

Why you should be interested in Coaching

The world of financial planning is changing rapidly. New regulations, technologies, company culture, and customer expectations have drastically altered our usual playing field, leaving financial planners wondering exactly what role they are meant to take on. It is our strong belief that coaching is essential to the future of our practice and we urge any financial planner to become certified as a financial coach to ensure the survival of their business. Financial planners provide a powerful knowledge of cash flow, budgeting, savings, investments, insurance and estate planning. Yet financial planners sometimes find the use of emotional intelligence uncomfortable. This is despite the obvious fact that our emotional intelligence will be the most valuable asset in the years to come.

Robo advisors and other fintech are little by little infiltrating the financial industry. While undeniably beneficial for the general public (who now have the ability to browse detailed and comprehensive reports and comparisons on asset allocation and investment opportunities; the access to personal monitoring and constant contact through phone or internet providing a feasible financial plan for millions of people who would not have otherwise afforded or been advertised to for such services), Mike, Joe, and Bob are disappearing and being replaced by Sigfig, Vanguard and Sofi. In 2016 Betterment became the first robo advisor to surpass five billion assets under management. It's no wonder why this sort of business attracts so many customers with reliable, consistent computations combined with side by side comparisons on minimum deposits, asset allocations, account type, support and custody of funds. The regulatory industry loves them too. Robo advisor activity is much more transparent and leaves less room for human error.

However there are still some things that robo advisors lack. Human connection and emotional intelligence are not something that you can get from fintech. That, at least still rest in the hands of individuals. As people we are capable of not only advising our clients but guiding them. We are not just experts in growing money but also in understanding where, when and why to apply it in our client's lives in order to facilitate their personal goals with insights; the insights only available through human connection and rapport.

Still Robo advisors pose a real problem for financial planners. In addition to the ease of use and accessibility, the lack of which has previously barred the masses from utilizing financial services, it also addresses the general mistrust financial planners' face in the public's opinion of their profession as a whole. Long before Bernie Madoff, reps have had an unfortunate reputation as sharks and ticket takers. Abusers of fee based services have painted financial planners in a poor light and children born in 2000 have been alive during an overwhelming onslaught of financial crisis. The dot com bubble, the 2000s energy crisis, the subprime mortgage crisis, the U.S. housing bubble and subsequent market correction, and the automotive industry crisis, have all taken place within the last twenty years. These children were nine years old when the European sovereign debt crisis made headlines. They have lived during the war in Afghanistan, the Iraq war, and seen their county involved in Yemen, Pakistan, Somalia, and Syria among other terrible conflicts many of which are still ongoing. They are witnessing domestic and worldwide political upheaval that does not bode well for the promise of economic stability in the near future. Well versed in human fallacy and

raised on the comfort and convenience provided by the age of ever booming technological advancement why would they ever choose man over machine?

Fortunately, the next generation was born into this world with an advantage that financial planners can help focus and grow. They, more than any generation before them, have the foundational education for the power of coaching. With the technologies they have grown up on constantly encouraging interactive learning, and having had teachers working alongside their parents to get increasingly hands on in early education, young adults today have been raised on coaching fundamentals. Goal setting, active listening skills, strong communication, a working understanding of their fears and beliefs, the knowledge and acceptance of fears and beliefs in others, these things are natural to them. They come to us needing only the human connection and reflection provided by an impartial guide and the financial and emotional literacy to effectively chart a realistic and proficient course of action.

While we will have to do a little ground work with some of our older clients and staff, the next generation of potential clients and employees are ready, and expect a coaching environment in their services and workplace. Sadly, for the financial planning rep who does not relish changing their business, the next generation holds all the cards. After Robo-advisors the biggest challenge facing your business will be impending wealth transfer. We are looking at the largest transfer funds since WWII. That's about thirty trillion dollars moving from baby boomers to Millennials and Generation Xers. A financial planners' ability to develop a rapport with their clients' children and grandchildren, and the younger generation as a whole, is absolutely crucial at this time.

The Sound Coaching Academy offers a succinct process for this kind of client retention through its family financial coaching procedures which offer tools and techniques for children as young as six and advanced processes and plans for students throughout college and entry into the workforce. It also strengthens the bond we share with our current clients and the gaps in customer retention disappear as we are able to see more clearly, exactly where our business is lacking. Our skill in financial planning does not vary too largely. There are qualifications that we all have to meet and tests of comprehension that must be passed in order to even become a financial planner. What makes or breaks a business is the core understanding of our client base as a whole and an intimate understanding of our individual customer's wants and needs. The better we understand these things the better the customer's experience and the better the businesses reputation.

With the expected increase in profit for simple client retention and turnover, coaching offers an entirely new stream of income. Although it would be impossible to predict the individual outcome of any one particular coach, we can lay out the general prospective profit increase to your personal bottom line. Ignoring the simple fact that we must prepare for the future and hedge the possibility of a time where the current fiduciary type legislation will increase to include all account types: qualified and non-qualified. At which time we may be forced as fiduciary agents to charge our clients a flat fee for managing money or be able to clearly justify why we charge someone who has ten thousand dollars in assets under management with us one thousand dollars per year and somebody who has one million dollars in assets under management ten thousand dollars per year. But how can we? Are we not simply charging as much as the

market will bear? If this is the case, coaching is a way to differentiate the services rendered to the client which is not based on the amount of A.U.M. they have invested. It is also an extremely practical way to reach clients that we have not been able to affordably service. Despite our title we have allowed ourselves to become financial investors rather than someone focused on the fiscal stability necessary to begin investing. This of course is not out of a lack of caring, willingness and desire to help, but rather to do with the feasibility of maintaining a business on clients who don't have a substantial sum of cash to manage. With coaching we have an affordable service for our clients that does not threaten our ability to sustain those services.

Look at your average client, the one who is currently working, most of their money is in a qualified plan. They could be anywhere from two to twenty years from retirement. We have already imparted the essential of sound estate planning, a life insurance policy, a couple of 529 plans and maybe a disability policy. They may be saving \$200 to \$500 a month in a brokerage account. Ultimately we are looking to get the rollover that comes when our client switches jobs or when they retire. Until that happens we are continuously servicing the client for little, to no income. In addition we are banking on the fact that those clients won't move towns or get married and be forced to, or choose to, change their financial planners. Through the coaching program you can make anywhere from \$125 to \$375 per hour on an individual client per hour and \$375 to \$975 per hour working with a small business. If you convert or attract only 150 clients to the coaching program at the lowest rate you'll gross an additional 18,750 dollars a month. That's 225,000 dollars a year. All while delivering a dynamic, progressive and structured experience.

In closing

We would also like to point out that beyond the substantial profit increase, customer retention, deepened rapport and benefited reputation the most powerful changes this program offers are those you will see in yourselves. Your business will grow and flourish. Your management style and staff engagement will burst with creative, professional and cultural innovation. It will change the way your staff interacts with your clients and each other. Offering them opportunity to blossom in their own right and contribute to your business with fresh and positive ideas for improvement. Moreover the lessons instilled in you at the Sound Coaching Academy will begin to permeate your personal lives. Your most intimate relationships will deepen, your limiting beliefs will be lifted, your inner critic silenced. You will be able to validate and empower yourself and teach those you lead to do the same.

I'd like to share you an excerpt taken from Robert's Sound Coaching Academy Textbook where he talks about the difference coaching has made to his personal and professional life.

"I believe it was after my second mod when I was getting certified as a coach. I had come home about 10:30 – 11:00 O'clock at night to my upset and agitated wife who was fuming over something my teenage daughter had done or had not done during the day. My M.O. at this time in my life would have been to bang on my daughter's bedroom door and loudly confront her about her actions. This night however, perhaps in hindsight merely due to exhaustion, I instead chose to practice some of the skills I had learned that day and sat and listened deeply to what my wife was saying.

Questioning without judging on how she felt about the situation, I was listening not only to what had happened but to how it had affected her. I was able to be empathetic to her situation rather than trying to solve the problem from a reactive emotional state, which given the way this situation normally played out, would have most likely made the situation a lot worse. So, I just sat and listened, asking questions to clarify the situation but not to judge her on how she dealt with it. After about 20 minutes into the conversation she stopped short, got very quiet and then said. "Ok who are you and what have you done with my husband" An event that might have lasted all night with screaming and tears was handled peacefully in under an hour. This was the first indication that the coaching program would not only change my practice, but would actually reshape me as a person.

I began seeing it more and more often, my wife and I started to travel more and spend real quality time together. My daughter whom I love but have not always seen eye to eye with, started to come to me about her problems, more willing to believe that I was truly listening. We were able to build a relationship based on trust and understanding and now the fights that seemed to constantly disrupt our bond have practically vanished. My son who is highly intelligent but has always had difficulty with organization, was able to get his act together moving on to attend Hampshire College in Massachusetts after I started coaching him on his schoolwork. He was in a sense my first coaching client and long suffered as my Guinea pig while I developed the Sound Coaching Program. I found that the relationship with coworkers and employees in the office improved. Morale was increased as my staff became to see a new side of me; they felt empowered to let themselves be creative and innovative. It enabled me to establish a new balance in both my business and personal life."

He goes on to talk about the changes he saw in the way he did his work and the difference it made in the lives of those around him.

*"I think the thing I like best about working with my clients as a coach can be expressed by helping people achieve their goals. It was interesting how as the conversation became more about the clients' goals, desires, motivations and habits my relationship with the clients deepened and clients' compliance with actual financial advice increased **geometrically**. My ability not only to connect with the individual client increased but it opened the door to meeting and being an influence for generations both up and down the generational line.*

An example of this is one of my clients was relatively successful. He worked for a large corporation for over 25 years. He had accumulated a significant amount of assets. Through the work he did at his company he had traveled and worked in London, Hong Kong and Canada at 56 years old he was ready to hang up his corporate life style but felt he was too young to just retire. His lifelong dream was to open his own business to take a hobby he had of training hunting dogs to a business he could do in his retirement. We discussed the capital he would need to start the business, his strengths and weakness. The amount of time he wanted to spend on the new business. How he could balance his own goals with that of his family and his current responsibilities. We also discussed and quantified if everything went wrong what would be his downside. We planned out and defined what he would consider for the business to be considered a success and how we would recognize the attainment of that success. We discussed the ultimate exit strategies from the new business. The development of SOP's which are the heart and soul of any business. We then finally implemented an action plan that we could monitor, quantify and qualify his path for this the second phase of his life. This conversation was the epitome of the concept of partnering with your client as an expert generalist/coach. The client is now in his 7th year of business, is generating significant income from the business and now is in the process of handing the reigns of the business over to his son, who is currently in charge of all the tactical day to day operations of the firm."

At the Sound Coaching Academy, we are working toward a better informed populous. We honestly believe that putting coaching in the hands of the right people will literally change the world for the better. It is our mission to give people a chance to hear and see and to be seen and heard. We encourage their strengths and help them bring out that strength in others. We challenge people to believe in themselves and each other, to understand that introspection will not lead to despair but instead force us to new heights of innovation. This is something that can truly, effectively, change lives, and we want you, we want everyone, to be a part of that.