

A Crisis is a Terrible Thing to Waste

By Kevin J. Cullen, Esq.



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Now that we've had another one, what have you learned from the latest financial crisis? How are you adapting your thinking, client interaction, communication and response? What real changes did this crisis suggest you should make?

I am reminded of the refrain in a Tim McGraw song that described what his dad, former Met pitcher Tug McGraw, did upon a diagnosis of terminal brain cancer, "Live Like You Were Dying":

*"Like tomorrow was a gift
And you've got eternity
To think about what to do with it.
What did you do with it?
What did I do with it?
What would I do with it?"*

We learn more from what we do when things go wrong rather than right; so what can we start drawing upon tomorrow?

Sometimes we deliver investment strategies without regularly or ever revisiting the underlying client fears. Many empirical things change in a client's posture (marital, job, accumulation/income, etc.). Fear is different from risk (which implies a reward counterbalance). Sometimes we find we either never got, or incorrectly got, what it was emotionally that the client really feared. We presumed we knew. Or, if we had asked, we didn't listen or record. Perhaps we should have asked again and brought the client full through the "Fear-out-loud" consideration and understanding process, even if it looked Dr. Phil-ish.

This crisis may have demonstrated that the client's fear issues need to be re-examined and re-documented (and maybe yours too). But how do you ex-

ecute that without being, looking or feeling inadequate, wrong or embarrassed?

Nothing happened that was your fault. Therefore, it is OK to adjust out loud. These events tested, framed and maybe even changed a client's baseline fear or danger level. You need to find out.



Crisis can change any yardstick so you must be ready to step up as a "Fear Extinguisher" by asking and not presuming about the dangers the client perceives.

The "Fear Extinguisher" advisor must listen, absorb and record so carefully that after he repeats the fears out loud (which by the way proves you were listening), you can ask the client to prioritize them. We can guess but we never know unless we ask, for example, whether outliving retirement money, leaving a wife without a plan, taxes, attending to a special needs son, legacy success, etc. would be on the fear list, or in that order. What is the list and rank order now, post-crisis?

Long ago just after law school I was mentored that a good trial lawyer always spelled out a theme in his opening. Not the details, not the witnesses, not the evidence or even his legal conclusions, but just a theme that would help the jury stay fixed on the big-picture.

Use the "Fear Extinguisher" theme on your next round of client or prospect meetings. Address fear head on. Do the clients' prioritized fears match

those of a year ago? What needs to be done now?

This crisis may have provoked you to dig deeper in strategizing to extinguish currently defined fears. You may find fear within areas never before tested for fear:

So, your deferred comp plan, while nicely diversified, positions you as a general creditor of your too-big-to-fail employer. Should you be worried about that?

Your fears about insurance companies' claims-paying abilities are reasonable; let's address them.

Once you have fully fear-vetted (or re-vetted) a client, understood and repeated back his prioritized fears, you will know how to powerfully frame and communicate your advice and strategies. Use the very words the client used to describe his fears when you describe what your plan's objective is.

If Crisis 9 08 changed the character, nature, level or existence of your clients' fear, change the contents of your extinguisher before you put it back on the shelf. It may not be a grease fire you're fighting. Water doesn't work on electrical fires.

Even if the crisis fades from the headlines, start your conversations on the fear and fear adjustment theme. Don't assume. Probe for a new baseline of fear, even if the DOW is at 14,000. Tell the client it would be a shame to waste the crisis we all just endured. ■■

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