

# 10 Questions

WITH NOTEWORTHY PEOPLE

## Dan Sullivan on Tapping Your Entrepreneurial Strengths

by Tom Nawrocki



**WHO:** Dan Sullivan

**WHAT:** Founder and president of The Strategic Coach Inc.

**WHAT'S ON HIS MIND:** "We make up our mind about other people based on their habits. If you think of people you really trust, it's basically because of certain fundamental habits, such as showing up on time, doing what they say, finishing what they start, and being grateful and appreciative."



**PODCAST:** Check out our podcast with Dan at [www.FPAnet.org/Journal/Home/PodcastPage](http://www.FPAnet.org/Journal/Home/PodcastPage).

**D**an Sullivan takes 150 days off every year, with no access to his office or computer or even his cell phone. And he says it's the best thing that's ever happened to his business. The Toronto-based founder and president of the Strategic Coach program, Sullivan specializes in revolutionary ideas designed to help entrepreneurs strengthen their businesses and improve their personal lives, all at the same time.

Four times a year, Sullivan's team gathers small-business owners from around the world to reinforce what they see as the keys to their success. A central focus of Sullivan's program is financial planners—helping them rethink and innovate their position as small-business owners so they can double their income, take 150 days off a year, and dramatically improve their quality of life. The *Journal* asked Sullivan to share some of the secrets he's learned in more than 20 years of coaching; specific advice that financial advisers can start using today.

**1.** *You've said that the heart of entrepreneurship is innovation. How can financial planners find ways to innovate?*

It's not within the product category or the technical quality that you really innovate in financial services. It's in

terms of the relationship between the financial adviser and the client, in terms of what the clients are trying to achieve in life. Once you get advisers to stop thinking of themselves as product salespeople and start thinking of themselves as being problem solvers for their clients, then there is an ever-increasing number of ways to get their clients to be clearer about their future.

The best financial advisers are the node in a network of lawyers, accountants, and various other financial specialists. Life is very complex these days, and people have all kinds of complexity problems. The way the best financial advisers can break out of a regulatory straitjacket is by transitioning to a role where they become a key life planner for their clients. They're the one person who knows everything; they're much more knowledgeable about their clients' lives, past and present, than any other specialist. They know more than lawyers, they know more than accountants, they even know more than clergy.

**2.** *What is the most common thing you consistently see advisers getting wrong in running their businesses?*

To see themselves as sellers of products. All products are being commoditized, in

that the fees and commissions they can make on the products are steadily going down. They're less productive and less profitable if they are simply depending on products. What advisers get consistently wrong is seeing their business based on products.

**3.** *Your book Unique Ability: Creating the Life You Want explains that each of us has personal talents, passions, and skills, but many of us have not taken the time to identify them. How can advisers clarify their unique ability and use it to shape their life's work?*

It's a simple exercise. Draw a picture of two interlocking circles, with an overlap in the middle, representing the two areas that identify your unique ability. In the left-hand circle, write down every ability that you always feel confident in, things that you would be excited about being held accountable for. It's never just one thing; it's usually two or three. For example, we have one of the largest coaching companies in the world, but I have almost nothing to do with running that company. There are only three activities I always feel excited and confident about being held accountable for: creating new concepts for the program, coaching, and marketing. Those three go into my circle, and there wouldn't be another single activity in my life that would make its way in there.

The right-hand side is: who do you want to be a hero to? There are people who make a lot of money, but they don't want to be a hero to the people who are actually writing them the checks for what they're doing. They do it for the money, but they don't have any particular passion for it. If you want a prescription for unhappiness in life, just make a lot of money doing it for people that you don't particularly like. So make sure that people in that right-hand circle are people that you want to be a hero to, and can also write large checks.

Once people lock into this, it's almost like you're set for life, because these things don't change. What you are like at 25 is what you're going to be like at 65.

**4.** *A big part of your program Strategic Coach involves encouraging people to spend more days completely away from the office. How do you convince advisers to do absolutely no work on their "free days"?*

Some of them will never do it. They can be in one of our seminars, surrounded by five other people who are doing it and succeeding, and they will still feel it's so big a risk that they would never do it.

It goes back to the hardwiring that a financial adviser receives at the beginning of his or her career, that they've just got to make sales and they feel they have to be on duty all the time. There-

fore, when they look at the 365 days in the calendar, that's not really their time; it's the world's time, and the world can call on them on any of those 365 days to make a sale. It could be any day, so they have to have the cell phone on and be reachable on any given day. But if you actually looked at any financial adviser's year and said, what were the days when it was absolutely crucial for you to be on duty?, they would find it was maybe 100 days out of the 365. And there were 265 days that if they had had their phone shut off, it wouldn't have made any difference.

So realize that it's not crucial for you to be on duty every day. Then start committing that you're going to start taking a certain number of days off. It's just like when you start the financial advisory process with someone, and you establish what their savings are going to be; the savings always have to come

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off the top, because if they came off the bottom, there would never be anything left for savings. What operates in the financial world also operates in the time-management world. I would say to someone in their first year of doing this, “You have to have 50 days where you’re not in contact, and you’re not in any work-related activities.”

A lot of advisers say they work every single day of the year, so I’ll ask them how many days a year they think they could take off. And maybe they’ll say five. So I’ll say, “Let’s do one, and see how that works.” And even from that one day, there are such rewards—the clarity of thinking and that sense of relaxation that comes out of it—by the end of that first quarter, they say, “I’d like to have more of those.” There’s no cost to it, and there are enormous rewards.

**5.** *You recommend that entrepreneurs don’t have their own physical office. What do you suggest instead, and what are the benefits?*

Most financial advisers make their money being face to face with their clients and involving them with problem-solving discussions. I ask people at our Strategic Coach meetings, “Where can you do that?” What’s important here is the relationship and the discussions. What isn’t important is where it happens. And in many cases, not being in your actual work office is where you make the most money.

So then I ask, “How many of you when you walk into your office, your productivity goes down?” A lot of them raise their hands. Maybe 1 in 10 have their offices organized the way they would like to have them. What I suggest to them is that they go away for a day, and when they come back, everything from their office has been removed. You’ve got a round table, four new chairs, some art on the walls, maybe a sofa. But it’s no longer an office; it

doesn’t have that big box with paper on top of it, or bookshelves with industry-related stuff. That has nothing to do with productivity. You can have your meetings in that office, but at 5 o’clock every night, everything has to be out of that office. Most of the people who pull this off say that it’s worth a 25 percent productivity increase.

A lot of advisers go on business trips that might last a week. I say, “How’s your productivity when you’re on the road?” They say, “Fantastic.” Sure, because there’s no stuff around you, there’s no mess around you, so all you’re focused on is problem solving. All your communications back to your office are very succinct, because there’s only a limited amount of time for them. That shows you that your productivity is not geared to that office.

**6.** *You talk a lot about changing your habits. In your experience, what are the work habits planners most commonly need to change and how do they do it?*

I wouldn’t actually change any habits; I would establish new habits. The moment you try to change habits, they tend to hang on for dear life. So what I try to do is consciously create some new habits that crowd out the old habits.

We make up our mind about other people based on their habits. If you think of people you really trust, it’s basically because of certain fundamental habits, such as showing up on time, doing what they say, finishing what they start, and being grateful and appreciative. Those are the four habits that I start with.

I advise people to go for a week where regardless of what happens, you absolutely show up on time. This has a huge impact on how other people see you. If you’ve got a project in mind, and you’ve got a lot of energy for it, if I’m five minutes late, I’ve just taken away some of your energy. Right off

the bat, when people focus on being on time, they start noticing other habits: the reason they’re late is because they leave late, they don’t properly prepare, they’re trying to pack too much into a day—they schedule seven meetings and they’re a little bit late for all of them.

The other big one is doing what you say you’re going to do. If you commit to doing something, that should go right to the top of your priority list. I think there’s an enormous amount of wisdom in the idea to under-promise and over-deliver. If you tell someone, “I’ll have that to you on Friday,” you actually get it to them on Thursday. That has a huge impact. A lot of financial advisers over-promise and under-deliver. There’s a certain currency to your words. By not coming through the way you promised, you just undervalued your currency in the other person’s mind.

**7.** *How do you recommend advisers get a handle on compliance issues before they become overwhelming and potentially problematic?*

This is where you have to be willing to write a check. You have to get the best independent compliance lawyer. A lawyer who has dealt with these issues for 20 years would have a series of general steps that would keep you 95 percent safe in the way you communicate and document things, having checklists that would stand up to scrutiny.

You always want to err on the side of safety, and on the side of good citizenship. If you get a track record that you’re crossing the line a little too often, that can take months out of your year. They can send in the inspectors and make your life miserable. I tell people, never go near the line on this, because it just isn’t worth the bother.

**8.** *What do you mean by the phrase “creative destruction,” and how can advisers make use of it?*

An Austrian economist in the 1940s by the name of Joseph Schumpeter coined that term, saying that capitalism is a process of never-ending creative destruction. And at the heart of that creative destruction are entrepreneurs making new products and services that make old products and services obsolete. Financial advisers are living in a world where new things are being created, not just in terms of financial services but new ways of organizing, for example, putting five or six kinds of companies together in a way that's never been done before, or facilitating teamwork.

A lot of businesses are slow-moving because they're stuff-based, like the automobile companies. For an auto company to reinvent itself takes years. The more material stuff your business is based on, the lower the process of creative destruction. In a conceptual business, you can come up with a new idea at breakfast and have actuarial support for it by dinnertime. You can create very radical change that puts other people quickly at risk in terms of old messages that they're delivering.

**9.** *In your most recent book The Dan Sullivan Question you explain that entrepreneurs competing for business usually place importance on having the best answer, when in fact having the right question is more integral, particularly in getting to know your clients. What questions do you recommend planners have at the ready?*

Never, ever try to sell something in the first meeting; make the entire meeting totally about the client. I've developed a first-meeting question that identifies the client's future in this way: "If we were having this discussion three years from today, what has to happen in your life, both personally and professionally, to make you happy with your progress?" Unless you get the entire landscape of the client out, you really don't know

where any kind of financial solution is going to fit into this person's life. Go as broad as you can and say, "I'd like to get a feel for where you're heading as a person, because I don't know whether I'm the right person for you or if what I offer is right for you."

This is totally a good-citizenship approach, but it's got a subtle competitive advantage to it: people are so used to being sold to that if you approach the client with a totally open-ended question about them—not about you or your products or your track record—you've just differentiated yourself from 99 percent of your competitors. It's not about you at all, but strictly about them.

There are three things that we want to get clear: What do they see as a danger in their life that three years from now has to be eliminated from their life for them to feel happy? What are the opportunities they have now to move forward? And what strengths do they have right now, things that are already working, that they'd like to see maximized over the next three years? Then you have a conversation around that.

**10.** *Your company helps entrepreneurs around the United States, Canada, Australia, and the United Kingdom. Are there certain business issues more often found in one country than another, or are entrepreneurial pursuits and challenges universal?*

The form of entrepreneurship is fairly universal, and I think it's timeless. The problems and the opportunities for being an entrepreneur are fairly constant from one age to another. The means by which people do this change because of technology and because of the nature of the society that they live in.

But there is a big difference culturally in the way entrepreneurs are perceived in different countries. In the United States, entrepreneurs are cultural

heroes. If you look at the *Time* magazine person of the year, it's a 26-year-old who created Facebook. That wouldn't happen in any other country, that a young person without any real credentials would be considered a national hero. It's very deep in the American DNA that they find that person much more admirable than someone who has academic credentials or someone in a bureaucratic position.

Next down the line would be Canada, which is becoming more that way simply because of the influence of the United States. Then I would say Australia, because they're kind of rebellious to begin with, starting out as a colony. And the U.K. would be last. My U.K. entrepreneurs are lonely individuals. They have second-class status socially, and there's an active culture there that sees them as making way too much money, that they probably don't do it honestly, and that they're taking advantage of people.

Where entrepreneurs are seen as the central people who create the opportunities and create the new capabilities and resources that benefit everyone else—the United States is the only country in the world that has that.



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