



# Appreciative Financial Planning™

## Harnessing the Power of Appreciative Inquiry for Your Advisory Practice

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This article is an introduction to Appreciative Financial Planning™ (AFP), its principles, toolkit, and process. An “appreciative advisor” is one who intentionally adopts an appreciative mind-set, incorporates appreciative questions into client conversations (and into potentially all conversations), and guides conversations back from the brink toward productive outcomes. AFP is a complement to advisors’ existing methods and activities; it encourages them to do more of what they already do when they are most successful and generating the best client response. AFP helps advisors better their performances by helping them in the following four areas:

1. Creating a closer client-advisor connection
2. Efficiently acquiring deeper, more meaningful client information on which to base the investment strategy
3. Generating mutual (client-advisor) commitment to the strategy, and to the relationship
4. Stimulating greater client motivation and engagement, and consequently more sustained implementation and deeper client loyalty

If your answer to the question, “What do I want more of, as an advisor?” includes those four “better” elements, then I suggest that you test drive AFP. This article shows you how.

### AFP Overview

Appreciative Financial Planning is based on Appreciative Inquiry (AI), an approach initially developed for organizational consulting, where it has changed

how people think about organizations, businesses, and individuals (Cooperrider and Whitney 2005). Two of AI’s most important contributions are 1) showing that a focus on strengths, successes, and aspirations (“*What do we want more of?*”) is more effective in attaining desired outcomes than focusing on problems, limitations, and failures (*What’s broken, and how do we fix it?*); and 2) demonstrating the power of a vivid, positive image of the desired future in helping to bring that future into being.

I created AFP to help advisors to reap the following four benefits:

1. More efficient, meaningful data collection
2. Rapid creation of close, committed, and sustained client-advisor relationships
3. An inspired vision of the client’s life that helps drive the investment plan
4. More effective and sustained implementation of investment strategies

Because AFP brings more positive energy to the client-advisor relationship, a further benefit is that it often helps advisors find their work more uplifting, energizing, and rewarding.

### Principles of AFP

Table 1 shows the four principles that are the foundation of AFP; these principles are described more fully below.

**Positive principle.** Focusing on positive client experiences, relationships, and aspirations is a wise and strategic investment of advisors’ time and energy. Because we get more of what we inquire about, we should focus primarily (although not exclusively) on positives. The appreciative advisor creates and uses “appreciative questions” and is adept at redirecting conversations toward the positive and the possible.

**Anticipatory principle.** By working with clients to create vivid, inspiring, and positive images of their preferred futures, we can influence that future positively.

**Simultaneity principle.** Questions are powerful levers of change, and conversations stimulate action. Knowing that asking questions and holding conversations are not neutral acts, the appreciative advisor frames questions carefully and engages in conversation with intentionality.

**TABLE 1: PRINCIPLES OF THE APPRECIATIVE APPROACH**

Positive Principle	Positives lead to more positives. (And conversely, negatives lead to more negatives.)
Anticipatory Principle	Our behavior is guided by our view of our future.
Simultaneity Principle	Change begins to occur when the very first question is asked. Thus, inquiry and change are simultaneous, rather than distinct, processes. What we inquire about influences the direction of conversations, actions, and outcomes.
Constructionist Principle	Reality is not fixed, objective, and “out there.” We co-create (construct) our reality by our language and conversations.



**Constructionist principle.** Our language influences the reality we perceive and create. Therefore, thinking and speaking in terms of what's possible provides more-fertile soil for achieving clients' goals and dreams than emphasizing deficits, obstacles, and images of a limited future.

#### The Appreciative Advisor's Toolkit

The appreciative advisor uses four key skills, described below. In my experience, all advisors use each of these skills some of the time, with varying degrees of proficiency and success. An appreciative advisor uses each tool with increased clarity and deftness.

**Appreciative mind-set.** Those who operate from an appreciative mind-set expect to encounter good things; they "are oriented to see what they want more of as already being there, if only in small amounts, and use that to get more of it" (Bushe 2007). Thachenkary and Metzker (2006) describe this mind-set as "seeing the oak in the acorn." Advisors who cultivate an appreciative mind-set approach prospective clients with positive anticipation, inquire into times when prospects have been at their best, and are motivated to help clients fulfill dreams through investment strategy that meets the client's deeply held values and aspirations.

**Appreciative questions.** An appreciative question (AQ) is phrased positively and inquires about high-point experiences, successes, strengths, values, aspirations, etc. In creating an AQ, "How are you?" becomes "What's been the high point of your day, thus far?" An appreciative advisor might transform a neutral query such as "What did you do on vacation?" to: "What was most memorable about your vacation?" Similarly, this advisor might ask a client couple to describe a time when the two of them made a great financial decision together, rather than merely asking them how they make money decisions. The information gleaned from the "great money decision" story can be used to help the couple

envision their desired future and agree on an investment plan. The appreciative advisor uses AQs at each phase of the relationship, but such questions don't dominate the advisory process. Advisors must gather and analyze a great deal of factual information, and an AQ cannot substitute for "How much do you have in your checking account?"

important long-term goals, explain the importance of each goal, and estimate how he will feel when that goal is attained. A second approach would be to guide the client in imagining his most fulfilling life and derive specific goals from the vision. (This latter scenario is presented in the dream phase, described below.)

“ Such discovery has several benefits. First, it often surprises and delights the client who, having expected a factual conversation, finds himself talking about meaningful and uplifting matters. ”

**Shifting conversations toward the productively positive.** As in any relationship, client-advisor conversations occasionally veer toward tension and negativity. The appreciative advisor can detect such a downward spiral looming, call a stop-action, and ask a question such as: "What would be the best outcome of this conversation? What would work best for you?" Additionally, the advisor can intervene in such a conversation between a husband and wife by asking an appreciative question. Here are three examples:

*"Can each of you state to the other what it is you really want here?"*

*"Can you recall a time when the two of you pulled a conversation out of a negativity trap?"*

*"What can you do to move this conversation in a positive direction?"*

**Inspiring clients to aspire to their most fulfilling lives.** Using AFP skills, advisors have the opportunity to guide clients to articulate heart-felt goals, which then become the foundation for investment strategy. An advisor, for example, might ask a client to list five

Many investment advisors may have already honed one or more of these four skills. The appreciative approach treats these skills as important for all advisors. As a result, AFP training includes a focus on deepening the advisor's skill in each area of the toolkit.

#### 4 D's of Appreciative Financial Planning

The four D's of AFP are discovery, dream, design, delivery (see table 2). Each aligns with and complements a step in the financial advisory process.

**Discovery.** Discovery complements the factual information that the advisor initially collects about a client's life circumstances and financial picture. The advisor invites the client to explore and discuss positive and meaningful aspects of his life. Examples of discovery AQs include:

- "Tell me what you love most about your work."
- "Give me a verbal picture of each member of your family. What is distinctive and wonderful about each one? What is it that you love most about each?"
- "Can you tell me about a family event that held particular importance for you? What gives it such meaning?"

**TABLE 2: THE 4 D'S OF APPRECIATIVE FINANCIAL PLANNING**

Phase	Purposes
Discovery	<ul style="list-style-type: none"> <li>• Establish authentic client-advisor connection.</li> <li>• Discover client's strengths, successes, values, and aspirations in life areas (work, family, community, religion and spirituality, finances, health, etc.).</li> <li>• Generate enthusiasm for, and motivation to develop an inspired life vision and goals.</li> </ul>
Dream	<ul style="list-style-type: none"> <li>• Establish meaningful, inspiring client vision of a fulfilling life.</li> <li>• Identify 3–5 key goal areas on which to base investment strategy and plan.</li> </ul>
Design	<ul style="list-style-type: none"> <li>• Create investment strategy focusing on key goal areas.</li> <li>• Establish client action plan to align goals, spending patterns, and available resources.</li> <li>• Present investment strategy and client action plan, and generate enthusiasm and commitment (“buy-in”).</li> <li>• Discuss and establish implementation timelines and accountability metrics.</li> </ul>
Delivery	<ul style="list-style-type: none"> <li>• Implement investment strategy and action plans.</li> <li>• Periodically review progress and identify client successes.</li> <li>• Make mid-course corrections that reflect changes in circumstances and client priorities.</li> <li>• Maintain client's engagement, enthusiasm, and commitment to the plan and to the advisory relationship.</li> </ul>

- “Tell me a story of a time when you achieved a goal that was very important to you. How did you do it? How did you feel when you achieved it? What lessons did you learn?”
- “What is most important to you in your religious (or spiritual) life?”
- “What areas of your current life are so important that you would not be willing to forego spending in those areas to bring about your long-term goals?”

Such discovery has several benefits. First, it often surprises and delights the client who, having expected a factual conversation, finds himself talking about meaningful and uplifting matters. Second, it gives the advisor insight to what is most important to the client, which will be helpful in creating investment objectives and strategies. Finally, it creates a closer client-advisor connection than would traditional data collection, and it often inspires the advisor to want to go the extra mile for the client.

**Dream.** In the dream phase, the appreciative advisor builds on the discovered information by guiding the client to articulate a life vision that would meet his most important hopes and values. On the basis of this portrait, client and advisor identify a small number of goal areas on which to focus in the investment strategy. The following suggested exercise, while simple and straightforward, results in a powerful and vivid portrait of the client's most fulfilling future:

“I want you to imagine that it is \_\_\_ years in the future, and you are living a full, enriching, and rewarding life. It is the life of your dreams. You are feeling engaged and fulfilled in each area of your life, and derive much meaning and joy every day. Please describe that well-lived life in the year \_\_\_\_. Describe where you are living, with whom, your daily routine, and your sources of joy, pleasure, and meaning.”

It also often is helpful to then ask the client to describe an ideal day, week, and month in that future year.

Following discussion of the details of this vision, the advisor then asks the client to identify the most important areas in the portrait that has just been painted: “I'd like you to reflect on the wonderful picture you've just described for me. Now select the three or four areas that are the most central to you, so that we can focus your investment strategy on them.” In this way, the focus areas of the investment strategy are truly the client's own, which increases enthusiasm for, sense of ownership of, and commitment to the plan.

Advisors may have their own visioning exercises, which they are encouraged to continue using. Additionally, well-established methods are available in financial life planning approaches. Two examples are the “Three Questions” exercise used in the Kinder Institute life planning methodology (Kinder and Galvan 2007), and several exercises in the Money Quotient suite of instruments ([www.moneyquotient.org](http://www.moneyquotient.org)).

**Design.** The discovery and dream phases elicit a client's deeply held priorities. In the design phase, the advisor translates these priorities into an investment strategy for presentation and discussion. Additionally, the advisor may create action steps for the client, to reflect changes in spending patterns, work, or living conditions called for by the life vision and investment strategy. For example, the client's vision may call for a transition to working less or creating a home-based business. The advisor may propose a schedule that preserves adequate income while allowing the client to explore options for developing such a business.

In presenting the investment strategy the advisor uses design AQs such as:

- “What do you like best about the investment strategy?”
- “What about it gives you the most enthusiasm?”

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- “In which areas does it best reflect your priorities?”

Similarly, the advisor asks questions about the action plan:

- “Which steps do you feel most prepared to take?”
- “Where would you like to begin?”
- “How can I help you stay on track?”

**Delivery.** Unlike the other D’s, delivery is not a discrete or time-limited event; it is ongoing and includes periodic reviews and course corrections to reflect environmental events, investment performance, and client development. During this “rest-of-the-story” phase, the advisor becomes a coach and cheerleader as well as investment strategist. Through periodic meetings, written correspondence, e-mail exchanges, and telephone calls, the advisor monitors the client’s progress on the action plan and keeps the client updated on investment performance. The appreciative advisor uses delivery AQs designed to keep the client engaged and committed to the action plan and investment strategy. Delivery AQs include the following:

- “Tell me about any successful steps you have taken, no matter how small, on this goal.”

- “What are you feeling best about thus far, in implementing the plan?”
- “What have you learned about yourself, or your goals—from successful steps, less-than-successful ones, and even from delays in implementing portions of your plan?”
- “How can we use what you have learned to build success into your plan?”
- “Do your goals and priorities still bring you excitement and enthusiasm? Are there any changes you would like to make to reflect what’s important to you now?”

The resulting conversations, taking place over a period of years, allow the advisor to help the client make mid-course corrections as needed, refresh the relationship, and renew the client’s (and advisor’s) engagement and commitment. 

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