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Four Qualities Leaders Need in Volatile Times

A strong ROPE can keep planners on course when their firms are facing change

By Barbara Kay, LPC, RCC, TIPC



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RECENT YEARS HAVE reinforced Heraclitus's famous quote "the only constant in life is change." As we enter another season of volatility, it's a good time to revisit the principles of leading in difficult times. Leading in change is similar to taking a long trek in the wilderness. The Lewis and Clark expedition to the Pacific Northwest comes to mind. Lewis and Clark travelled west with literally no map. They had to forge rivers, hike through wilderness, and climb unknown mountains to successfully navigate

across the continent. Leading a team through change has similar challenges and opportunities. Great success is possible, but the path to get there is unclear.

In difficult terrain and hazardous conditions, ropes are often used as guides. They keep a group anchored and moving toward its goal. During a season of change, follow the ROPE: an acronym for Realistic, Optimistic, Productive, and Efficient. ROPE is based on research on change and leadership success. Let's walk through it:

"During disruption, when there is more work and it's more difficult, tolerance for meaningless activities drops dramatically."

Realistic. Research shows clear-eyed realism is essential to success in volatile times. A frank assessment of the challenges a group is facing enables effective goal setting. In addition, it avoids the common change-management pitfall of over-promising. During the financial crisis of 2008–2010, I witnessed well-intentioned leaders rally their troops

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“The **FPA Annual Conference** is so important this year is because after multiple years of Zoom fatigue, we are ready for access to a community of like-minded individuals that believe in planning. People that know this is one of the most important and fundamental ways in which we can serve our clients and their wealth is understanding the complex and ever-changing financial industry.”

—**Christine Opp, CFP®**
Freestone Capital Management

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with positive promises. Unfortunately, this attempt at motivating staff completely backfired. The rosy promises were so far from reality that the workforce fell into deeper despondency. The studies are clear: all change achievers are resolute realists.

Optimistic. At the same time, change champions also maintain a confident optimism. They set aspirational goals while being thoroughly realistic about the challenges along the way. This is a tough balance. Optimists tend to overpromise while realists may underplay the power of hope. The experts call this balanced mindset “realistic optimism.” They found realistic optimism is a universal trait of all change achievers.

Productive. A number of recent studies have focused on the impact of stress on today’s workforce. They found employees were energized to overcome hardship when objectives were clear, significant, and meaningful—in other words, productive. That sounds obvious, but organizations large and small are riddled with conflicting priorities, indecision, resistance, incompetence, conflict, and more. Such unproductive patterns are demotivating anytime, but during volatile times they become even more draining. This is when excellent leaders make a difference. They have the authority to wrangle difficult people, clear the clutter, set clear priorities, and connect the tasks to the vision. In addition, they can engage the team in proactive problem-solving, encouraging people to ask: “Am I, or are we, being productive?” If the answer is “no,” it’s time for the team and the leader to problem-solve the drag on productivity and morale.

Efficient. The same studies that revealed what energized people also uncovered the most demotivating aspects of work. The chief morale killers were bureaucracy, busy work, and wasted effort. This makes perfect sense. During disruption, when

there is more work and it's more difficult, tolerance for meaningless activities drops dramatically. In confidential coaching conversations, clients share their frustrations freely. Since 2020, people have little patience for wasted time and fruitless efforts. One of my clients used to commute three hours every day. After gaining three hours of productivity daily, the client is unwilling to waste time just to switch desk locales. Now, only meaningful in-person interaction is worth the commute. Another client has been leading an expanding team across multiple states. Frustration with unproductive meetings and inefficient processes have been a frequent focus of our problem-solving efforts. The increased effort required to make virtual work effective, makes inefficiency even more intolerable. A third client finally hit the wall with his large firm's bureaucracy. Taking considerable risk and leaving a lot of money behind, he built a new a firm from scratch. He and his team are working hard, and with more responsibility. Are they overwhelmed? No! They're energized because the work is efficient, productive, and meaningful. It's a winning combination.

“Being acutely aware of the environment and planning as the landscape emerges is the way to navigate forward.”

In addition to focusing on realistic optimism, productivity, and efficiency, keep the team moving forward with practices for navigating change that build agility and endurance.

Navigate with a Compass

In goal setting, we're encouraged to set very specific goals with detailed plans. We want Google Maps precision. In uncharted territory, however, the future is too unpredictable to be that precise. This was brought home recently in a conversation with a rising leader. He's highly motivated by setting SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) goals, years in advance. Currently, his firm is in the middle of four major transitions: succession of the founders, defining roles for new leaders, adding key positions, and planning the firm's future. At the moment, he's finding it difficult to plot the future decisively. Of course, there's no way to anticipate every move in the midst of all these transitions. There's the rub.

Successful people tend to be uncomfortable when their practice of long-term planning is disrupted by change. Eager to maintain disciplined planning, they're frustrated by the inability to be specific. Shifting to a compass orienteering approach changes the whole outlook.

A compass does not show you every step in the journey. It will not reveal the river, the cliff, the mountain, or the open valley floor. But it does keep you going in the right direction when there's no map available. It shifts the focus from following a predictable path to observation and adaptation. Being acutely aware of the environment and planning as the landscape emerges is the way to navigate forward. In volatile times, agility is more useful than long-range predictions. The compass orienteering approach alleviates frustration and allows leaders to remain highly nimble in unpredictable environments.

Get Fit

Successful leaders also like to prepare as well as plan. As with planning, the ideal specialized skills

may not be clear when things are fluid. This challenge was obvious in conversation with the rising leader in the middle of major firm transitions. Given that the vision and organization chart is in flux, there is no way to prepare specifically yet, but building core strengths is never wasted.

When leading during change, focus on building the overall strength, readiness, and fitness of the team. That includes reinforcing team communication, accountability, collaboration, and core competencies. As we learned in recent years, overall fitness is the best predictor of resilience under stress. When individuals and teams have firmly established core strengths, they are more ready to take on future challenges and achieve emerging goals.

“There were several universal characteristics of all those who thrived during difficult seasons. Notably, not one attempted to succeed alone.”

Pack Light

We don't carry espresso machines and Cuisinarts on a hike. We use the handy Swiss Army knife, pack light, and maximize efficiency. The value of a lean efficiency was brought to mind in a recent coaching call with a successful adviser. We discussed client communication during market volatility. She's doubled her client outreach in 2022. In addition, she's been highly strategic. Every outbound message includes an invitation to schedule a meeting. As expected, the clients are scheduling more meetings.

This is generating a lot of productive client service. At the same time, it's greatly increasing the adviser's workload. The adviser has the capacity to double client communication, schedule more meetings, and execute timely changes because she hasn't loaded herself down with excessive baggage. As a result of her disciplined approach, she's able to quickly meet the needs of today. Now is an ideal opportunity to jettison any superfluous practice management habits to increase nimble agility.

Celebrate Every Milestone

High achievers tend to move on to the next goal without much need for celebration. For many, the achievement is the celebration. That may not be true for the team. It's a healthy discipline to stop and praise the team. Celebrating each milestone is an important expression of gratitude. Sincere appreciation builds loyalty and energizes everyone to keep going.

Let's make the wilderness analogy personally relevant with a coaching exercise. Consider the following questions:

- What will it look like to navigate with agility in the months ahead?
- How can we build our overall fitness to endure continued market volatility and serve client needs?
- What can I do to increase our productivity and efficiency, so we all stay energized?
- What can I do to celebrate the team's work and highlight how their efforts are meaningful?

As you finish this year and plan for 2023, pursue nimble agility, and don't forget to take care of yourself. There were several universal characteristics of all those who thrived during difficult seasons. Notably, not one attempted to succeed alone. Every achiever engaged outside help. Follow the achievers and give yourself the gift of great support. ■