



*We are proud to bring an important  
new program to our clients!*

# Lennick Aberman *group*



## BEHAVIORAL ADVICE SERVICES<sup>SM</sup> Improving the Financial Decision-Making Process

*In association with:*



**TWO-DAY WORKSHOP PROGRAM**  
*brought to you through the Cannon Financial / Lennick Aberman Group Alliance*

# BEHAVIORAL ADVICE<sup>SM</sup>

Improving the Financial Decision-Making Process



## WHAT IS BEHAVIORAL ADVICE ?

Behavioral finance/advice has existed for several years, working in conjunction with the field of traditional finance.

In brief, financial advice is based primarily on Nobel Prize-winning, modern portfolio theory. All learnings related to asset allocation, efficient frontier and modern portfolios remain important. However, all are based on the premise that investors and consumers make rational decisions without bias and essentially will trade-off decisions based on risk and reward potential.

Behavioral advice involves the integration of traditional finance, psychology and neuroscience. While conventional theory predicts that people behave rationally, research has proven that people frequently behave irrationally. Irrational behaviors are often stimulated by extreme emotions, either positive or negative.

With a focus on behavioral advice, LAG helps financial advisors understand that people often behave in an irrational, biased-manner.

More specifically, LAG points out that people are more averse to loss than originally thought, and that loss tolerance is dynamic, not static. As a result, more time should be spent focusing on loss tolerance than risk tolerance.

LAG enhances the effectiveness of financial planning advice by more explicitly adding the concepts of behavioral advice. LAG trains, develops and improves the moral and emotional competencies necessary to help advisors and clients make better decisions throughout the financial planning process.

Behavioral advice does not replace financial planning. It simply increases the effective usage of the financial plan by improving decision-making behavior.

Through this training series (including competency assessments, interactive training tools and coaching support), LAG will deliver Behavioral Advice Services to you, so you can deliver outstanding service to your clients.

*LAG is a leading authority in the field of Behavioral Advice with a client list that includes: Ameriprise Financial, Charles Schwab, ING, M&I Bank, Thrivent Financial, the FPA and more.*

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## TRAINING QUALIFIES FOR CE CREDITS !

All those attending the Behavioral Advice training offered by the Lennick Aberman Group will receive Continuing Education credits from:

- The CFP Board for Certified Financial Planners - 14 total credits (seven per day)
- The CWS<sup>®</sup> Board for Certified Wealth Strategist<sup>®</sup> - 14 total credits (must complete both days)



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## MEASURABLE BUSINESS IMPACT

Data from 2009 for advisors who completed the Lennick Aberman Group's Behavioral Advice training in 2008 (compared to a demographically similar group who did not participate) showed measurable increases in the following areas:

- Assets Under Management
- Client Acquisition
- High Value Client Acquisition
- Financial Planning Fees
- Strength of Financial Planning Relationship with Clients
- At the same time, Client Attrition decreased significantly for participants.

*Note: All of the measurements took place during what has been referred to as the "greatest economically challenging time since the great depression".*

## TRAINING BENEFITS FOR ADVISORS

Workshop participants have consistently cited the following benefits to their financial planning practice:

- Shifts the value proposition to your role as an advisor, rather than as a money manager
- Establishes a values-based approach to financial-decision making
- Helps you and your clients better understand emotionally-charged reactions to market events... and puts the focus on rational decision-making
- Offers a value-add and point of differentiation when compared to other advisors
- Delivers superior portfolio performance\*

*\*Research Note: Ameriprise research study over four-period from 2001-04 showed that advisors who demonstrated high levels of moral and emotional competencies delivered an average return on investment of 24.7% during the four-year period, nearly doubling the S&P 500's performance of 14.3% during the same period.*

*Source: White Paper - Ameriprise Research Study*



## TRAINING COMPONENTS

The Behavioral Advice Services Program consists of the following components.

### Assessments

- Perceived Stress Scale
- 4 R's of Competency Development
- BASA (Behavioral Advice Self-Assessment)

### Interactive Exercises

- Values Cards Exercise (Identify what is most important to you & your clients)
- Freeze Exercise (Identify thoughts, feelings & actions)
- The 4 R's Technique (Improve advisor & client response to situations)
- Client Interaction - Situational Examples & Solutions
- Client Interaction - Sample Scripts for Introducing Behavioral Advice
- Behavioral Advice Survey & Quiz
- Advisor Exchange of Best Practices
- Top 10 Questions to Ask a Financial Advisor Candidate
- Personal Trackers & Action Templates (Competency development)

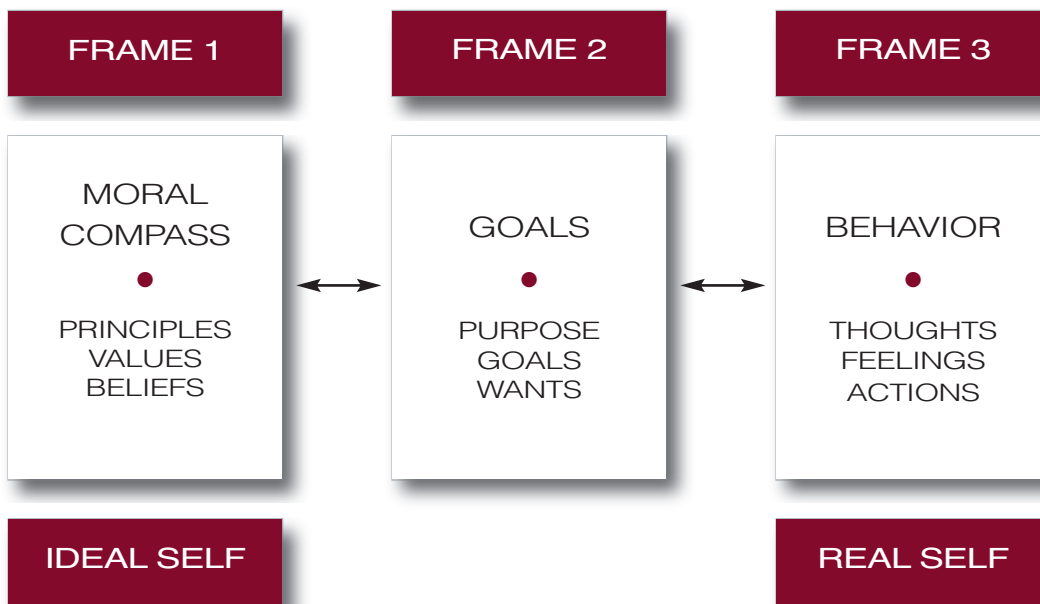
### Tools & Support

- Customized Workbook
- The Alignment Model (See diagram to follow)
- The Experiential Triangle (See diagram to follow)
- Values Card Deck (Values Exercise)
- E-Motions Card (Freeze Exercise)
- The Alignment Model Audio Series (15 clips)
- The Behavioral Advice Audio Series (15 clips)
- Research studies, white papers and supporting articles



## THE ALIGNMENT MODEL

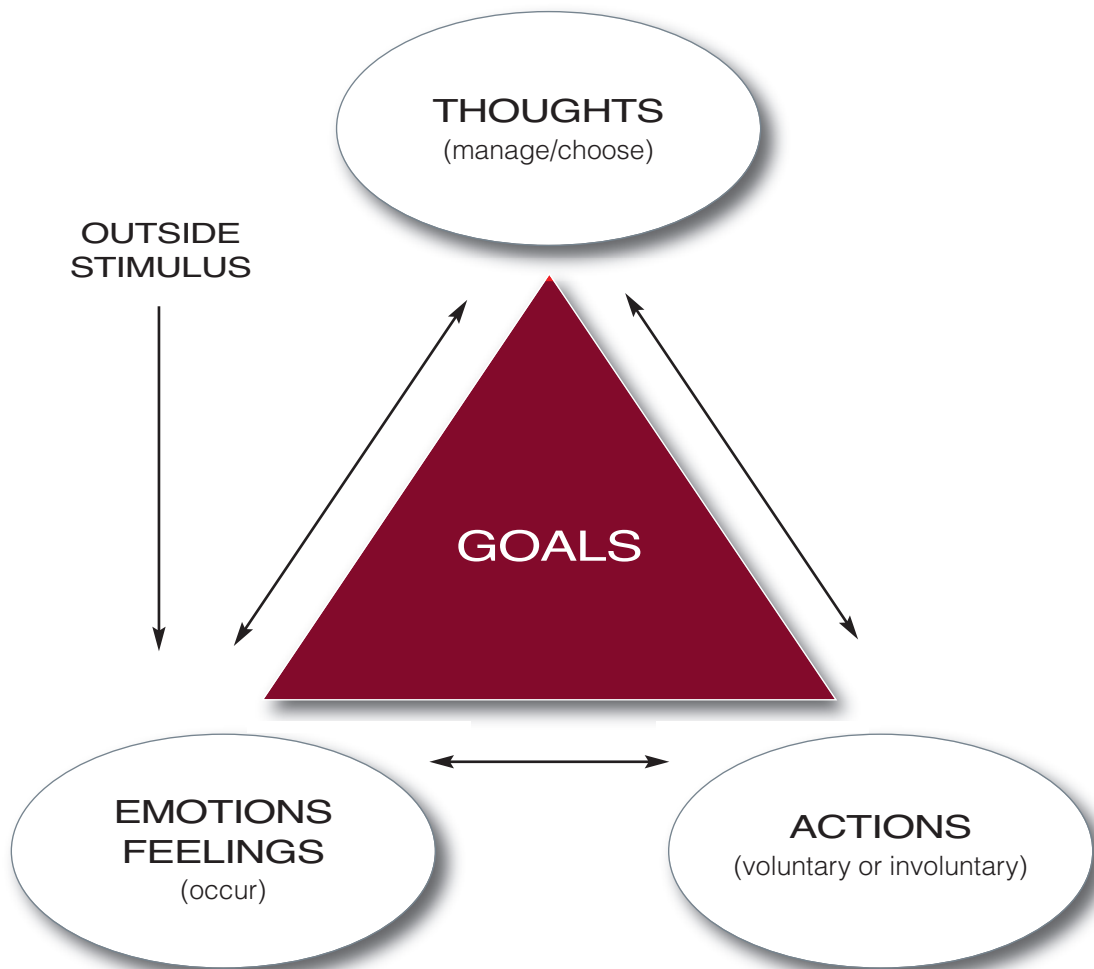
Behavioral management, and the advice that goes with it, is about aligning the real with the ideal and achieving goals along the way.





## THE EXPERIENTIAL TRIANGLE

Living in alignment and achieving your goals is about aligning your thoughts, feelings and actions.



These are components of Self-Awareness.

Source: Joe LeDoux, NYU

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## TRAINING MODULE #1

### FOCUS: BEHAVIORAL ADVICE & YOU

#### Behavioral Advice Conceptual Overview

- Definition and Components
- Introduction to Neuroscience and How It Applies
- Outcome: Understanding Benefits for Advisors & Clients

#### Moral Intelligence & Moral Competence

- Definition and Components
- Outcome: Applying Integrity, Responsibility, Compassion, & Forgiveness to Your Practice

#### Emotional Intelligence & Emotional Competence

- Definition and Components
- Outcome: Understanding How Emotions Impact Decisions

#### The Alignment Model Overview

- Frame 1 - Ideal Self, Frame 2 - Goals, Frame 3 - Real Self
- Outcome: Defining What is Most Important to Advisors & Clients, Aligning Values with Goals/Wants and Actions

#### Psychological Phenomena that Lead to Decision-Making Mistakes

- Biases, Heuristics, Framing Effects
- Outcome: Understanding How Biases Affect Decisions

#### The 4 R's of Competency Development

- Recognize, Reflect, Reframe, Respond
- Outcome: Implementing the 4 R's into Your Practice



**TRAINING MODULE #2**  
**FOCUS: BEHAVIORAL ADVICE & YOUR CLIENTS**

**The 4 R's of Competency Development Review**

- Applying the 4 R's to Examples from Your Own Practice
- Outcome: Recognizing Opportunities to Practice the 4 R's

**Script #1 - Setting the Behavioral Advice Stage with Your Clients**

- Overview of Script, Key Components and Delivery
- Outcome: Communicating the Importance of Behavioral Advice

**Script #2 - Preparing Your Clients for the Certainty of Uncertainty**

- Overview of Script, Key Components and Delivery
- Outcome: Being Proactive with Clients about Uncertainty

**Script #3 - Introducing the Alignment Model to Your Clients**

- Overview of Script, Key Components and Delivery
- Outcome: Understanding the Importance of the Ideal & Real Self

**Script #4 - Introducing the Values Exercise to Your Clients**

- Overview of Script, Key Components and Delivery
- Outcome: Helping Clients Identify What is Important to Them

**Script #5 - Introducing the 4 R's to Your Clients**

- Overview of Script, Key Components and Delivery
- Outcome: Understanding How the 4 R's Improve Decisions

**Script #6 - Exercising the 4 R's with Your Clients**

- Overview of Script, Key Components and Delivery
- Outcome: Implementing the 4 R's to Improve Decisions



## TRAINING MODULE #3

### FOCUS: USING THE DIFFERENTIATING COMPETENCIES WITH CLIENTS

#### Behavioral Advice Self-Assessment

- Competency Assessment & Self-Scoring
- Outcome: Completing Action Templates to Improve Specific Competencies

#### Top Competencies that Predict Superior Portfolio Performance

- Review of Ameriprise Research Study - Morally Competent Financial Advisors Deliver Superior Portfolio Performance
- Outcome: Understanding What Competencies Matter Most

#### Competency Review: Integrity, Client Service Orientation, Concern for Order & Quality, Teamwork, Self-Confidence, Achievement Orientation

- Definition, Components and Demonstration Levels
- Outcome: Understanding How Each Competency Enhances Advisor Performance

#### Implementation of Competencies

- Small Group Discussion to Share Examples from Own Practice
- Outcome: Understanding How Competencies Look in Action, Learning more about Client Experiences from Other Advisors



## **TWO-DAY WORKSHOP**

### **KEY EXERCISES & OUTCOMES**

#### **Pre-Work - Three Weeks Prior to Workshop**

Exercise 1: Behavioral Advice Pre-Workshop Quiz

Outcome: Assessing current level of knowledge surrounding Behavioral Advice concepts

Exercise 2: Perceived Stress Assessment

Outcome: Understanding how stress and anxiety impacts decision-making

Exercise 3: Emotional Intelligence Definition & Components

Outcome: Understanding current level of proficiency and identifying areas for improvement

Exercise 4: Moral Intelligence Definition & Components

Outcome: Understanding current level of proficiency and identifying areas for improvement

Exercise 5: Neuroscience of Leadership article

Outcome: Gaining a brief understanding of the impact of Neuroscience and related fields on leadership

Exercise 6: White Paper - Ameriprise Study - Morally Competent Advisors Deliver Superior Performance

Outcome: Understanding what Moral & Emotional Competencies impact Client Portfolio Performance

#### **Workshop**

Exercise 1: Answers to Behavioral Advice Pre-Workshop Quiz

Outcome: Understanding Behavioral Advice concepts and the supporting data

Exercise 2: The Values Exercise

Outcome: Understanding Frame 1 of the Alignment Model and identifying your Ideal Self

Exercise 3: The Freeze Exercise

Outcome: Understanding Frame 3 of the Alignment Model, Self-Awareness and your Real Self

Exercise 4: Practicing the 4 R's of Competency Development Worksheets

Outcome: Implementing the 4 R's into your own practice to improve Decision-Making

Exercise 5: Behavioral Advice Scripts

Outcome: Learning how to introduce the concepts of Behavioral Advice to your clients

Exercise 6: The 4 R's of Competency Development Quiz

Outcome: Assessing level of comprehension of Behavioral Advice concepts

Exercise 7: Behavioral Advice Self-Assessment & Scoring

Outcome: Creating an action plan to improve specific competencies

#### **Post-Work and Ongoing**

Exercise: Lennick Aberman Group Audio Series (3-5 minute audio clips)

Outcome: Reinforcing Behavioral Advice concepts.



## TESTIMONIALS

Doug, Jim and Chuck,

I wanted to follow-up with you regarding the training that I received during the summer of 2009. Your work/training/course of study has helped transform our practice/lives. I am more confident in the direction of our practice than I have been in years.

A couple of years ago, I knew that I needed to transform our practice. When I wrote my business plan at the end of 2008, I put the following goals:

- Have a positive impact on people through financial planning
- Have life transforming conversations
- Be sought after
- Deliver solid advice and charge accordingly

There are three specific experiences that helped shape the last couple years and my encounter with LAG was one of them.

You have helped transform our practice. Clients are referring us (30 new clients last year without asking for one referral and hosting zero marketing events). In 2008, I purchased a practice that was double the size of my current practice... then the market tanked. I can count on two hands the number of clients lost in the last two years.

Thank you for the work you are doing. I tell advisors that I meet that attending your training is a must.

Keep up the great work!

Your fan,

Todd Larson  
Senior Financial Advisor, CFP®, CRPC®, CFS  
Ameriprise Financial Services, Inc.



## TESTIMONIALS

With over 28 years in the business, I've attended many professional development opportunities. Doug Lennick's Behavioral Advisor Workshop was the best investment I've made. He gave me the tools to better manage client emotions, beginning with my own.

Client appointments are more productive and positive. They are taking a longer view and making reasoned, more values-based decisions. I feel my relationship with clients, while always good, are getting stronger.

If you are a conceptual thinker, I highly recommend the Lennick Aberman Group's Behavioral Advice Workshop Series.

Michael E. Smith  
Senior Financial Advisor, CFP®, MSFS  
Ameriprise Financial Services, Inc.

We can no longer differentiate ourselves with tools, products or expertise in the traditional areas of finance, but we can differentiate ourselves by becoming better coaches and trainers of our clients.

From our early experiences, we are getting outstanding feedback from the consumer. Whether it's from client advisory board meetings, or simply on-the-ground, in-the-trenches conversations that we are having with clients, they feel that Behavioral Advice is leading-edge material.

In addition, we have seen several situations where clients are giving specific feedback to our advisors that the reason they chose to work with that particular advisor was because of the differentiators that they observed in the area of behavioral finance.

Jeff A. Marshall  
Senior Financial Advisor, ChFC®  
Ameriprise Financial Services, Inc.



## ABOUT THE CANNON FINANCIAL / CWS / LAG ALLIANCE

The Certified Wealth Strategist® designation is proud to provide “Best in Class” services and partners in our alliance offering.

“We are especially pleased to create an alliance with the Lennick Aberman Group. Their insight and cutting-edge work in Behavioral Finance is a perfect match for the CWS® “application approach” to the knowledge, skills and activities required by today’s successful advisor serving the affluent and high-net-worth client.”

– J. Phil Buchanan, CWS® Board of Standards, President & CEO, Cannon Financial Institute

## ABOUT US...

Among the eight partners at the Lennick Aberman Group, we have over 200 years of top level executive experience. We’ve learned first-hand that Moral Competence, in alignment with goals and actions, results in intelligent, effective leadership, creative solutions, loyal employees and clients, and a consistently robust bottom line.

Before creating the Lennick Aberman Group, the company’s founders and partners were shaking up the corporate, financial and sports industries. We were writing books, turning around corporations, coaching athletes and teams to excellence, and establishing new standards of moral and ethical best business practices.

We were psychologists, CEOs, on Boards of Directors and human resources executives, drawn together by a passion to create solutions, build strong leaders and share our own hands-on experience in making the ethical high road the right road for successful enterprises.

Essentially, the Lennick Aberman Group is a performance enhancement consulting and products firm with an emphasis on individual, organizational & leadership performance. Based in Minneapolis with partners across the country, we focus on helping individuals achieve sustained optimal performance.

Our services include: webinars, workshops, assessments, individual and team training, one-on-one coaching, keynote speaking and more. Our coaching technique is designed to help individuals become better managers of self, so in turn, they can become better leaders for others. We have worked with clients in a wide variety of fields, including financial services, sports, education, manufacturing, technology, insurance, real estate and broadcast media.

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## THE CANNON FINANCIAL ALLIANCE

For more information, contact:  
Will Cochran  
Phone: 706-389-7634  
[wcochran@cannonfinancial.com](mailto:wcochran@cannonfinancial.com)