



A Guide for Advisors

How to Begin a Conversation About Planning for the Future

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Introduction

For many Americans retirement will be the longest phase of their life. But quite frankly most of us don't spend much time thinking about it. We do little to prepare ourselves (particularly from an emotional standpoint) and the guidance we get can often be summed up as: "Save more than you think you'll need and try to remain active." Wise notions perhaps, but not sufficient to help us navigate through and beyond a major life transition.

Retirement planning is most effective when it is part of a broader, long-range process that ought to begin decades earlier. So, while retirement planning is important, adopting a "planning mindset" is what really matters. That makes your role as challenging as it is important. As a trusted business or wealth advisor, you need to help your clients contemplate what lies ahead.

Your task is to help them map uncharted territory, to develop thoughtful plans to mitigate uncertainty, and ultimately to exit their business on their terms. Planning can improve the odds that they will enjoy the next chapter of their life. Yet these smart people sometimes resist your wise counsel. They may be successful professionally, but that doesn't automatically mean that they will be successful in exit planning (or in executing the plan). So, not only is it your job to help your clients plan, *you must help them overcome obstacles to planning.*

What gets in their way? In most cases it's human nature. People who are highly invested in their work are bound to have a powerful mix of thoughts and feelings when it comes to retiring (or any other significant change) no matter how much they say they're looking forward to it. Just when it seems as if they are ready to collaborate with you, their uncertainty, ambivalence, or apprehension surfaces.



We can't help clients overcome obstacles to planning unless we have a sophisticated understanding of what they're thinking and feeling. Once we grasp the personal meaning they attach to the matter at hand, we can begin to move them toward a planning mindset. We also need to examine our own internal barriers to moving the planning process forward.



Clarify your goals

If you intend to raise the topic of planning for the future (particularly retirement or business succession) it's important to have a sense of conviction about what you are trying to accomplish.

It may be helpful to separately consider primary goal(s) versus secondary ones . . .

Possible Goals:

- Help my client be more comfortable thinking and talking about the future.
- Help me better understand my client's interests and anticipate his/her needs.
- Help my client take advantage of suitable products and services.
- Help ensure that my client doesn't wait until the last minute to make important business decisions and life choices.
- Help my client experience a smooth transition into the next stage of life.
- Address my client's concerns and worries about the future.



Some obstacles to having a discussion about the future, and how you can respond . . .

Client changes the subject

“Sounds like we’ve switched topics. Should I put ___ on our agenda for the next time we meet?”

(Note: said lightheartedly, this response gently acknowledges what occurred and makes it clear that you will revisit the topic)

Client appears uncomfortable

“My sense is that this is a tough topic. Can we continue, or would you like to table it?” “I didn’t mean to make you uncomfortable; it’s my job to periodically raise the topic and your job to tell me where you’re at with it.”

Advisor and client have an unspoken agreement not to discuss the topic

“I’ve noticed that we’ve not had a chance to talk about ____. Perhaps we’ve both put that topic on the back burner. We don’t have to tackle it all at once, but let’s pick one piece to start with. Can we meet in two weeks to go over options for ____?”



Sometimes as an advisor you may not feel wholly comfortable raising a topic. Perhaps you are not sure how, or you may have concerns about upsetting clients, etc.

Remember: If you don't raise important issues with your client, you're doing them a disservice.



By analogy, if your physician doesn't inquire about various symptoms and fails to raise potentially embarrassing or uncomfortable topics (preferring to wait until you speak up), is that truly in your best interest?



Tips for talking about difficult topics, including planning for the future:

- **Ask for permission:**

“Some people might find this to be a sensitive topic, but would you mind if I asked you about ___?” (this shows respect, it normalizes any discomfort the client might feel, and paradoxically may serve to inoculate them from sensitivity and foster openness on their part)

- **Highlight your role:**

“My role is to look at your situation from multiple angles, including ones that may not be pleasant to talk about. Would you be open to talking about ___?”

- **Plant a seed:**

“I understand that selling your business isn’t on your radar right now, but would there be any harm in running some planning scenarios that include it in the mix?”



Possible questions for bringing up the topic of selling a business:

1. What are your long-term plans for the business?
2. What would you like to see happen with your business long-term?
3. What options have you considered for the transfer of your business?
4. Where are you in terms of creating a strategic plan for business succession?
5. What would be your ideal scenario for transitioning out of your company?

Some follow up questions:

- A. Tell me about people you know who had a successful transition out of their business.
- B. When you think about transitioning your firm to new ownership, what comes to mind?
- C. What is your sense of whether the business can run successfully without you?



Possible questions for bringing up the topic of retirement:

1. How do you view your profession long term?
2. Do you envision retiring from work at some point, or are you contemplating a subsequent encore career?
3. Which aspects of work are you still enjoying, and which would you be ready to leave behind?
4. If you ever grew tired of work, what would you want to do in your next chapter?
5. What comes to mind when people ask you about retirement?

Some follow up questions:

- A. What part of planning for retirement seems most unclear or unsettling?
- B. How do you imagine your life in retirement will be different from how it is now?
- C. What process are you using to figure out what you'll do next after you retire?



Reassurance

As an advisor you might be tempted to offer reassurance that everything will work out. An alternative and potentially more effective approach is to help your clients see that planning is one of the best ways *to avoid being surprised*. A thorough plan that considers all contingencies will give them peace of mind and it's far superior to inaction or worry - or ultimately being unpleasantly surprised by reality.

Intention to Work Forever

Some of your clients may resist planning for the future because they intend to work indefinitely.

Suggesting that they may want to scale back and enjoy themselves is generally not effective with clients who are so wedded to their work.



It's important to help the person consider market-timing issues by saying, "I appreciate that you have no intention to stop, but keep in mind that the market doesn't always coincide with the desire to work forever."

You can then propose a flexible approach by saying, "I admire your dedication to work, and clearly you're in this for the long haul. Let's focus our work together to help make that happen, build in some options in the unlikely event that you change your mind, *and* plan for any other (positive or negative) contingency that might arise."



What comes next?

So, what happens after you pose a few of these questions and your clients begin to open up about emotional matters? Remember, the most helpful thing you can do is to *listen attentively*. You've created a valuable opportunity for them to talk about things they're unlikely to share with any other advisor. If your client cites a fear or concern:

Don't:

- Try to “fix” it by immediately offering suggestions. (Doing so sends the message that you are uncomfortable hearing their concern. You can offer suggestions but do so later).
- Say anything that conveys the message that their feeling or concern is unwarranted. “There’s no need to feel that way” or “I’m sure it will be just fine” may sound reassuring to you but may be experienced as dismissive by your client.
- Immediately offer a logical counterpoint to your client’s emotion. Remember, feelings don’t have to make sense; they’re “as is”. Put another way, if feelings made sense, they would be thoughts.



Do:

- Recognize that people report concerns and characterize emotions slightly differently from one another. Therefore, seek amplification and clarification from the other person:

“I want to make sure that I understand exactly what you mean by _____. Can you tell me more?”

“People sometimes mean slightly different things when they talk about _____. What does _____ mean to you?”

“Before I suggest anything, I’d like to hear more about it from your perspective. Tell me more about this.”

Bottom Line: Words reveal a lot. Listen to what is said, the words used, and what *isn’t* said. Don’t assume that you know what the client is thinking or feeling. Ask.

Referral to an external consultant

In some instances, you may sense that the emotional barriers your clients are facing are too significant, too sensitive, or too complex for you to address. If you think that your clients would benefit from discussing their feelings further, you can encourage them to meet with a consultant who is trained to deal with these matters. Some advisors are unsure about how to make such a referral . . .



Here are two possible ways of raising the topic:

- “We’ve talked about the financial aspects of (preparing to sell your business/retirement planning). In my experience, a (sale/retirement) goes far more smoothly for people who are also prepared at the personal level. I know a consultant (name) who will sit down with you for a couple of sessions to sort through the non-financial side of this.”
- “My sense is that you’re not entirely comfortable moving forward with this right now. My expertise is to help you look at this from a financial perspective, but you owe it to yourself to explore some of the head and heart aspects as well. I work with a consultant (name) who specializes in sorting through the personal side of these matters . . .”

Concluding Remarks

As a trusted advisor, no matter how much you have to offer it will be of little use if you cannot help your clients surmount the barriers to planning. The obstacles take many forms and go by many names. Avoidance, denial, embarrassment, fear, inertia, passivity, resistance, reluctance, rigidity, self-deception; the list is as long and varied as your client roster. At a core level the barriers are typically either emotional and/or cognitive, but they’re not impenetrable. With good rapport and thoughtful inquiry, a skilled advisor can help his or her client adopt a planning mindset.



About the author

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If you found this guide useful and would like to explore this material in greater depth, please contact Dr. Gard to arrange for a training session on site at your organization.

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