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Looking Out for Numero Uno

by Steve Gresham

Top advisors know that there is an uneasy balance between helping their clients and protecting themselves. The reality is that providing a high level of personal service and advice to other people is very difficult and demanding. My father, a retired physician, finds it amusing when financial advisors, admonishing clients to follow a recommendation, compare themselves to doctors: “If your doctor told you to do something, you’d do it — I’m like your financial doctor.”

“Phooey,” my dad would say. “Have you seen some of our patients? They ignore issues of health at least as often as issues about money. Both are emotionally charged topics requiring — most likely — a change in lifestyle that they don’t want to accept. Telling a lifelong smoker to quit is like asking a spendthrift to cut back and save for retirement.”

Try turning this same logic back on yourself. I’m no psychotherapist, but I have observed a lot of top advisors who have their own set of blinders on. They are unable to balance work and “play”: They suffer from information overload, boredom with the repetition that often is part of advising affluent families, getting bogged down in details and losing sight of the big picture, and so on. Most of these issues can be resolved within the confines of your practice if you become acutely aware of your own strengths, vulnerabilities, professional and personal needs, and identify the obstacles that prevent you from meeting those needs (in other words, if you are willing to diagnose and treat yourself).

Armed with an accurate view of yourself, you can seek out people and activities that nourish your sense of well being; acquire relationships, colleagues and clients that complement your strengths and skills; and avoid people and situations that can harm you in some way.

If you’ve built a Personal Advisory Board for your practice, consider creating an executive committee for that board that works directly with YOU. Such a board’s input can impact your growth and development, and make candid (even brutally honest) observations about how you are working and living.

Most top performers can handle constructive advice, but not as many will actually make sure there is someone inside the business who is in a position to offer it. I know countless advisors who have spent thousands of dollars on outside coaches and improvement seminars only to realize that they were expecting a magic fix. Unless someone actually sees you in action and gets the true story, he cannot provide the advice you need.

Where will your practice be when you decide to enjoy your own retirement? The old saw from my years as a brokerage-firm executive is that no one ever attended a broker’s retirement party. I suspect you may have retirement plans, but what are they? It is an important issue for your clients. Who wants to save and plan for retirement and have their advisor go first?

John Rafal, whose firm now manages \$2.1 billion, has more than 30 years experience as an advisor. He shared with me his advice for advisors of all ages: Treat yourself like you are your own best client — make sure you have a will and appropriate trusts in place. Fully fund your retirement plans, arrange all your gifting and charitable bequests, and rebalance your own portfolio. Set goals for your practice that are measurable and monitor them monthly, but don’t pick a goal that is easy to achieve — make it a “stretch.” Educate yourself. Attend a few advisor conferences each year. Meet people, get ideas and keep yourself sharp.

If you've performed a self-diagnosis and identified problems in your personal or professional life, chances are the cure can be found in John's recommendations. But as any doctor will tell you, even the best advice is not always heeded. Much depends on how willing the patient — in this case, the planner — is to make changes in habit or lifestyle. Will you let this prescription for success go unfilled?

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