

# Advisor Insights

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A NEWSLETTER BROUGHT TO YOU BY THORNBURG AND ANDREW SOBEL



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*Advisor Insights* is brought to you by Thornburg Investment Management. Each month, TIM shares insights from leading authority Andrew Sobel and author of *Clients for Life* and *Making Rain: The Secrets of Building Lifelong Client Loyalty* on how to build your client base and strengthen your long-term relationships.

## Ideas are Everywhere

The most common refrain I hear from client executives is a desire for more new ideas and perspectives from their service providers. In most markets, the core products and services that firms offer are nearly identical, and therefore outperforming the competition in ideas, innovation, and creativity can be a meaningful source of differentiation.

It's hard to come up with really great ideas, however. Or is it? And do they have to be "really great"—as opposed to just thought provoking—to be useful to your clients? Let's look at some misconceptions about creativity, the different types of ideas you can bring to your clients, and specific sources of ideas. The truth is, ideas are everywhere, and you don't have to be a Thomas Edison or Mozart to come up with a steady stream of them for your clients.

### I. Misconceptions about Creativity and Clients

- "If I'm going to go to a client with a new idea, it needs to be really compelling and original." Rubbish! This attitude is an excuse to avoid talking to clients and taking any risks whatsoever. One client of mine, a top investment banker, told me, "If I waited until I had a brilliant idea to go see my client the meeting would never

happen." You can bring your client little ideas, observations, suggestions—you don't have to have invented a new mouse-trap. Lower your threshold for a meeting and you'll be having many more conversations with clients, which are what enable you to better understand their needs and preferences.

- "The idea better be a fairly sure bet—if it's half-cocked I'll look stupid and reckless." Well, the whole point about an idea is that it's just...an idea. You're not making a firm recommendation, you're provoking discussion. You don't want to go in with stuff that's completely crazy or ill thought out, but on the other hand an idea is just a starting point.

Through discussion you can then develop it into something more practical and implementable.

- "Some people are uniquely creative and can dream things up while sitting in their garden." While it's common sense that some people are naturally more creative than others, good ideas are not generated in a vacuum. As we'll see below, ideas often derive from intimate client knowledge, careful observation of the world around you, reflection time, and a willingness to be bold with clients.

- "Clients won't pay for ideas. Even worse, they just steal them." This reflects what I call a "scarcity mentality." It's true that in general clients don't pay directly for new ideas. They pay us for the provision of a specific product or service (which might be idea generation). But if you don't surround your core service with creativity and innovation—if you don't infuse your relationships with imagination—then you become a tradesman, a fungible expert for hire. The more your ideas are adopted by clients, the stronger and broader your influence becomes, and the more likely it is that they will call you back.

### II. Different types of ideas

It's useful to think about four categories of ideas:

1. **Ideas to help improve an individual client** executive's performance, career advancement, and overall well being (e.g., you suggest your client hold an offsite with his team, and propose a provocative agenda; you give her a thought-provoking article; you share an idea for how he could get a proposal accepted by senior management; etc.)
2. **Specific, operationally-focused ideas** for improving your clients business (e.g., an idea

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on how to reduce costs, improve time-to-market, or increase employee retention)

**3. Big-picture ideas** dealing with strategy and organization (e.g., an acquisition idea, a suggestion for improving the balance sheet or knocking out a competitor)

**4. Ideas which shape clients' perspectives** and understanding of the world around them (a perspective on how Chinese manufacturers may impact your client or on how a new demographic cohort ("Millenials", born since 1982) will impact hiring, training, and retention strategies)

As you can see, ideas can be helpful at an institutional or personal level. They can be small and specific or focused on the big-picture. They can be intended as suggestions or focused on shaping a client's perceptions.

There is a hierarchy here. I like to think about the client as an individual; the client's business operations; the overall strategy and direction of the client's organization; and the environment he or she operates in. There may well be other "types" of ideas, but this framework is a useful start in thinking about the range of ideas you can come up with.

### III. Sources of Ideas

A journalist once asked Willie Nelson, the country-western singer who has written over 1,000 songs, how he came up with so many musical ideas.

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"Songs are everywhere," he replied. Indeed, I believe ideas are everywhere—we just have to look for them and be receptive to them.

Here is a list of some idea generation techniques and sources that may be helpful to you in developing your own ideas for clients:

**1. Observation.** By exercising "mindfulness"—a keen awareness of the world around you and the particular moment you are in—you can come up with lots of interesting ideas. In 1948, George de Mestral, a Swiss engineer and amateur mountaineer was hiking in the Alps. After his walk, he noticed his socks and dog were covered in burrs. Curious about how they stuck to his clothing, he examined them under a microscope and observed the tiny hooks that allowed the burrs to hang onto the fabric. In 1955, he patented Velcro, now a billion-dollar industry.

**2. Analogy and metaphor.**

Analogies are a powerful way to create new ideas and transfer concepts from one domain to another. Charles Merrill, the founder of the modern financial

behemoth Merrill Lynch, tapped into the power of analogy when he brought stocks and bonds to the masses. Early in his career as a banker, he helped finance several of the burgeoning retail store chains such as J. G. McCrory, which were focused on the mass market.

Merrill quickly adopted this new concept of mass merchandising and used it to reconceptualize and restructure the stock broking business—which had previously served only the very wealthy—in order to make investments accessible to the average man and woman. Merrill was so enamored of this analogy that even his corporate offices in New York were decorated with large murals depicting chain stores such as Safeway. For over 70 years, Merrill's original mission statement, "To Take Wall Street to Main Street," has given the company its direction.

**3. Suspension of Judgment.**

Good idea generation requires a suspension of judgment in order to allow "unrealistic" alternatives or ideas to be allowed into the discussion. Many great discoveries were either accidental or the result of "mistakes." Marconi pursued his (ultimately) successful experiments in the belief that radio waves followed the curvature of the earth (they don't). Penicillin and x-rays were also "mistakes," which developed into life-saving medical breakthroughs. For this reason, General Motors executive Charles Kettering once said, "If I want to stop a research program, I can always do it by getting a few

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experts to sit in on the subject, because they know right away that it was a fool thing to try in the first place.”

**4. Reflection.** “I lived in solitude in the country,” said Albert Einstein, talking about the sources of his great ideas, “and noticed how the monotony of quiet life stimulates the creative mind.” Some researchers in the field of creativity, in fact, believe that insight occurs during the reflection and relaxation that follows a period of intense activity and work. Today, our minds are rarely silent. Commenting on this phenomenon, Andrew Heyward, the former president of CBS News, said, “Whenever I have a free moment now, I turn to e-mail. It’s probably taken away the last few minutes in my life that were available for reflection.”

**5. Getting Your Hands Dirty.** The more you understand your client’s business and life, the easier it will be to come up with good ideas. This is a dilemma for professionals who work in large companies: as you become more senior in an organization, you often work less and less with clients, and when you do, you are exposed to projects and client situations at a very big-picture level. You do less and less hands-on work with specific

client issues and problems. The more you “walk the halls” and get your hands dirty, as it were, the more ideas you’ll come up with.

**6. Use Your Client’s “Lens” to View the World.** To me, this is one of the most powerful things you can do to come up with more ideas. Let me give you an example: I have been working with a client for several years on a cross-firm teaming program, designed to bring the organization’s best people and ideas into each client relationship. Whenever I read something—an article or book—I have a nearly subconscious filter at work which is searching for ideas, examples, or concepts that might be useful to this client. Here’s a small but relevant example: I recently read that while there are billions of stars in the universe, only 6,000 can be seen from the Earth with the naked eye. Furthermore, from any one vantage point on Earth, only 2,000 are visible. Because of my client’s situation, I picked up on this and made a mental note. Later, it became one of the analogies we developed in communicating the teaming program: A global, interconnected team has a far broader perspective to bring to a client, seeing, as it were, three times as many stars.

## 7. Develop lots of ideas and throw the bad ones away.

Studies of scientists who have come up with breakthrough ideas reveal an interesting phenomenon: These scientists publish far more papers than their less-creative peers. People who develop great ideas typically have lots of them—many of which are lousy, but a few of which are very good. The main thing is to be willing to throw away the weak stuff. As Mihaly Csikszentmihalyi, the author of the best-selling *Flow*, says, “Some of the most creative people I’ve interviewed say the reason they are creative is that they can throw away the bad ideas much quicker than other people can.”

Push yourself. Set a goal to come up with 2 or 3 or 4 new ideas a quarter for each client. As we’ve seen, they don’t all have to be earth-shattering ideas—they can be small, helpful or thought-provoking ones that your client will invariably appreciate. Take time to really reflect deeply on your client’s problems and issues—it will set you apart from your competition. As George Bernard Shaw wrote, “Few people think more than two or three times a year; I have made an international reputation for myself by thinking once or twice a week.”

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Andrew Sobel is the leading authority on client relationships and the skills and strategies required to earn enduring client loyalty. A noted business strategist and acclaimed speaker, he is the author of *Clients for Life: Evolving from an Expert for Hire to an Extraordinary Advisor* and *Making Rain: The Secrets of Building Lifelong Client Loyalty*. Andrew can be reached at [andrew@andrewsobel.com](mailto:andrew@andrewsobel.com) (Tel: 505.982.0211).