

A New Consultative Model

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By MARIE SWIFT

As the industry has evolved, financial advisors and registered reps have continued to seek better ways to connect with and attract the right clients. Thought-leaders like George Kinder, Dick Wagner, Susan Bradley, Carol Anderson, Mitch Anthony and Roy Diliberto have made significant contributions over the years. A relative newcomer – at least in some circles within the financial services industry – is Edward A. Jacobson, Ph.D., a psychologist, business coach, consultant and public speaker based in Madison , Wis. While Ed works with individuals and organizations within the financial planning community to help them “identify, plan for and achieve important goals that truly matter,” it is quite likely that he’ll become best known for a methodology he’s pioneered called Appreciative Financial Planning.

Appreciative Financial Planning (or AFP for short) is a positive, strength-based client-centered approach that’s been attracting a great deal of interest and generating “buzz” at industry conferences the past few years. I spoke with Ed shortly after his October presentation on “Quarterly Meetings for Life” at the Financial Planning Association’s annual convention in Seattle.

Ed explained that Appreciative Financial Planning builds on the client’s proven strengths, success experiences, resources (personal, social, spiritual and financial) and their aspirations for a life well-lived. It creates an inspiring and attainable financial plan and leads to successful, sustained implementation. Appreciative Financial Planning is based on Appreciative Inquiry (or AI). AI was originally developed at Case Western Reserve University in the 1980s as a constructive, positive antidote to problem-focused consulting models that

often left client organizations discouraged and less successful.

Grounded in the philosophy and methods of AI, Appreciative Financial Planning shifts clients' and planners' attention away from limitations, problems and "fixes," and towards a focus on the clients' proven capacities. It creates "images of possibility" and can help lead them to their ideal lives. In his talks about AFP, Ed often speaks of "building on the best." He emphasizes that this methodology helps planners build not only on the client's best but on the planner's best as well. The idea is to marshal the financial planner's professional experience and acumen, as well as relationship skills, to create and make real these inspiring images.

Using Appreciative Questions

A cornerstone of AFP is the use of "appreciative questions" to create deeper, more productive conversations that fuel inspiring dreams and attainable goals. Jacobson defines an AQ as "a positively phrased question that seeks to identify a person's successes, strengths, resources, values and aspirations." He notes that the commonly used question, "How are you?" , is not appreciative, although it may be appropriate if asked with concern and affection. In contrast, "What's the most exciting thing that's happened since we spoke last?" is an appreciative question. Conversations using such questions enable client and planner to identify the client's "positive core," which Jacobson explains as "the client at his or her best, both past and present, as well as into the future." Knowing one's positive core, he continues, allows the client to dream big, and to use the resulting financial plan as a fulcrum to achieve those dreams.

Why does this appreciative approach work so well? Prospective clients often expect to be grilled about financial matters about which they feel anxiety and shame. Using appreciative questions from the very first contact, the planner can quickly create a connection and defuse the dread about discussing intimate financial information. Imagine yourself saying this to a client: "Tell me a story of a time when you used money wisely and enjoyed the result." The client's comments and your continued appreciative responses help to create a working alliance. Together you generate excitement and positive

motivation. This constructive beginning helps the client to ease into an open discussion of their current situation and past financial missteps, as well as their skills and positive experiences around money.

Envision the Future

Jacobson cites a visioning exercise he suggests planners use: "Imagine it's now the year 2010, three years in the future, and you are living the life of your dreams – a life more fulfilling and satisfying than you may have even dared conceive of. Describe an ideal day (or week) in your life in 2010." The planner follows up on the client's "dream statement" by asking them to select three aspects of that "Life in 2010" that they would like to use as the central focus of their financial plan.

During the monitoring phase, the planner might suggest: "Tell me about any step, no matter how small, that you've taken in implementing the financial plan." A follow-up question might be, "What have you learned during this time, which might help us in further implementing the financial plan?" Thus, the planner focuses the conversation on learning and on constructive action, and away from failure, blaming and "fixing" the client. For additional illustration, Table 1 (see previous page) provides a sample appreciative question for each phase of the financial planning process.

I asked Ed how he got started with this philosophy and approach. He explained that he first encountered appreciative inquiry 10 years ago, at an organizational development conference. He quickly incorporated aspects of AI into his work with existing clients. However, when he began to work with financial planners two years later, he realized he had found the ideal pairing – the appreciative approach and a professional community that can readily adopt this practical and yet profound methodology. He now focuses his work on the financial planning community, noting that for him as a professional, "it just doesn't get any better than this."

In noting his reasons for developing AFP and introducing it to the financial planning community, Jacobson states that planners are very motivated to help clients meet cherished goals, but often encounter constraints such as the client's highly charged emotions around money issues. Advisors may have difficulty in

establishing a compelling, exciting statement of the client's life vision; thus clients may experience lackluster motivation for implementing and staying with the financial plan.

Financial planners often feel ill-equipped to meet the challenges of this "up close and personal" work. They seek approaches that will enable them to understand and serve their clients more effectively, efficiently and with greater mutual satisfaction. AFP provides a comprehensive framework for establishing positive and enduring client relationships, quickly obtaining important client information, and partnering with clients to create a vivid, inspiring and yet grounded vision that serves as the basis of an achievable financial plan.

"Given these circumstances, it makes sense that financial advisors would be as responsive to this approach as they've been," says Ed. "And for me, it's very gratifying to work with such talented, experienced and motivated professionals."

Table 1 Sample Appreciative Questions for Each Phase of the Financial Planning Process

Phase	Appreciative Question
1. Establishing and Defining the Relationship With the Client	<ul style="list-style-type: none"> • What would you like your life to be like 12 months from now?
2. Gathering Client Data	<ul style="list-style-type: none"> • When have you successfully saved towards a goal? • Brag to me a little bit about your children.
3. Vision and Goal Planning	<ul style="list-style-type: none"> • What would you like your life to be like in three years? Please describe it in detail.
4. Developing and Presenting the Financial Planning Recommendation	<ul style="list-style-type: none"> • What excites you most about the plan?
5. Implementing the Financial Plan	<ul style="list-style-type: none"> • Tell me about a time when you successfully met an important and challenging goal. What skills did you bring to bear? Who was helpful?
6. Monitoring the Financial Plan	<ul style="list-style-type: none"> • What have you learned thus far that we can use in ensuring the realization of your goals?

For additional information and thought-provoking articles by Ed, visit www.EdwardJacobson.com. Marie Swift is the president of Impact Communications, a marketing and communications firm for independent advisors; see www.ImpactCommunications.org.

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