

### FINANCIAL PLANNING

## Entering Your Client's Secret Garden

Enhance your value by having intimate conversations with your clients.

While expounding on the importance of financial planning, the majority of advisors make most of their income from investment management. Responding to the public's misguided perception that investment performance is more valuable than a planning strategy, many advisors tout their portfolio returns, not their planning acumen. But the reality is that when their clients die, there is nothing less important to these clients than last quarter's portfolio performance.

Like many advisors, I recognized there was an inverse ratio in my practice of income received to time invested. For me, the formula was 90 percent time spent on planning to generate 10 percent of income. Despite taking up such a disproportionate amount of my time, I realized the planning was more important and I wanted to do what was right for my clients. Unfortunately, that recognition usually came from the beneficiaries after the client's death.

I concluded that clients typically failed to attach much importance to planning because nothing tangible seems to result from it. After all, a poor plan will eventually manifest itself in many disastrous ways; a solid plan helps lead to a desirable outcome but tends to be taken for granted.

### False start

Initially, I thought a good way to create something tangible from the planning process was to have my married clients write each other a love letter, as though they were going to die the next day. The letters would highlight the reasons they loved each



other, which memories were the most meaningful to them and their hopes for the future. I also encouraged clients to write similar letters to their children. Although very few clients ever wrote those letters, I was undeterred in my pursuit and soon hit upon an alternative.

It struck me that while few people ever document their history for future generations, getting someone to write about it was like getting someone to talk about long-term health-care planning. So I announced to each client my intention of recording a series of conversations with them, ideally one a year over four years. I wanted them to talk about their history, who they were and other events they felt were important in their lives. I wanted to create a legacy for their future generations, but I also wanted to know more about them, to get closer to them and gain a deeper understanding of what made them tick. I wanted to get into their secret garden so I could do a better job of planning for them. Finally, I hoped the conversations would lead them to place greater value and importance in the planning process. I now record four conversations with each client.

### Amazing revelations

This exercise has produced more benefits than I anticipated. The first person I did this for had been a client for almost 20 years. I had known him for many years and had gone to school with his brother. After the first conversation, I knew twice as much about him as before and had a better understanding of why he said and did certain things. After our final conversation, I felt I probably knew him better than anyone else.

The conversations allow clients

to think about things they may have intended to say or do, but forgot. Occasionally, they will interrupt themselves in the middle of a sentence when something reminds them of an important memory they now decide to share with family members. A client, a native Alaskan, recalls her parents and her eight siblings being put into a resettlement camp by the American government. They endured a hardscrabble existence. Her mother became ill and died while there, and she harbors some understandably bitter and unforgiving feelings about the experience. If I hadn't learned this through our conversations, how could I know the motivation behind the decisions she makes about her finances? How could I truly be her advocate?

Another client is married to a quiet Vietnamese woman who hardly uttered a sentence in the many years I have worked with the couple. She seemed rather detached during our financial meetings, so I didn't push for her to take a more active role. When she spoke, I was stunned by her story; virtually nothing I had assumed about her was true. Her shyness soon gave way to some

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