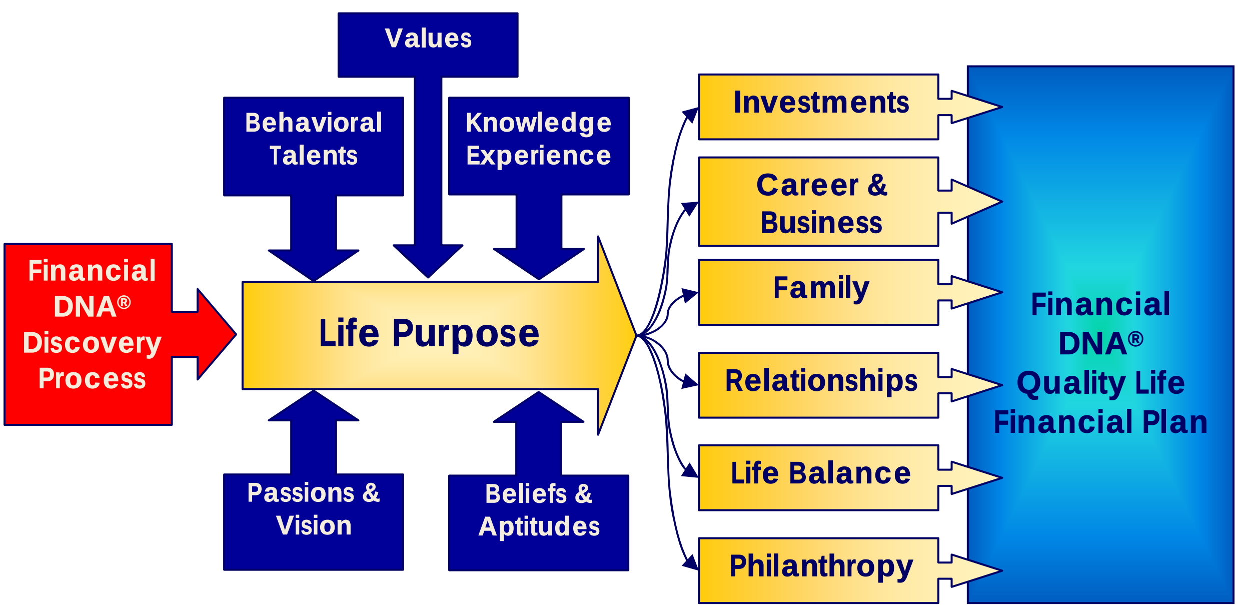
De-Commoditize to Accelerate Your Practice - by Hugh Massie

"Do you know how many advisors have not yet learned how to address the threats of increasing commoditization and regulation in the financial services industry?" These are the primary issues threatening your viability as a financial advisor in the immediate future. The question is what action do you take to get a ticket and passport to move your business to a more attractive location for the long-term?

The Vision: Connecting Financial Personality to a Quality Life Financial Plan

Ultimately, the answer lies in developing a new business model that has a unique value proposition which will enable you to generate fee based revenues from your clients. Also, the model must enable you to sustain a high level of profitability, with less regulatory restrictions. The Financial DNA® Discovery Process provides you with a powerful foundation based on the discovery of a person's unique financial personality as the first step to implement a new Quality Life Financial Planning™ business model. This business model is reflected by the graphic. As an advisor, by participating in the Financial DNA® Wealth Mentor Program and becoming a Certified Wealth Mentor™ you will be guided and fully equipped with the tools and processes to adopt this business model based on your own Unique Gifts.



Advisor Transformation….Creative Destruction

Today, the financial services industry as we know it is at the cross roads and over the course of the next 20 years is likely to die with a new industry born. Warnings to financial advisors of the dangers of increasing commoditization and regulation have been provided by a number of leading visionaries since the late 90's when the industry was riding high on profits. In a nutshell, what is being said is that commission based product remuneration structures will be replaced by client centric advisors who charge fees for their wisdom. Like in any major industry transformation, it is expected some of you will be able to make the change, and for some that could be too much or not very appealing based on how you are “wired”.

Dan Sullivan, the founder of Strategic Coach, has written a brilliant article titled “Creative Destruction” that we suggest you read (visit www.strategiccoach.com). He believes those of you that will survive are the entrepreneurs who are able to turn crisis into personal and professional advantage. Typically, entrepreneurial advisors will find new ways to use their talents, skills and experience to earn a living by providing value. Further, Dan predicts that some of you will develop processes that mean you can give up your licenses.

One of the hallmarks of the Strategic Coach program is over 3 to 5 years to change the mind-set of entrepreneurial financial advisors to develop a unique process and apply it with dedication. The premise of the program is that as financial advisors you need to be innovators with the ability to develop new forms of value creation.

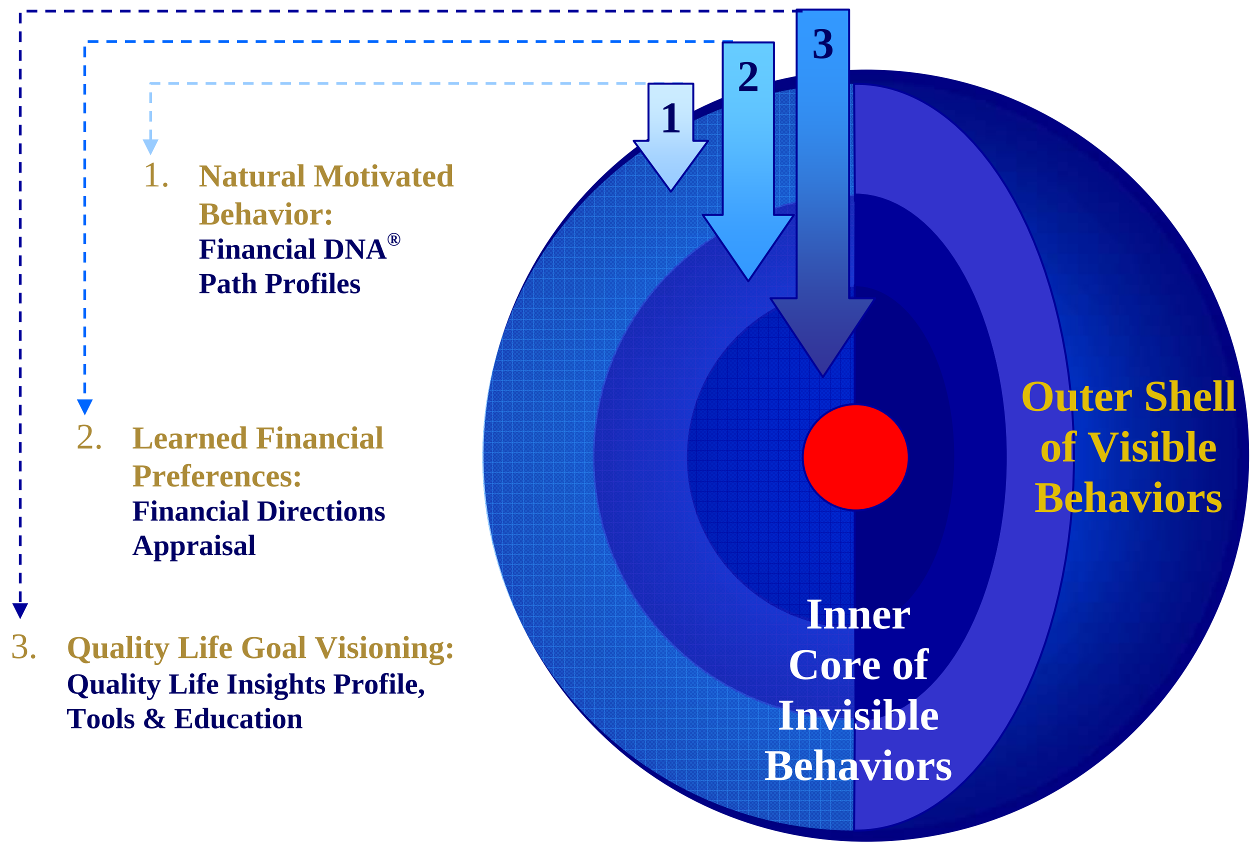
Evolving Your Business Model to Accelerate Your Practice

Assume you as a financial advisor are now sufficiently convinced about changing your mind-set and may even have re-positioned yourself and the focus of your business already. However, what is missing is the turn-key business process built from the right raw materials and research to truly make the conversion to “Creative Destruction”. What you need laid out for you is a user-friendly road map from which to accelerate the design and implementation of your concept of a new and unique business model. For others, just refining what you already do is enough, and a new set of tools and processes is your main requirement.

Back in 1999, as a financial advisor I commenced the development of the Financial DNA® Discovery Process in response to my own views about the future of the industry. Interestingly, in this respect my views were and still are very similar to Dan Sullivan’s. Further, I found plenty of respectable third party industry research indicating increasing client demands for trusted relationships, more relevant financial education and a quality life. Such research is even more prevalent now. These factors drove my perception of the need to adopt our business philosophy of “Understanding People before Numbers”. In essence, I saw the need to build a truly client centric business model which would offer significant benefits for the client and enable me to play a greater role in their life as a guide and coach, without becoming a psychologist. I was to be the client’s wealth mentor.

Drilling Deeper into the Wealth Mentoring Experience

The Financial DNA Discovery Process is a very structured behavioral based program. As the graph indicates it has 3 layers representing different stages and areas of discovery. At every stage, the goal is to connect behavior to life and financial decisions. Philosophically, I believe to understand the life motivations of people and their relationship to money, you need to understand who they are at the core. Ultimately, the role of advisors is to help client’s balance their life and money. Understanding their financial personality is pivotal. There is independent research which indicates that 5% of wealth creation is attributable to investments and 95% to behavior.



De-Commoditization with New Fee-Based Services

The growing numbers of Certified Wealth Mentors™ who have adopted the Financial DNA® model to accelerate the profitability and growth of their practices with fee based services are now offering the following "Quality Life" programs:

- Wealth mentoring services separately or as part of comprehensive financial planning
- Quality Life seminars and workshops to clients
- Executive Quality Life programs to corporations
- Retreats for couples and families
- Family and business succession planning
- Philanthropy programs

The Quality Life programs which draw on Financial DNA® have been uniquely structured to guide and educate clients to make more empowered decisions for a quality life and learn how to realize their financial potential. The foundation of each program is for clients to firstly understand their unique financial personality. To learn more about how the whole process works you can read my book **"Financial DNA® - Discover Your Unique Financial Personality for a Quality Life"**, published by John Wiley & Sons. In essence, the Financial DNA model provides a holistic "inside-out" approach to financial planning with the starting point being who the person is and not their money.

By participating in the Financial DNA® Wealth Mentor Program you will learn how to operationalize this turn-key Quality Life Financial Planning™ business model. This will enable you to:

- build greater levels of trust with your clients by being able to communicate more effectively with them;
- through greater knowledge of their "financial wiring", preferences, values and life purpose, help them to make more committed decisions and grow their wealth to greater levels.
- leverage your uniqueness with clients for greater long-term returns both for them and you.
- enhance your overall practice management in terms of building and developing a productive team.

Overall, the Wealth Mentor program offers you the benefit of learning a structured process to provide wisdom to your client and be able to charge for this service.

The differentiation of our model is:

- the unparalleled depth and reliability of behavioral analysis, which is used as the starting point;
- strong emphasis on human behavior as a foundation to a wide range of Quality Life programs focused on helping people balance their life and money;
- the ability for non-behavioral specialists to easily apply the behavioral information;
- a greater ability for an advisor to assist and guide the client to create sustainable change in their life through a structured mentoring approach;
- the focus on who the client is, their preferences, values and life plan <u>before</u> the discussion of money triggers a range of emotions that cloud who they are and their decisions.

The consumer awareness of the Financial DNA® Discovery Process is growing and this means that we will be increasing our focus on referring leads to our Certified Wealth Mentors™ and assisting them with public awareness programs.

Of course, we recognize that perhaps only 10 to 20 % of financial advisors will convert to this comprehensive "Wealth Mentoring" model. However, the deliberate segmentation of the Financial DNA system into components enables the other 80 to 90% of financial advisors to take some of the steps to enhanced discovery of the client's unique financial personality. Regardless, of the extent to which you use Financial DNA® it will enhance the client-centric nature of what you are already doing, improve your bottom line and start you on a course of differentiation.

If you would like to find out how to participate in the Financial DNA® Wealth Mentor Program and learn to guide clients using the Financial DNA® Discovery Process please visit our website www.financialdna.com or email us at: inquiries@financialdna.com

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About the Author:
Hugh Massie is the President of Financial DNA Resources. In his work as a Wealth Mentor, Hugh specializes in human behavioral discovery using the proprietary Financial DNA® Discovery Process to liberate and empower people, families and organizations internationally to balance their life and money in alignment to the core of who they are. Hugh is the author of a book "Financial DNA® – Discover Your Unique Financial Personality for a Quality Life".