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INSIDE INFORMATION

The newsletter for serious financial advisors. (www.bobveres.com)

Special to this issue:

CHANGE BY CHOICE

Chances are, you're evolving. Here are a few guidelines on how to control the process and make it more effective for you and your staff.

The theme of the 2008 NAPFA Advanced Planners Conference in Scottsdale, AZ last week was change: specifically, being intentional about how you facilitate and manage the process of changing and evolving your company (rather than letting it happen to you by chance). Along the way, we got a lot of tips and ideas about managing organizational change from Devora Zack, president of Only Connect Consulting (www.onlyconnectconsulting.com).

Why is this important? Think of where you were 15 years ago, and imagine that nothing has changed since. (For most of us, that's either a scary or horrifying thought.) Or where the human race was 10,000 years ago, squatting in caves, resisting change so effectively that we are still sitting around campfires chewing on buffalo meat. Change, Zack pointed out, is generally thought of as a negative, something to be unconsciously resisted. But it is a necessary part of growth, and most of us have been changing for the better despite all of our instinctive resistance. What if, instead of resisting, we planned for positive change, embraced it, and managed it effectively?

Much of the actual presentations came in the form of kinesthetic exercises, where we interacted with each other, tried to convince each other to change our minds, changed our appearances, bargained over resources, and

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EARLY WARNING

• Still on the FPA Web site: *"Top Ten Annuity Myths Exposed"* (http://www.fpanet.org/journal/BetweenTheIssues/Contributions/091505.cfm). Among the "myths" that the FPA debunks: "Your Insurance Agent Isn't Qualified to Offer Financial Planning" (The article tells us that "A securities license is only needed... when selling speculative investments where the potential for loss exists") and the pernicious myth that "Commission-based Planners Must Be Biased" (The goal of "fee-based planners," we are told, is "to maximize [their] medium-term earnings and residual income, while having more control over client investments").

Interestingly, in light of the FPA's work on the fiduciary issue, the Journal article also debunks the myth that consumers should "Only deal with Registered Investment Advisors."

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generally talked through potential changes we want to bring about. But a few general principles emerged which can be roughly translated from experience into words.

Zack said that people appear to be hard-wired to feel awkward about unexpected change; they will tend to associate it with loss, and to feel alone when confronted with it. There will also be a tendency to underestimate the resources that are available to address the challenges that the change may bring up. And after the change has been implemented, there will be a tendency to revert to old habits. Later in the conference, Zack estimated that it takes fully 30 days to form a new habit--far longer than the 30 seconds it takes for the company founder to dictate one.

So how do you manage the change process more effectively? First by recognizing that different staff members will have very different ways of approaching the work on their desks. Zack had each conference participant fill out a preference hierarchy questionnaire which helped identify our personality types: Red *(creative and unorthodox, likes to think outside the box and hates to follow rules),* Green *(very good at processing information and data, less good at social interaction),* Blue *(focused on relationship-building and interpersonal harmony, slow to get to the bottom line)* and Gold *(excellent facilitators who have systematic skills, but who are uncomfortable in situations without structure).*

This helps explain disconnects that occur with some frequency in the typical planning office. The founder may have strong Red tendencies, and be extremely good at stirring things up, creating chaos and thinking outside the box. But the paraplanner or assistant may be a Gold, who is good at implementing the ideas that the owner throws over his shoulder as he moves around the office, but who treasures order and procedure and is constantly trying to create systems that are undermined by the owner. Similarly, if the Blue office staffer makes polite small talk and inquires about a fellow staff member's family, the Green staffer, who is very good at research, may experience frustration, feeling like his or her time is being unnecessarily wasted.

For managers and owners, especially, having this kind of insight can help you separate difference from incompetence. Zack suggested that those who believe that everybody is essentially the same will tend to be less tolerant when faced with behavior that is different from theirs. "They may say, I would never do that, so I assume there's something wrong with you," she said. On the other hand, a manager or leader who recognizes that people may have very different styles of working, and that they may process information differently, will be more likely to look for a solution or understand how to adjust when they encounter somebody doing things very differently from the way they would do it.

Differences in personality styles can also, of course, explain why your style may appeal to some clients and not others. If your office is messy, then a client with Gold tendencies will think you're poorly organized. If you jump right to the bottom line with a prospect who has Blue tendencies, he may think you're too abrupt, and possibly disinterested in him as a person. Meanwhile, if you present solutions without also presenting a lot of data, a prospect who has Green tendencies may think you're unprepared. And you may make a Red client uncomfortable if you provide a lot of structure around the relationship, or seem to rigid in your recommendations and processes.

Zack said that knowing personality type information can be helpful in allowing a prospective client to form a positive first impression of you--which may explain why some advisors sign up a much higher percentage of clients than others who make the same marketing effort. "It takes 200 times as much information to change a first impression," she said, "than it does to make one. If people run into contrary information after that first impression is made," she added, "they would rather assume the new information is wrong than change the impression."

This led Zack to suggest an improvement on the Golden Rule: instead of do unto others the way you would have them do unto you, you should *treat others as they would want to be treated.* One way is to give prospective clients a quick personality style questionnaire--something akin to the five minute exercise we went through--and then structure the client relationship according to the preferences that the answers suggest.

Once you understand these different personality profiles in your office, you can begin to consciously address obstacles to change and growth which you were probably unaware of before.

Where do you start? In Zack's last session, she suggested that you begin by defining a goal, and stating it in the positive. That is, you don't say "Stop doing…" but instead state what you want to happen. Make sure, she said, that the goal is within your scope of control; saying you want a more effective marketing campaign or more prospects in the door is less powerful than saying you will meet with one potential referral source a month for the next 12 months.

The goals, Zack said, should be reasonable but ambitious, because challenging but achievable goals are the most motivating. Make sure that the goals are compatible with your value system and beliefs, and set up clear definitions of success. ("Network better" is much harder to evaluate than "meet with one potential referral source a month").

Of course, these goals won't be achieved in a vacuum, and given human nature, there is a high likelihood that the changes to office routine will be resisted when you first outline them. Zack proposed a process for overcoming this automatic resistance to change in your staff:

1) Acknowledge that there will be discomfort, which makes it legitimate and easier to recognize and defuse;

2) Promote involvement from the staff members, giving them a chance to control the process as it relates to them;

3) Prioritize incremental changes, so the team members don't feel like an overwhelming (and, perhaps, seemingly-impossible) burden has been dropped on them all at once;

4) Support and encourage your staff during the 30 days it will take to inculcate the process in your staff procedures--very different from the normal managerial habit of telling staff members what you want and then going back into your office;

5) Identify resources that can help implement the change (this could be outsourcing, or the ingenuity of your own staff to come up with implementation proposals); and

6) Manage the journey, first by acknowledging that it IS a journey, something that will need to be worked on and require additional effort every day, until it has become part of the normal office routine.

If people raise objections, or point out problems, then Zack recommends that you ask questions that don't focus on the problems which have already happened, but instead move attention to the desired outcome. Several advisors in the audience told the group that they've been adding this "future results" focus at the beginning of client meetings and totally transforming the client/advisor experience. As soon as both sides have taken a seat, they'll ask *"What do you want to accomplish with me today?"* Or: *"What will have to happen for you to feel like you hit a home run by hiring me?"*

What else? In a later session, Zack said that research has identified three types of buyers--that is, three ways that prospective clients will evaluate you and your (web-based or printed) marketing materials:

1) **Feasibility Buyers** *(Will it work? How much time will it take?)* want to know that you have a proven process and be able to estimate how much of their effort will be involved before they sign up with you;

2) **Concept Buyers** *(Is it a good idea? Does it make sense?)* want assurance about the benefits that you and the financial planning process have provided to others; and

3) **Economic Buyers** *(Is this a good use of our resources? Is this worth the price?)* want to be assured that they will get more value from you, in some measurable way, than

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Strategies

Anybody who has read Gobind Daryanani's article in the Journal of Financial Planning (or the Inside Information writeup of his research two years previously) should be convinced of the value of rebalancing client portfolios. Done optimally--which means checking every two weeks or every month, but only rebalancing when at least one of the asset classes is 20% from its original target--seems to add almost 40 basis points a year to the portfolio's return over 10-year time periods.

The problem, of course, is that in almost every case, the advisor is selling a profitable position, which means generating capital gains. "We were finding that over half of every trade is a realized gain," says Scott Leonard, of Leonard Wealth Management in Redondo Beach, CA. "It is difficult, psychologically, for our clients, and also for us. I would look at the rebalance trade and say to myself, okay, is there any reason our 15% allocation to international small cap shouldn't be 20%? Maybe I should just leave it alone and avoid the taxes."

Instead, Leonard found a workable solution to the tax pain of rebalancing. Instead of having all of his bond allocations in the IRA and the stock allocations outside--which he believes is the most tax-efficient way to organize a portfolio--Leonard now keeps an allocation of 20% of all his equity positions in the IRA--in effect, starting out with an identical asset mix inside the IRA to what he has outside, but only one-fifth as large.

"We will do the rebalancing inside the IRA," says Leonard, "and avoid the tax consequences." Meanwhile, he monitors and maintains the overall optimal asset allocation over all client portfolios (he averages four different portfolios per client).

Why 20%? Leonard back-tested the number to see what amounts would be sustainable, so in the course of the buying and selling and investing, he wouldn't run out of "room" to rebalance back to tolerances based on the normal fluctuations of returns.

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the cost of the financial planning service.

This, of course, explains why we hear anecdotally that some marketing materials are very effective when they explain in detail the financial planning process, while others seem to have been equally effective if they offer case studies of clients who benefited from the planning service, and still other advisors have won clients by suggesting that the increased portfolio efficiency will more than cover the cost of the planning services.

Some combination of all three might be yet more effective, addressing the key questions of each type of buyer.

The conference also offered a panel discussion on how to deal with problem clients, and (as you'll see in a minute) one of those "state of the profession" speeches by Chip Roame, managing principal and founder of Tiburon Strategic Advisors. Economist Barry Asmus provided his usual rousing endorsement of capitalism in the closing session. There were presentations on how to sell your firm (or a client's small business) to an ESOP, how behavioral finance issues are stifling the retirement plans of investors all over the world, and a keynote speech by Ben Baldwin on how a fiduciary might be able to incorporate life insurance into his/her recommendations.

I think the conference may have focused on one of the most important and basic of all practice management issues: the idea that change can be managed, controlled, monitored and motivated along to fruition, using a few basic principles and some understanding of how different people tend to work. Too many of us evolved as a result of accidents and good fortune, and too often our goals are not met because we never figured out how to get something to happen in that incredibly complex web of relationships, tasks and ingrained habits that we call a staff.

If you can define where you want to be in five years, and break that down into a series of ambitious but achievable steps that will create a new set of procedures and habits in the office (30 days at a time), and if you can make the process comfortable to your staff, there's probably no limit to where you can take yourself and your firm. ■

Investing

Fiduciary Life

Planners who put clients' interests first may have to set new standards for who they can work with in the insurance world.

The NAPFA Advanced Planners Conference gave Ben Baldwin an hour to decipher and re-word the most arcane complexities of the life insurance marketplace. This is really too bad; not only did he have too much to cover and too little time to do it, but it was also a lost opportunity for many fiduciary advisors to get two hours of insurance CE credits without suffering the pain of a cynical marketing pitch or learning in detail how to slyly harm consumers while lining their own pockets.

And that, of course, is the point: we avoid insurance because there is nothing fiduciary about it. Baldwin's presentation was an effort to get fee-compensated advisors to recognize the very first stages of a new era in insurance, and to make a first stab at defining what we mean by "fiduciary standards" when applied to the life insurance marketplace.

Step one is translating the insurance marketing language into plain English. Baldwin recommended that we follow the model that has emerged in Great Britain, renaming Term insurance as "pure protection" coverage, and Permanent insurance as "investment-related coverage." He noted that in the latter, most consumers and many planners erroneously tend to equate premium with cost. If they're slightly more sophisticated, they may look at a policy illustration--where, Baldwin said, often "the best liar wins."

Step two is to recognize that there are some tax benefits to having life insurance in place when a client dies; the assets effectively get a step-up in basis, and--properly structured--there may be no estate tax when the assets are received by the heirs. With a contract that minimizes the cost of insurance, clients can set aside money that they may need in an emergency, have access to it through policy loans if that emergency ever happens, and if it doesn't, they can pass the money on to their heirs with those tax benefits in place. In other words, there is a potential benefit to recommending life insurance--provided it meets those suitability standards.

Most don't. Baldwin started by talking about life insurance policies that put the clients' money into a general account--generally, that means whole life products. One problem with this arrangement is that financial planning clients will tend to live longer than the average human population (because of more health options, a healthier lifestyle, better nutrition and perhaps a less physically-demanding worklife), which means that a policy which features steadily escalating premiums and low emphasis on cash value will often be a losing bet for them. To make matters worse, many companies will escalate the cost of insurance much higher than the actuarial tables suggest for clients in their 80s or 90s, as a way to chase them out of the pool at a time when they have a low expected lifespan (and the chances of paying a death benefit is high).

Moreover, the money in these general accounts is subject to creditors of the company--which means if the life insurance company were to go under, for any reason, the client could lose those assets altogether. Baldwin said that this creditor-risk is higher than many advisors realize, because of what he called "headline risk"--a company getting a lot of negative press for sales practices or anti-consumer actions, and suddenly experiencing a fatal drop in sales or regulator attention.

Finally, in most whole life policies, 94% of the general account is invested in bonds--safe for the company, but not always the ideal asset mix for consumers. "Basically, you're recommending a blind-pool bond investment that is accessible to the general creditors of the insurance company," Baldwin summarized for the audience. "Fiduciaries will find it hard to recommend these policies."

Separate account policies--variable and universal-variable life--on the other hand, are governed by Article 9 of the Uniform Trust Code, which specifies that they have to offer diversified investment

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Fiduciary Life

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"Last year's hideous underperformance was a stressful ordeal for all of us. I say we deserve to raise managment fees."

options. Advisors can still choose to invest the accounts in bonds, Baldwin said, but they get more choice and flexibility--and more protection, because life insurance separate accounts are owned by the policyholder, and not subject to creditors of the life company.

However, fiduciaries are likely to encounter other obstacles, which Baldwin described as “multiple layers of undisclosed commissions,” earned by a whole feeding chain from the general agent to the agent in the field. Yes, many insurance policies now let these agents dial down commissions, but LIMRA statistics show that only 12% of consumers ever receive those discounted commission rates. “Commission-driven life insurance cannot be fiduciary-friendly,” Baldwin told the audience.

Is there an alternative? Baldwin proposed that advisors look for policies which cut out all the middlemen. The advisor writes a prescription for the amount of coverage the client needs, and then the client works with a salaried employee at the insurance company--an employee who happens to hold the necessary insurance licenses.

The ideal policy, Baldwin said, would have a guaranteed death benefit, and the advisor would monitor the year-by-year cost of insurance, which should ideally be guaranteed to equal the cost of term insurance for policyholders of the same age and health. Advisors would also make sure the cash value in the account would be sufficient to make these premium payments, and advise their clients to dial up or down the premiums (capital infusions into the policy, rather than the cost of insurance itself) based on each year’s market events or the needs of the client. The advisor would also, of course, manage the underlying separate account investment portfolio and asset allocations, and have the option of receiving asset management fees--paid out of the policy if the client prefers--for all these services. “Flexibility is fiduciary friendly,” Baldwin said. “Inflexibility is not.”

Transparency is also a fiduciary standard; Baldwin recommended that advisors only recommend policies that specify the charges and credits, premiums and costs, and reveal them on an ongoing basis. Also: does the mortality and expense fee go down as the capital goes up, and does the company allow block transfers and diverse investment options?

Of course, Baldwin is describing the TIAA-CREF Intelligent Life product line in virtually all of his points (though he never mentioned the product), but that doesn’t mean that his definition of how to apply fiduciary standards to the insurance marketplace is off base. Baldwin is one of the few veteran, knowledgeable insurance experts in the marketplace who also understands what it means to be a fiduciary, which puts him in a unique position to start this dialogue. And as he points out, once we’ve defined what a fiduciary will and will not feel comfortable recommending, more and more insurance companies will be motivated to introduce new fiduciary friendly products. ■

Practice Management

Growth Formula

Here's an invitation to grow your firm faster than the growth rate of the profession.

Chip Roame, of Tiburon Strategic Advisors, is not very good at using weasel-words to describe the state of the financial planning market. One minute, he's telling his audience that he sees zero evidence for the massive consolidation that Mark Hurley has predicted ("Do you feel threatened by some large competitor? Has anybody realized any great cost savings by consolidating?"); the next, he's telling us that Ken Fisher of Fisher Investments has created a viable a business model in the fee-only investment management space by using mass mail and delegating the closing process and client management to 23-year-olds working the phones. "Hey, the guy has a 97% client retention rate," Roame told the audience. "Last time I checked, that's better than a lot of fee-only advisors."

But what Roame lacks in subtlety, he makes up for in knowledge. He is a rare gatherer of statistical information who actually knows the marketplace he's measuring.

So what does he have to say about advisors?

On the subject of marketing, Roame offers a very simple formula:

1) Retain your existing clients by touching them often;

2) Capture your clients' liquefaction events; that is, when they sell their small business or roll over their 401(k) assets. "Many counselors are telling you to get rid of your small clients, but I think it's terrible advice right now," he told the Advanced Planner Conference attendees in Scottsdale, AZ. "Do it ten years from now, after these liquefaction events have taken place."

3) Spend most of your marketing time and attention on cultivating client referrals. "In our surveys, 55% of clients said they came to their present advisor through a client referral," Roame told the audience, noting that only 6% came from a center-of-influence (accountant or attorney) referral. "If you know that 55% of your new business is coming from one source," he added, "don't you think that should be getting most of your attention?"

4) Start to do segment or niche marketing. "In every other industry, everybody knows that this is the key to success," said Roame. "But nobody is doing it in the financial planning space."

Roame elaborated on this last point by noting that when you serve a particular niche (he cited firms that work with "wealthy widows" and airline pilots), the fact that clients live in affinity groups makes the referral flow more liquid, and also that clients are easier to service. "Do you think the tenth airline pilot you work with is going to be a dramatically bigger challenge than the third or fourth?" he asked.

So how do you work these niches? Roame offered a two-step formula: 1) find their conference, and 2) find their magazine. Every industry and profession has its own conference and magazine, he told the audience; your mission is to be quoted in the magazine, and get offers to speak at their conferences. Of course, he didn't recommend that YOU do this work; instead, hire a marketing staff person to cultivate these relationships, and then you speak with the reporter and present at the conferences.

This, of course, is where the Ken Fisher discussion came from. No, Roame isn't suggesting that you become a master at mass mail marketing, or have staff people fly to peoples' homes to 'close' them, or hire 23-year-old relationship managers to call them periodically and keep the relationship working. But his point is that the people who offer great service tend to fall down on marketing, or see it as an unpleasant chore that is best avoided. Meanwhile, organizations with less-than-comprehensive service models (how much financial planning does Ken Fisher do?) are gathering billions of dollars in assets under management. The point comes down to motivation: shouldn't you at least be fighting back, if not for you, then for the

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Growth Formula

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consumers who would benefit from your services?

Roame then turned his attention to practice infrastructure issues in the planning profession. Here, his best advice comes from a survey that Tiburon recently conducted, focusing primarily on fast-growing and relatively successful firms.

What did they tend to have in common? Most of these companies, he said, have created a designated Chief Operating Officer position--that is, somebody who is tasked with managing the company, and who has little or no client responsibilities to distract from this activity.

These more successful firms also seem to be organized in teams, each with their own sets of clients, and a separate investment team that works with each of the client management/service teams.

Finally, these companies tend to have more specific job descriptions than the average planning firm. That means employees had more specific, specialized duties within the overall organization.

"If you ever need a recommendation, I'll be happy to explain that kicking you out the door was a decision I fully expect to regret to my dying day."

Roame noted that fee-only fiduciary advisors have the highest growth rate of all providers of financial services--18% a year, roughly double the growth rate of wirehouse organizations. (He also noted that, because the wirehouses come from a larger base, their growth is actually greater in dollar terms.) But Roame believes the trend will continue, that the next ten years will offer a great opportunity for advisors in the fee-only space. He cited research that shows that only 6% of Americans have long-term care coverage, but 40% need it; 75% want to learn more about charitable planning, and 58% don't have a will.

Finally, in his discussion on succession planning, Roame may have offered his best advice. Noting that most advisory firms started their succession planning much too late to sell to their employees or effectively liquidate the firm to an outside buyer, he pointed out that the average advisor is 58 today. In ten years, many advisory firms will be selling into a buyer's market. "If you're under 40 years old," Roame told the audience, "then ignore everything else I've been telling you up here and be ready to buy the firms of everybody else in this room at pennies on the dollar." ■

Practice Management

Self-Reorganization

Looking for a coach who will let YOU set the agenda? Your first likely goal: eliminate those piles of paper next to your desk.

As a former advisor, Diane MacPhee, of DMAC Consulting Services (diane@dmacfin.com), thinks industry consultants are focusing on the wrong part of a planner's life: on telling them what to do instead of helping them get things done. "Advisors are almost always smart enough to know what to do; they just can't seem to make themselves do it," she says.

MacPhee has started her own coaching and consulting practice for financial planners with a simple mission: to move the focus from the recommendations to the 'everything else,' all the things which can be far more important in moving forward. Along the way, she helps advisors identify what they want to accomplish, makes sure they know how to do it, and finally holds them accountable for actually getting it done. "What I try to do is find out what's holding them back, what's limiting, what they might be doing, unconsciously, to sabotage the process," she says. "Sometimes," she adds, "I'll say, okay, if YOU were the coach and you had a client like yourself, what would YOU tell him to do? Usually I get a great answer."

The typical situation today is an advisor who is trying to handle a lot of unexpected growth in the business, and suddenly, with all the new clients and responsibilities, his or her time is no longer cheap or unlimited. Instead, the fact that there are only so many hours in the advisor's day has become the key limitation to a firm's growth and to getting things done. Meanwhile, the advisor is starting to lose that work/life balance. All the old organizational habits developed when the firm had fewer clients are now too inefficient to keep up with the additional work, and everything is slowly breaking down.

Multiply that by thousands of different practices, all in some painful growth stage, and you have an industry-wide crisis. "The whole profession is starting to realize that, by gosh, we have to start putting some real business systems in place," says MacPhee, "and most of them just don't like even thinking about it. After 16 years in the planning business, I discovered that I love the business development area, I love working on a strategic plan, I really enjoy doing the things that most busy advisors put off and never get around to."

What do these coaching engagements look like? "A lot of advisors that I talk to, the first thing they say to me is that they feel as if they're always getting behind, and never getting to the things they want to accomplish," says MacPhee. "Their offices are starting to gather piles and clutter, and they know there are things under the pile that are falling through the cracks, and they worry about their work/life balance. The whole situation is all tangled up in their minds," she adds. "So in our phone consultation, I'll say, okay, let's take this one step at a time. Tell me about your everyday life, your week life, what is actually going on. What happens when you go into the office? What's working well, and more importantly, what is *not* working?"

The process will often uncover a few relatively easy solutions that get everything started on an encouraging note. "One advisor had a very efficient office manager," says MacPhee, "but *the advisor* would answer the phone; not her. I told him, it might be a culture change for your clients initially, but she needs to get used to speaking to them. She was uncomfortable in the beginning, but it's going great now," MacPhee reports. "He said, I can't believe how different it is for me not to have to stop every time a call comes in."

Then, when the advisor has picked the low-hanging fruit and found a little more time, MacPhee will explore why he or she is falling behind. One common problem is consistently overestimating what can be accomplished in a day, and always missing the target. "When you start to become successful," MacPhee explains, "it gets much

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Self-Reorganization

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more complicated to budget your time. You never factor in those unexpected phone calls, or the chit chat around the office, and so you never get done as much as you expected, and because of those little differences between what you did and what you expected to do, the work piles up from week to week. Eventually, the backlog becomes so great, the whole situation starts to get crazy."

To reverse the trend and get the advisor in the habit of following a more realistic schedule, MacPhee will focus on the most specific evidence of this problem, and start the advisor eliminating those piles of paper on the desk and (often) also on the floor. Of course, most advisors can't push everything aside and tackle the piles immediately; for their next two or three weeks, all of their time (and probably more) is already spoken for. "We'll look at the schedule and go out as far as we need to," says MacPhee, "until finally the advisor says, this upcoming week next month, I only have two appointments scheduled on my calendar. So we start there by budgeting with what I call EPN time: eliminate piles now."

In the typical case, MacPhee's advisor clients will immediately budget--right there on the calendar--three hours a day where they will physically pick up each loose piece of paper and do something with it. In one case, MacPhee suggested that the advisor start with one area of the floor, and simply move pieces of paper--one pile at a time--into the filing system. If the paper necessitated a task, this would be entered into his ProTracker system with the help of his office manager. Meanwhile, the office manager would set aside hours each day to go through the filing cabinets folder-by-folder, scanning documents that need to be saved, throwing others into a "to be shredded" pile, putting marginal documents in a box that the advisor can quickly go through and decide if they need to be kept or thrown away.

What if the advisor simply can't find three hours a day? Or (more commonly) those three hours evaporate as unexpected tasks claim the advisor's attention? "Sometimes I have to ask them, is there an chance that for the next four weeks, we could change your schedule?" says MacPhee. "Maybe it's a personal sacrifice of getting up at five or six in the morning and getting in early while it's quiet."

However the EPN process is accomplished, the result can be surprisingly liberating. "One of the advisors I work with sent me a message at 11:00 PM one night," says MacPhee, "and the message said, *I can't believe it, Diane! My desk is clean! Thank you so much!* It's made a huge difference in his energy when he comes into the office. When you have all that stuff around when you walk in, you get discouraged immediately."

Of course, it's also important not to fall back into the same habits. MacPhee recommends that advisors look at their schedule each week, and say to themselves, realistically, what are the three or five things that I must get done this week? Then they can focus their time budget on those things, and also set aside time for the unexpected but inevitable phone calls and other interruptions that will intrude on the schedule.

In addition, MacPhee will train advisors in how to protect their time. "I'm an advocate of talking with clients when they call," she says, "but if it's not urgent, be able to say, *can we schedule this for next Thursday? I'm in the middle of a few things this week.* When I was practicing, I never had a client object to that."

In addition, sometimes the advisor can find systemic time savings in places he or she simply never thought to look. "With one advisor," says MacPhee, "we talked about whether he could meet clients less often. We determined that a 30-minute phone call could be substituted for one of the appointments. It was a real time-saver." In other cases, she has pointed out--successfully--that just because one client wants to meet every quarter doesn't mean the advisor has to meet with *every* client every quarter. "I think sometimes people schedule all these meetings to justify their fees," says MacPhee. "But it may be seen by the client, not as a value-added, but as an obligation. They may be open to retraining."

Another way to protect the schedule is to organize new client interviews in a less chaotic way. "Some people think they have to drop everything if a new client knocks on the door," says MacPhee. "After we've talked it over a few times, we'll start to have the office manager call up the prospect and say, we're currently scheduling for mid-May or late April; is there any date that works for you? Giving them permission to do that is huge, and despite what they're often afraid of, it never causes the clients to walk away."

That magazine pile can also sap energy. "We've worked out a system where the advisor can go through a stack of periodicals quickly, tear out what she wants to read and put it in a reading box, and toss the other 80%," says MacPhee. "It makes you feel more organized, and the pile is less intimidating."

Once the easy fixes are in place, the piles eliminated and the time schedule is more realistic, MacPhee will look at how the advisor wants to move the business forward. "We go over the vision, and create a strategic plan," she says. "The strategic plan starts with the end in mind, what do you want to happen long-term? And then we work our way backwards to what has to happen this week or this month."

Instead of dictating the vision or the plan, instead of telling advisors what to do, MacPhee concentrates on empowering advisors to make their own decisions. "In our phone sessions, they set up for me what their tasks are going to be before we have our next call. In between, they can e-mail me, so I have it all in front of me before our next session." Other than making a few suggestions based on her experience, MacPhee has found that her main value-added is holding the advisors accountable for doing what they say they're going to do. "If there isn't somebody holding them to it," she says, "they'll slip back and let their schedule take over again."

To be realistic, MacPhee likes to have advisors outline no more than three "moving forward" tasks each week. "Most people can handle three things each week," she says. "But look at what that means over time. Three things, forty weeks a year, comes to 120 things that got done. It can make a huge, enormous difference. It even impacts your marketing efforts. When you have a smooth-running business, a consumer walking in the door will recognize that, and say to herself, wow, this person is really on the ball."

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Part of moving forward is identifying and fixing staff problems--and MacPhee says that a surprising number of them can be fixed with small adjustments in the advisor's behavior. "Some people just have a discomfort with managing employees," she says. "They're really uncomfortable sitting down with an employee to explain that certain things are not up to snuff."

How can they change that? Step one is to recognize and acknowledge the discomfort, and realize that it is causing problems, but also that it can be addressed creatively. "Often, advisors will get to the point where they might say, all right, here are the things I *would* like to say to them," she says. "We'll look at how they mostly want to communicate their frustration and the problem they're having, try to turn it around to a conversation about how helpful and valuable the staff person can be to the firm, versus accusing them of leaving early or telling them they're making too many personal calls. Knowing what they want to say, and how to say it, and even rehearsing it, can remove a huge block in their working life."

MacPhee says that many practices have an advisor and a single staff employee, where the relationship is almost like a marriage. "In those cases, I focus on the communication between the two of them," she says. "I recommend that they sit down at a minimum once every two weeks, though I prefer weekly, and stay on top of what they want to do together. And I tell them that we have to make it a 'we' thing; it is not you dictating to them."

There's more, of course. MacPhee helps some advisors segment their client base, identifying

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Self-Reorganization

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those who are most profitable and the best sources of referrals, and--more importantly--those who are unprofitable. She has coached advisors on amicable termination and how to refer prospects out to more appropriate advisors in the area.

And she has helped advisors create a system for keeping track of their own financial metrics--systems which may be different for each unique firm. "As much as I always want to impose my opinion on things, it's better if they make their own effort first," she says. "Normally we'll create a spreadsheet with all their clients and the details they think are important: the fee revenue, the number of times they meet, hourly revenues per client, hourly revenues for the firm as a whole. One advisor," she adds, "found that he was making $56 an hour on some clients, and the highest was $288 an hour. It was clearly a problem."

That can lead to coaching on how to raise your fees. "I tell people that it's a fairness issue," says MacPhee. "They should calmly and confidently say, *I believe my fee should be this much,* and recognize that it is not fair that some clients are being charged more than others. Nine times out of ten, there are five to eight clients who aren't being charged enough, and they go along with the fee increase because they knew something was wrong all along. That buys the advisor a little time, if they were feeling pressure to get new clients, and we can get them organized first."

Hiring a business coach is really an exercise in delegation. What advisors are delegating to MacPhee is the difficult, time-consuming work of reviewing their systems and procedures, and staying on top of how other advisors are building more practice efficiency into their businesses. And they are giving the coach permission to hold them accountable for making changes that they wouldn't make on their own, because the work on their desk is calling too loudly. MacPhee's job, as coach and advisor, is to call attention to those "moving forward" tasks at least as loudly as the work on the desk. "A lot of advisors have a kind of tunnel vision, a feeling of being swamped in their own office," she says. "They don't have time to pick up their heads and hear that other planners are doing it differently, or they might hear about a great idea, but they never get around to making it happen."

They are also delegating an evaluation of software and systems, which a business coach (as opposed to a personal coach) quickly becomes familiar with through cross-fertilization of clients. "I'll ask the advisors I work with, why did you choose Etelligent and how's it working?" says MacPhee. "What do you like about it? I had one client who was using TD Ameritrade, and had a question about possible glitches. I said to call somebody I knew in NAPFA who I knew was on top of that sort of thing, and ask a few questions. Sometimes if you know who to call, you can resolve a problem in a few minutes."

Looking out a little further, with the high growth rates around the profession, planners are suddenly starting to consider things that didn't occur to them a few years ago. "A few of my clients are trying to decide whether to stay solo or merge with a partner," says MacPhee. "I tell them, the best way to explore this is go to a NAPFA or FPA study group or meeting and start to see the people around you. When you find yourself with somebody you're really comfortable with, sit down for a breakfast meeting and talk about what you want and the challenges to getting there. But also make sure they're not deciding to do this because they're reading all these articles saying, gee, you have to be bigger and better. A great number of us don't believe that has to be the case."

You already have MacPhee's contact information, but you might still be wondering how the engagement works. She starts off on a 6-month basis, two 45-minute calls a month for a six month period. The cost is $3,000 for those six months.

But don't imagine that you'll want to outsource the tedious process of plotting your own success for just half a year, and then go back to having your head buried in your office work. "Most of my clients are renewing at the end of six months," MacPhee reports. "They'll get the things done that they wanted to get out of the way, and suddenly they'll see a whole lot more things to do. And they'll tell me, hey, I'm just getting started."■

Practice Management

Hands-On Coaching

When you decide to make progress in your firm, you create new tasks and responsibilities. Here's how to outsource those as well.

As you can see from the previous article, planners can benefit from a coach who has more of a hands-on style, who can bring detailed practice management information into the discussion. But what if you want service that is even more hands-on--somebody who will not only help you figure out what you want to accomplish, but also help with the implementation? What if you want to outsource some of those new tasks you just created for yourself?

Meet two of a new breed of hands-on coaches for advisory firms: Laurie Gripshover (ldgrip@comcast.net) in Blue Bell, PA, and Ginny Hudgens of Back Office Advisor (www.backofficeadvisor.com) in Baton Rouge, LA. Both have backgrounds in financial planning, both are big-picture thinkers and skilled implementers, and both think that the very best coaching and consulting involves getting your hands dirty. "Many consultants just write a plan and hand it to the advisor to implement," says Hudgens. "You know that never works."

Once the coaching work has defined what needs to happen next, the hands-on coaches change hats and become the person who does things that you would never staff up for. "When you decide to add a new procedure, " says Gripshover, "there isn't anybody whose job description is to look around and make sure it's implemented and being done in a consistent way."

Nor is anybody tasked with looking ahead--least of all the company principal, who often handles the face-to-face client work. "I read a quote about how we can overestimate what we can accomplish in a day, and underestimate what can be accomplished in a week, a month or a year," says Gripshover. "Advisors make up their to-do list, and it has 35 things on it. But ask them their quarterly goals, and they look at you blankly. THAT'S what you should think about first. Then think about what you have to do today."

Hudgens starts by asking for a bit of long-range thinking. "I require all my clients to create a strategic plan," she says. "To help them get started, I'll send them a series of questions about their personal and business goals, what they want their firm to look like in the future, and what challenges they might be facing." With the long-term goal in mind, she'll back into specific action items that have to be accomplished this month or this quarter.

In one example the younger planners at a growing firm were restless, and their productivity was not as good as the quality of the young hires might imply. The first solution, says Hudgens, was to change the way the company principal deals with these planners when they come to him for information. "Instead of dismissing them and saying, *I'll just do it myself,"* she says, we're helping him turn these into teaching experiences."

Meanwhile, Hudgens is creating group classroom experiences on everything from software to the company's vision, to what knowledge and skills are needed to be a good senior advisor.

This addresses other issues. "Right now, this company has a lot of inconsistent procedures," Hudgens reports. "One person might be using Junxure this way, another that way, and senior people just not doing it at all. The effect is that they're only using about 20% of its capabilities." So Hudgens assigned the junior planners to write a procedures manual, outlining and putting into words what they do on a daily basis.

Gripshover is also developing a living procedures manual for a planning firm, plus a Word file folder that includes all the company's form letters. "Before, everybody had their own way of doing things," says Gripshover. "Having the form letters and procedures all in one place really streamlined things. We have the form, we already know it is there, and we have a description for how it is done."

Meanwhile, she recently attended the Junxure boot camp

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Hands-On Coaching

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in Orlando, and is guiding one firm through the process of going paperless. "What a lot of planning firms don't realize," Gripshover adds, "is that the expenditure on software needs to be matched by expenditures on training, or else the program ends up being an electronic rolodex. Now I'm bringing them up to speed on some of the time-saving advantages of having information pushed out to them, versus them having to dig around for it. Each quarter we set new targets for things to be automated. I actually go in and do it for them, and handle the training."

Some of the most difficult practice management issues involve handling staff effectively, rooting out those who cause problems that the company principal may be too busy to notice. However, even good, productive employees can create challenges that require the founder's attention. "We had a situation where a woman gave one-year notice that she was going to retire--which was a blessing and a curse. How do you say goodbye to somebody for a year?" says Gripshover. "She wanted to work full-time, and then stop."

Gripshover found a more workable solution. "Six months after the person gave notice," she says, "we started a job search for this very hard-to-replace position, and got an individual selected three months prior to the end of her time. Then we reduced the number of hours she was working." The two overlapped each other for six weeks, and now the retiring employee comes in one day a week and stays under the threshold for her Social Security. "She still continues on as a part-time employee," says Gripshover. "She is phased out but still available, still engaged with the high-touch clients. It worked out beautifully."

The main goal of staff management is to find ways that the company principals can delegate more of the chores on their desk so they can concentrate on what they do well. "If they're not in front of clients," says Gripshover, "then their time isn't being well-used. Hopefully, we can free them up to participate in group activities, go to conferences, and work with clients more. If they're too busy chasing office stuff to work with their clients, then we've already lost the game."

Adds Hudgens: "I try to help them realize that most of the things they're doing are not a good use of their time. But they have such a hard time giving up control of it, that we have to take it in baby steps, take a little bit of the control away and try to move it up as fast or slow as they can handle it."

Gripshover believes that there is a close relationship between succession planning and delegation issues. In both cases, you're creating an orderly transition of duties from the principal to the staff. "Right now," she says, "we're working with a senior advisor whose retirement date is five years down the road. We'll start out by identifying, what is that fifth year going to look like? The fourth year? Third? Second? Then: what are we going to do now? You have to begin with the end in mind and back into it," she says. "If they've made the decision to phase out, how can they do that on a day-to-day basis? Are they going to start feeling excluded? Is there an emotional impact on a leader who is not there anymore, or maybe who is not effective any more, but IS there in the office?"

Marketing gets special attention from the hands-on coaches, though they tend to take very different approaches. Hudgens is doing the followup work to get a company's letterhead and business cards re-designed with consistent graphics and logos. When the company decided to get permission from five clients to use them as references, she contacted them and obtained their approval.

Gripshover, meanwhile, has just completed the renovation of an advisor web site, bringing in a professional photographer to take new pictures, having them posted, encouraging junior partners to write white papers that can be put up on the site. She also helped redesign the package that is sent out to prospects who query the firm. "Now it has language that speaks to the needs of the client," she says. "Instead of: this is who we are; it answers questions a client might have."

As part of the process, she went to the company principals and asked them to identify the key questions that clients were asking them over and over again, and put those questions--and, of course, answers--in the materials and on the web site. Now Gripshover is in the process of helping the advisory staff develop actual client success stories--with the names changed to protect their privacy--that address some of those questions.

Hudgens also recommends that her clients have at least two CPA alliances and two estate planning alliances. "One CPA alliance would be geared to your lower-level clients, the easier tax returns," she says, "and one for your higher-income more-complicated clients. And then an estate planning attorney on the legal side."

She says that most advisors cultivate these relationships ineffectively, regarding the CPA as a kind of Santa Claus who gives out referrals like gifts. "We invite advisory firms to look at these relationships from their clients' perspective," she says. "They need to look for the very best people first, and ask them: *How are you going to work with our clients? We're the quarterback in the relationship; we need you to keep in touch with us as to what's going on with the client*. When you take that direction," she says, " you tend to get much higher-quality referrals, because they really understand what you're about and looking for. And of course you get better advice and service for your clients."

What about client referrals? These, Hudgens believes, are best cultivated by setting up client advisory boards. "I don't recommend just having one," she says. She cites the example of an advisory firm she worked with that happened to have a strong client base working with a local energy company. "The company was retiring a lot of people through attrition and early retirement," says Hudgens. "They had another niche with the Tennessee Valley Authority. So each had its own advisory board, whose members would tell us what was important to people like them, and about the people they knew in the company who were getting ready to retire."

These boards typically start with two or three couples and then expand to eight or nine, adding two or three each year, and asking everybody to serve staggered three year terms.

When you hire a hands-on coach, you're outsourcing the work of staying on top of changes--both the changes that you want to make in the office, and new developments in software and practice management that the company can emulate or needs to respond to. Then the coach takes on the work that is never in the job descriptions of the staff.

Of course, the board members want and expect feedback on their input, but who has the time to do that? So, initially, at least, the task falls to the hands-on coach until a procedure can be established and the work can become part of a staffer's job description. "I would take notes at the early sessions," says Hudgens, "and put those notes together and compose them into an e-mail saying thank you so much for coming, here are the thoughts we discussed; we are going to discuss them further at a strategic planning meeting coming up. Then, after the strategic planning meeting," she adds, "I would follow up and tell them what we were going to implement, and how."

Both Hudgens and Gripshover have other things they do for their clients, but I think you get the picture. Fundamentally, when you hire a hands-on coach, you're outsourcing the work of staying on top of changes--both the changes you want to make in the office, and new developments in software and practice management that the company can emulate or needs to respond to. Then Hudgens and Gripshover take on the additional responsibilities of handling all these things that need updating, refreshing, and changing--work that is never in the job descriptions of the staff people whose main job is to work with clients.

"As quickly as the world is moving and changing," says Gripshover, "it would be nearly impossible--especially in a small to medium sized organization--to employ a staff member to adequately monitor this vital, non-financial planning antennae work. Monitoring change is a job that is never done," she adds. "Financial advisors and their staff have a job to do. Even when an advisor recognizes a problem in the office, it's the 'getting it done' part that eludes them."

"Life is just too short for advisors to work that hard and not truly enjoy it," adds Hudgens. "I try to put the fun back in it for them."■

Parting Thoughts

THE END OF COMPLACENCY

While the markets do scary things and the planning profession evolves in interesting ways, my mind keeps returning to the same topic: the upcoming regulatory battle between independent fiduciary financial planners and the organizations we tend to see as Darth Vaders: the large wirehouses.

It seems to me that this showdown has been a long time coming, and that the people on our side of the battle lines are feeling a little complacent. After all, the independent planning community generally won in the 1970s by establishing successful independent broker-dealers who granted advisors the freedom to follow their conscience rather than a squawk box. The fiduciary side won again in the 1980s when large brokerage firms failed to create a workable business model around financial planning. In the 1990s, advisors won again, creating readable performance statements for their clients (which the wirehouses grudgingly copied) and taking market share by the fistful.

Finally, in this decade, the FPA won its lawsuit against the SEC, while the wirehouse organizations disgraced themselves with a series of scandals--and, more recently, sly and self-serving marketing of junk mortgages as investment-grade securities. Once again, fiduciary advisors reap the spoils: more market share and, temporarily, better press coverage.

But in all of those battles, I don't think the advisory community ever got the full attention of the SIA or the individual wirehouses. We were regarded more as a nuisance than a threat. The large brokerage firms would grudgingly adopt some of our best ideas--the aforementioned readable statements, mass-produced financial plans, and--most importantly--the "fee-based" business model of providing what appears to be independent, impartial advice before the firm's product line is inevitably recommended.

The brokerage world never really realized that independent financial planners represented a threat to their way of doing business. How (they must ask themselves) can a small band of little advisory shops change the competitive balance and put our global business model on the defensive? They have no advertising budget, no lobbying clout, no headquarters buildings dominating the skylines of major cities, and yet year after year they take market share and get all the good press.

If you look at it from their perspective, the rise of the planning profession really is one of the most remarkable and unlikely business success stories in economic history. All we had on our side, consistently over the years, was fewer conflicts of interest between the person giving advice and the end consumer. We built market share essentially by word of mouth and good service, year after year.

The question now is: can the planning profession survive a full attack by the entrenched powers in the financial services world, who want to roll back this fiduciary, conflict-of-interest-avoidant trend that they don't understand and don't like?

If so, how?

The battle will be fought along several fronts. I think we have already lost the hearts and minds of regulators, though I have no idea how that happened. Somehow, after watching the wirehouse scandals involving illegal mutual fund trades, sleazy analyst recommendations, bribery involving IPO shares, reckless packaging and sales of inadequately-documented and otherwise risky mortgages and other malfeasances, the staff members at the SEC decided that brokerage firms should be allowed to masquerade as if they were fiduciaries, without any of the fiduciary checks and balances. FINRA, meanwhile, sees an opportunity to expand its regulatory turf, and its chosen method of attack seems to be to assail the "uneven playing field" and "inconsistent regulatory scheme"-- arguing that everybody should be regulated as salespeople at the same time the brokerage firms are trying to tell the public that they are NOT salespeople.

I have no idea how this logic got started or what sustains it, but my sense now is that the SEC is a lost cause, and FINRA is an implacable (and growing) threat. Evidence of this is piling up with every speech that Mary Schapiro delivers, and the Rand Report appears to be a discouragingly transparent exercise in SEC self-justification.

The second front is with the general public. Here, our main forum is the consumer press--whose primary outlets, alas, are generously supported by the advertising dollars of the opposition. Even so, I think the advantage is still on our side, because the ethical standards of reporters and editors are not unlike the fiduciary standards of financial advisors: their primary loyalty is to their readers. Many are loath to recommend that consumers go to a less-than-savory advisor, and at least a few have been around the block enough times to know that almost everything they are told by the wirehouse community is self-serving and inevitably (and sneakily) harmful to the interests of their customers.

Thus, many reporters will tend to support our side of the cause without a lot of prompting. If we can craft a consistent argument, bolstered with facts, to deliver to less-experienced reporters, and if this argument truly reflects the situation on the ground and helps reporters find us occupying the moral high ground, I think their instincts will take them to the same conclusions we've come to. In addition, of course, we need to live up to those standards, because any ethical slip, any backsliding or self-serving business practices will be--and should be--instantly detected and punished in the press.

That leaves the third front, which is Congress. Here, I think the terrain is unfavorable to the fiduciary advisory community, and it will take enormous skill and effort to overcome our natural disadvantages.

The obvious issue is money. The SIA and its members will almost certainly outspend financial planners by orders of magnitude in campaign contributions and the salaries of lobbyists with impressive resumes--including former members of Congress and various White House administrations. The only redeeming factor here is that the SIA and its members have a lot of different agendas that they are pushing in Congress, so not all of that money will go toward crushing the life out of fiduciary advisors. We've gotten their attention, but are we a higher priority than elimination of estate taxes, or capital gains taxes, or preventing regulators from requiring disclosure of revenue participation in the separate accounts that they recommend to consumers?

I think our best chance of surviving on the third front is very similar to our best chance on the second one. We absolutely must mobilize and tell our story to Congress as we tell it to the consumer press, and hope that conscience wins out over expediency. And in Washington, we might need to go a little further and put expediency on our side. As the SIA showers everybody in sight with campaign contributions, we need to point out the potential harm the wirehouses might do to (these are hot-button words) elderly retirees. We should point out how the next inevitable scandal might come back and bite Congressional leaders who voted a certain way, only to see the whole scheme unravel in another round of sordid scandals.

This is expedience: what happens if, in the next election, the next person running for their seat is able to point out that they voted to let the wirehouses have their way with senior citizens and other unwary investors right after those same organizations nearly brought down the global economic system with sly packaging of junk mortgages?

To do this, we need that same consistent message that will be required with the press. The wirehouses have adopted the theme of "choice," that financial planners and fiduciary advisors are restricting "choice" by arguing that all who offer financial advice should be regulated by fiduciary standards. I think it is terrific that the SIA is arguing for diversity at the same time that FINRA is arguing for uniformity of regulation; it may take a few urgent meetings for the two sides to craft a consistent story. But while they hash it out, the "choice" argument can be countered with a few examples. Shouldn't consumers have the "choice" of getting their medical advice from people who are not regulated as doctors? Shouldn't we all have the "choice" to buy meat that falls outside the government inspection guidelines? Why are we restricting consumer "choice" to safe products and licensed professionals in so many other parts of our lives?

Meanwhile, on our side, it seems like the hot button for the press and consumers is how retirees will survive, financially, as Social Security breaks down

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Parting Thoughts

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and all those people who didn't save quite enough start to leave the workforce. On our side, I think we should point out, at every opportunity, that fiduciary financial advisors have no incentive to make harmful recommendations to their clients; that we, on our side, don't benefit from sleazy investment recommendations or cozy deals which deliver revenues back to some home office tower. The most effective regulation is not a whole bunch of rules--as we can see from the behavior of wirehouses who have millions of rules and--at the same time--tempting incentives to issue misleading research reports on the IPOs they were bringing to market--and recommending to consumers. What those retirees need is a lack of those temptations built right into your business model.

I think our argument is fairly simple: people, particularly current and future retirees, are always safer if there is a clear separation of advice from all the profits that are earned on IPOs, annuities and life insurance, in-house mutual funds and separate accounts, hedge funds. slyly-marketed junk mortgages and all the exotica that wirehouses routinely trade in.

Imagine a world where the consumer has a clear choice: an advisor who has no financial incentive to recommend something that might be harmful to the consumer, or a nonfiduciary broker who works for the company that needs to unload IPOs and other in-house investments in order to generate a profit.

The wirehouse organizations will argue that their products are superior. Our counter-argument is simple: if that's true, then let's eliminate all the sales staffs, and let independent fiduciary advisors do independent analysis of all the products out there--including yours. If your products are truly the best, then those independent advisors will have no incentive not to recommend them.

The coming war, in my mind, will be unlike any of the skirmishes that the fiduciary advisor community has won in the past. It will be uglier, more dangerous, and much, much harder to win. I think it will put one of the feel-good stories of the past 20 years in serious danger, as the fiduciary planning world faces the real possibility of extinction. If you're not scared yet, you soon will be; the clouds I see on the horizon herald the end of complacency, and maybe also the end of us. ■