



Investment Insights

Kevin Kennedy

Achieving Your Dreams

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Investors today can't help but be confused and overwhelmed. Do I have enough? Will my investment strategy be flexible enough if my goals change? How can I protect my wealth from another down market? Who can I trust and how will I know they are working in the best interest of my family and me?

Everywhere you turn, someone is touting the next great mutual fund, stock, or other investment opportunity sure to put you on the road to riches. It all sounds so simple and promising, yet the question always rings in your head: is this the right thing for me? In my bi-weekly columns I've written for the past three years, I've purposely not given specific investment recommendations, but rather focused on strategies, ideas, and approaches to managing your life and your wealth that can help you be more effective, better informed, and more confident in achieving your goals. I recommend specific investment strategies to clients every day, once I have taken the time to understand their life and the specific goals they envision for themselves and their families, as well as the time frame and priority these goals represent in their life. The reason I don't write about the top 10 mutual funds or the next great technology stock is because I don't know if that is a solution that would work for your goals (and I tend to stay away from Vegas-style investing). Every investor is different, and having investment strategies customized around your goals is not only smart, it's imperative to achieving financial success.

Imagine if your relationship with your doctor worked like this: You arrive for an appointment, and he immediately begins recommending that you take a new drug that has been great for many of his patients. No questions about why you're there, what's been ailing you, and how he can treat your specific health issues. He hands you a prescription, and sends you on your way. Is this a medical experience that would engender confidence in the doctor or your own chances of recovery? How can he prescribe something without knowing your symptoms in the context of your health history?

Many providers of financial services operate in a similar fashion. You walk in with money to invest, they tell you about the hot stock or mutual fund that everyone is buying, you invest your money, and you are surprised when you don't achieve financial peace of mind. Very little inquiry into what you need, what you're trying to achieve, or why you're there in the first place.

Much like your relationship with your doctor, a successful experience with your financial advisor will begin long before the appropriate solution is implemented. The process begins with Discovery: Who you are? What are you trying to achieve in your life? How can your wealth and other resources enable you to achieve the goals you have identified for you and your family? Ultimately, how you allocate and invest the resources you've accumulated and will accumulate during your lifetime are important decisions, but those decisions are best made after a full "diagnosis" of your life.

The idea of helping clients build financial strategies around their personal goals and dreams is not new. In fact, it's been a core part of the service we provide to clients for many years. Numerous surveys of wealthy investors have shown that their number one desire in relationships with financial advisors is "having someone who knows me and my personal needs". Yet, recent accusations of conflicts of interest and inappropriate investment recommendations in the financial services world show that investors are often not having this simple need fulfilled.

Having an advisor who understands your goals in the context of your life is important for many reasons. First, a strong advisory relationship will help you solve your problems and reach your goals in an effective fashion, confident of your progress along the way. Second, this advisor will help you understand and adhere to the path that gets you to your ultimate objectives. Third, they will act as your guide through the inevitable twists and turns your life and the investment landscape take. Whether your focus is retirement, funding your child's education, or having the financial flexibility to enjoy your life more, a good advisor will bring clarity and knowledge to the steps you need to achieve financial wellness.

As the saying goes, "If you've never been asked the right questions, how do you know you have the right answers?" Over my next two columns, I'll outline for you what a relationship with a financial advisor can look like, one that's rooted in personal service centered on your needs and goals. I'll illustrate the process that we use with clients; from the types of questions you should be asked, to building goal-specific investment strategies around the answers. My objectives are two-fold: First, to define the service a good advisor will provide that will give you the ability to achieve more effective relationships with financial professionals. Second, to point out the obvious signs of an advisor that may not have your best interests at heart: financial conflicts of interest, use of proprietary investment products, and diagnosis and treatment of your portfolio rather than your life and wealth goals. At the end of the day, the best person to provide these services is the financial professional that passes all these tests and makes you and your family comfortable and confident.

Kevin Kennedy is president of Kevin Kennedy, LLC, a registered investment advisor firm in Alameda. Reach him at 510-748-1898 or Kevin@KevinKennedyLLC.com. Stocks, bonds, and mutual funds involve risk, including loss of principal. Past performance is no guarantee of future results.