

March 24, 2010 Open Mic Recap:

Highlights: A marvelous, double-overtime edition of Open Mic. The conversation was so informative, invigorating, and inspiring that we went 20 minutes into the next hour!

I had invited Michael Haubrich, CFP[®] as my special guest, to talk with us about his “Career Asset Management (CAM)” framework and the role of strategic partners in serving planning clients’ career needs; Mike walked his talk about partnerships by inviting two career experts with whom he has worked closely: Jane Schroeder (www.jtschroederconsulting.com) and Janine Moon (www.cpcoaching.com). Our wide-ranging conversation included: the roots of CAM; case examples of how career experts have served planners’ clients; the implications of the new economy for clients’ careers; our career experts’ views on the importance of owning one’s career (given that employers have relinquished this role); and Mike’s profound advice to financial planners. Read on, for details and links to relevant resources.

Preview of April 7 (Noon eastern) Open Mic: I’ll lead you through a “**First Quarter 2010 (Appreciative) Self-Review.**” The novelist George Eliot said, “*It’s never too late to be what you might have been.*” Join us, look back, and re-load for the next nine months.

March 24 Recap:

The topic and headline presenter attracted a crowd, more than double the usual assembly; good thing I had planned ahead, and rented extra folding chairs.

Following the Open Mic ritual one-minute centering meditation, I introduced Michael Haubrich, CFP[®]. I asked Mike to talk about the basic tenet of the Career Asset Management model, and how he’s been developing it since our two-hour conversation in a Madison Starbucks in 2005. Mike noted his view that a client’s career as being a dynamic entity which the planner can help shape and optimize, a view which runs counter to the traditional planning approach of treating it as a fixed variable in a formula for clients’ total lifetime assets. (See www.careerassetmanagement.com, a rich resource for further information.)

His CAM framework includes both quantitative aspects (“the stuff we planners live and breathe”, he said) and qualitative (quality-of-work) factors. Mike typically uses the annual review meeting to ask about the client’s satisfaction with their career and its future prospects. If he senses an opening, “I will ask the client’s permission to have a conversation about how we can work with them on this area.” He began collaborating with career specialists such as Jane Schroeder and Janine Moon, both of whom were on the call. Each described her work in assessing clients’ knowledge, skills, talents, and career aspirations; also, each noted the importance of first helping the client in transition (especially if they’ve been ‘downsized’) to do the grief work around the loss of a role which often has defined them and the end of an assumed future direction. (Note: I recommend “Going to Plan B” as an excellent resource in this area. See info about it at http://www.amazon.com/GOING-PLAN-Cope-Regroup-Start/dp/0684811499/ref=sr_1_1?ie=UTF8&s=books&qid=1269973114&sr=8-1.)

Mike noted that when working with clients on their careers, he often establishes a separate Career Asset Working Capital fund for them, to support the client’s career re-tooling needs and

transitions (retraining, sabbaticals, creating a start-up business, and so on). He gave an example of a current client in his Phoenix practice that is in transition in the media industry. They have established a \$200,000 fund (in addition to the usual 3-to-6 month cash reserve fund), to be used for benchmarking the client's skills, evaluating his options, and potentially making a major career change.

The New Economy: Mike emphasized the tectonic shift he believes we are in: an era of discontinuous change, heading towards what he terms "a new, global human capital economy." He likened its impact to that of the 1930s, and cited Charles Handy's *The Age of Unreason* as a resource. (See info at http://www.amazon.com/GOING-PLAN-Cope-Regroup-Start/dp/0684811499/ref=sr_1_1?ie=UTF8&s=books&qid=1269973114&sr=8-1.) In the new era, individuals need to take responsibility for managing and guiding their careers, which will be characterized by sequential project-based work (even if they remain within an organization) rather than lifetime employment within an organization. People will need to continuously reinvent themselves, through updating their portfolio of knowledge, skills, and talents. Jane echoed this, giving an example of a client (referred by Mike) whom she helped reposition herself within a new job in health care; within several months, the client re-contacted her, to begin to consider the next re-positioning, even though she was doing well in her new setting. Mike noted something which I want to highlight as being of major importance: *"I find that clients often 'get' this new economy and its rules better - and earlier -- than we planners do! A lot of planners' first response to working to maximize the value of their clients' careers is, 'I can't do that. I'm already overloaded!'"*

Janine spoke about "career ownership" (look for her new book on this topic next month, when I will have a link to it) as now having to reside with the client. The traditional contract, in which the paternalistic corporation takes responsibility for providing a job and a career path -- in exchange for the employee's unquestioning and unquestioned loyalty --, is gone. And she added that "the jobs that went with them aren't coming back." Self-ownership of one's career involves learning how to understand and expand one's career assets and align them with one's current organization, the wider market, and emerging directions. Jane agreed, noting that she is seeing such a mind-shift in her clients, as they do the emotional work of understanding that the old world order of work is gone.

Realizing that Neal Van Zutphen was on the call, I asked him to chime in. Neal is a planner in Mesa, AZ, and has written a landmark paper integrating Maslow's hierarchy of needs, Kubler-Ross' stages of grief, and Prochaska's stages of change model with the financial planning process. (See this remarkable article, including the "Happiness Risk/Reward Pyramid," at <http://spwfe.fpanet.org:10005/public/Unclassified%20Records/FPA%20Journal%20January%202010%20-%20A%20Visual%20Aid%20for%20Successful%20Financial%20Planning.pdf>.) Neal noted the CAM model provides a framework within which the planner can address clients' needs for self-esteem (feeling good about one's work contributions), self-efficacy (developing the confidence to successfully reposition one's career) and self-actualization (whether through work or through endeavors which one's earnings can make possible). He added that planners and career specialists like Jane and Janine can help clients focus on intrinsic motivation (rather than working exclusively for financial compensation, others' approval, and so forms of extrinsic rewards).

Another planner on the call noted that while he hasn't used CAM, he has begun having "the career conversation" with clients, who are always very grateful for the opportunity to explore this area. Mike responded by saying that this is one of the greatest gifts planners can give their clients: the permission to talk with a trusted advisor about what they want to do with their life,

what holds the most meaning for them, and helping them understand the level of finances it will take – maybe the same amount, maybe more, or perhaps less – to bring that ideal life into being.

Another caller asked how a new career path might “affect the math.” Mike noted that’s where the career specialists like Jane and Janine come in; a package of career assessment and coaching/counseling can cost several thousand dollars, and these specialists can help (a) price out the cost of re-tooling and (b) assess the market value of the new skills. Mike noted that clients are going to be working longer than previously anticipated, and thus have reduced spending on retirement, as well as generating a longer income stream. With this new information, the planner creates new projections.

I asked Mike two questions: one, what would be your advice to a planner who asks how he or she can begin to get more involved with the career conversation with clients. He gave two answers: First, “Explore your own beliefs around the new global capital market, including about workers going from lifetime employment to project-based engagement. Get yourself centered about the economy, so you can have those conversations.” And second, “Spend time with thought leaders on careers: with career coaches and counselors. Additionally, he added that “CAM is hand-in-glove with life cycle investing,” and recommended the work of Svi Bodie (<http://www.zvibodie.com/>), who will be speaking at the upcoming FPA Retreat.

Reflecting on his five years of working with CAM, Mike said that “in our firm (www.toyourwealth.com), it’s becoming second nature to us, as our advisors have grown up with CAM. I also see other planners in other firms starting to work collaboratively with career specialists on behalf of their clients; these planners get it. That’s very exciting to me.”

Finally, Mike linked CAM to the topic of strategic partnering. “We are very intentional about third-party service providers for our clients,” and referred us to his firm’s stated policy about it on its website (<http://www.toyourwealth.com/files/3rdParty.pdf>). He noted that he will be moderating a panel on “Implementing an Effective 3rd Party Relationship Program” at the upcoming FPA Retreat, April 22-25.

Next Time on Open Mic: All in all, this was an incredibly rich and full “80-minute hour” of Open Mic. Please plan to join us again on **Wednesday, April 7 at Noon Eastern Time U.S.** when I’ll lead you through a “**First Quarter 2010 (Appreciative) Self-Review.**” The novelist George Eliot said, “*It’s never too late to be what you might have been.*” That also applies to your hopes and wishes for a robust and rewarding year. Come and see for yourself!

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