

## The 5 Essential Skills of an Exceptional Financial Planner

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For the past four years, I've trained financial planners to become Registered Life Planners® through the Kinder Institute of Life Planning. I've had the opportunity to see what essential skills a planner needs to communicate and operate most effectively with their clients.

Before discussing the five essential skills, we need to examine what constitutes a successful client relationship. It's about giving clients objective, unbiased, personalized advice they'll actually implement in service to their goals. The successful relationship is also about understanding the difference between the right financial actions for that specific client versus what might be the right solution for you or another client. It's about having a deep connection to the client and forging one of the most important and trusting relationships that client will have in their life. Finally, it's about effective communications that help clients discover what's right for them without making them feel bad or judged.

Listed in order of importance (to be discussed later) the five essential skills are: authenticity, deep listening, empathy, non-judgment, and curiosity. There's no doubt those of us in the financial life planning community need and want to have these skills, but even those planners who have no desire to take on life planning can benefit from bringing these skills into their practice. Any planner, whether they've been in the profession many years or are brand new, can acquire and develop these skills. As evidence of the importance of these skills, Daniel Goleman published an article in the December 2013 issue of *Harvard Business Review* on focused leadership that pinpointed characteristics of excellent executive leadership, which are similar to those of exceptional planners.

Let's take a deeper look at each of these skills and how to develop them if they don't come naturally to you. These skills build on each other and are listed in an order that makes natural sense once you understand each of them.

### **Authenticity**

Most clients know when their planner isn't being authentic. By definition, authenticity is being real, genuine, and true to your own personality or character despite external circumstances. One of the concepts Goleman discusses in his piece on focused leadership is having an inward focus, a self-awareness, and the ability to connect with your inner voice. This sense of self-awareness allows you to realize when you're bringing your own biases to the table with a client, or to understand your deeply held values and how those might differ from the client's values. It's knowing when you are in integrity with the advice you're giving. It's speaking from a place of deep passion that can clearly be felt by the person you are communicating with.

Authenticity is important because it builds the trust necessary for successful client relationships. Robert C. Solomon and Fernando Flores wrote in their book *Building Trust* that "Authenticity ... has to do with the ways in which we together invent ourselves and invent our world. We feel that people who authentically trust one another live in a more vibrant and adventurous world than those who do not." Solomon and Flores note that how we are seen by others changes with our ability to make and keep commitments and build trust.

*Lesson on authenticity:* If you aren't living into your own financial life plan or following the kind of financial advice that you are providing to your clients, it's hard to deliver that to clients authentically or to create trusting relationships with them. What could you do this week, month, or year to be more in alignment with your work and advice?

## Deep Listening

This is one of the hardest skills for most planners to develop because they've been trained to give advice and be the expert, which they believe means talking, not listening. Many skilled planners have learned to listen to their clients over the years, but not necessarily as well as they could. Deep listening is about shedding the need to be seen as the expert, being completely present, and focusing on what the client is saying, not on your response. It's about understanding that the client is the expert in their own life. We may have the financial expertise and have a sense of what would be a good strategy for the client but in the end, the client needs to be willing to take in the advice and act upon it. Our ability to clearly hear what the client is saying and provide advice that will truly be in support of that is the key to advice that will be implemented and help the client achieve their goals.

Deep listening differs from active listening in that the latter requires you to do something, whereas the former requires you to simply be receptive. It is often about not only hearing what is said, but what is not said. The reality is that you need strong active listening skills to connect with the client so that they know that you have heard them through your eye contact, body language, and verbal responses. In short, active listening starts with strong deep listening skills.

*Lesson on deep listening:* In your next client meeting, focus on whether you're really paying attention or if you're focused on what you're going to say next. If you catch yourself drifting off, take a deep breath and refocus on the client—notice what they're saying and how they are saying it. Let go of the need to respond and see how that changes the effect of the conversation.

## **Empathy**

Empathy is critical in exceptional client-planner relationships. If we're unable to empathize with our client, how can we provide good advice that works for them?

Empathy is the ability to be able to understand the way another person is feeling. We have to be willing to put ourselves in the client's shoes well enough to connect with, support, and be able to give them sound advice based on that understanding. When a client knows you care, they can trust you, will share what you need to know, and will be more willing to act on your advice. When a client senses that you don't understand or worse ... don't care, they are likely to put up a wall of resistance and withhold information.

*Lesson on empathy:* The next time you're talking with a client and they're sharing a story of a situation unfamiliar to you, take the time to ask yourself the following questions:

- How might I feel and react if a dear friend or family member was confronted with this situation?
- How would I react if I were confronted with this situation now?
- What kind of emotions or physical reactions does it bring up for me?
- What else do I need to know that might help me better connect with the client's situation?

## **Non-Judgment**

This skill comes after the other essential skills, because without them you are bound to judge your clients. Whether it's talking about credit card debt, overspending, parenting choices, or big purchasing decisions (such as buying a car or house), it can be hard for financial planners to avoid judging what we think the client should do. Yet, how useful is that judgment? How do you act and feel when someone seems to judge something you have said or done?

You feel misunderstood, defensive, unwilling to share, and perhaps even defiant, which is not the basis for a good planner-client relationship.

When you understand your own biases and shortcomings, you will be able to deeply listen to the client, truly hear what they say, and empathize, even if you don't agree. Judgment comes when we think we know better. Non-judgment allows us to come into the room with the client from a neutral stance. When a client senses that they're not being judged for their choices, they're more likely to share all of the information and take the steps that they know they should take.

A great book that helps illustrate how this judgment can play out in human relationships is by the Arbinger Institute called *The Anatomy of Peace*. In it, the authors talk about the idea of seeing others as people, not objects. When we see others as human beings, we avoid putting each other (including ourselves) in "boxes" that only alienate ourselves from others. We aren't perfect, nor are our clients. The beauty of the non-judgment skill is that we may be some of the first people in their lives not to judge them. Imagine what is possible in that relationship

Whether it's the client spending \$50,000 a month or the parent allowing their adult child to live with them rent and labor free, our ability to avoid judgment and try to understand where they are coming from and the challenges they may be facing, helps us be a better planner to our clients.

*Lesson on non-judgment:* The truth is many of us have constant (sometimes negative) self-talk going on in our heads—about ourselves and about others. Before you can silence the judging voice within, you need to be aware of it. Consider practicing inner listening or meditation. Begin by getting quiet enough to hear the steady stream of talk. Take a moment to quiet yourself before your next client meeting. Close the door, sit comfortably, and pay attention to your breath. Don't focus on the busyness of your mind, but focus on your breath; be aware that the mind chatter is a part of the source of our judging mind.

As you walk into the client meeting, stay focused on the client, rather than your busy and judging mind. Listen deeply and truly hear what the client has to say without judgment.

### **Curiosity**

Curiosity is our desire to learn or know about anything. Financial planners are trained to be very curious. We ask lots of questions. But curiosity displayed in the wrong way can sound judgmental. Often when we are trying to understand what prompted a client to take some action, we will seek their motivations, asking questions like, “Why did you decide to take on that loan?” or “Why didn’t you renew that insurance?” The key to being curious without seeming judgmental is how you ask for information. Instead of asking “why,” say, “Tell me more about your decision to take on that loan.”

*Lesson on curiosity:* When you hear that you are about to say “why,” either with a client or family member, try one of the other phrases to show curiosity and see how the person responds. Switch your “why” with “Tell me more about ...” or “I’m wondering about ...” and I bet you will notice a different response from the person you are talking to. Practice phrasing questions differently so that you are comfortable with this change in how you express your curiosity as a planner.

As you review these skills, you may be tempted to discount them or disregard them because they feel foreign, hard to do, or too “soft.” Ask yourself what brought you into financial planning. Are you here to help people? To make a difference? If so, then these skills are critical. Without them, we’re often providing planning advice based on our own biases.

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