



The Essential Quality that Sets Top Performers Apart

By Dan Richards*

June 1, 2010

Advisor Perspectives welcomes guest contributions. The views presented here do not necessarily represent those of Advisor Perspectives.

Ask industry veterans about what really sets top producers apart and you'll get lots of suggestions.

Intellect, discipline, work ethic, people skills and focus would all be put forward – and a case can be made for the importance of all of these.

What undermines the argument for any one of these qualities as being absolutely essential is that you can point to top performers who are only average on each of these qualities, yet have still excelled.



There is one attribute, however, that every true top performer has in large quantity.

That quality is resilience: the ability to bounce back quickly and constructively from setbacks, disappointments and crises.

The role of resilience

The reason that resilience is so critical for financial advisors is the number of setbacks that typify this industry's path to success.

That's obviously true in the early stages of building a client base when lots of promising conversations with prospective clients don't pan out and you need a thick skin to survive.

But disappointments aren't limited to advisors starting up – even veteran advisors encounter regular market hiccups: clients leaving for reasons beyond your control and key team members parting company to pursue other opportunities.

And what makes these doubly difficult is that they've often beyond your control.

As just one example, I talked to a successful advisor who had been courting three large prospects for over a year, felt close on them all and yet had all three fall through.



In one case, a prospect's son got engaged to a financial advisor at an investment counseling firm and the account went there. In a second instance, the prospect's accountant strongly recommended another advisor. And the third prospect's wife was diagnosed with cancer and he put any discussions about moving his account on indefinite hold.

The key to resilience

It would have been easy for this advisor to become discouraged – instead, he approached the task of identifying additional potential clients to approach with renewed focus and energy.

An article in the January 2010 *Harvard Business Review* titled “How to bounce back from Adversity” provides a new framework for resilience. While directed to managers in corporations, the framework is just as relevant for entrepreneurs and financial advisors.

The authors are Joshua Margolis of the Harvard Business School and consultant Paul Stoltz. They begin by pointing out that when suffering setbacks of any kind, it's easy to fall victim to negative responses, such as fear, anger, self-pity and confusion. In particular there's often a temptation to assign blame, whether to someone else or yourself.

These responses can make a problem worse by channeling energy in unproductive directions and can lead to paralysis.

Their first piece of advice: When you hit an unexpected bump in the road that throws you off track, resist the temptation to look backwards – instead focus your attention forward on the best course of action given the current reality.

The authors write:

“Resilient managers move quickly from analysis to a plan of action. After the onset of adversity they shift from cause-oriented thinking to response-oriented thinking and their focus is strictly forward.”

Framing setbacks

To make this shift, the authors identify four lenses through which you can view any negative event:

1. Control – Focus on what you can control now
2. Impact – Key in on the positive impact your actions can have
3. Breadth – Define the results of the setback specifically and narrowly, rather than seeing it as a permanent “end-of-the-world” event
4. Duration – Think clearly about how long it will take to recover.



Key questions

To bounce back quickly from a problem, the authors identify three types of questions you can ask yourself in each of these four areas:

Specifying questions – these help you identify specific actions you can take, the more specific the better.

Visualizing questions – these shift attention away from the adverse event and towards a more positive outcome.

Collaborating questions – these identify team members, colleagues at your firm or other resources who can help you move forward from a problem.

Here are some sample questions the authors propose to help think positively about the control, impact, breadth and duration of a problem.

Control

Specifying: What can I do to change the course of this adverse event?

Visualizing: What would other advisors I respect do in this situation?

Collaborating: Who can help me and what's the best way to engage them – a team member, a colleague at my branch, someone at head office or a friend?

Impact

Specifying: How can I step up to make the most immediate and positive impact on this situation?

Visualizing: What positive effect might my efforts have on my team?

Collaborating: How can I mobilize the efforts of other members of my team who might be discouraged?

Breadth

Specifying: What can I do to reduce the negative consequences of this event?

Visualizing: What strengths and positive outcomes will emerge from how my team and I respond?



Collaborating: What can I do individually and what can my team do collectively to contain the damage from this event?

Duration

Specifying: What can I do to shorten the period to recover from this event?

Visualizing: What will my business look like once we recover from this crisis – and how will it be stronger as a result?

Collaborating: What can I do individually and what can my team do together to see us through to recover from this event?

Implementing a resilience regimen

Margolis and Stoltz conclude by saying that just asking the questions isn't sufficient – to strengthen your capacity for resilience, you and your team need to follow two simple steps:

1. Write down the answers.

Studies on stress and coping with trauma demonstrate that simply writing about difficult episodes can speed the path to recovery.

The authors suggest that when you run into a serious problem, you give yourself 15 minutes to write down the answers to the 12 questions outlined above in the areas of control, impact, breadth and duration.

Note that by limiting this to 15 minutes, you quickly make the shift from analysis to productive action.

2. Do it every day

The authors view the resilience regimen as a long-term fitness plan, not a crash diet. For it to work effectively, this approach has to become second nature through daily repetition.

You don't need a major crisis to practice this approach and you don't need to go through the whole battery of questions –you can use some of these questions in response to frustration from a slow computer, a difficult client or a problematic team member.

They do suggest that you focus on the areas where you or a team member you're coaching are weakest:



If you or a team member tend to respond to problems by assigning blame, ask the impact questions.

If there's a tendency to exaggerate the impact of an adverse event, ask the breadth or duration questions.

And if there's a tendency to feel powerless in response to problems, ask the control questions.

** Dan Richards conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries and to reach him, go to www.clientinsights.ca.*

www.advisorperspectives.com

For a free subscription to the Advisor Perspectives newsletter, visit:
<http://www.advisorperspectives.com/subscribers/subscribe.php>