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Host: Bill Coppel, First Clearing Chief Client Growth Officer

Guest: Steve Harvill, Founder, Creative Ventures

Intro (music) Welcome to The Next Frontier, where we examine what the world of the financial advisor will be in a world that's being disrupted by artificial intelligence and algorithms. Our mission is to spark new conversations that create stronger connections and build greater client confidence. Join us as we look at our industry and others through a new lens and explore the opportunities emerging at the intersection of high-tech and high-touch. It's time for a new conversation. Are you ready?

BILL COPPEL Hi, this is Bill Coppel, and welcome to The Next Frontier. Today, our guest is Steve Harvill.

Among many things, Steve is an educator, a communicator, and he's also the founder of Creative Ventures, a strategic and organizational firm based in Austin, Texas. He's probably one of the most creative people I've ever worked with. I don't know whether it comes from his life as a surfer or, perhaps, his time as a professional tennis player, or even his love of music, as he's a wonderful guitar player. Steve is one of the smartest guys I've ever met. He's a clear thinker. And what he does is he helps us challenge and remove the boundaries we have and those things that hold us back from asking the question "what if?"

BILL COPPEL What's interesting also about Steve's background, he's not just great as a strategist, as a thinker, but he's also a very gifted scientist. With a background in marine sciences, he brings a very different style and approach to everything he tackles. I've had the great honor of working with Steve for a number of years, and I know that his story and what he does will have a major impact on helping you change your own conversation with your clients and do even a better job helping them achieve their tomorrows. Steve, welcome to The Next Frontier.

STEVE HARVILL Thanks for having me. It's a privilege to get to share some ideas today.

BILL COPPEL Well, we're glad to have you as well. Steve, The Next Frontier is all about where we spend time looking at our industry through a new lens. There's a lot of disruption going on out there. There's a lot of change underfoot. I look at it as an opportunity, but what we're finding, particularly in the financial services space and the world of FAs, is that change for a lot of them and for many people is really, really difficult. And recently, I was reviewing an old article from Psychology Today, and it talked about sort of those barriers. What is it that makes change so difficult? They identified four, and I thought I'd share them, and maybe you and I can have a conversation around them, particularly in light of the work that you do.

BILL COPPEL The first one is around this notion of people like routine. We like routine. It's very difficult for us and uncomfortable for us to move out of those routines. Second, change causes tremendous stress and tension. In fact, often it triggers that fight or flight or even freeze syndrome. And we know what that does to us both physically and mentally. And third, even if there's a long-term benefit to the change, and it's very, very obvious to see, we focus on the short term. And finally, people are very dogmatic in their thinking. They're very rigid. They are sure they're right. And while that doesn't always seem to be the case on the surface when you speak to them, ultimately, internally, that's sort of their personal ground rules. Don't tell me I'm wrong. Don't change my paradigm because when that happens, I'm really uncomfortable.

BILL COPPEL And Steve, everything I know about you is you've spent a career helping people and organizations kind of remove those boundaries to open up their mind and their thinking and to really give them an opportunity to see the world through a different lens. Tell me a little bit about that and about Creative Ventures.

STEVE HARVILL Well, we're blessed. This is our 33rd year, so we've been around for awhile doing this. We're a strategy-based company. We create ideas that have strategic significance for companies, and they come to us to engage in those strategies. We probably have seven strategies in play at any given time and operating in-- I

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think last year, we spent most of our time in 15 different industries. So we see a lot of the elements from a lot of different angles, a lot of opportunities that are missed because people stay in that rigid mindset that you talked about. And so a lot of times, our ideas are bridges. We're building bridges for them to gain access to opportunities that are simply outside of their scale and scope of vision. So that's kind of what we spend a lot of time doing with companies.

BILL COPPEL That's great. That's very interesting. And it certainly is the kind of thing that we need in the financial services industry today. And as I look out at the landscape and the many stresses that are occurring out there, particularly the impact of digital and how technology has profoundly changed the sentiments and the expectations of clients out there, financial advisors are faced with some real challenges, some real hurdles out there. And as we think about that, I really was reflecting on your new book, *21 Secrets of Million-Dollar Sellers*. Actually, when I read the book, I found that it was really 21 secrets of how to live a better life [laughter] because while it relates to the success that you've observed in how these folks have been so profoundly successful at what they do, and you've captured that and played it back in a book. What I'd like to ask you first is, tell me what was the motivation? How did this book come about?

STEVE HARVILL We spend a lot of time in sales, not all of our time, but a lot of time, a significant amount in it. And we'd always seen these pinnacle performers. And the interesting part about sales is unlike a lot of other jobs, there's not necessarily a cap on what you can do and how much you can produce, on the success level you can have. And so when you have this unlimited potential, people develop skill sets around that. And we started seeing more and more of that. And we started discovering that most people, A, didn't recognize it and, B, didn't really care. And so it, for us, being an observational company, we saw this opportunity to gather all of these things from all these different industries and try to discover what was everybody doing the same no matter what you were selling, right? What was this menu of behavioral traits that made these people pinnacle performers? And that kind of was the essence of the strategy, which was originally called repeatable successful acts.

BILL COPPEL You didn't really start out to write a book, did you?

STEVE HARVILL No. In fact, it really never entered my mind.

BILL COPPEL So what was the genesis of that?

STEVE HARVILL I was at a dinner. I was invited by a company to attend the national sales meeting in the mecca of national sales meetings, Las Vegas. This was a very large company, a large sales force. We were hired to come in and view the overall meeting and decide whether it was worth the millions of dollars spent for the meeting every year. We attended every workshop. We attended every breakout session, every meal, every social activity. And the last night was the sales awards dinner. And any salesperson in the world has been to one of these. Massive rounds of 10 in a large ballroom, pre-plated salad, pre-plated piece of cheese cake, rolls that are harder than the butter, which is already as hard as concrete. And you sit and you watch a bunch of people go up on stage and get a bunch of stuff. They get wooden stuff, and crystal stuff, and all kinds of stuff. And then at the end, the salesperson of the year is announced. And this woman went up on stage and she got this Tiger Woods kind of bonus check, big cardboard. And the amount on it was so startling to me. I turned to the guy next to me and I said, "How did she get that?" And the guy said, "Well, she sold more X than anybody else in the company." And I said, "I'm a pretty wicked smart scientist. I figured that part out. How did she do that?" And the guy goes, "I don't know." And everybody at the table had no interest in how she gained this massive bonus and outsold everybody else in the room.

STEVE HARVILL And so on the way back from Las Vegas to the offices in Dallas at that time, I started sketching on the plane that I wanted to know that. And that kind of became the genesis for the study that resulted in all the data in both repeatable, successful acts and now in the book.

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- BILL COPPEL** And as I understand it, you actually went out and interviewed 175 individuals from a variety of different industries. The one thing they all had in common was that they were very, very successful as measured by sales, for example, which is where the million-dollar idea came about. What was that experience like?
- STEVE HARVILL** Part of what we do is we're experts at recognizing patterns. And we know how to decide whether something's a real pattern or it's not a pattern. And so in a setting of open-ended questions, the questionnaire that all of these salespeople-- and the only qualification was million-dollar producer, whatever that meant in your company. And that was the only criteria. And through that, you ended up with a demographic that was really wide-reaching, surprisingly, using only one criteria. We asked open-ended questions, 10 of them. We took all of their answers and spent almost eight and a half months going through the data finding what patterns were. If you think about it, and you open a box of crayons, and in the box of crayons, you have a series of colors of blue. You have periwinkle. You have midnight. You have light blue and dark blue. But they're all blue. And so when you look for patterns, especially in social behavioral patterns, or skill sets exhibited by professionals, you're looking for blue, the pattern that's blue. And all the little things kind of group themselves together. And that's where these 21 behavioral patterns came from is this idea of visualizing all of these patterns and finding those things that they all shared in common, no matter what they were selling.
- BILL COPPEL** You mentioned something that I think is critical here as I listen to this story of yours. When you're out interviewing-- and that notion that salespeople love to talk. They'll talk about themselves. They'll talk about everything under the sun. And my experience has been, particularly for financial advisors, they feel like they have to prove their value through their knowledge and command of a bunch of information that, quite frankly, I think most of us don't really think much about on a regular basis. And what was fascinating to me is this notion that-- which is one of your secrets and I want to kind of start with that one-- was this notion of WAIT. The notation of the power of silence or the power of listening. Can you talk to me about that pattern that you discovered?
- STEVE HARVILL** Yeah. WAIT is an acronym for Why Am I Talking. And it's true. A salesperson will take a moment of silence and fill it with unforgiving pitch. They'll just continue to talk about those elements. But when you start defining pinnacle performers, you start to discover that they have this capability of active listening. It's not a passive skill set for them. It's an active skill set. And they know when to do it. They know how to position it. They know when to leave silence to hang. They know all the little tools that help a person become an active listener. They parrot things. They repeat back what a person tells them so they can confirm that they were listening properly. They write things down. They'll even ask permission to say, "During our conversation, I'd like to take some notes. Is that okay with you?" And the notes kick in that listening aspect to them. They ask questions like a scientist, right? They probe and wait for a response to come back. They let the other person know they were heard. And in doing all of this, they're building rapport, right? And you're intimately familiar with this, Bill, and this one's a hard one for me because I am an atrocious listener. Any time I'm involved in a client thing, I have WAIT written down in front of me, the acronym, to remind me to listen. And these professionals have this as a skill set. And it is active. It is not a passive element for them.
- BILL COPPEL** So when you boil it all down to the listening factor, clearly they're gathering information and they're parroting it back, as you said, confirming with the client or the person you're talking to that they're listening and hearing. That's got to lead to a profound level of trust if it's done correctly between that person and the client that they're working with. The better listener we are becomes a fundamental building block to this journey to build trust, which, I guess, or at least from my experience has been the fundamental trick to building a great relationship. Trick's probably not the right word, but it's an attribute to building a great relationship. Talk to me a little bit about that in terms of what you've learned.
- STEVE HARVILL** It's a learned skill set, right? What a great professional does is he opens the door, right? He wants to open the door, and one of the ways to do that is the tool that we used in the questionnaire. It's a Socratic methodology of gaining a listening skill set, and it's really just two words. And if you added these two words

to your interrogatories, you would open the door to active listening. And the two words are “tell me.” So if you start your question with “tell me,” the other party, it's impossible for them to do anything but tell you a story. And story is the primary methodology of gaining that active listening, right? And so when you're building rapport, when you're building trust, what you want that other person to do is to tell you the stories of their lives, the stories of their needs and wants. And in financial services, that's critical because a financial advisor's in the tomorrow business. They're not in the numbers business. They're not in the mutual fund business. They're not in the equity business. They're in the tomorrow business. This is unbelievably important. And the only way you get to another person's tomorrow is if you allow them to open the door and have them tell you about what they see as their tomorrow.

BILL COPPEL I got to tell you, I love the way you have pictured the advisor's business as being in the tomorrow business. That's brilliant. One of the things that The Next Frontier is about is redefining what the role of the financial advisor is and moving away from, as you said, about the numbers specifically because we know how that can be done today, and we'll get to the algorithm conversation in a minute [laughter]. But the reality of it is they are, in fact, there to help clients build tomorrow. It seems to me that, given where we've come from in our industry, we continue to have the same conversations we've always had. And it seems that it's time to change that conversation. When you think about tomorrow, talk for a moment about changing the conversation. What are those drivers that you think about, what you've learned from your experiences in your profession, as well as the 21 Secrets?

STEVE HARVILL This is a time thing, right? Time is an interesting aspect to use as a tool in production. One of our elements in it is “master your day” is one of the secrets in the book and that idea of how do you handle time, right? It's more compressed. We think of helping a client increase their efficiencies that they would then have more leisure time. But unfortunately, as you gain more leisure time, you fill it with more work. It's this strange Sisyphian cycle that you go through. It's that squeezing of pressure.

STEVE HARVILL And I think an FA, in a sense, and a retirement consultant and elements like that are looking to decompress that somehow in their conversations, right? If you plan your future, right-- and there's only a couple things you care about in your future: You want to be healthy, and you want to have the capital to enjoy that health. That's it. All the other stuff is superfluous. Those are the only two things, right? And so you can't help me with my health -- or maybe you can in a mindfulness or whole vision thing -- but really that financial thing is your responsibility for me. That's what your job is for me along lines like that. And I don't want my life squeezed out. You need to help me make that not happen. And I think in the conversations about time and about that aspect of it is where the conversation shifts. You've got about 4,000 weeks in your life. That's about it. I need help being sure that somewhere along those 4,000s you've helped me take care of it. That's your job. It's not this endless rattling off of statistical significance. It's not a chart that shows me how my investment portfolio patterns look like the periodic table. It's highly complex. People care about one -- they care about their tomorrows. You should help me. It should be-- your sales story should be about my tomorrows. And we help FAs in companies all over the planet with that perspective.

BILL COPPEL Here at The Next Frontier, we think about those tomorrows this way, going back to what's important as you described it. We think about three things. We think about the fact that what really matters to you and to most of us are three things: life experiences, relationships, and time. We've talked about time. And you've said, "Time is that currency." You've identified health. We look at it from the perspective of well-being, which recognizes your mental and physical health. But it also recognizes that you're willing to trade time, ultimately, for great life experiences and great relationships. And that currency of time is where the connection is back into your portfolio. So when you think about that, Steve, and you think about how we manage time, give me a couple of ideas for financial advisors in particular and for anybody who's in business for themselves. How do effective people manage that process? How do they, essentially, dole out that very precious currency of time?

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STEVE HARVILL It's the only currency. There's no other currency of significance other than time. Before we had watches, and calendars, and we were slicing and dicing time, the passing of it wasn't as important as it appears to us now. And so what do you do? You read for profit, you lunch for contacts, you go to parties for connections, right? All of those elements are about how you kind of piece together this idea of time. What these great producers do is they understand its core value to them. They are their heart in production and sales production.

STEVE HARVILL So what are some of the tools that they use? One is they're not a victim of email, right? They're not. They don't allow it to be a crushing pressure to them. So for instance, email's about the only thing out there in which someone else can add to my to-do list, and they can do it without any repercussions. They just can keep adding to my thing. And so these great producers, it's not unusual for them not to open their email until 10:00 AM, doing deep work, and client work, and sales work earlier in the morning so that they're not having a Pavlovian response to the ping of Outlook, right? It's not even on for them. They look at going to meetings differently. If you have five people in a one-hour sales meeting, that's not a one-hour meeting. That's a five-hour meeting. That's taking an hour from every single person away from their primary task.

STEVE HARVILL One of the women in the study had a three-part criteria. She would say, "A, I don't go to a meeting before 10:00 AM because I do deep work in the morning." She said, "B, if you'll give me an agenda, show me a beginning and ending time. That'll entice me to go to that meeting. And lastly is, "If you tell me why I'm there, what is the value of my input, I will attend that meeting." That filter is a decision-making filter for her to use how she sees her time. Now, someone would say, "Well, I don't have the capability. She's a gazillion-dollar producer." That's true. And she has a little more control over how she may be viewed within the context of the company. But in reality, what you're setting up are decision-making filters for the use of your time.

BILL COPPEL That's it. You nailed it. That's the one thing that we are squandering on a regular basis, chasing to capture, and trying to figure out how we can get it back. Those are great points, Steve. Thanks. I want to dive in a slightly different direction for a minute because you talk about secret number six, which is personally my favorite [laughter], the "like proposition." We don't spend enough time defining who we want to serve, who we want to have as a client. It's a very challenging task to begin to define what exactly is the perfect client for us. I want you to spend a little bit of time with us on secret number six, and the like proposition, and why that's so important.

STEVE HARVILL It's one of my favorites because it is what we call the duh aspect of the book. If you told somebody that, in a relationship sales category, whether you're selling robotic surgery equipment, or chlorine, or a service, that people will only really do long-term meaningful business with people they like, they would look at you and say, "Duh. Obviously." Yeah. And here's the interesting part. It's not about the obvious nature of it. It's about those who do it. It's about those who use the obvious.

STEVE HARVILL In the book, I talk about-- we've had luggage for 3,500 years. We've only had wheels on it for about the last 22. It's always been heavy. People were always saying, "That damn bag is really heavy." And someone said, "I got an idea. Let's stick some wheels on that." It was a guy named, I think, Roger Palmer, who created for the old Prell shampoo, the fact that if you turn the bottle over, gravity will pull that out. Put a little valve on the end of it. And then Heinz and everybody looks at it and says, "We don't have to slam the ketchup bottle anymore." All of these things are very obvious. But in this one, in particular, it's the people that go out of their way to do something with it, to leverage what people like about them so that it is strategic for them. So it's not unusual for these companies to have "like" meetings, meetings in which they're defining those aspects that their client base likes. What can we do more? And it's not so much about looking at what they don't like, which-- companies have this unbelievable, magnetic pull to the negative. They're constantly asking questions about what didn't happen. They're constantly asking questions about the wrong stuff all the time.

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STEVE HARVILL And so from the “like” element, to leverage it to get an emotional connection-- because that's what like is about. Like is about an emotional connection. It's not rational. It's about this emotional connection. And if you can define those elements within the sales process that your people love, you would do more of those, right? You would leverage them. It would be like a teeter-totter with the heavy end down, and yet companies struggle to do that, or they don't think of it as significant. And I cannot tell you there's hardly anything more significant than structuring a strategy around an emotional connection. You know how you'll go out of-- and you'll go out of your way to not do businesses with companies you don't like. You go to a restaurant, have a bad experience. You'll go out of your way not to go back. This idea of like, as obvious as it is, is a critical strategic element to producers that are in that pinnacle club.

BILL COPPEL Wow. That's incredible when you think about it. As obvious as it is, as you stated, we don't spend any time, particularly in the financial services space often really diving down in understanding what it is. What is that basis for that emotional connection? And probably, I'm guessing that there isn't a lot of emotional connections out there because we're selling stuff.

STEVE HARVILL It's a shame because it's not that complex to do. And some of our clients that we're working with now around that particular secret, they're embarrassed to talk about themselves in the context of what people like about them. And then you have to go in and tell them, "You're ridiculous not to do that." Right? It's nonsense not to do that. But you're seeing it as one of those things, and it is one of the secrets that people have a tendency to gravitate towards.

BILL COPPEL Thanks for joining me for part one of my conversation with Steve Harvill. I hope you'll join us for part two, where we'll explore the impact of digital on client's sentiments and expectations, and why you should consider changing your conversations with clients as a way to enhance your value. [music]

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