

# ***INSIDE INFORMATION***

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## **Appreciative Consulting**

*Synopsis: Ed Jacobson is both a consultant and an innovative force in the financial planning profession, introducing the concept of appreciative financial planning, and currently facilitating group discussions about key issues through his Open Mic program.*

*Takeaways: Positive framing and asking questions about past successes helps clients realize that they have the resources to overcome their money dysfunctions and achieve goals that might at first seem beyond their reach.*

Ed Jacobson is a hard person to pigeonhole. His resume includes his employment as a college professor, as the director of a community mental health agency and, later, as a high-profile corporate consultant. He has an MBA from Wharton, a degree in clinical psychology, and was one of the earliest people to go through the Seven Stages of Money Maturity workshop program through the Kinder Institute. Some of you know him either from his conference presentations on appreciative financial planning or, more recently, through his "Open Mic" service, where you can call in and talk with Jacobson and advisor peers about current issues.

You may also have read Jacobson's "Appreciative Moments" book, a guide to living every moment of your life appreciatively--which is one of very few publications I have ever seen with a full five-star rating on Amazon.

Jacobson's day job is coaching and consulting for financial planning practices, which is informed by the work he did for very large corporations during a stint with Peat Marwick. "After getting my MBA, I spent eleven years doing big-ticket consulting work for Peat, and headed up their Change Management team," he says. After spending a three and a half month sabbatical at a spiritual retreat in France, and then going through the Seven

Stages program, he worked as a business consultant for one of his classmates, Cicily Maton and Aequus Wealth Management in Chicago.

At about the same time, he became interested in how financial planners could use a concept called "appreciative inquiry," which had been developed by Dr. David Cooperrider, now a professor at Case Western Reserve University in Cleveland. "The traditional consulting model is a lot like the medical model, with all of its flaws," Jacobson explains. "The consultant comes in, does an assessment, diagnoses the problem, tells you what the solution is, and then administers it. What that does," he adds, "is foster dependency and resistance."

Appreciative inquiry seemed to offer possibilities that Jacobson hadn't considered during his corporate consulting days. "Dr. Cooperrider discovered that you can start with a whole different set of premises," he says: "the idea that we all have the strength, and the past successes, and capacity and aspirations with us to resolve problems and be creative and self-directing. The consultant becomes a guide to that process, not an expert on your organization or the solution." In one remarkable example, Avon's Mexican division had a reputation for entrenched sexual harassment and a lack of promotional opportunities for women managers. Two consultants with appreciative inquiry training came in and trained 30 employees to tell stories, not of times when they had witnessed sexual harassment, but of exemplary male/female working relationships that they had either witnessed or participated in within the company.

"Those 30 people came back with 30 stories," says Jacobson. "Then the consultants trained them to each train ten others, and they created a pyramid. Within six months, two women managers were appointed to the executive committee, and within two years, Avon Mexico won the Catalyst Award for the best workplace in Mexico for women." The consultants, meanwhile, never found it necessary to write a report or offer further recommendations.

Jacobson's adaptation of AI is called appreciative financial planning. The process addresses multiple goals at once. Instead of asking clients why they can't seem to save any money, you instead ask them to tell a story of how they once were able to do a great job of saving. This helps people see themselves in a positive light as they change behavior. "This is giving people what I call evidence-based confidence," says Jacobson. "This is not the little engine that could. It's a realization that I can do this, because I already have. I did it once; that means I can do it again."

Of course, if you can help clients focus their energy on their strengths rather than their failures, you will inevitably get better participation in the planning process, and build stronger client relationships more quickly.

"Asking about a time when you were in synch or successful is going to have a much higher return on conversation investment than to ask about a time when you were at loggerheads or failing," says Jacobson. "Cooperrider calls it the 'heliotropic principle.' Like plants moving to the sunlight, people move toward their strengths, and tend to use them more."

And, in many cases, the people sitting in front of you really don't have that rock bottom faith in their ability to achieve the things they've always wanted to do. "Just like the classic organizational development process, the CFP Board of Standards process is very expert-driven," says Jacobson. "Planners don't get trained in interpersonal skills, so the appreciative approach can open up new vistas. It helps the planner appreciate the client, to really see deeply into them, and really become enthusiastic. And it helps the client open up their own gifts and daring."

Suddenly, Jacobson says, the planning process shifts away from being top-down, toward becoming more participatory. "The planner is actively engaged in helping the client explore and unleash their own strengths," he adds. "The question becomes; how can we marshal their strengths, their resources, their successful experiences, including their financial resources?"

Like life planning, the AFP process works in consulting--where Jacobson is helping advisors explore their strengths as they pursue their goals--and also as a process that advisors can be trained to use with clients. In both cases, and maybe in life itself, the fundamental key is overcoming the obstacles (or negative beliefs) that we carry around with us. One of the AFP lines of questioning that Jacobson likes to pose is: "Tell me a story of a time when you feel off the wagon, as it were, or got derailed, and you picked yourself up again. How did you do it? What insights did you get? Who helped? What skills did you use? Now what could go wrong here, in this situation you're currently in? How could you get stalled? What could go wrong for you? In some ways," Jacobson adds, "appreciative inquiry seeks to make the obstacles irrelevant."

Jacobson recommends that advisors envision ideal engagements with their clients, and so of course I asked him about HIS ideal engagement with a planning consulting client. "I like to work with four or five blue-ribbon firms at once, focused on helping them become strength-based, building up their capacities and resilience and ability to use appreciative processes to unleash the strength of all the staff people and partners, so they're all working with their clients the same way, on the basis of their clients' strength and dreams."

This process starts with the AI process, creating a vision of what the firm (or its founders) would like to see happen in growth, revenues, client services or any other area. "What is a day in the life of the firm if these

things have been achieved by, say, 2013?" says Jacobson. "What are clients saying about you when they get together with friends? What is it like each day to work in the firm?"

The staff, of course, participate in this "discover" and "visioning" part of the process. From there, Jacobson wears his business consulting hat and talks through the things that need to happen to get these various things achieved. Here, he might bring in a technology consultant--and, interestingly, he will have the various firms he is consulting with share their experiences and solutions.

Meanwhile, Open Mic is attracting more participants for its twice a month sessions, and Jacobson has gotten in the habit of writing a detailed summary of what was said and sending it out to the participants. "We've probably had a little over 150 people who have attended at least once since we started in January," says Jacobson. Advisors are now asking him to create a separate service that would allow their clients unlimited access to an Open Mic format that he would host, with a set fee based on the number of clients they have.

In addition, Jacobson is hosting once-a-month calls on positivity, appreciation and abundance, each lasting an hour and a half. "Our current group has eight people in it," says Jacobson, "and I have people work in pairs to do between-session work. So far, we've seen actual magic through the group process, where people come to deep and unpredictable insights." Currently, there are four groups going, and Jacobson reports that some of the participants have said that the experience was life changing. In one case, an advisor moved into her dream home. Another sold his business and opened back up as a life coach.

My guess is that appreciative financial planning, and the AI process, are going to become part of the standard life planning toolkit. Meanwhile, Jacobson is offering to planning firms some of the same services that planners could be ideally offering their clients--both using and teaching the appreciative financial planning process in the same engagement. You could hire one of the big corporate consulting firms to look at your business, but Jacobson thinks he has a better mousetrap today than when he was trying to get large organizations to consider changing for the better. If his ideal engagement sounds like your ideal consulting relationship, here's how to find him: <http://www.edwardjacobson.com>