What’s Your Why?

April 30, 2019

by Scott MacKillop

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What gets your engine revved up in the morning? What propels you through the day full of enthusiasm even in the face of great obstacles? What keeps your wheels spinning, generating new ideas and creating new solutions? What drives you forward? What is your “why?”

In 2009, Simon Sinek wrote a book entitled, Start with Why. The book sold over one million copies and the associated TED talk was, at one point, the third most watched talk of all time. The reason is clear. The book lays out a simple, but powerful concept that has great utility.

Sinek observed that most individuals and organizations think of themselves in terms of what they do and can easily describe themselves in those terms. Some think a bit more deeply and can describe how they do what they do. But only a few exceptional people and organizations think about and define themselves in terms of why they do what they do.

This is a consequential idea. Rather than explaining your firm in terms of its features, benefits, or points of differentiation, this concept calls for self-reflection. It demands that we get in touch with the passion underlying our firm’s creation and identify what motivates us. We set our firms apart based on the fire within us, rather than the specifics of what we do or how we do it.

“That’s too hard,” you say. “There are so many firms that do what I do.” You still don’t get it. You’re thinking in terms of your firm’s “what” not its “why.” “OK, I see that now,” you say, “but how am I ever going to set myself apart based on some crazy intangibles that no one can see.”

Sometimes it’s easier to understand concepts like this by sharing examples. Sinek uses examples in his book that everyone knows – Steve Jobs, Martin Luther King, and the Wright brothers. My examples are different.

Mitzie is a ticket-taker at the local movie theater where I live. I would guess she is in her 50s and I have never been to that theater when Mitzie wasn’t there. She is always smiling.

Somehow during the short time when Mitzie is tearing your ticket and directing you to the proper theater, she manages to give a short, but insightful review of the movie you are about to see. She
never spoils the plot, she always builds a sense of anticipation, and she keeps the line moving. How she does it, I don’t know, but my wife and I always look forward to seeing Mitzie.

There is not a job I can imagine where it would be harder to stand out than ticket-taker at a movie theater. But her love of movies and the joy she gets from sharing that love with others exemplifies her uniqueness. A few months ago, I was having lunch with a friend and he told me he’d been to a movie at our local theater. Rather than telling me about the movie he saw, he told me about the exceptional ticket-taker he encountered. He was talking about Mitzie.

Captain Earthman was a beer vendor here in Denver. He served beer at many venues, but his home base was Coors Field, the home of the Colorado Rockies. Earthman and his purple Fu Manchu were well known to Denver beer drinkers. He was truly beloved for his wit, his wisdom, his other-worldly persona, and his infectious humor (‘No sissie-sippin’, now.”)

In the early 2000s he acquired a cheap cell phone and freely passed out his number to all his customers. You could order a beer no matter where he was in the stands and he would usually have it to you in within a couple of minutes. He was an innovator/disruptor/beer vendor.

Unfortunately, Earthman, whose real name was Brent Doeden, died of a brain tumor in 2017 at the age of 60. Denver mourned his passing. His wife, Becky Scharfenberg, said after his death, “His approach was to go out and have the most fun he could possibly have, and engage as many people as he could to make sure they also have fun.”

Earthman’s “why” was to have and share his fun with as many people as possible. His “what” was selling beer and his “how” included the customer-friendly use of a cell phone. He was certainly not the only beer vendor in Denver, or even the first to use a cell phone, but his “why” – his desire to find joy and share it – took him to an unequalled level.

If Mitzie and the good Captain can become truly exceptional and stand out among their peers by getting in touch with their “why,” then so can you.

If you’re still having a hard time seeing how, maybe this will help. The financial security of Americans is in question and you may be the answer.

The 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds (“OASDI Trustees Report”) says that the cost of Social Security will exceed its income in 2020 for the first time since 1982. The program’s reserve fund is projected to be depleted in 16 years, at which time recipients will get smaller payments than scheduled unless Congress acts. At the same time, a 2015 GAO study reports that Social Security provides most of the income for about half of the households age 65 and older.

The OASDI Trustees Report also states that Medicare’s hospital insurance fund is expected to be depleted in 2026. At that point, doctors, hospitals and nursing homes would not receive their full compensation from the program and patients could face more of the financial burden.
A 2018 Federal Reserve report states that four in 10 households do not have enough savings to cover a $400 emergency. The 2015 GAO study says, “about half of households 55 and older have no retirement savings.” Using Social Security actuarial tables, a 55-year-old male and a 55-year-old female still have, on average, over 25 years and 28 years, respectively, to live.

Investors aren’t going to work their way out of this problem on their own. The SEC’s 2012 study on financial literacy found that “US retail investors lack basic financial literacy,” “have a weak grasp of elementary financial concepts,” and “lack critical knowledge.”

This is a looming crisis. People have not done a good job providing for themselves and they aren’t likely to do so without help. Congress may step in, but there are limits on what they can do and their record of getting things done recently is not stellar.

Most of your clients can probably cover a $400 emergency and then some. But everyone, except those on the highest rungs of the wealth ladder, could benefit from the guidance, education, and reassurance of a qualified financial advisor, whether they acknowledge it or not.

Financial advisors will be an important part of the solution to this problem. You are what Professor Meir Statman refers to as “financial physicians.” You change lives. If that doesn’t get you motivated, what does?

Our why

It certainly got us motivated. We see fiduciary advisors as elite troops in the battle to help individuals and families provide for their future financial security. We believe that turnkey asset management providers (TAMPs) will play a key role in this battle. But the TAMP business model needed an overhaul to realize that potential.

That gave us our “why.” With a burning passion, we set out to reinvent the TAMP business model, so it would harmonize with the goals and ethics of fiduciary advisors and their clients.

Our “how” and “what” flowed from that. We introduced low, flat annual fees. We developed an elegantly simple approach to portfolio construction to keep costs low without sacrificing quality. A majority of the members of our investment committee are independent. We adopted a “virtual wholesaling” distribution model and stole pages from the robo playbook to make working with us convenient and efficient. We started an ongoing education program that is available to advisors whether they work with us or not. In doing all this, we stayed focused on the importance of human connection. Advisors always have access to expert human support.

You can like our version of the TAMP business model or not, but you can’t dispute the passion we have for our mission. It defines us and makes us stand out in a noisy and crowded market.

What’s your “why?”

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investment management services to financial advisors and their clients. He serves as an ambassador for the Institute for the Fiduciary Standard and a 40+ year veteran of the financial services industry. He spent the first 15 years of his career practicing securities and ERISA law in Washington, D.C. He can be reached at scott@firstascentam.com.