



Financial Leadership

Table of Contents

The Financial Leadership Workbook	1
Workbook Objectives	1
Workbook Methodology.....	1
Why is financial leadership needed?	2
What is a financial leader?	2
What is resonance and why is it important?	2
The Financial Leadership Framework	3
Connecting Concepts to Practice: Self-Assessment	4
What happens if an element of the Framework is missing?	5
Motivation.....	6
Why aren't clients motivated?	6
Connecting Concepts to Practice: Determine your clients' barriers	6
What motivates clients?	7
What are the key steps to motivating your clients?	7
Connecting Concepts to Practice: How to shift your client's thinking.....	8
Vision.....	10
Why is visioning important?	10
What is the visioning process?	10
Step One: Discovery	11
How can asking high value questions help you?	11
Connecting Concepts to Practice: Creating high value questions	11
Step Two: Reality Check.....	12
Step Three: Create Action Steps	12
How will the visioning process help?	12
Connecting Concepts to Practice: Positioning the importance of visioning	13
Expertise	14
What should you communicate to prospective clients about your expertise?	15
Connecting Concepts to Practice: Answers to prospective clients' questions	15
How can you use a story to communicate your expertise?	17
Connecting Concepts to Practice: Constructing your story.....	17
How can references demonstrate your expertise?	18
Connecting Concepts to Practice: Asking for a reference.....	18
How can you leverage the expertise around you?	19
Implementation	20
Are you predictable?	20
Have you created clear expectations?.....	20
How can you set realistic expectations?	21
Are you focusing your energy on what you can control?	21
Connecting Concepts to Practice: Your control continuum.....	22
Do you have a strong implementation process in place?	23
Connecting Concepts to Practice: Evaluate your own process.....	23
Your Financial Leadership Action Plan	24
Connecting Concepts to Practice: Self-Assessment	24
Connecting Concepts to Practice: Financial Leadership Action Plan	25
Works Cited.....	27
Supporting Tools.....	27

The Financial Leadership Workbook

Welcome to the **Financial Leadership Workbook**. This workbook is designed to raise your awareness of financial leadership and provide tools to help you become a financial leader for your clients.

The workbook is structured around the **Financial Leadership Framework**, which forms the basis of the following two PowerPoint presentations available on-line at www.ci.com/professionaldevelopment:

- **Leading the Retirement Transition**
This presentation prepares advisors to help their clients deal with the emotional roller coaster of transitioning to retirement.
- **Restore Confidence, Regain Trust, Rebuild Wealth**
This presentation illustrates that the key to being a financial leader in uncertain times is to restore client confidence, regain their trust and help them rebuild their wealth.

Both presentations are one hour in length and we suggest that you watch at least one of them before completing this workbook. This will put the **Financial Leadership Framework** into the context of your role as an advisor, our industry and the challenges facing clients.

Workbook Objectives


Upon completing this workbook, you will:

- know how the **Financial Leadership Framework** can help your business,
- be able to identify areas of your practice where you can implement the **Framework**, and
- have a number of tactical financial leadership ideas that you can put into practice with your clients.

Workbook Methodology

This workbook is divided into sections that match the four elements of the **Financial Leadership Framework**:

- Motivation
- Vision
- Expertise
- Implementation

You will have an opportunity to apply the concepts you learn in the  **Connecting Concepts to Practice** activities in each section. At the end of the workbook, you will complete a **Financial Leadership Action Plan** outlining the steps you will take to implement these concepts in your practice. As with any self-development, this is only the beginning of the process. The key to your success will be holding yourself accountable to take action and implement the ideas explored here.

In the pages that follow, we will walk through the **Financial Leadership Framework** step by step to help you become a successful financial leader. This workbook will take approximately three hours to complete. To earn CE credits for this workbook, you must also complete the CE credit quiz at www.ci.com/professionaldevelopment.

Why is financial leadership needed?

- **The times and issues faced by clients are more complex.** The explosion of information on the Internet, on television and in newspapers has made it more difficult for the public to separate reliable information from hype. With all of this competing information, clients are confused. They need an advisor who can provide clarity and help them make the right choices.
- **Reduction in wealth has diminished client confidence.** The market downturn in 2008 significantly changed the landscape for clients, advisors and the financial services industry. In tumultuous markets, clients who thought they were risk tolerant found they actually were not. Many advisors weren't ready for the reactions they got from panicking clients who started to question the value their advisors were providing.
- **Major life transitions lead to anxiety.** The 6.7 million¹ people in Canada retiring by 2021 will be facing unprecedented challenges in funding their retirement. Financial decisions made now will have a significant impact on their future. They have tough decisions to make and are looking for help to guide them through retirement and other life transitions to come.

The good news is that these changes have created a great opportunity for the advisor who is ready to embrace a financial leadership role with their clients. In the following pages, we'll explore what that means to you and provide ideas and insight to help you become a financial leader for your clients.

What is a financial leader?

There are many books about what makes an effective leader. Most are written about business leaders who have control over a company, a division or group. While there are similarities – the ability to inspire, motivate, and create a common vision – there are also differences to your role as an advisor.

A business leader, a CEO for example, has “positional power” because of the authority of their position. As an advisor, the relationship you have with your clients does not include positional power, but you do have “personal power.” Personal power is the influence you have with others over whom you have no direct authority. This is a result of who you are as a person, your knowledge, your experience and how you are perceived. A financial leader uses personal power to guide clients to attain their long term goals and fulfill their potential.

What is resonance and why is it important?

In the book *Primal Leadership*,² which is based on a study of close to 4,000 executives, psychologist and co-author Daniel Goleman (author of *Emotional Intelligence*) introduced the concept of **Resonance**. Goleman refers to the ability a leader has “to articulate a message that resonates with the followers’ emotional reality.” In the study, Goleman found that effective leaders create resonance by conveying values and beliefs that matter to those they are leading. They speak authentically from the heart, which creates an emotional connection with their audience. This is a critical factor for financial leaders. The stronger your resonance is, the stronger your personal power.

Goleman also states that it is necessary for leaders to know their own truths and act accordingly.² Being a financial leader is about character – about being true to your values and beliefs. We all know when we are dealing with a person who follows a strong internal ethical code, one who “walks their talk”, doesn't take the easy road, and gives straight answers to tough questions. For you to be a financial leader, the quality of resonance and the ability to act in line with your values must be present as you apply the ideas in this workbook.

¹ Health Canada. Minister of Public Works and Government Services Canada. *Canada's Aging Population*. Ottawa, 2002. Print.

² Goleman, Daniel, Annie McKee, and Richard Boyatzis. *Primal Leadership: Realizing the Power of Emotional Intelligence*. Boston: Harvard Business School Press, 2002. Print.

Motivation

Vision

Expertise

Implementation

The Financial Leadership Framework

The diagram below shows the **Financial Leadership Framework**. As you explore the **Framework**, we will provide ideas for you to integrate financial leadership into your practice.



In addition to creating resonance with clients, a financial leader has a number of other qualities and skills. By becoming a financial leader you will be able to:

- motivate your clients to take action and begin planning for their future,
- help clients develop a vision for their future that provides clear direction,
- clearly and powerfully communicate and demonstrate your expertise, and
- effectively implement clients' plans.

Top Advisor Suggestion:

Adopting a financial leadership approach with your clients will differentiate you from other advisors. Incorporating this concept into your personal brand will take your role as an advisor to a level that is far beyond that of your competitors. For more ideas on how to enhance your brand, refer to the **BRAND Workbook** at www.ci.com/professionaldevelopment.



Connecting Concepts to Practice: Self-Assessment

Answering the following questions will determine where you are today in terms of the **Financial Leadership Framework**. Give yourself a score between 0 and 10 for each of the statements shown. We will return to this **Self-Assessment** at the end of the workbook.

0 = Never 5 = Sometimes 10 = Always

		Your Score
M	When a client is resisting my recommendations I know why.	
M	I know what motivates my clients on an individual basis.	
M	I am able to motivate my clients to make difficult decisions that are in their best interests.	
M	I use client-specific methods to motivate my clients.	
V	My clients have a detailed future vision they have shared with me.	
V	I know what questions to ask to help a client create a vision for their future.	
V	I recognize when a client's view of the future is unclear.	
V	I know the steps to follow to make a client's vision a reality.	
E	I use client stories illustrating specific situations to explain how I've helped my clients.	
E	I give potential clients a written document outlining my background and experience.	
E	I am consistent in the way I communicate my expertise to potential clients.	
E	I provide references to my potential clients.	
I	I follow a process to put my clients' plans in motion and keep them moving forward.	
I	I provide a written client service agreement to my clients.	
I	I focus my energy on areas where I can influence the outcome.	
I	My clients understand my role in implementing their financial plans.	

Motivation

Vision

Expertise

Implementation

Looking at your scores on the **Self-Assessment**, record three ideas that stand out for you in the space below.

Idea #1:

Idea #2:

Idea #3:

What happens if an element of the Framework is missing?

~~Motivation~~

clients will be resistant.

~~Vision~~

clients will be confused.

~~Expertise~~

clients will be anxious.

~~Implementation~~

clients will be frustrated.

Now that we've examined the concept of financial leadership in general terms, in the next section we'll explore the first element of the **Financial Leadership Framework – Motivation**.

Motivation

The first element in the **Financial Leadership Framework** is **Motivation**. As a financial leader, you need to be motivated, but more importantly, you must be able to motivate your clients. As we mentioned earlier, if a client is resistant to your ideas, they are most likely lacking in this area. In this section of the workbook, we will explore the barriers that are holding your clients back and how to overcome them.

Why aren't clients motivated?

The things that motivate us are unique, like fingerprints. This is why it can be difficult to motivate someone. The best advisors have the ability to understand what drives their clients' decisions, views and behaviour. They also know how to position a new idea or course of action in a way that encourages their clients to act.

There are many reasons why clients resist your recommendations. It is important to recognize the barriers that prevent them from making a decision or moving forward. The list below provides some reasons why your clients may be lacking in motivation:

- complacency – they are happy with the status quo
- absence of a crisis – no major life events have created a need for action
- denial – their attitude is “that will never happen to me”
- too busy – they don't have time for anything outside their regular routine
- unaware of possibilities – they don't realize that putting a plan in place could create more opportunities
- overwhelmed – there is too much information/choice
- afraid of the decisions facing them – they are worried they could make the wrong decision.



Connecting Concepts to Practice: Determine your clients' barriers

1. In the first column below, list three clients or prospects who are resisting a recommendation you have made.
2. In the second column, identify the barriers that you believe are preventing them from moving forward. The barriers you identify may or may not include those listed above.
3. In the third column, identify what you think is causing the barrier.

Client/Prospect Name	Barriers	Cause of this barrier...
#1		
#2		
#3		

What motivates clients?

Motivation can be internal or external, positive or negative. Internal motivation is driven by inner forces while external motivation comes from outside influences. Positive motivation inspires you to move towards a goal. Negative motivation propels you away from something you want to avoid. The table below provides an example of the four different combinations of motivators using the example of planning for retirement.

Examples of Client Motivators			
	POSITIVE	NEGATIVE	
INTERNAL	I am passionate about my goals for retirement and this keeps me on track with my plan.	I am so worried about having enough money in retirement that I am saving as much as I can now.	INTERNAL
EXTERNAL	My colleague has just retired and moved to the tropics. I have to figure out what I need to do to have the "good life" in retirement.	I see the life my parents have and I don't want that for myself in retirement. That's why I've decided to begin planning now.	EXTERNAL
	POSITIVE	NEGATIVE	

In market downturns, many investors are affected by external negative motivators such as trying to avoid financial losses. As a result, we see investors moving from equity investments to cash and getting out of the market at the worst possible time.

It is difficult to shift your clients' thinking away from this external negative motivator and keep them invested, because people place more weight on the fear of something bad happening than the possibility of something good. According to Kahneman and Tversky's Prospect Theory,³ people will give up the possibility of a large gain for the security of mitigating their losses. Your role is to find out what is behind their thinking so you can provide a better course of action.

What are the key steps to motivating your clients?

The fears, barriers and challenges each of your clients is experiencing will likely be very different. There are three key steps you need to take to eliminate client resistance to your recommendations:

1. Acknowledge that your prospect or client has encountered a barrier that is preventing them from moving forward.
2. Uncover the reason behind their resistance and explore the cause through questioning.
3. Use what you have uncovered to determine an appropriate strategy that will motivate them to act.

³ Kahneman, Daniel, and Amos Tversky (1979) "Prospect Theory: An Analysis of Decision under Risk", *Econometrica* XLVII (1979): 263-291. Print.



Connecting Concepts to Practice: How to shift your client's thinking

1. Think of a client who has wanted to make a change to their portfolio or plan that you didn't think was in their best interests. What change did they want to make?

2. What was their motivation? Was it internal/external, positive/negative?

3. What did you say to shift their thinking and change their mind, i.e. motivate them to take a different course of action?

4. Is there anything that you could have done differently with this client?

5. Pick one of the three clients that you chose on page 6 who is resisting a recommendation you have made. What will you do to motivate this client?

Top Advisor Suggestion:

How to Motivate Your Clients is a tool that provides seven tactics you can use to increase your clients' level of motivation. These strategies can be easily incorporated into your day-to-day practice. You can access this tool at www.ci.com/professionaldevelopment.

Without motivation, prospects and clients won't take the steps needed to secure their financial future. Your role as a financial leader is to understand what their key motivators are and use them to guide clients forward. The result will be a stronger relationship and a client who accomplishes their goals with the benefit of your support.

Top Advisor Suggestion:

When your client is externally/negatively motivated to pull out of the markets, getting them to look longer term can help them stay motivated to stick to their overall financial plan. Remind them of the reasons they originally invested and what they can accomplish by staying committed to their plan. Show them the presentation **Staying the Course in Challenging Markets** at www.ci.com/professionaldevelopment.

Most people spend more time choosing a car or a flat screen TV than thinking about their retirement. For a potential client who is resisting the idea of planning for retirement, help them better understand the issues they will be facing by showing them the PowerPoint presentation **New Retirement Realities** at www.ci.com/professionaldevelopment.

Next, we'll move on to the second element of the **Financial Leadership Framework – Vision**.

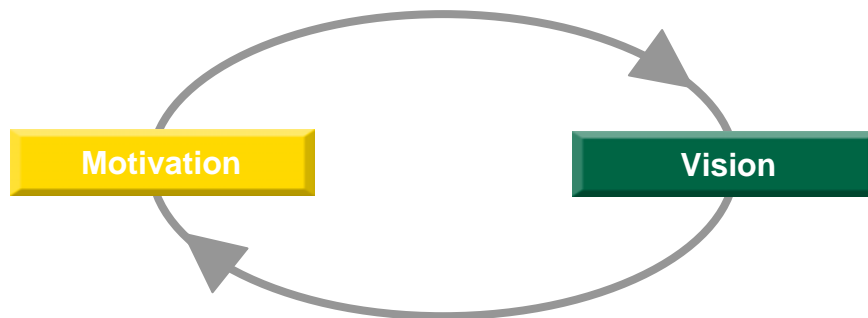
Vision

The second element in our **Financial Leadership Framework** is **Vision**. As a financial leader, your role is to help build your client's vision for their future and determine a course of action that turns their vision into reality. A vision doesn't always have to be for a long-term goal like retirement; it may also be for a shorter-term goal like saving for their children's university education. If your clients haven't thought about a vision for their future, they are likely confused about what the years to come may hold and how to get there.

Why is visioning important?

In his book *A Whole New Mind*,⁴ Daniel Pink argues that, "What's in greatest demand today isn't analysis but synthesis – seeing the big picture, crossing boundaries, and being able to combine disparate pieces into an arresting new whole." Our brains are divided into two hemispheres. The sequential, analytical left brain handles the hard facts. The holistic, contextual right brain handles the feelings and meanings that define us. As a financial leader, by utilizing both left- and right-brain thinking you will help clients craft a vision that is realistic and emotionally resonant. This means they will be more likely to stay motivated to achieve their vision.

Motivation and vision are interconnected; you can use a client's vision to motivate them to take action, but you also need to motivate your clients to think about their future.



What is the visioning process?

There are three steps in the visioning process and they are:

1. **Discovery:** Use high value questions to help your clients develop a vision for their future.
2. **Reality Check:** Help your client evaluate their vision to ensure it's feasible, focused and flexible.
3. **Create Action Steps:** Determine a course of action to achieve their vision and obtain your client's agreement to move forward.

⁴ Pink, Daniel H. *A Whole New Mind*. Toronto: Penguin Group, 2005. Print.

Step One: Discovery

The first step in visioning is a discovery process between you and your client. The client's role is to provide you with detailed information about their hopes, dreams and goals. This could be in the context of retirement, or another goal your client may have. Your role is to help them build as robust a vision as possible.

In this stage, you want to avoid discussing the numbers and hard facts. It is important that your clients feel their options are limitless. The best way to accomplish this is to ask lots of questions, listen and gain a deeper understanding of what goals your clients are trying to achieve and what is important to them on an emotional level. Using the right kind of questions will help you rank their priorities, find out what they are thinking, and what their concerns are.

How can asking high value questions help you?

High value questions are open questions that help you build stronger client relationships **FAST**, by going beyond the facts to the real issues that drive clients' decisions, beliefs and behaviour. They allow you to leverage your understanding of the client to a new level because of the quality of the information they elicit. You will uncover their deeper issues and personal viewpoints.

High value questions get the client to express Feelings, Analyze, Speculate or Test. Use the acronym **FAST** to help you to remember what high value questions are designed to do. These questions require the client to think, which means they will not respond as quickly as they would to a standard open question. Examples of high value questions are:

- How would your family feel about a significant change in lifestyle? (Express **F**eelings)
- If there was one thing you could change regarding your financial picture, what would that be? (**A**nalyze)
- How might a major illness impact your financial goals? (**S**peculate)
- What is the most critical outcome for your retirement? (**T**est)



Connecting Concepts to Practice: Creating high value questions

Think of a prospect or client you have just met. In the space below, write down three high value questions you could ask them to uncover details about their vision.

Question #1:

Question #2:

Question #3:

Step Two: Reality Check

The second step in the visioning process is a reality check. This is where you help your client evaluate their vision and determine if it is achievable. John P. Kotter, Harvard Business School professor and expert on leadership, mentions in his book *Leading Change* that an effective vision must be:

- **Feasible:** Comprises realistic, attainable goals
- **Focused:** Is clear enough to provide guidance in decision making
- **Flexible:** Is general enough to allow individual initiative and alternative responses in light of changing conditions.⁵

To ensure your client's vision is **feasible**, you must align their dreams with reality by discussing what is possible given their current circumstances. Here you will address the numbers and hard facts. For example, if your client hopes to retire at age 55 but only has enough savings to last for 20 years, they will need to adjust their retirement date or find a way to increase their available cash flow. Your clients will rely on your knowledge and experience to make their vision realistic and financially attainable.

A client's vision must be clear and **focused** on a specific outcome. You need to have a full understanding of their wishes. While a vision must be focused, it must also be **flexible**. It is crucial to let your clients know that as conditions change, they may need to adjust their vision or course of action slightly. If adjustment is needed, analyze the situation and use your creativity to discover alternative solutions.

Step Three: Create Action Steps

The third step in the visioning process is to create action steps that determine a course of action to move the client's vision forward. These action steps will be based on your understanding of your client's vision and their priorities. Make sure you have their agreement before moving forward.

How will the visioning process help?

If your clients have a personal vision, they will be emotionally attached to it. This will keep them committed to the course of action you outline for them and make your role easier.

One way to motivate your clients to start thinking about their vision is to position the importance of the process and the value it will have for them. This process is very difficult for clients who are afraid to think about what their future may bring. Your responsibility as a financial leader is to provide reassurance and be the voice of reason. Being able to walk your clients through this process will establish you as a financial leader.

⁵ John, Kotter P. *Leading Change*. Boston: Harvard Business School, 1996. Print.



Connecting Concepts to Practice: Positioning the importance of visioning

Visioning may be a new idea for your clients, which means you need to be able to explain what visioning is all about.

Using the same client from the exercise on page 11, answer the questions below to help you position a visioning exercise with them.

1. How would you describe what a visioning exercise does?

2. How would you explain the benefits of visioning for your client and for you as their financial advisor?

Top Advisor Suggestion:

Visioning is an important part of long term planning. To guide your clients in developing a specific, meaningful picture of their retirement, you need to explore the following:

- your client's plans for working during retirement,
- where they intend to live, and
- what they would like to do with their time.

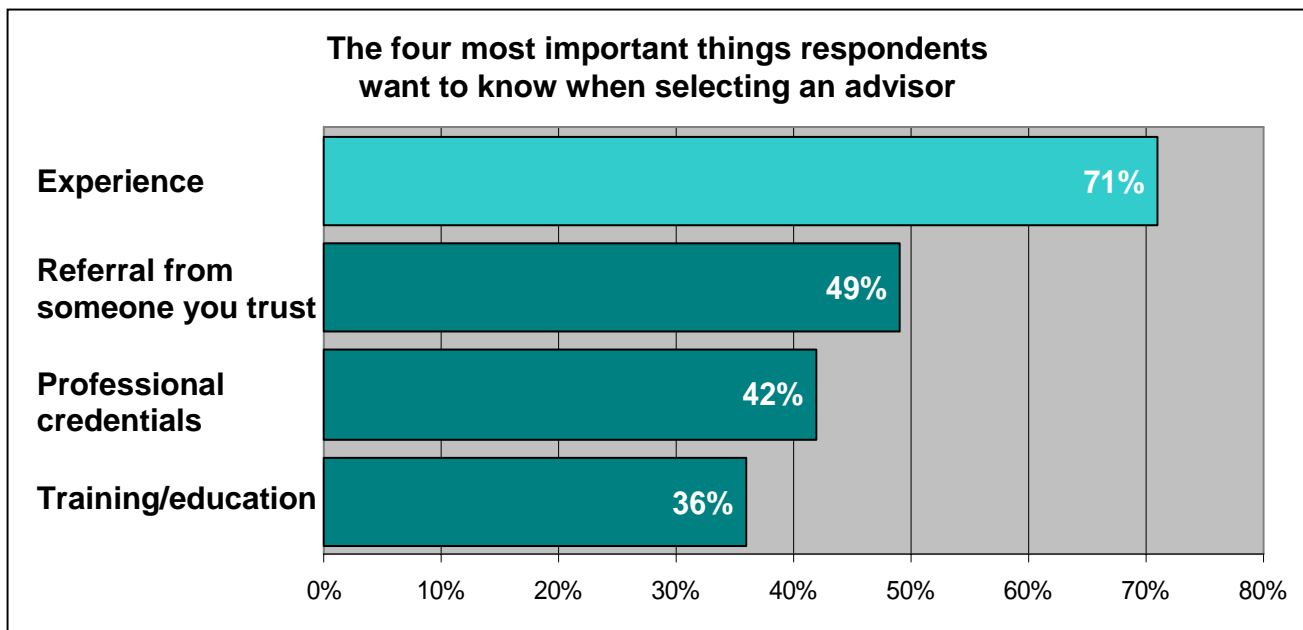
This exercise is a powerful way for you to help develop your clients' retirement vision in concrete terms.

In the next section of the workbook we will cover the third element in the **Financial Leadership Framework – Expertise.**

Expertise

The third element of the **Financial Leadership Framework** is **Expertise**. Financial leaders make sure to fully explain their background, experience and level of expertise to a prospective client. Taking the time up front to explain your expertise will reduce your prospective client's anxiety and position you as a financial leader. This is especially important with the impact that Ponzi schemes and other financial scams have had on the financial industry, advisors and public trust.

In 2009, the Strategic Counsel conducted a study of 1,000 Canadian investors. Out of nine items, the top three most important factors when selecting an advisor were experience, referrals, and the advisor's professional credentials, with training and education as a close fourth.⁶



All of the factors in the above graph relate to an advisor's expertise, which shows how important this element of the **Framework** is to a potential client. Making sure all your clients are aware of the depth of your expertise is the key to creating a solid foundation for their trust, confidence and belief in your abilities.

To make sure potential and existing clients are fully aware of your expertise you need to:

1. **Communicate** your expertise, and
2. **Demonstrate** your expertise.

According to the J.D. Power and Associates 2009 Canadian Full Service Investor Satisfaction Study, 10% of investors indicated they would likely switch their investment firm in the next 12 months.⁷ Some of those investors will be looking for a new advisor, which presents a great opportunity for you. One way to differentiate yourself from the competition is to implement a strategy to communicate and demonstrate the expertise you have to offer.

⁶ Gregg, Kelly, Sullivan, and Woolstencroft. *A Report to The Joint Standing Committee on Retail Investor Issues: Retail Investor Information Survey*. Rep. Toronto: The Strategic Counsel, 2009. Print.






⁷ "J.D. Power and Associates Reports: Financial Market Turmoil Takes Toll on Canadian Investor Satisfaction, Loyalty and Channel Usage." *Canadian Business Online*. 24 June 2009. Web.
<http://www.canadianbusiness.com/markets/cnw/article.jsp?content=20090624_090503_7_cnw_cnw>.

What should you communicate to prospective clients about your expertise?

When an investor is choosing a financial advisor, they are looking for someone with knowledge and skills they don't have. As we discuss in the **BRAND Workbook**, potential clients do not have time to filter all the information they receive and it is difficult to decide who should be their trusted advisor.

Many investor websites suggest interview questions that prospective clients should ask a financial advisor before deciding to work with them. Since investors are being coached to ask these types of questions, you need to be ready to answer them. Having clear and concise answers to the five questions listed below will make your expertise evident to prospective clients and build their confidence in you.

These questions align with the concepts in **Personal Branding for Financial Advisors** and are designed to determine the advisor's experience, integrity, philosophy and communication skills.

	Biography / Business – <i>You as a person. Your stories. Your business.</i>	1. What are your qualifications and how long have you been practicing as a financial advisor?
	Reasons for what you do/how you act – <i>Business beliefs and behaviours.</i>	2. What is your investment philosophy?
	Actions you take/processes – <i>Client experience.</i>	3. What do you do for your clients?
	Niche served – <i>The people you serve. Your ideal client. Your "tribe".</i>	4. How many other clients do you have like me?
	Differences – <i>Your focus. Your remarkable features.</i>	5. What are your particular areas of expertise?



Connecting Concepts to Practice: Answers to prospective clients' questions

This exercise will help you prepare answers for the five questions mentioned above. Use the space provided below each question to craft your answers.

1. What are your qualifications and how long have you been practicing as a financial advisor?

If you are new to the financial advisor role, explain how your prior business experience, education and credentials help you. If you have a lot of experience or a designation, explain what you did to earn it and how this benefits the client. Explain how you are licensed and what client protection is in place as a result.

2. What is your investment philosophy?

Watch the jargon. It can be easy to speak over people's heads. A prospective client wants to work with someone they understand and who can explain complex concepts in simple terms. Be clear about your style of investing – for example, whether or not you prefer managed solutions versus building and monitoring your clients' individual portfolios. Clients are looking for an advisor who respects their investment style and understands their risk tolerance.

3. What do you do for your clients?

Describe your financial planning process and the level of support they can expect from you, e.g. how often you will review their portfolio or financial plan, frequency of contact and what areas of financial planning you cover. Many top advisors use a diagram showing the components of financial planning they offer, e.g. investment planning, estate planning, tax planning and tax preparation.

4. How many other clients do you have like me?

Clients want an advisor who has experience working with others like them. If you don't have any clients in a similar demographic with comparable needs, maybe this isn't the client for you. Successful advisors tend to work best with clients who are looking for the specific service they provide. Make sure you answer this question not only with a number, but also draw parallels to your clients who have similar issues.

5. What are your particular areas of expertise?

If you have an area that you specialize in such as income planning, divorce mediation, elder or estate planning, explain this to your prospective client and show how it benefits them. They may not realize that financial advisors do specialize and that it is advantageous to them to have that deeper level of expertise from you.

How can you use a story to communicate your expertise?

It's difficult for a prospective client to understand exactly what you do. The scope, depth and quality of services vary greatly from advisor to advisor. Communicating your expertise through a story allows your audience to better understand and remember specifically how you help clients. Using a story that matches the prospective client's circumstances as closely as possible will make it more relevant.

Your story needs three components to properly communicate what you do and who you do it for:

1. **Situation:** Briefly outline the challenges and circumstances your client was facing.
2. **Action:** Outline the steps you took to solve those challenges.
3. **Result:** Describe the outcome and emotional impact of your help.



Connecting Concepts to Practice: Constructing your story

In the space provided below, construct a story of your own using the three components outlined above.

Situation: Briefly outline the challenges and circumstances your client was facing.

Action: Outline the steps you took to solve those challenges.

Result: Describe the outcome and emotional impact of your help.

Top Advisor Suggestion:

Create a document that incorporates your story and your answers to the five questions on the previous pages into a one-page informational marketing piece to give to prospective clients. Run it past your manager or someone you know will give constructive feedback on what you've written.

How can references demonstrate your expertise?

Offering to connect a prospective client with a few of your existing clients will demonstrate what it is like to work with you. Ideally, when you provide references, try to match the circumstances of the references to those of the prospect. For example, a 55-year-old prospect who is thinking about retirement will be more likely to take you seriously if they receive a referral from someone whose personal situation matches theirs.

References become your advocates and you need to prepare them before giving their names to a prospective client. They need to understand what you do and how you do it to be effective advocates.



Connecting Concepts to Practice: Asking for a reference

In the space below, capture the names of two clients you feel would give you a good reference. Briefly describe how you helped them and how you would position your reference request with each one. An example of a client you might ask is someone who was pleased with the tax strategies you recommended to maximize their retirement income.

Client #1:

How did you help this client?

How would you position your request for a reference with them?

Client #2:

How did you help this client?

How would you position your request for a reference with them?

Top Advisor Suggestion:

Leverage the references you generate by asking those clients if they would be willing to provide a testimonial for your marketing materials and your website. Ideally, a testimonial should mention one of the following: your expertise, experience, or the trust and confidence your client has in you.

How can you leverage the expertise around you?

In this section of the workbook, we have focused on communicating and demonstrating **your** expertise using the following key steps:

1. **Communicate** your expertise
 - a. Answers to five questions potential clients may ask
 - b. A clear and concise story (Situation, Action, Result)
2. **Demonstrate** your expertise
 - a. Providing references

There is more to the expertise equation than just you. A client's financial situation can be highly complex and the decisions you make have the potential to impact many people in their lives – children, spouses, business partners and employees, as well as their families.

Financial leaders harness all of the expertise at their disposal – their own expertise, as well as the technical, product, tax, estate and management experts around them – to bring the best possible solutions to the client's attention. They also include the client's professional advisors (lawyers, accountants, etc.) in the planning process. By involving these other experts, you are ensuring the client receives the best advice possible. You are also demonstrating to the client that you are committed to their interests. This will increase clients' trust in you, make you more referable and enhance your position as a financial leader.

Now that we have explored ways to communicate and demonstrate your expertise, we'll move on to the fourth and final stage of the **Financial Leadership Framework – Implementation**.

Implementation

The final and most critical element of the **Financial Leadership Framework** is **Implementation**. The previous elements are important, but implementation is where the “rubber meets the road.” A lack of effective implementation can lead to client frustration, which can harm your relationships and reputation. This is where your success as an advisor will ultimately be measured by the client. Financial leaders are passionate about results.

Each client’s plan will be different, and you need to match your implementation to their unique goals and circumstances. The key factors that will result in a well-implemented plan from the client’s perspective are:

- being a predictable financial leader,
- managing your client’s expectations of you,
- focusing your energy on what you can control/influence, and
- having a defined process.

Are you predictable?

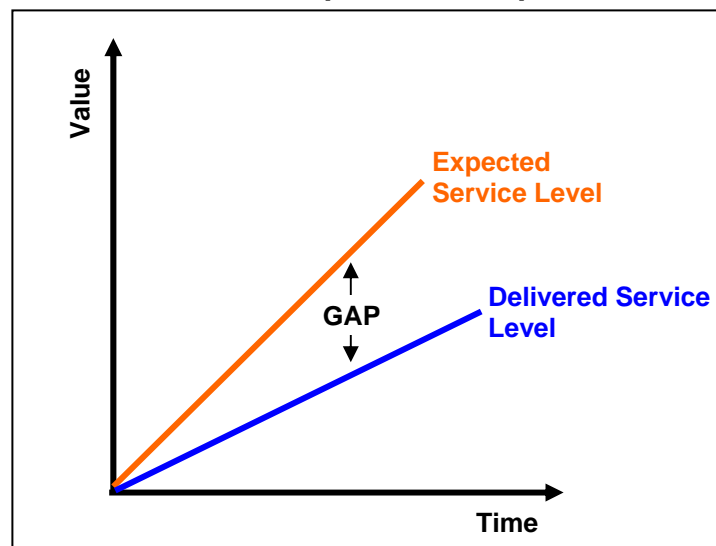
A predictable financial leader creates client confidence. Predictability is about being consistent and dependable. A financial leader’s decisions and behaviour must be consistent with their core values. Being dependable means living up to your promises. You must support your clients through good times and bad. When markets are turbulent, clients want to know they can count on you to address their concerns.

Have you created clear expectations?

Your clients will measure your services against their expectations. Clients need to know how your process will work, for example, what steps you will take, how often you will contact them, and how complaints will be addressed. Creating clear expectations will give your clients a sense that they can predict what’s coming down the line.

Clients set their expectations based on previous experiences, what they hear from friends and family, from the media and many other sources. They will evaluate you based on what they expect, not on what you deliver, even if you carry out a thorough, well-crafted plan. If there’s a gap between the two, as shown in the diagram below, the client won’t be happy with what you have implemented.

The Expectation Gap



How can you set realistic expectations?

Financial leaders are problem solvers who advise their clients on how to best reach their goals. If you position yourself strictly as a performance chaser, your clients will measure your success against the returns of high performing investments. You will have created an unrealistic expectation that you can consistently achieve high returns.

A Client Service Agreement will help you create realistic expectations. An agreement spells out what services you will provide and what clients should expect to receive. Advisor Impact's research shows that 30 percent of advisors use a service agreement to manage client expectations.⁸

Top Advisor Suggestion:

Having your client sign off on your service agreement up front will allow you to set expectations you can live up to. A service agreement should include the following items:

- range of services you offer
- level of service your client can expect
- when you will conduct a portfolio or plan review
- your team members and when your client should contact them
- client responsibilities.

Are you focusing your energy on what you can control?

As an advisor, there are a number of things that compete for your attention, such as client crises, turbulent markets, the needs of your team, and so on. Implementation can stall when you focus your energy in places that don't pay off. In this section, we will look at how to categorize where you are spending your time. The continuum below illustrates the three areas that split our focus.

The Control Continuum



By concentrating on areas you can control or influence, you will maximize your return on effort. Clients will also measure your success by those things that you are able to affect. You need to make sure your clients understand what you can and can't control. This will help you manage their expectations of you. For example:

Can't Control	Influence	Can Control
<ul style="list-style-type: none"> • markets • investment returns 	<ul style="list-style-type: none"> • client decisions and behaviour • your relationships with clients • team that you work with 	<ul style="list-style-type: none"> • how you position your role with clients • how you react to situations • processes you follow with clients

⁸ Advisor Impact. "Practice Management Articles from Advisor Impact". *Globe Advisor.com*. July 2009. Web. <<https://secure.globeadvisor.com/education/pracman/article.html?education/aimpact/serviceagreements.html>>



Connecting Concepts to Practice: Your control continuum

1. In the table below, list five items that are concerning you right now in the context of your role as an advisor.

Item #1:	
Item #2:	
Item #3:	
Item #4:	
Item #5:	

2. Using the corresponding number for each entry above (1-5), plot each item in the appropriate place on the continuum below.



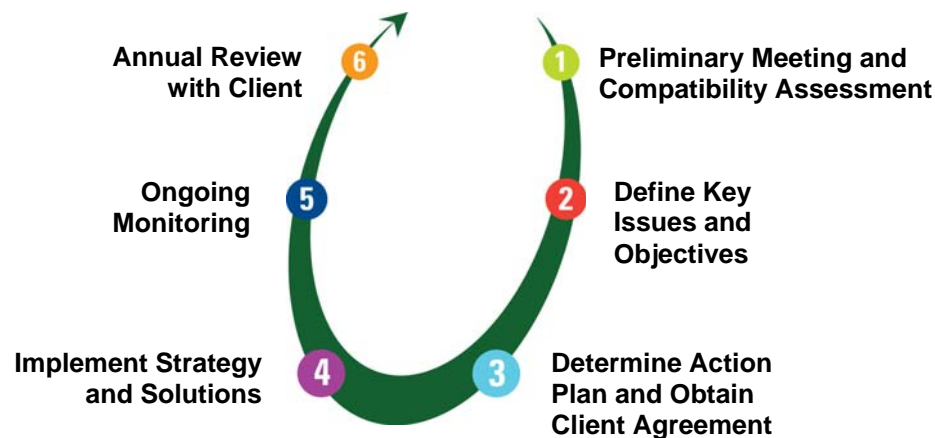
3. If you have placed some items in the Can't Control section, how could you redirect your energy to focus on the things over which you have influence or control?

Do you have a strong implementation process in place?

Many advisors provide their clients with a diagram to illustrate their implementation process (below). No matter where you are in your process, there are tasks being implemented at every stage. The more clients you have, the harder it is to juggle the different stages of implementation each one is in.

We can't give you a prescription for implementing a plan with a client because each client has unique needs and each advisor has their own process. You need to be able to illustrate your implementation process with a client. If you don't have a clearly defined process, complete the five exercises in the **BRAND Workbook** under **Actions You Take and Your Processes** (Section A, page 16).

Sample Implementation Process



Connecting Concepts to Practice: Evaluate your own process

In the space below, identify an aspect of your current implementation process that isn't working as well as it could and what you can do to improve it.

In this section of the workbook, we covered the importance of being a predictable financial leader, the value of setting clear expectations with your clients, and the benefits of having a defined implementation process.

In the next section, you will have the opportunity to implement what you have learned by creating a **Financial Leadership Action Plan**.

Your Financial Leadership Action Plan

The creation of your **Action Plan** is an important step in this workbook, where you will integrate the financial leadership concepts into your practice. Creating action items for yourself will keep you on track to becoming a successful financial leader who:

- motivates clients to take action and begin planning for their future,
- helps clients develop a vision for their future that provides clear direction,
- clearly and powerfully communicates and demonstrates expertise, and
- effectively implements clients' plans.



Connecting Concepts to Practice: Self-Assessment

Turn to page 4 of your **Self-Assessment** at the beginning of the workbook. Each question on the assessment relates to one of the elements of the **Financial Leadership Framework** as indicated by the letters in the left hand column.

Step 1: Using the left hand column of the **Self-Assessment**, total your scores for each category (M, V, E, and I). Use the Results table below to keep track of your numbers. Your totals will range from 0 to 40 for each category.

Step 2: Rank each category from 1 to 4, with 1 being the lowest and 4 being the highest. If your score is tied for more than one category, you will need to decide which should have a higher ranking. Use the second column in the Results table below to record your rankings.

Example		
M V E I	Step 1: Totals	Step 2: Rank
Motivation	35	3
Vision	27	1
Expertise	32	2
Implementation	45	4

Your Self-Assessment Results		
M V E I	Step 1: Totals	Step 2: Rank
Motivation		
Vision		
Expertise		
Implementation		

1 = Weakest Area

4 = Strongest Area



Connecting Concepts to Practice: Financial Leadership Action Plan

In this exercise, you will identify three action items that are critical to your success as a financial leader.

1. Review your rankings from the **Self-Assessment**.
2. Review your answers in the **Connecting Concepts to Practice** sections throughout the workbook to identify areas you want to focus on for your action items.
3. Think about what you've learned about yourself through the workbook and whether the rankings from the **Self-Assessment** accurately reflect the areas of your practice you'd like to develop further. Determine your three action items and record them in the spaces below.
4. Now identify two steps you need to take to implement each of your action items and your expected completion date.

Action Item #1:		Completion Date:	
Step #1:			
Step #2:			

Action Item #2:		Completion Date:	
Step #1:			
Step #2:			

Motivation

Vision

Expertise

Implementation

Action Item #3:		Completion Date:	
Step #1:			
Step #2:			

Top Advisor Suggestion:

Sit down with your manager or a respected colleague to share your action items and expected outcomes. Ask them to help hold you accountable for implementing the steps you've outlined. You are more likely to follow through on action items that you create for yourself if you share your intentions with someone else.

In this workbook, we have covered skills and strategies that will help you step into your role as a financial leader. Effective leaders combine those skills with authentic leadership behaviour that is driven by their values and beliefs. Authentic behaviour creates an emotional resonance with audiences, a critical quality for advisors who want enduring relationships and who choose to take a financial leadership role with their clients. Incorporating the **Financial Leadership Framework** into everything that you do as an advisor will inspire the trust and confidence of your clients.

**Congratulations on completing the workbook
and best of luck on your journey to becoming a financial leader!**

To earn CE credits for this workbook, complete the CE Credit Self-Assessment Quiz at www.ci.com/professionaldevelopment.

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