

Back

Closing the Gap

By John J Bowen Jr

December 1, 2007

For a great many financial advisors, life just isn't what they'd hoped it would be. I hear this in talking with hundreds of advisors each year—there are large numbers of you who say that you aren't achieving the professional goals you've set for yourselves and your firms.

What's more, the empirical research we do at CEG Worldwide backs up your stories. Earlier this year, we surveyed roughly 2,100 advisors from all the major channels—registered investment advisors, independent broker-dealer representatives and brokers at wirehouses—about their current level of success (among other issues). Here's what they told us:

- Only 16% of advisors overall are very satisfied with their current level of success.
- A mere 11.7% of advisors say they're very satisfied with the growth of their practices over the past two years.
- A full 40.3% of advisors—and 67.1% of RIAs—believe they are not as profitable as they could be.

Clearly, advisors in general feel they aren't living up to their potential. Although there are myriad reasons for this, for many advisors it comes down to one issue: the gap between knowing what to do and actually doing it. With that in mind, here's a look at this knowing-doing gap and how you can overcome it to build the ideal business for you.

The Real World

It's common for financial advisors to know what they should do to be more successful but never make it happen. This gap between knowing and doing is often ingrained at a deep level.

For example, think about how we are educated throughout our lives. Teachers provide us with facts and theories that we dutifully study and commit to memory. Then we repeat those facts and theories during tests. This is true whether it's a freshman year history test or the Series 7 exam. If we pass these tests, especially with flying colors, we think that we really know the subject matter.

The trouble is such conceptual learning doesn't really help us actually do things in the real world. Think about any seminar you've taken or book you've read on how to turn your practice into a world-class business. Those books and seminars can, at best, expand or reorient how you think about your business. They simply aren't designed to move you to the next step—from better thinking into successful action. It's like building or remodeling your home: You can plan out your concept all day long, but when it comes time actually to build, the realities of the world don't always match up with your concepts. As a result, the outcome might not be quite what you expected.

This dynamic is also at play in your career. You might have an abstract idea of how your first meeting with a client will go. But when you sit down with him or her, things go very differently. Even if you know precisely what your goal is and think you know exactly how to get there, things can go wrong or take longer than anticipated. In the end, the desired result might not occur. Therefore, it's important to accept this likelihood right from the start, which will help you stay with your plan when you run into adversity—and succeed in the

long run.

Know Your Gap

To close any gap, you've got to start by knowing where you are now and where you want to go. There are a number of levels that can guide you in this process.

- **Level Zero: no awareness of gaps.**

At this stage, you are satisfied with the way things are, and you aren't considering any changes or big action. As we know from the research on satisfaction cited above, few of you fall into this category.

- **Level One: knowledge gap.**

At this stage, you're frustrated with your current business and know that much more is possible. Often advisors in this position are good at investing their clients' wealth but lack the entrepreneurial skills or knowledge needed to be more successful.

- **Level Two: commitment gap.**

At this level you know what needs to be done, but you haven't fully committed to making the proper plans and taking the appropriate steps. Often this is due to a lack of motivation or clarity. You may be letting relatively unimportant day-to-day duties block you from implementing change. What's required at this stage is a full commitment to making the appropriate plans and acting on them.

- **Level Three: knowing-doing gap.**

Here, advisors are committed to being successful—at least, that's the intention. But because things can go wrong or turn out differently than planned, they often get stuck or stop short of building their ideal businesses.

- **Level Four: no gap.**

At this point, the gap has been closed, and the advisors are on their way to building their dream businesses. This is your ultimate goal if you're among those advisors who currently aren't satisfied with their level of success.

Take Consistent Action

But how do you make this happen and close the gap? Certainly there will be challenges when you try to act. Often, financial advisors seeking to make significant changes bump up against barriers. You might find that no one—managers, partners, clients, employees, regulators, custodians and so on—behaves quite as you hoped. Encounter enough hurdles, and you may very well give up in frustration.

To overcome those barriers and make real progress, it's important not to act in a vacuum. Instead, create a link between your actions and those around you.

For example, say you decide to narrow your focus by serving only a select client niche. You might start by determining the specific niche that you can serve best and most profitably and commit to serving only these clients. Ask yourself what you are learning from taking these actions. Have a conversation about it with colleagues or a partner. See how you can incorporate what you learn from talking with them into your actions as you move ahead. Then take another action and repeat the process—see how the action has improved your self-knowledge, talk to your colleagues about it again and use their feedback to create stronger actions going forward.

Another effective way of turning knowledge into action is to enlist the help of a professional coach. Coaching programs operate differently than seminars in that their main goal is to help advisors apply what they've learned and incorporate it into their specific firms. Coaches can help advisors stay on track and identify, address and resolve the issues they face in trying to create change. By working with the right coach, there's a built-in level of accountability that makes it significantly easier to close the knowing-doing gap.

In addition, some coaching programs help turn knowledge into action by employing peer coaching techniques. Peer coaching enables advisors to work with one another and hold one another accountable for various weekly, quarterly and annual goals. Typically, two advisors are partnered up and discuss their progress and obstacles during weekly phone calls. This process allows advisors to clarify their goals and create vivid images of optimal outcomes, keep on track toward goals, listen carefully without judgment (a key skill to have with clients as well) and organize their thinking.

Many advisors that I work with cite peer coaching as the biggest factor in their ability to take their businesses to a higher level of success. Some have even gone on to create formal advisor study groups that meet regularly to discuss goals and challenges and help

one another implement various best practices.

In the end, no amount of classroom or conceptual learning can take the place of real-world action and feedback from others—be they staff, loved ones, coaches or other advisors. That means closing the gap between knowing what to do and really doing it rests squarely on your shoulders. That might sound intimidating, but remember this: The greatest rewards come to those advisors who have the wisdom to seek out knowledge about what works, the courage to take action even though they might fail and the willingness to learn from others.

John J. Bowen Jr. is founder and CEO of CEG Worldwide, a global training, research and consulting firm dedicated to helping advisors and the institutions that serve them become more successful.



© 2008 Financial Planning and SourceMedia, Inc. All rights reserved. SourceMedia is an [Investcorp](#) company. Use, duplication, or sale of this service, or data contained herein, is strictly prohibited.