

Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer

Guest: Steve Harvill, founder Creative Ventures

- Intro Welcome to The Next Frontier, where we examine what the role 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. In this episode, we'll continue our conversation with Steve Harvill, author of 21 Secrets of Million Dollar Sellers, and founder of the strategic consulting firm Creative Ventures. Let's jump right back in.
- BILL COPPEL Financial advisors are being challenged by the encroachment of technology. Digital is reshaping all aspects of what the advisors have traditionally done. For example, an algorithm can manage a portfolio with no emotion, with tremendous insight developed through all of the history, and their ability to project forward, and what the likelihood of a portfolio to do given certain economic cycles and situations. What's your take on this?
- STEVE HARVILL I'm always interested in the use of language and words and how people throw algorithm around all the time, as though they have some kind of a genetic connection to a series of ones and zeros. Most people, I don't think, even know what an algorithm actually is, right? It's really a very simple set of instructions that allow a task to be accomplished. And there are some that are fantastic, right? Streaming and audio compression algorithms that allow us to watch Netflix, and see Stranger Things, and watch shows on elements like that. Or how Google Maps uses a routing algorithm to find the right router. Pixar uses a rendering element to get the thousands of strands of red hair on Miranda's head in the film Brave. Those are all really, really good. But here's what they don't do a good job of. They don't listen. They don't have a listening skill set. They don't do a great job of responding to an emotional cue. And though you used the word "insight," I don't think they have that. I think insight is one of the great tools that a human still has. They can see an inner character or an underlying truth in something that is specifically human. That's a human thing. And it carries a staggering amount of value. The algorithm is an arrow in a quiver. It's a tool in a toolbox. It is not, in and of itself, the end all. In rendering 100,000 strands of hair for a Pixar film, there's an artist behind that whose emotion, whose vision, is being augmented by that. And in your field, in the financial services field, this idea of insight, of inner character, of underlying truth, that's how futures are built. What was it, Monday, that the market went down? There weren't a lot of algorithms answering people's deepest concerns at the point. You know what they were doing? They were crashing at the time, right? It's a quiver. It's instrumental in its use. It is simply not the end, in my opinion.
- BILL COPPEL When you think about the value that's created by very, very successful people in sales, would you categorize it as simply their ability to understand the product that they sell or the ability for them to understand the challenges and pain points of the clients that they serve? You've worked with Apple. You've been around Steve Jobs, and clearly, a genius who's redefined a lot of aspects of our lives. And he's also credited with being-- or having the ability to see things that we need before we realize we need them. If you were going to give advice to a financial advisor about the value of being able to help people actually-- or visualize what tomorrow could be, what are some of the ways in which they should be engaging with that client to unearth those dreams?
- STEVE HARVILL Let's talk about two of them. One of them is the use of story, right? And it's one of the essential secrets is you have to tell a good tale. People connect at the most primal level in the brain to story. A financial advisor, in building their skill sets along that, needs to become a really good storyteller. And it's not just telling. They have to help craft the story, right? Marketing departments give you material, but you're required to take that material and craft it to the story that you're going to tell. And then you have to

have the skill set to tell that story. Those are two different skill sets, right? A story has to have a beginning, middle, and end. Doesn't have to be in that order, necessarily, but it's got to have those three parts. It's got to have a hero who's on a journey for one thing. That's your client, right? And then you have to be able to connect that emotionally through vocabulary, and pace, and modulation. That's one thing you have to have.

STEVE HARVILL The second thing is people will connect on a visual level before they'll connect on an audio level. So how good are you at presenting visual elements? And I'm not talking about pie charts and graphs. I'm not talking about something that looks like a Richter scale of a recent earthquake. I'm talking about, instead, being able to somehow create a visual journey that I can go on with you so I can gain understanding to it. It may be even the simple skill sets of being able to sketch. We've worked on that before. It needs to find a way to bridge the 60,000-point gap. And that is that a brain processes an image 60,000 times faster than it processes a word. If I say circle, you may see it in your head, but if I draw it, you'll be drawn to the circle immediately. And I think those two things are instrumentally helpful for an FA to take a look at making that connection that they need to to a client's future.

BILL COPPEL That reminds me of a story I want to share. Recently, I ran into a financial advisor who I think fits into this category of success that you've defined in your book. And when I asked him what he did, he reached into his pocket and pulled out a photograph. And the photograph was of a family at a lake house. And his client were the two older folks in the photograph, and their children were there, and their grandchildren were there. And they were having a great time, and he said, "This is what I do." He sort of translated that notion of understanding what's important to people. It's not about necessarily the means, but it's more about the end. And he showed me a picture of the end. It's--

STEVE HARVILL I love that.

BILL COPPEL It was a great experience, and I'm sure you've run across that in your own work and particularly in interviewing those folks. Can you share a story similar to that?

STEVE HARVILL There was a guy who did alternate investment strategies, and he was a precious metal guy, a gold and silver guy. And when he wanted someone to understand the intricacies, he used these three coins that he had, and I loved this aspect. One was a gold-covered piece of chocolate, like a chocolate coin that was gold covered, one was like a \$20 gold piece or something, and one was an ancient coin from his collection. And he had these in his pocket. And when he was describing the aspect, he would throw out the chocolate coin, and he would say, "That looks like it's important, but it's not real." And he would talk a little bit about the depth and reality of what was going on. He would take out the Roman coin that he had from his own collection and say, "You want to know how long this has been an effective methodology? This was minted in 350 BC." And he would put it out, and you'd go, "Wow." And then he would take the \$20 piece out of his pocket and set it in front of the client, and he would say, "This is now." And he would take it, and he would slide it across the table to the client. And he would say, "Congratulations. That's your first investment." And he would actually give it away. And I can't tell you how successful this guy was. When he was brought in, he was usually brought in by an FA to present alternate investment strategies on it. And I love that aspect just like I love that idea of the picture, right? It was a tangible, visible tool that engaged people. His entire thing was over in three minutes, practically. That's a good example of that, of somebody thinking creatively around that too, by the way, which is also important.

BILL COPPEL Emotion plays such a big role in this. Connecting, as you said earlier, emotionally with people in order for you to perhaps help them identify what's of real value to them through a story. When I think about what we've done together and the programs that we've worked on, particularly with financial advisors around story and around emotional connection, it's remarkable that going back to what we talked about early in our conversation - the resistance to change - it's so hard for people to break out of their routine. Did you identify any triggers that helped people change, that helped people embrace new ideas?

STEVE HARVILL Yeah. Get rid of "too much." That's the big deal, right? You know what scares the hell out of people is all the stuff that they're supposed to do. And they go to a meeting, and it's like somebody's opened a fire hose and asking them to take a sip out of 2,000 pounds per square inch of pressure of water. It'll knock your teeth out. It's that idea that I can give you so much stuff that you'll go back, and you'll be pleased. But

you won't. You'll go back to your office, and you'll get caught in the whirlwind of your daily lives. And that whirlwind is your emails, and client messages, and meetings. And all that new stuff that's supposed to trigger change for you is shot out in the whirlwind. There's a thing we call at Creative Ventures the law of abundance, where more is not better, and better is not best. And it's incumbent upon a client to push best, and best is never more. Best is always small in its scale and context. And so it's about those filters that allow you to look at change in something I can do. I can do this. I can't do all of that, but I can do this. There used to be the famous saying you cannot do everything, but you can do anything. There's a big difference between those two. And I think that's the barrier. I think people are inundated with thinking that they have to do everything. And that's not the way to make any kind of a significant change in your life, period.

BILL COPPEL So I want to talk to you a minute about value. In the context of your own clients and customers you serve, what have you found that they truly value?

STEVE HARVILL For us, it's about impact of application. Just those simple words, right? Your idea has to create impact, and that impact has to have a direct application to what they do. Or it's just a nice idea, right? I could teach somebody how to map the elliptic of a orbiting planet, but they're probably not going to use it in their everyday life [laughter]. It would just be something interesting. So if an idea doesn't have a direct application in the context of what they're doing, it doesn't create the value that we're looking for. Every strategy platform, all seven of our independent platforms, are built upon impact of application.

BILL COPPEL So to make that work, it means you really have to know that client to understand what's important to them.

STEVE HARVILL That's true. There are certain universal ideas, right, that have aspect, right? Story is universal. Simplicity is universal. Ideas around planning are somewhat universal. But if you want that application thing, you better spend a little time understanding what a robotic surgery machine does to a doctor's life. You better have an understanding of why that little kiosk that sits on the table at Chili's has significance to the diner. You have to do some of that, which is why we can't take a lot of clients on, right? I mean, we're a tiny little boutique consulting company. You can't do that for large-scale stuff. Our goal has always been small. That's actually a goal for us.

BILL COPPEL Yeah. So, Steve, what I've observed in my experience, particularly as I work with financial advisors, and the CEOs of financial service organizations, and as a client, and as an ethnographer, that the whole concept of digital has really altered client sentiments and expectations. Would you say this holds true for what you've experienced, not only in your life but also with your own clients?

STEVE HARVILL Yeah, I think so. I think it gives you a chance to do stuff, right? Most people don't view what they do as making something, right? Unless you're in the craft of making something, they don't think of it that way. But an FA is actually in the business of making things. They make the experience for the client. They help make their future. They're making things. And digital platforms allow that. We talk about Amazon's digital platform, probably the single greatest example in the history of digital. But you know what Bezos did, he didn't look at change like everybody thinks you have to, "What will be next?" Instead, he reversed it, and he said, "What will people always want? They'll always want stuff, and they will always want their stuff fast." It's not about what the future will bring; this is what they've always wanted. And so the FA should be looking like Bezos does, right? Because his client has always wanted the same thing. They want their tomorrow.

BILL COPPEL And we've always said that it isn't about the number of people you serve, it's about the quality of the relationship. And you're saying is that that quality of relationship can't be achieved unless you control the number of relationships you want to have.

STEVE HARVILL For us, that's absolutely true.

BILL COPPEL Steve, The Next Frontier is really about helping FAs have a different conversation with their clients that makes a stronger connection and that creates greater client confidence. And we're asking all of our guests a couple of questions. I'm going to start with the first one. What advice do you have for advisors to create a better conversation? Let me start with that one.

STEVE HARVILL Well, let's start with thinking about a conversation having one critical thing -- that its desired outcome is an O.C.T., one critical thing. And to make that conversation significant, if you're looking at one critical thing,

you have to simplify what you're saying. If I could tell an FA, I would say, "Slow down. Just a minute. I know you think speed is really critical in the world today. This is a slowdown moment for you. Slow down. Take a look at how you can simplify your conversation so that I can connect to it, so that I get it. So that I don't have to lie to you by shaking my head up and down saying, 'I get it,' when I don't. How can I do that? What can be the pathway I can do to create that simplified connection?" And if you can do it at the beginning of your meaningful conversation, it will fall like dominoes for you.

BILL COPPEL What conversation do you want to have with your financial advisor?

STEVE HARVILL I've had the same FA for 20-plus years. He's done a spectacular job for myself and my family, but he didn't start that way. He started with having meetings that my wife refused to go to. It took me a while to train him and to say, "John, here's the conversation I want to have." And I actually created a form for him that he's used for 15 years now, I think, which had only three colors to it. It had green. We don't need to talk about green. Green's doing great. We can visit him and pat ourselves on the back for green. Yellow is a new idea, or something that we may want to think about doing. And red is where we've got some problems, and we need to think about the red categories. And it's one 8.5x11 sheet of paper. And now Laura goes to the meetings. It's a simple, easy-to-understand exchange that we have. I want meaningful conversations around simple things that impact my life. And I don't only want that from my FA. I want that from my satellite TV provider, and I want that from the mechanic for my car. And I want it from trying to learn a song that's so complex I can't get through it. I want someone to simplify it for me. That's what I want, and that's one of the foundational points of my company because that's what we give our clients. That's what I want, so line up the simple people for me.

BILL COPPEL And I'll bet that that green, yellow, red approach isn't focused entirely on your money.

STEVE HARVILL No, it isn't. And it's funny you would say that. He uses it now for almost all of his clients. And I only designed it so that I could get through these god awful meetings we were having. And it does, it has a lot of things in it. He's always asking-- I'm a very simple person. I have a very simple lifestyle. And he's always asking about these big financial goals like, "You've talked about a house at the beach." I said, "Well, I've really just talked about going to the beach. Not having a house at the beach." I don't want the complexity of another dwelling, right, on stuff, but he always knows those things about me. And again, after this much time, he knows me really well.

BILL COPPEL Thanks, Steve. It was great having you with us today. I'm sure our listeners are going to take away a lot of great ideas. Thank you, my friend.

STEVE HARVILL You're welcome.

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