



# Money and Meaning

By David Lansky

## The Powerful Conversation

Don't underestimate the power of conversation. This thought came to me recently when I attended a meeting of financial planners and estate planning attorneys. The lunchtime speaker came from an investment house and he was talking about Monte Carlo simulations. There may have been ten out of a hundred attendees who were actually listening to the speaker's lengthy discourse that was, in any case, beyond my technical understanding.

As I listened to the speaker's lecture, I wondered how much the absence of a conversational exchange of information detracted from any valuable message he might have had. And I wondered in general, as professionals, whether we accord too much importance to technical facts and figures and not enough to plain old conversation.

Appeals to logic and to numbers constitute one method of influencing clients to pursue a course of action - to create an estate plan that fosters responsible financial behavior rather than entitlement; to disperse assets in an equitable fashion; to create a family foundation; to relinquish a concentrated stock position; to stick to a budget; or to sign papers that have been sitting somewhere on a desk for many months. But when appeals to logic and to numbers fail, your last resort - conversation - may be your best alternative.

As advisors and consultants, we cannot *make* anyone do anything, and aside from analyzing facts and presenting recommendations, what is left to influence our clients *but* conversation? But as good practitioners of a professional discipline, we sometimes accord too much importance to the tools of our trade and insufficient importance to the tools of our human inheritance.

A conversation is a simple, free and unfettered exchange of information between two or more parties. It involves listening on the part of all those engaged in the conversation. And here is one reason that conversations are important - because listening to someone else is the best way to guarantee that that person will

listen to you. Listening sends the message that the other party has something important to say and it therefore begins the process of developing trust. A conversation can be an opportunity to learn what a client is really thinking without his or her feeling coerced or pressured to do anything in particular. So even "small talk" can set the stage for a productive exchange. These informal conversations can be over lunch, over coffee, about family issues or financial matters. The essential qualities are the absence of a "sales" mentality and the act of truly listening to the client.

*But there's more.*

The "constructivist" or "narrative" school of psychology views choice and decision behavior as the consequence of "stories" or personal narratives that we tell ourselves about the world and about our experiences in the world. These "stories" become hypotheses by which we test the accuracy of our understanding of the world. The hypotheses also act as filters of our experience. For example, a parent may hold the belief that her primary function in life is to take care of her children. She then tests the truth about this hypothesis by observing her action relative to her children. Does she actually spend time taking care of and attending to the needs of her children? If so, does she need to spend more time doing so? Another parent may hold the belief that her role is to encourage separation and independence on the part of her children. (Think of Warren Buffet who said "*I want to provide enough to my children so that they can do something, but not*

---

*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. Dr. Lansky can be reached at (847) 444-0705 or via e-mail at [dlansky@familybusinessinnovations.com](mailto:dlansky@familybusinessinnovations.com).*

enough so that they can do nothing".) The different stories that these two people have about themselves will influence, among other things, their estate planning, financial education of their children, and the amount of liquid capital available for investing. Moreover, the different stories could result in diametrically opposed opinions that are extracted from their own experiences: the first woman might react to overspending on the part of her children by thinking she needs to provide more, whereas the second woman might react by thinking she needs to provide less!

It is easy to see how these personal narratives might play a significant role in estate planning and financial consulting. Philanthropy, investment philosophies, even the act of signing estate documents are influenced by the kind of stories people tell about themselves. When we talk about "underlying factors" and their influence on financial and business decision making, we are often referring to these personal narratives.

If we observe important shifts in our clients' behavior – changes in investment goals and intentions; newfound trust in an advisor; or undertaking previously avoided tasks that are complex and challenging - then we are observing a shift in a client's personal narrative.

How do these personal narratives change? One way they change is through direct experience. So when people observe themselves acting differently or when they observe new or different consequences of their narratives, they may begin to shift their views of themselves and the world. For example, when the personal narrative becomes "I'm reaching middle age and I need more stability in my investments", a client's tolerance of risk may change. Or, when a personal narrative becomes "My wife will leave me if I don't sign my estate documents", a client may be less inclined to procrastinate. Or, if a client's narrative changes from "I must help my alcoholic son find a successful business" to "Nothing I've done so far has helped..." then the client's codependent behavior is likely to shift. These kinds of changes take time, particularly if they are predicated on a client's own life experience. But conversations can help create change as well.

According to the narrative approach, a key route to change in a personal narrative is through a "therapeutic conversation". Therapeutic conversations invite people to explore their personal narratives, their consequences, and the possibilities of change. Therapeutic conversations employ a set of structured questions to address these issues. About these questions Karl Tomm, a narrative therapist once said: "There are some questions that linger in the minds

of clients for weeks, months and occasionally years, and continue to have an effect." According to Jill Freedman and Gene Coombs, effective questions in this context are not used to gather information – they are used to *generate experience*. It is this generated experience which can then lead to a change in personal narrative. Advisors often deal with clients on this level. You know that a question is effective in this capacity when the question is met with a long pause, or when the client says "Gee, I never thought of that before" or "I never knew the answer until you asked the question". When financial advisors engage clients in conversations such as these (let's call them "powerful conversations" rather than "therapeutic conversations"), and provide accurate technical information as well, the client is being served at an exceptionally high level.

Regular readers of this column might be familiar with David Lansky's miracle question: "If a miracle happened overnight and you woke up in the morning with this situation exactly as you would like it to be, what would have changed?" This is an example of an experience generating question. Another example is The Strategic Coach's Dan Sullivan's R-factor Question: "If we were meeting here three years from now, and you were to look back over that three-year period, back to today, what needs to have happened, with us working together for you to feel happy with your progress?"

Here are some other questions that can help you to generate "powerful conversations":

- What life experiences have led you to this X? (e.g., investment approach, view of philanthropy, parenting style)
- What are the effects in your life of this X?
- Has there ever been a time when X has not been a part of your style?

When advisors ask questions such as these they do not assume that they know the answer. Their intention is to create an experience of discovery for both client and advisor. These are not confrontative nor exceptionally personal, prying questions (which financial advisors occasionally fear), so most advisors would feel safe asking questions such as these. And this is exactly what makes these conversations particularly powerful.

Now I have some questions for you: When have you used an experience generating question? Are you aware of the impact these questions have on your clients? Do you appreciate the outcomes you observe when you engage clients in powerful conversations? Do you underestimate the power of conversation?