Money and Meaning

By David Lansky

Do Your Clients Follow Your Advice?

The operation was a success, but the patient died.

I was reminded of this old joke last month when I attended the meeting of an estate planning study group whose members were discussing some of their most frustrating experiences with clients. One member of the group described meeting with a client whose estate was worth over $20 million. After carefully outlining the complexities and benefits of an individually tailored estate plan, the advisor quoted a fee to his prospective client. Upon hearing the fee, the prospect pulled out a tattered binder and stated, "This is my 80-year-old mother's estate plan. She had it drawn up for less than a tenth of what you're asking. No thanks!" At this, the client left the office with no intention of following up. Another member of the group described the experience of developing a complex plan that elegantly and efficiently met a client's stated financial needs, but which was never executed in its entirety by the client, leaving him just as vulnerable as if he had done no estate planning at all. A third member of the group discussed developing a long-term investment strategy to accomplish goals agreed to by a client, who then substantially deviated from the strategy when short-term circumstances had changed.

These scenarios are probably familiar to you. When you think that you are offering the best of technical solutions, you can be surprised by your clients' failure to follow through with your recommendations, thereby undermining the plans in which you have invested so much time and energy. Failure to follow through may appear in many guises: as hesitation to execute a strategy because a client is overly concerned about minor drawbacks in a plan, as procrastination around implementing components of a plan or as deviation from what you considered to be an agreed upon approach.

These are frustrating experiences because they challenge your sense of confidence and interfere with your ability to enact change in your clients' lives and in their plans for the future. They may lead you to try too hard to engage your client in your strategy, thereby alienating the client; they may lead you to prematurely terminate your work with a client; or they may be personally draining of your energy and enthusiasm. They also affect your business directly by compromising your work, costing you commissions and causing you to lose clients, prospects and referrals.

In medicine, if patients do not follow their doctors' advice, they risk prolonged illness, slow recovery and even death. Yet, even in medicine, *noncompliance* (as it is called) is viewed as a formidable problem, with studies indicating that, on the average, 45 percent of patients do not completely follow their doctors' advice.

When I was in graduate school studying for my Ph.D., I was confronted with a similar dilemma. I found that therapy clients would often persist in self-defeating behaviors and relationships, or would not engage in new, more functional behaviors, even after we discussed them and reached clear agreement about strategies that would help. When I raised this issue with one of my supervisors, Arnold Lazarus, a seasoned and highly regarded clinician, he urged me to remember, *"People seek therapy because they want to feel better, not because they want to change."* The same guidance is appropriate for people who are seeking financial advice: Your clients seek your counsel because they want to *feel better* (more financially secure), not because they want to *change* their behaviors or lifestyles.

David Lansky, Ph.D., is the founder of Family Business Innovations. His firm assists entrepreneurs, families and financial professionals when emotional or relationship issues affect business operations or financial planning. He is one of the founders of The Compliant Client, a program to enhance client follow-through. Dr. Lansky can be reached at (847) 444-0705 or via *e-mail at* dlansky@familybusinessinnovations.com.

This admonition should be kept in mind when you make recommendations to your clients. It has two important implications regarding both your clients' behaviors and their feelings.

First, your clients may not follow your recommendations (*e.g.,* to buy long-term care insurance, to engage in a series of interviews, to persist in an investment strategy) because these recommendations require actions or behavior changes that they did not initially seek and that are not viewed as immediately gratifying. *Therefore, the art of making recommendations that clients will actually follow involves implementing a set of skills or techniques that enable you to engage people in actions that are not immediately satisfying or fulfilling.*

How is this done? Imagine a time in your life when you were coached well in acquiring new skills necessary to accomplish a long-term goal, such as playing golf or studying the piano. What techniques did your coach use? They probably included:

- clarifying long-term goals;
- acknowledging the difficulty involved in learning the new skills;
- setting intermediate goals;
- monitoring progress; and
- offering feedback and reinforcement for goals accomplished.

The best coaches use these methods to teach their students. Now think of compliance as a complex set of skills that you are attempting to teach your client, in order to achieve a broader goal that the two of you have previously agreed upon. This framework requires commitment on your part to engage your client purposefully in a process that will enhance compliance by keeping long-term goals visible, maintaining regular contact, establishing intermediate steps in the process and acknowledging progress made. Research on medical noncompliance has shown that more complex regimens are associated with poorer compliance; therefore, the more complex the estate plan, the more difficulty clients will have complying and the more important it will be to implement these steps.

The second implication is that if people feel better as a result of their work with you, they will experience satisfaction and be more likely to execute and to follow through with your advice. *Therefore, the art of making recommendations that clients will actually follow also involves learning skills to appraise and positively influence your clients' feelings.* Medical research has shown that a positive doctor-patient relationship is one of the most robust predictors of patient compliance. In one study, patients who were most compliant described their physicians as "friendly and authoritative." Physicians who are overly authoritarian or too egalitarian tend to elicit lower rates of cooperation from their patients. The implications for financial advisors are clear: If you want clients to follow through with your recommendations, it is not enough simply to offer your advice. You must be able to engage your clients in meaningful and honest conversations about their intentions and their experiences of the advisory process. You should be able to offer them feedback about their actions and how cooperative they appear (this is acting in an authoritative, though nonjudgmental manner). The result will be a collaborative relationship marked by openness and cooperation.

If you view client follow-through as an important challenge for your business, then you need to address this challenge directly, by learning and implementing a specific set of skills, just as you would learn skills to offer a new investment vehicle. These suggestions do not entail learning how to be your clients' psychologist—but they do entail learning to be sufficiently *psychologically informed* to implement a set of guiding principles and skills that can be used to deliver advice that really matters to your clients, in a way that is truly effective.