

Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer

Guests: Multiple: Bryan Vartabedian M.D., Physician and Director of Community Medicine, Texas Children's Hospital; Ellen Langer Ph.D., Professor of Psychology, Harvard University; Julian Treasure, Founder, The Sound Agency; Jeff Hancock, Professor of Communication, Stanford University; Seth Streeeter, Co-founder & CEO of Mission Wealth

Transcription results:

- 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. As our first season draws to a close, I want to thank you, our listeners, for tuning in and for your support. Today, we've had listeners from more than 30 countries representing a growing audience of subscribers. Once again, a big thank you from all of us at The Next Frontier. To cap off season one, we want to share with you a few thoughts and reflections from our guests that point to the challenges and opportunities that confront us in what I refer to as a world characterized by perpetual change and accelerating technological advancement. From this broad, deep, and rich reservoir of content, three themes consistently surfaced. First, we're not alone. This tsunami of digital disruption is shaking the very foundations of established institutions, industries, and service-based businesses across the board. What's more, affecting each is the shifting role and value of expertise delivered by intermediaries. And second, I think it's important to recognize that so many of our guests pointed out that the approach to creating value in a digital world has to be examined and likely changed, requiring a new approach, a different lens leading to learning and applying different skills and talents to remain relevant and valuable today and into the future. Third, as so much of what advisors have traditionally relied on as to value -- essentially managing money -- is being replicated by technology, what we do as human beings in terms of empathy, that ability to stand in another shoes, sharing understanding, insights, and perspective, may be emerging as the more powerful value creator.
- BILL COPPEL I think we need to reflect on how we're doing things today and recognize that those methodologies may not be successful going forward. So with that as a backdrop, I'd like to share with you a few excerpts from conversations with guests in season one who shared ideas and insights on how we can approach remaining relevant and valued in the 21st century. One of the more interesting conversations I had was with a professional outside our industry. Dr. Bryan Vartabedian is a physician and a writer whose work covers the intersection of medicine, technology, and culture. Considered one of health care's most influential voices, he delivers valuable insights on how technology is changing the way physicians care for and engage with their patients. Here's a part of our conversation I thought was really interesting and wanted to share it again.
- BILL COPPEL I found an interesting quote that I think can be attributed to the work you've done that, "Information is the third party in the examination room today," which is kind of reshaping that confrontational sense that probably existed in the earlier part of this information revolution.
- BRYAN VARTABEDIAN What's so interesting, Bill, is when I look at the 120 residents that we have at Texas Children's Hospital here - we have the largest residency in the United States - you never hear a 24-year-old pediatric resident complain that a mother was looking something up on the Internet. Yet, you go across the street, meet the 57-year-old pediatrician, who really still believes that patients shouldn't be accessing information on the Internet. So some of this is generational. This young generation of doctors has grown up with the idea that information and patient access to information is just part of the story, and they, as a provider, simply don't know everything.
- BILL COPPEL How's it changed your approach or has it changed your approach in dealing with patients? One of the things that we struggle with in the financial services industry, I think, is the fact that while we were trained well on the factual aspects of what it is to manage money, for example, understanding the economy, understanding how the markets work, what we often are challenged with is connecting emotionally with clients. And so

we bring up this whole notion of emotional intelligence or EQ, which is not something they teach us in school to become a financial advisor, at least not when I started out. One of the things you hear oftentimes about physicians is their bedside manner. Now you've entered this third irritant, if you will, called information into what is already a challenging environment. Has it reshaped in your mind the way in which physicians are beginning to approach a patient relationship from the EQ standpoint?

BRYAN VARTABEDIAN I think so. I think one of the big challenges that we've faced when we look at technology is the fact that it has-- technology can do two things, right? Technology can separate us from patients while at the same time it can connect us. Good example of how technology or new technology in the exam room can separate us is the computer. If you've been to a doctor recently or you read the New York Times editorial page, you hear these stories about going to the doctor and looking at their back. What's been so important or what's going to be important going forward is understanding how we work with that technology and understanding how to use the computer in a way that's respectable. And so we're starting to see curricula go into medical schools that help growing medical students understand how to interact between the technology and the patient. And so I think we're in a bit of a time lag. The technology's advancing faster than our capacity to know what to do with it. And so we get these stories of doctors looking at computers. The technology is also evolving, too, that voice interface or voice-first interface is going to evolve such that start-ups in Silicon Valley, for example, that will just listen to a conversation I have with a patient and, using machine learning, put that all into the medical records so that I don't have to type. So I think the intelligence comes in knowing how to make that human connection in a world that is increasingly technologically dominant.

BILL COPPEL In addition to this episode with Dr. V, I'd like to remind you about episode 29 featuring my conversation with Pat Blassie, a long-time travel agency owner, who credits her success in competing with tech-driven companies like hotels.com, Expedia, and Travelocity with the power of the human factor, relationships. In fact, Pat's not really in the travel business. She's in the experience business. As Bryan Vartabedian pointed out, as well as many of our guests, the human connection plays an unmatched role in a digital world. However, technology has atrophied our ability to actually connect at the human level. As we reflected on that here at The Next Frontier, we sought an expert in trying to understand why. Enter Dr. Ellen Langer. Ellen is a professor of psychology at Harvard. And she is also affectionately referred to as the mother of mindfulness. She has written extensively and done research on the illusion of control, mindful aging, stress, decision-making, and health. When all is said and done, the essence of connecting as human beings lies in our ability to be in the moment, conscious, mindful, and fully invested in the other person. Here's the part of my conversation with Ellen that describes the power of being mindful.

ELLEN LANGER It's probably important for your listeners to know that mindfulness, as I study it, is not meditation. Although, I did some of the very earliest research on meditation. Meditation is not mindfulness. It leads to mindfulness. So it's what you do in order to become more mindful. Mindfulness, as we study it, is the simple process of noticing new things. When you notice new things, that actually puts you in the present, and the neurons are firing, and so on. Now, it's so simple, except that what happens is, when people think they know, they don't pay any attention. So they're not taking advantage of this very simple process of noticing new things. You notice new things. You're in the present. You get a chance to take advantage of all the benefits and opportunities to which you'd otherwise be blind. You're excited. In fact, this active noticing is the essence of engagement. There are lots of people who say, "Gee." They envy this person or that person because they seem to have a passion for what they're doing. That passion, that excitement, engagement comes about from this very simple process.

BILL COPPEL First of all, I appreciate all the time you've given us today and helped our listeners begin to explore and understand the power of being mindful. And I want to ask you one last question. And it's around this notion of, as a financial adviser, what is the one thing that I should be doing to start my journey to mindfulness? Give me one approach that would be, as you said, simple. This is not complicated. It's simple. How do I get started?

ELLEN LANGER I think, wherever you are, look around and notice five new things. When you're with somebody who you think you know well, notice three new things about them. And just keep asking yourself what's new about the things you think you know, to come to see that you don't know them as well as you thought you did. That plus put yourself in situations that you think are new. So that could be traveling. That could be starting a new sport or pick up a musical instrument. When you start reading a new book. Whatever you're doing

where you see it as new, you necessarily bring to bear in the activity a mindful approach. The thing is that we can have that same thing occur for all of our mundane, everyday behavior. When you're brushing your teeth, pay attention. If you're going to do it, you should be there while you're doing it. So then notice. Notice the rhythm to the movements you're making. Notice which parts of your mouth you haven't covered as well as the other parts. Just ask yourself, "What are three things that I'm doing that I didn't realize I was doing before?" And make it a game. And as we do this, we come to see more and more that we know much less than we thought we did. It means everything old becomes new again. And that's kind of fun, especially for people over 40.

BILL COPPEL So mindfulness matters. And it puts a bright light on the need for us to, perhaps, strengthen our empathy muscle. But that's not the only skill I think digital has diluted for many of us. What I'm referring to is our ability to listen. On the surface, listening seems easy. It comes naturally. It doesn't feel like it takes a lot of effort. Sounds of all types surround us all day long. But the question is, do we really hear them? Particularly, when another person is involved. We learned a great deal about this in episode 13 with Julian Treasure, a nationally recognized sound expert and a listening genius. Here's a segment from that conversation that really stuck with me.

BILL COPPEL To go into a situation, oftentimes, as I think about it, we're on a mission to deliver a message, and that's where our focus is. And what you're saying is, before you even get to that mindset, try to gauge the mindset that the audience is in and get a sense of how they're listening because, otherwise, it's quite possible that your message is not received.

JULIAN TREASURE Definitely. And then, of course, there is our own listening. So as I keep saying, the speak and listening, they're interrelated. They're entwined. It's really difficult to consider one without considering the other one. If you come into a meeting and you start talking and you don't engage with people, you don't ask the questions at the beginning and find out what's important to them, what's the big picture, what are your goals, what are you really aspiring to and about what we're talking about today, what would success look like, what would be great for you, those kind of questions, and you listen carefully to the answers, then you have the angle. You have the pitch that you need to take in order to meet and match exactly what it is that they're interested in. I talk about RASA as one of the key exercises in good listening in conversation, which is to receive. That is to pay attention. RASA is R-A-S-A, the Sanskrit word for dukes, but here it means receive, appreciate, summarize, ask. So receive is pay attention. Scott Peck said, "You cannot truly listen to anyone and do anything else at the same time." And yet, so many of us spend so much time in that kind of partial listening. "I am listening to you." No, no. You're sending a text. And you're giving a little bit of your brain to the person that you're speaking. Anybody listening to this knows the frustration that builds up if you're speaking to somebody who's not looking at you, who's doing something else, "Come on. Listen to me. I'm trying to talk to you here." So receive means look at the person continuously. It means pay attention with your body. Face them, and if you're sitting, probably leaning forward rather than back, giving every sign of being attentive and engaged.

JULIAN TREASURE The first A is appreciate, which is the little noises or gestures that, again, show that we're engaged when somebody's speaking, "Oh, really?" I mean, we don't do this in this kind of a podcast environment because it gets messy if you can't see each other sometimes. And I'm pretty bad at this on the phone. People sometimes say, "Are you still there?" Because I've been listening intently but not saying anything. In face-to-face, you can absolutely do this. And with gestures, as well, and mirroring and nods and smiles and hand gestures and so forth that really indicate that you're engaged in the conversation. So that's appreciate. Summarize is the word so, which is a very, very important word. It kind of shuts the doors in the long corridor of your conversation, making sure that something's been dealt with and is behind you and is agreed to have been done, "So what we've just agreed is this. Now we can move on to that." So what you're saying, it's also a confirmation, a check that's very important. "So what you're saying, if I may summarize, is this. No? Oh, okay, I'm sorry. I misunderstood that." That's where you check in and make sure you got them properly. And those doors get shut and you move on down the conversation. And then the final A, that's to ask. Asking questions all the way through and at the end, which is how you indicate that you're alert and thinking about what they're saying and really receiving it and turning it around and looking at the angles and making your own value judgments on it and coming back to them with interesting, possibly new ideas about what they're saying. So RASA, very, very effective way of listening. And that's where you can see how speaking and listening really start to entwine and interact in any conversation.

BILL COPPEL So that makes a lot of sense. And it almost seems relatively obvious. However, I'm challenged because what I observe is this, that so many times when I see an advisor interact with a client, they are distracted. And I think part of that starts with the assumption that the client's actually interested in what they've got to say. And oftentimes, I find that when we're engaging with another person, our mission is to get our point of view across, and we believe that that person is actually interested in what we're saying. What have you found in terms of your research, in your practical work, in the audiences that you've spoken in front of, the interactions you've had, both as an entertainer as well as a marketer and a business person, training yourself to release all of the distractions so that you can actually receive the first part of RASA. What are some of the things you've done to train yourself to become better at that?

JULIAN TREASURE I think becoming aware of the common mistakes, again, is very important. If one is aware, one can do something about it. Lack of awareness, there's nothing you can do to something that you're completely oblivious to. Some of the biggest mistakes that we, human beings, make come from a couple of very, very common afflictions or, perhaps, habits or desires. The first is looking good. We all like to look good, but if we are making calls in order to look good or we're having a conversation to look good, it tends to bring out things like competitive speaking where we have to trump what the other person said every time or the 'I know' phenomenon where the person is professionally unimpressed and knows everything. And of course, if you know everything, what are you going to learn? Absolutely nothing. So looking good can be quite destructive in a conversation. Anybody who's had a conversation with somebody who simply wants to appear to be the winner in a kind of zero-sum game, well, that's not a very productive conversation to have. And if there's one thing that we like more than looking good as human beings, it's being right. Being right is potentially extremely destructive in conversation. And if we get conscious about these basic human proclivities-- we all do them. But if they drive communication, they can get very destructive. And it makes people very hard to listen to.

BILL COPPEL In thinking about the cornerstones of human connections, we talked about the importance of being in the moment and developing the ability to truly hear what's important to someone else. I want to add a third, and that's the notion of trust, because in the end, human connections and human interactions can't truly exist if not built on a foundation of trust. I think it's fair to say that trust and trustworthiness in a digital world is being challenged by things like fake news and alternative facts shared across numerous social media platforms. This reality has had an impact on who and how we trust. So to address the subject of trust in this digital world, we called upon the expertise of Dr. Jeff Hancock. Jeff is a psychologist and a professor of communication at Stanford University. He's also the founder of the Social Media Lab at Stanford and serves as director of Stanford Center for Computational Social Science. A leading expert in social media behavior and the psychology of online interaction, Jeff studies how social technologies and artificial intelligence affect us from how we trust to how we develop and maintain relationships to understand how technology is affecting our well-being. Here's one of my favorite insights I took away from this conversation.

BILL COPPEL So, Jeff, how do we evaluate someone's trustworthiness today? Particularly, in a world where we're often communicating through a social media platform or some other means of digital communication. Is there a difference between trustworthiness and authenticity? Is trustworthiness synonymous with authenticity?

JEFF HANCOCK That's a really important question. And everybody wants to understand how do I come across as trustworthy, as authentic? And there's really two answers to that question. The first is, there's only three things that really matter for coming across as trustworthy. The first is, do you come across as warm, honest, and likable? And we make judgments about that about other people very, very quickly. And we evolved that from a long time ago to figure out, is this person a friend or a foe? The next decision we make about other people is, do they seem confident or not? That is, can they carry out being a friend or a foe or whatever it is that they're about to do? And the third is reliability. So that is, when somebody makes a promise to do something, do they do it and they do that in a timely manner? So that's been well worked out in psychology across cultures. Over time, that's been pretty well worked out.

JEFF HANCOCK The tricky part as your question got to is, okay, but how do I do that when I'm using the digital form of communication instead of sitting there face-to-face with somebody? And so the answer, this one is more ambiguous, and that is that every person will have to determine what it means for them to be warm, confident, and reliable in these new communication media. The good news is that it's not the case that people seem to lie more often in text or that we even perceive that other people lie more often. And there's a couple of reasons. One, face-to-face in conversation, if I pause for more than a second, it's going

to seem really weird. And so a lot of times, face-to-face in conversations, I have to make an answer that might not be truthful but also is going to, say, not hurt your feelings or accomplish some other important value for me. When I'm communicating by text or by email or on social media, I can take more time. I'm writing, so it's more purposeful, and importantly, I'm creating a record. And as any liar has found out the hard way, creating a record of your lie is a really, really bad idea. So being warm and likable, confident and reliable online can occur the same way as they do face-to-face. You just have to take into account that now you're in writing and you're doing purposeful and recorded communication.

BILL COPPEL Often, people think of trust in a somewhat binary state. The military, for example. One of the hallmarks here in the U.S. with the military is the fact that men and women are trained in a way that everyone around them becomes, essentially, a brother or a sister to them and that they put that relationship ahead of themselves. And it becomes quite binary if you think about it, right? It isn't a degree of trust. It's that I will trust that you'll have my back, and you can trust that I have your back. Move away from that. Give us your thinking around this notion of either you trust or you don't trust. Are there degrees of trust? Are there layers? And do we all trust the same way?

JEFF HANCOCK Yeah. It's a central question to the people that study trust. There's many, many not only definitions, but kinds of trust. In the military, they also have things like trust but verify. Banks have know your customer. For people, we even have these one-off interactions, so if I let you stay at my house via Airbnb, that'll just be, perhaps, a one-off. And then we have relational trust where we develop it over time. And we have identity-based trust, which is, I'm going to vote for a Democrat or a Republican because that's my tribe. And it doesn't matter who it is or what they're saying. I'm going to do that. So there's many different kinds of trust. And for a trusting relationship, the closest one is that sort of relational trust, which is, over time, we demonstrate to each other that we do have each other's back. And it comes down to what a sociologist from Germany, Niklas Luhmann, had to say, which is, "Trust is a confidence in one's expectations." And I like that because I think it actually applies to all those different kinds of trusts we talked about. But if you're in an advisor type relationship, you want your client to have trust, which is confidence in their expectations about you and what you're going to do with your relationship.

BILL COPPEL As Jeff said, if you're in an advisor type relationship, you want your client to have trust, which is confidence in their expectations about you and what you're going to do with the relationship, which leads to my final reflection from season one. Clearly, human connections matter. And instrumental to those human connections is strengthening our empathy muscle and building trust. And building trust in a world I refer to as the post-truth era. Post-truth was Oxford Dictionary's 2016 word of the year. But we also learned that the relationship has to go beyond the numbers, beyond the balance sheet. It's time to shift the primary role of financial advice from managing money to curating client well-being, that optimal alignment of one's life span with their health span and their wealth span. What this really boils down to is understanding what really matters to people. And to do this, I turned to someone who really gets that. Actually, a professional from the financial services business, Seth Streeter. Seth is cofounder and CEO of Mission Wealth, a leading wealth management firm serving the Western U.S. With more than 25 years of experience in the financial services industry, Seth is a thought leader in the area of conscious financial planning. He helps people reframe their perspective of wealth beyond just the financial aspect to enjoy a more balanced, impactful, and fulfilling life. Here's part of our conversation that I believe represents what success can look like in the 21st century for advice.

BILL COPPEL So it sounds like you have really begun to examine this notion of purpose. A purpose at probably a much deeper level than most of us have thought about. Obviously, when you hit this period in your life, as you described, where you went through a difficult divorce, you experienced health issues, you were still young, you had young children, that had a profound impact, it sounds like. How has that influenced your thinking as it relates to shaping Mission Wealth in a way that begins or helps clients begin to, perhaps, redefine the value of wealth or what wealth actually is?

SETH STREETER Sure. Well, it's really impacted us in a lot of ways. First of all, just the definition of wealth we redefined into 10 categories instead of just 1. So rather than just looking at wealth from a financial standpoint, which is important, we also help our clients take a look at their sense of well-being, their social connectivity, how much they feel like they're intellectually stimulated and growing, how aligned they feel with their careers, and if they feel like they're being appreciated, what they bring to their careers, how much impact they're having in the community or the world at large, the quality of their physical health, how much fun they have

in their daily life. So all these other factors really are what together helps someone be truly holistically wealthy beyond just, "Do I have enough money to cover my financial goals?"

BILL COPPEL Seth, I'm familiar with the story you tell about the attorney, and I think it's worth repeating to our listeners because I found it quite interesting. One of the things that-- my takeaway was that we often, as advisors, assume our clients actually enjoy what they do. Why would anyone do something for 30 or 40 years and not enjoy it? And the reality of it is-- and this is what I took away from the story about this attorney was the fact that he seemed to be more in a race to get away from it than to enjoy it or to get deeper involved in it. And it was a means to an end, but he struggled, as you tell the story, to discover the end. It seems to me that one of the things you help people discover is what's really important, what that end should be.

SETH STREETER Yes. I hope so. I mean, that's what I feel I'm here to do, is to help people kind of wake up. And this is not a rehearsal, this life of ours. And a lot of the clients that we meet have been so dutiful in their support for their families and their careers. And it just kind of turns from maybe what first was, "Hey, I got a new job," or, "Hey, we had a couple kids," or, "Hey, we got a mortgage," to, all of a sudden, it becomes, "I don't have any optionality. I have to keep grinding out to get through, to pay the mortgage, to raise the kids, to do what I have to do." And weeks turn to months turn to years where, all of a sudden, they're 55 years old, and they're not necessarily where they want to be. And so if you can help them tap into the possibilities of where they might be, where they might want to be and almost rekindle some of that childlike sense of wonder, it's amazing what happens. I mean, I just had this retreat where I had 29 CEOs from around the world come together for a three-and-a-half-day workshop, and they all showed up kind of with their titles and, "This is where I'm from, and this is the type of business I have, and these are the degrees I have." This is what society has taught us is how we define ourselves. And at the end of the three and a half days, people were talking about huge dreams and possibilities that had been deferred that they now are igniting. They were supporting each other. People were hugging. They were being open. I mean, we all have these treasures inside of us that are just waiting to be released. And so if we can do that ourselves, if we can invite others to do that, and we can create a safe space to empower more of it, then it's a win-win across the board.

BILL COPPEL There's one more conversation I want to reflect on and ask you to consider listening to it once again. That's episode 32 with Hal Gregersen. Hal is the executive director of the MIT Leadership Center and a senior lecturer in leadership and innovation at the MIT Sloan School of Management. I really like this conversation with Hal because he made it very clear that the road to success is really based not so much on the answers you think you have but rather on the quality of the questions you ask. Consider going back and listening to episode 32 again because I think it'll help raise the volume, if you will, on the importance of question in our path to discover what really matters with clients. That brings us to the end of this episode and our first season. Again, from all of us at The Next Frontier, thank you for listening, subscribing, rating, and most important, joining the conversation. We are excited to bring you season two, and our commitment is to share with you our conversations with many of the best thinkers and thought leaders as a way to help you and your clients live with the utmost confidence. Until next time, be well.

Outro If you like this content, share it or like us. If you want to join the conversation or connect with us, please visit us at www.firstclearing.com. This content is provided for general informational purposes only. The views expressed by non-affiliated guest speakers are their own and do not necessarily reflect the opinion of First Clearing or its affiliates. First Clearing and its affiliates do not endorse any guest speakers or their companies and therefore give no assurances as to the quality of their products and services. This channel is not monitored by First Clearing. For more information on our podcast, visit firstclearing.com. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo and Company. Copyright 2019 Wells Fargo Clearing Services, LLC. All rights reserved. First Clearing provides correspondent services to broker-dealers and does not provide services to the general public.

CAR-0421-00366