Money and Meaning

By David Lansky

What Do You Talk About When There's Nothing More to Say?

I was sitting with a client, a financial planner who owns and manages a successful financial services firm. We were discussing his firm's most challenging clients.

> *"What do you do in this case?"* he asked. *"We have a client who has been with our firm a long time. She knows that we buy and sell equities based on our firm's overall philosophy and according to her individual plan. Two weeks ago we sold Disney. She called and complained: 'I like Disney,' she said. Last week we sold Wal Mart. She called and complained: 'I like Wal Mart,' she said. No matter how much explaining I do, she just doesn't get it. I wonder if we should keep her on as a client."*

We have all been faced with situations in which we felt stymied by a client's apparent stubborn refusal to take a recommended course of action. One reaction many advisors have when a client is disagreeable or immovable is to do "more of the same." Even though a logical explanation didn't work the first time, financial advisors often continue using the same logic, because *that's what would work for them*: You explain the first time, using research and a logical argument—but the problem persists. You explain the logic and go over the numbers a second time—the problem comes up again. After the third logical explanation, backed by the same numbers you used the first two times, you are ready to jettison the client from your practice. After two or three similar interactions with a client, a relationship pattern is established, and it is unlikely that more of the same input will result in a substantially different outcome. *There is, in other words, nothing more to say:* Regardless of the topic that is being addressed—a firm's investment policy, a recommended investment or an estate planning strategy—"more of the same" from you will almost inevitably elicit "more of the same" from your client.

"More of the same" relationship patterns are a chief concern of *Systems theory.* Systems theory is best described as a collection of observations by psychologists, family therapists, anthropologists and social workers that describes how people interact with and influence other people. In systems theory, the *topic* of an interaction—in our example, a firm's investment policy, a recommended investment or an estate planning strategy—is called the *content* of the interaction. The *pattern* of the interaction—in our example, stubborn refusal repeatedly followed by "more of the same"—is called the *process* of the interaction. The particular process in our example is called a *symmetrical escalation*. In *symmetrical escalation,* the stronger your effort to persuade someone, the stronger his reaction to your persuasion will be.

Because many financial advisors see that their future lies in building long-term trusting and influential relationships with clients, it is essential that they be able to deal effectively with process issues such as symmetrical escalation. Successful management of process issues is a powerful inducement to the growth of trust in a relationship. Some people are natural masters at this; these people are often among the most relationship-savvy and successful financial advisors you know. Others can learn these relationship-building skills by seeking to understand systems concepts and participating in structured role plays, group exercises and supervised experiences.

For example, according to the systems approach, one of the best ways to end a symmetrical escalation, while remaining positively and constructively engaged in the relationship, is to change the *process* of the interaction. I have summarized some of the techniques of the systems approach in a strategy I call *Articulate,*

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Explore, Engage. If you pursue this strategy, you *will* change the course of a symmetrical escalation. This does not mean that your clients will always agree with you; it does mean that you will create an opportunity for disagreement to lead to growth in the relationship. At the very least, you will create an opportunity for you and your client to "agree to disagree."

There are three stages in the *Articulate, Explore, Engage* strategy. The first stage occurs when you initially recognize the problem relationship process, and stop doing "more of the same." *In my opinion, you can be confident that a process problem exists if the same difficult interaction occurs three times or more.* You must monitor your relationship with a client and be vigilant about attending to repetitive interactional sequences. You then *Articulate* the pattern to the client. Every interaction can be described in many different ways; the precise words you use in your articulation are less important than creating a narrative that makes sense to both you and your client. In the example above, we might say to the client, "You and I seem to be having a hard time agreeing on how we are going to work together." The outcome of this stage is to stop "more of the same" and to change the focus of the interaction—it is now about the *process* of our disagreement, rather than the *content* about which we disagree.

In the second stage, you *Explore* the underpinnings of the problem process. To do this, you first *normalize* the process behavior ("I'm not sure I understand why we are disagreeing, but I am sure there is a very good reason why this is happening"), then ask questions and listen carefully, attempting to understand the client's point of view without contradicting or disagreeing. There are several classes of questions you can ask:

- Questions of discovery—how, what, where, when, why
- Circular questions—questions about other people like, "How do others view our disagreement?" and "How is our disagreement affected by others' perceptions or actions?"
- The "miracle question"—What would change if we suddenly agreed?

The outcome of this stage is a nonjudgmental collaboration to understand the cause and consequence of the problem interaction. For example, you may learn that the disagreement began when the client first heard that a friend had better investment results, that her family is encouraging her to change advisors, that she feels a lack of trust in your services and that if you were able suddenly to agree she would relax and not pay attention to others' opinions. If you keep your focus on listening intently without judging or reacting emotionally, it will enhance trust because you are collaborating in the discussion of a very difficult issue.

In the third stage, you *Engage* your client in considering alternatives for change. Some of the alternatives you may consider are: Should we change how we work together? Are you expecting something from me that you have not been receiving? What is that and how can I deliver it? Is there something we can do to include others more constructively in our planning? These alternatives generally emerge from the results of the *Exploration* stage.

By dealing with the relationship process, you take a rather unpleasant experience and convert it into something explainable, understandable and manageable. In this way, you help your client to feel better, which is consistent with my admonition in a previous column—"Your client wants to feel better, she doesn't necessarily want to change."

While this is a complex strategy for a novice and you certainly cannot learn this approach by simply reading about it, you can begin to think about the skills and techniques required at each of the various stages and consider how they might be employed by you. For example, how often do you engage in "more of the same" behavior? What is your typical reaction when you encounter a symmetrical escalation? Do you ever comment on the *process* of your client relationships? Which questions can you ask that will most help you and your client collaborate in understanding your difficulty in communicating?

In summary, what do you talk about when there is nothing more to say? You can talk about *the process* of having nothing more to say, and do it in a nonjudgmental, collaborative and productive manner. In this way, you put a halt to "more of the same" behavior, and create the potential for a client relationship of enhanced collaboration, honesty and trust.