

A Bridge of Understanding

By Mary Scott

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Mitch Anthony, an industry leader in relationship skills, has long noted the transformation of the industry from being product-oriented to client-oriented. In his new book, *From the Boiler Room to the Living Room*, Anthony writes about the chasm between a financial firm's true interests and those of the clients, saying that they are not currently aligned. Now, he says, we are entering the realm of internal finance, the 'soulish' side of money. He offers a few questions that explore this: What does this money mean? What price was paid to obtain it? Whose lives will be impacted and how? What are your greatest hopes and fears related to this money? How do you view money, and how are you most comfortable dealing with it?

Anthony devotes the first part of the book to how the industry has failed itself and its clients, and the need to restore trust. He says that firms must first review their operations, making sure all goals and decisions are firmly in the best interest of clients. "The first sign of recovery ...is that the advisor begins to take a much keener interest in the lives of his clients and becomes much more intrigued in the discovery part of the conversation than in product pushing."

This soulful approach, writes Anthony, "supplants cooperation for control, conversation for convincing and collaborating for competing. Sound too feminine for you? Welcome to the new world where client interests transcend your own."

Anthony writes about the need for advisors to hear their clients' stories. "How do we build that bridge of understanding and trust between the client who has been burned and the advisor who needs business to improve? We build that bridge with empathy." He suggests exploring emotional patterns formed very early in life. Anthony himself is a son of a very thrifty father and writes that he still doubts whether or not he can afford dry cleaning. (His wife has to remind him he can!). He offers ways to approach this with clients by asking, "What was money like growing up?" And, "How do you think your family experiences with money have impacted your approach to money and investing today?"

He then suggests asking about more recent reference points, quoting an advisor who asks clients, "Do you remember what went through your mind when you read your financial statements at the end of 2002? What lessons did you learn, and how have you applied them?" He writes that anyone who lost money in a

bear market remembers the experience, especially if they were forced into bankruptcy, lost a home, or saw substantial money disappear.

A very simple question any advisor can ask is, “Can you tell me the story of how this wealth was formed?” Anthony believes that most people enjoy sharing what they did to earn their money. Financial advisors will hear stories of risks, dreams, ventures, entrepreneurial windfalls and steady gains.

Anthony writes that he would want “the kind of advisor who, rather than telling me a story of what they will do with the money I bring, first wants the story of how the money came into my hands and the price I paid to get it. This is the truest measure of money.”

Anthony urges readers to redefine retirement (instead of a finish line, treat it as a launching pad); to help clients attain clarity as to what they want to do with their money; and to help clients become confident that estate planning and legacy issues related to their money come from the heart and soul. Is the book touchy-feely? You bet. But that’s the future of the financial services industry. Beyond the sound advice, Anthony’s deep experience allows him to provide a plethora of rich examples and inspiring stories that he eloquently shares in *From the Boiler Room to the Living Room*.

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