposes. To create the Business Purpose, we simply expanded that skill set to make it apply to financial teams. Interestingly, while it's helpful for each partner to have a written life purpose statement, it's not necessary. However, it is necessary to identify the person's actual core values. When a Business Purpose Statement is crafted from the core values that each person shares, the firm begins to generate an incredible magnetic power. And, when the partners articulate the resulting Business Purpose Statement, they experience a physiological reaction to it that is sensed by



the prospect or client who hears it. Compare that to a typical mission, vision or values statement, which is normally written by a copywriter in an ad agency. As clever or beautifully written as they might be, when people recite them, it has all the energy of a fifteen-year-old parrotting the Gettysburg Address.

To help you gain a firm grasp on how you can use this concept in your own firm, let's look at an actual case study and see the step-by-step procedure contained in how the firm's Business Purpose Statement was created. As you'll see, it is the result of a four-phased process. Each phase builds on the previous and verifies the results. In the end, the specific words and structure of the statement created are like chunks of gold.

Case Study – Signia Capital, Spokane, Washington

Signia Capital is a four-year-old portfolio management firm, focusing on value investing. Their situation was this: they wanted to grow assets under management, and to do that, their goal was to embark on an intensive effort to prepare themselves to win institutional accounts.

To achieve their goal, they hired Paul Greenwood (www.gwoodconsulting.com), formerly with the Frank Russell Company for fifteen years. Paul is an expert in institutional presentations; in fact, he estimates that he was involved in about 1500 money manager presentations while at Russell. His job was to teach the Signia team the process and structure of a successful institutional presentation. They also hired my firm to extract the exact language that encapsulates their identity and core values, then turn that into a Business Purpose Statement. The process for extracting identity and values language is like walking on thin ice. The

more direct the application, the worse the result. For example, were I to ask you to name your values, you could give me some words, such as: family, integrity, truth. However, those would probably not to

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be your actual values. That's because values must be directly connected to behavior and decisions. Unless most of your business behavior and decisions are based on family, integrity and truth, they're not your actual values. As you can see, a values statement crafted from them would be less than effective.

Let's stop right here and go on pause for a minute to look at why humans name things as their values, when in fact they're not true values. Here are a few simple facts:

1. Values do not live in your conscious mind. Therefore, you can't access them with your conscious mind. Meaning, you can't simply list what you think are your values.
2. Values are words connected to your memories and emotional experiences. Therefore, while we may use the exact same words, they mean very different things to each of us.
3. Values are subconscious drivers of your behavior. In plain English, they are the things that motivate your actions every day of your life. The more important the value to you, the more often you take an action based on that value.
4. What most people think of as their values

are things that are not verified by their behavior. The litmus test for a value is very simple — do your daily activities substantiate it? For example, if you claim to value your relationship with clients, but you don't communicate with them on a regular basis, then you probably don't really value them. Instead, you might value merely having them as clients.

And, that brings us back to Signia Capital. In private conversations, each of the six partners was asked multiple open-ended questions. In order to answer the questions, the person had to tap into his subconscious and extract values language.

I could tell from watching their eye movements and listening to their speech patterns when an answer came from the subconscious or just the top-of-mind conscious mind. The conscious-mind answers were simply discarded.

In the four-phased process described below, you'll notice that each subsequent phase gets more sophisticated. Here's the process:

Phase One (done in advance)

1. Each person fills out the workbook titled Identity developed specifically to open the mental valves and help the person tap into his subconscious.
2. Compile a list of the important words used by each individual.
3. Compile a list of the words used by more than one person.
4. Put all the words into a matrix organized by individual team member.

Phase Two (done in person)

1. Personally interview each partner and develop an in-depth profile identifying his personality type, mental filter configuration and core values.



2. Add the core values to the matrix compiled in Phase One.
3. Note the values shared by more than one person.

Phase Three

I compiled a master list of all the words used by more than one person. This gave me eleven words, but there are six partners, and each one had a different definition of those words. This is where the electricity erupted from the conference room. Because values words carry such personal energy, people will get emotional when their definition doesn't match someone else's. With six strong-minded, highly intelligent professionals, getting them to agree on a team definition was like pulling teeth. It took a full day!

At the end of this Phase, we had a list of eleven values, and each word had a succinct definition that each person in the team could relate to and agree on. This Phase also serves as an excellent team-building activity, as each team member gets to discuss things that are highly meaningful to him, and the other team members get to look deep into that person's heart and mind.

Phase Four

There's only one activity in Phase Four—use as many words as possible to create a statement articulating exactly what the team does, what it believes in and what drives them. That is their Business Purpose Statement. Because the language in the statement comes from deep within the team members, it is almost impossible for any of them to recite the statement without smiling or responding positively in some physiological way.

The end result:

Remember, Signia is a portfolio management firm focusing on value investing. The firm could have been in just about any business that prides itself on excellence. Most

people have between six and ten core values that come out in their conversation. If more than that come out, that indicates the person has difficulty making a decision because he or she has too many behavior drivers operating.

Working with six people, the list of values ranges from thirty six to sixty, so the process got complicated. Among the team's most important values words were: Ethics, Financial stability for clients, Security, Unwavering commitment, Reward, Learn, Passion, Success, Work, Focus, Research, Intrinsic worth and Value.

Here's how they combine to create Signia Capital's Business Purpose Statement:

We are a team of value-based portfolio managers whose life's work is research, pursuit of excellence, our value discipline and our unwavering commitment to finding and adding value. Our passion is uncovering intrinsic worth. Our greatest reward is to bring our clients security and financial stability. And, our clients trust us to remain honorable and truthful in the pursuit of value for them. That form of their Business Purpose Statement can be delivered very effectively and dramatically in a presentation to either an individual or an institution. It can also be printed in the leave-behind materials. Of course, the actual presentation would highlight that same exact language.

There's another form the Business Purpose Statement can take. Because many institutional decision makers are bottom-line thinkers who have little time, your presentation would be strategized to deliver information in machine-gun bursts. With that in mind, Signia's Business Purpose Statement can be modified to appeal more appropriately. See the difference:

- We're about Learning
- We're about being Passion for our work
- We're about Research

- We're about remaining Ethical in everything we do.
- We're about Focus
- And we're about finding the largest amount of Value that is humanly possible!

Every word in that list is directly related to Signia's actual core values. They are also words their target market will resonate to.

The secret code

At the foundation of both statements is the psychology of the structure. For example, using Learning communicates to the listener's subconscious that Signia continues to grow and learn—without stating it explicitly. That's called the deep structure of the language, and unless it is addressed, the statement could be fatally flawed. But, having a congruent deep structure, gives you a key to the secret code into your target market's subconscious!

In addition, when you use (or hear) a word that is one of your values, you get an electrical charge. It's a pay-off, like getting a hug from someone you love or eating a piece of chocolate. As you can probably see, when you use a word that is also among someone else's values, it is like breaking a secret code and gaining access to that person's most personal space. You're sharing something extremely personal and private with him or her.

Here's an example. Remember times when you were in a crowd, like a busy airport, when you heard someone say your name. Even if the voice is not talking to you, you can pick your name out of a busy crowd. Your name is a value. Same thing with your other values. They constitute a secret code that allows you to get deep inside yourself or another person.

How to do it on your own.

The key to making yourself magnetic to other people is to use language that contains

positive energy, language that includes your personal values words. And the key to doing that is to capture the words that energize yourself. To do this on your own, there are two good ways:

- First, search for the reasons why you became the person you are today. Look for events in your life that carry meaning to you. Those will give you a great list to start with.
- Second, identify your behavior. Go back to yourself in your teens and see what you were doing then that you are doing now. From sports to the Slide Rule Club, what is consistent in your life-long activities? Those activities are important enough to you that you've held onto them (valued them) over the decades. When you have identified some of them, you would simply ask this question, In order for me to have this behavior for all these years, what must be important to me?

Conclusion

Let's do an experiment to close this class. Let's create a situation for you to get first-hand experience to feel the energy in certain words. Say this sentence aloud:

I am a somewhat conscientious financial practitioner who enjoys saying yes and being called a professional. I like to tell people how smart I am and require them to pay me large sums of money. The best I am is no different from anyone else. And, when the going gets tough, I go home. Could you get excited saying that? Was it a true representation of the best in you? Please say no. Did it put a frown on your face? Or did you laugh at how far from the truth it was? Now, say this aloud and notice the difference in your experience: I seek to always learn more and consistently get better. When my clients see me, they smile. To me, they feel like family. Who I am today is the same as

I was when I was young — only better. I'm consistent, caring, conscientious and competent. In the face of adversity, I focus more intently and work even harder to accomplish my goals. I am a winner. * Did you feel the difference? Did that put a smile in your heart? Did you relate to that second statement more than the first one? If so, the difference is in the specific words used. This second statement contained language that is probably connected to your personal values. Now, imagine that someone gives you an opportunity to make a statement about your life's work. Will the statement you make energize you? Will it serve as a differentiator to the other party?

*The statement was crafted on the mental filter configuration we've identified that many successful financial professionals have in common. It is encapsulated in the concepts of: responsibility, personal connections, growth, progress, achievement, and winning.

About the Author

MICHAEL LOVAS holds three prestigious certifications: Master Practitioner of Neuro-linguistic Programming (NLP), Licensed trainer of NLP, and Clinical Hypnotherapist (C.Ht.). Those disciplines focus Michael's passion — helping people make sense of other people and increase the quality of their relationships!

Michael is the author of five books, two columns, and a thousand articles on Reading People and Psychological Communication in the financial industry. He conducts an active coaching program and regularly speaks at conferences, teaching advisors how to build meaningful, relevant business relationships. Michael has spoken to: Northern Trust, Merrill Lynch, American Express Financial Advisors, Fidelity Investments, Signia Capital, Smith Barney, Piper Jaffray, and State Farm.

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SENIOR CONSULTANT

1457 Crystal Springs Lane
Richmond, Virginia 23231

Ph 804-643-1075 ■ Fax 804-643-1544

www.SRCONSULTANT.COM