

“Where is this business going?”

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“If we look into our lives, we will see clearly how many unimportant tasks, so called ‘responsibilities’, accumulate to fill them up.

We tell ourselves we want to work on the important things in life, but there never is any time”

- Sogyal Rinpoche (Tibetan Buddhist)

Motivation is goal-directed behaviour

As mentioned in the previous Chapter, Eli Goldratt, author of “The Goal”, highlighted the single greatest constraint to business growth was a lack of clarity around the goal of the business in the minds not only of its staff, but also by its leaders.

This and the next publication focuses on the importance of clarifying what you want to achieve from your time in work or business. This is a key step towards ensuring the time, effort and money you invest in your working and business life are harnessed and focused most effectively. This chapter will focus on personal goals which act as the motivation for setting goals for your business. The next chapter will examine how business goals and related strategies can be created and recorded.

Motivation stems from dissatisfaction with the probable consequences of allowing things to remain the same. In other words, people tend to commit to action if they perceive a better, ideally less “painful”, way to achieve what is important to them.

However, if the driver of action is based solely upon somebody else’s idea of what good looks like, commitment is likely to be brittle, short-lived and only strong enough to achieve the minimum standards required. Actions driven by predominantly external factors tend to achieve short term survival rather than longer term success, satisfaction and commensurate rewards.

Internal motivation is a longer lasting driver of change and development. It comes from wanting a sense of job satisfaction, a sense of achievement, pride in performance and a desire to achieve a particular professional and personal lifestyle through a chosen working environment.

In an ideal world, external and internal drivers are complementary. If we work for somebody else, we accept legitimate performance measurement in order to remain part of the business. Adoption of new regulation is easier, albeit distracting, when changes are implemented by a business with an established, clear and internally motivated sense of purpose and direction.

RDR – an example of an external driver of change

Key elements of RDR were known about for a number of years. Some individuals were ahead of the curve and influential in the design of RDR. Others saw it coming, engaged quickly and were ready a year or so in advance of the deadline.

However, a significant number were still learning about what needed to be done up to the last minute and passed the deadline without finalising their proposition and processes. The latter group will have felt their original internal motivation being swamped by the accumulating urgency of external drivers. Even after the RDR deadline had passed, owners of many of these firms probably felt they were catching up with regulation rather than leading their business forward and also probably felt the changes were more an imposition than a benefit.

A True Sense of Purpose

It is vital to have a goal or sense of purpose in order to drive oneself and a business forward. It helps to maintain perspective, enthusiasm and persistency during times when external factors buffet the business.

A sense of purpose is usually derived from having a clear picture of the:

- “desired state” a career or business needs to reach
- “current state” of the business today
- Strategies required to close the “gap”
- Tactics planned over the short term to implement the chosen strategies

Credibility Warning

The nature of an individual’s goals must be credible in the mind of that individual rather than meet criteria set by others. However, many people benefit from a little coaching and encouragement to stop and think about whether they are heading towards a desired outcome or drifting with vague intention.

Reality check

Some people may view the whole goal-setting concept with a degree of cynicism or fear setting themselves to potentially fail. However, the benefit of bringing at least some clarity to what someone either consciously wants to achieve even in general terms creates a greater sense of purpose than drifting unconsciously towards whatever end the “fates” have in store.

As Henry Ford said “Whether you think you can or you think you can’t - you are right”. In the short term, the easier route may well be to stay as you are, keep the peace and don’t rock the boat. In the long term, that may well lead to frustration and a realisation too late in the day that things could so easily have been much more rewarding.

If you struggle with or question the value of “goals” you could ask yourself whether you are entirely satisfied with how your business and work / life balance is going. If not, maybe some time spent on identifying where you would like to get to might lead to a review of the methods and means you utilise in getting there.

The more proactive you are the greater the chances you will find an improved business and work / life balance and the more reactive you are the greater the chances you will be in a business that controls you and a less well balanced life.

A Taste of Your Own Medicine

Many advisers take great care in helping clients identify, articulate and prioritise their personal lifestyle goals. They will then design and build a financial planning strategy to help clients harness their financial resources in order to increase the probability of achieving the lifestyle they desire. Clients are motivated to make a commitment to the plan because their internal motivation has been triggered. Many advisers and owners of advisory business often don’t make the time to swallow some of their own wisdom or medicine – so it becomes a question of “physician heal thyself”

Financially formulated goals

Some people are enthused by adopting a formula based on financial goals to be achieved by their business in order to deliver the lifestyle they want when they leave a business or choose to give up work on a gradual basis. Others are simply motivated by the job they do and what they do for their clients irrespective of what is financially in it for them and for others it’s just a living!

Trusting that good outcomes emerge from good businesses

For some, the concept of pinning their colours to a long term goal may not yet be one they feel will generate realistic medium term objectives. Typically, this may be the reaction of owners of businesses yet to establish a sustainable operating model.

For them, it is probably more meaningful to embrace the idea of establishing a sense of purpose in terms of wanting to run a modern, client-focused advisory business on an efficient and profitable basis.

Once they have stabilised and proven their business model and understand more about the market in which they compete most effectively, they can begin to consider the exit strategy or succession plan that will contribute to the financial resources required to fund the lifestyle they desire at the point in time they desire.

For these people too, this chapter provides a prompt to keep bearing in mind the need to consider how they want to feel when they look back on their professional existence as a precursor to what implications this will have for how they progress and shape their business over time.

A simple formula with significant impact

To illustrate how personal goals can be translated into pragmatic action, we can use a questioning track many advisers will have used with clients looking to construct a retirement plan:

- Today is the first day of your retirement - describe what you want to have and be able to do?
- How important is this to you & why?
- From when do you want to be in a position to have the choice / option to do this (recognising we may decide to carry on, but we don't have to)?
- So in today's money what income do you need to be in place and what additional capital needs to be available? (say £50,000 p.a. and £200,000 capital)
- What inflation rate do you feel prudent to assume? (say 4%)

| In 15 years' time that will equate to £90,000 p.a. income and £360,000 capital.

- If we assume a 5% return on capital the capital required to generate that income would be £1,800,000 plus the other capital means a total objective of £2,160,000.
- Where are these amounts of money going to come from?
- Pensions, ISA's, OEIC's, Bonds, State Benefits, Inheritances, Business Sale?
- What are the implications of any shortfall?
- What changes need to be made to ensure the goal is attained?

This is quite a simple means of establishing either a capital value required from the sale of a business or income required to fund a retirement goal / gap.



The motivation for changing behaviour and persisting through thick and thin comes from the clarity and conviction around the personal goal.

For the Pension Client the:

- Personal goal may be the lifestyle they want to have in retirement
- Business goal is the capital required to provide that lifestyle at that given date
- Business development goal is understanding how that is to be created – the vehicles for achieving it, maybe a Pension, down-sizing, ISA's etc.
- Personal Development goals are the compromises that may need to be made, giving up income / investing capital for that longer term purpose rather than today's satisfaction. It may involve taking more risk etc.

For the advisor and business owner, the:

- Personal goal may be to secure a lifestyle and option to exit the business at a certain time
- Business Goal is to ensure sale value in the future and certain income stream in the interim
- Business Development Goal may be to change strategy, proposition, pricing approach, grow or reduce staff, reduce or grow clients of a certain type, change systems & processes etc.
- Personal development need may be a new skill and / or knowledge that needs developing, a mind-set / perspective or attitude that needs changing.

Making it personal

A clear understanding of the personal goals you are looking to achieve up to and beyond retirement means you can focus more effectively on how to achieve them. For many, the concept of "personal goals" is not something considered very often or even at all. Therefore, it can help to follow a structured process which can prompt articulation of what we really do want to achieve through the way we choose to earn our living.

To this end, I have adapted a questioning approach my wife and I experienced from a client's perspective with financial planner Adam Young of Dragonfly. Adam applies part of George Kinder's approach outlined in the Seven Stages of Money Maturity. I have added one question from Steven Covey's 7 Habits of Highly Effective People.

This exercise is not about inventing goals that aren't really "you", expecting everyone to visualise themselves as Richard Branson or an Olympic Athlete. It simply provides a check on whether you are

living to work or working to live and whether there might be a few subtle “tweaks” that might redress the balance if it looks to be getting skewed in the wrong direction.

These questions are spread out over the next 4 pages. To engage with this process effectively, take 5-10 minutes thinking about your answers before moving onto the next question. Jot down all the thoughts that spring to your mind, you can go back and rationalise them later.

Question 1

I want you to imagine that you are financially secure, that you have enough money to take care of your needs, now and in the future. The question is ...

- how would you live your life?
- Would you change anything?

Let yourself go. Don't hold back on your dreams.

Describe a life that is complete, that is richly yours

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Question 2

This time you visit your doctor who tells you that you only have 5 – 10 years left to live. The good part is that you won't ever feel sick. The bad news is that you will have no notice of the moment of your death.

- What will you do in the time you have remaining?
- Will you change your life and how will you do it?

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Question 3

This time your doctor shocks you with the news that you have only one day left to live. Notice what feelings arise as you confront your very real mortality. Note down:

- The thoughts and feelings you experience
- What did you miss?
- Who did you not get to be?
- What did you not get to do?

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Question 4

Imagine you are walking up the pathway to a Church, smell the air, the flowers, listen to the sounds as you walk through the grounds up to the entrance door. The church is empty and quiet. Walk up the aisle to the front and as you near the altar you see an open coffin. As you approach it you look in, and come face to face with yourself. Yes shocking I know but imagine today is your funeral!

As you turn around you see people arriving at the Church and coming in through the entrance.

There are five people speaking at your funeral about your life:

- A member of your family
- Someone you have worked with
- A client
- Someone associated with a group outside of work, family – i.e. hobby, interest
- Another friend

What would you want them to say about you in their speech?

What if anything do you need to do differently to have this happen?

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Go back over your answers over the next few days and keep reflecting and building on your responses.

If you have a wife / husband / partner at home or partners / co-directors at work, encourage them to spend time considering these questions, but separately initially and then get together to discuss the answers.

If you invested a few minutes on these questions your focus and priorities may have changed as you went through the questions. The value is not only in the outcomes of the questions, but the journey of discovery and discussion that you have whilst pondering the questions.

When you feel you have fully explored these questions, go over your notes and begin to populate the **Personal Priority Matrix** on the next page. There are two ways you can use this:

The first is to document:

How you would like to **“Be”** – in other words your desired state?

What you would need to **“Have”** in order to achieve that desired state?

Things you might need to **“Do”** in order to acquire what you must have in order to be the way you want to be

Start by completing the first column on the left with the things you regard as highest priority and then move on to complete the other two columns.

Alternatively, you could simply see the Be, Have, Do labels as just an unconnected prompt for your imagination. For example, you might want to:

- “be” a ground breaker, a motivational leader, a highly respected adviser, an ever present father, a totally honest individual, 12 stone, relaxed and unstressed.
- “have” a Mercedes E Class, a house in the country, the freedom to work part time from 55, a dog, a gardener 1 day a week, enough money to provide a deposit on your childrens’ first house(s)
- “do” a bungee jump, a watercolour course, a round the world trip, write a book, sit on the Parish Council, help the homeless, landscape the garden.