

Uncertainty, Fear, Motivation

By: Leo Abel, CFP®

Friday, July 16th we did the third workshop of the year for clients and prospective relationships as well - this one for business owners. I began the discussion with a favorite quote from Warren Buffett about pessimism, which I will repeat here:

"Pessimism. We like to do business in environments like these. Not because we like pessimism. Rather, we like the prices pessimism produces. Optimism is the enemy of the rational buyer."

I then went on to ask attendees if they were suffering from one or more of the following: Pessimism, fear, uncertainty about the future and the ability to plan, apathy or even hopelessness.

It seemed as if most of the people in attendance could relate to one or more of these emotions.

How about you?

I then asked workshop guests to consider the following question. Could it be that a certain amount of fear is a good thing? Not apathy or hopelessness, but a fear which can motivate us to use our resources to overcome the problems of the day. Without this healthy fear we might become complacent and settle for the status quo.

Motivation

On a personal level, without question I am doing business in a climate of fear, pessimism, and blame. This atmosphere has motivated me greatly over the past three years. My fear was that I would succumb to the waves of bad news and miss this opportunity to invest resources in improving my business.

Economic history clearly demonstrates that figures such as the Rothschild Family, J.P. Morgan, and Thomas Edison exhibited confidence in the face of tremendous uncertainty. Confidence inspired me to improve what we do.

In essence, we were reengineering our practice. Not "reengineering" in the narrower sense that flourished in the 1990's through the groundbreaking book by Michael Hammer and James Champy called "Reengineering The Corporation." But "reengineering" in today's broader sense of transforming business processes (including the creative work of marketing) for clear and visible business improvement.

Focus

Our own three areas of focus have been evaluation, systemization or packaging, and promotion.

1 - Evaluation

First, in our evaluation phase we looked inward to answer two questions: Where do we excel? With whom do we enjoy working?

Our answer included women who are financial decision makers in their families. Also, at the top of our list are medical specialists and other professionals looking for more time for their specialty. And our answer included successful business owners with their own corporation, who prefer to turn over the details to a trusted advisor.

Those of you who are clients remember well the period of time between September 1, 2008, and the end of March, 2009. It was during September that Louisiana experienced the massive hurricane Gustav and the world transitioned from a financial crisis relegated to the sub-prime residential housing market to a full scale, global credit collapse.

The fall of Lehman Brothers brought on panic selling of the magnitude not seen in decades.

Seeing this we knew our clients needed face-to-face contact with us. Our office, therefore, dedicated all of our resources to scheduling meetings on an hourly basis for five days a week for several weeks where we sat with clients advising them about their specific financial and investment circumstances, as well as provided perspective on what was happening in markets around the world.

During the 1st Quarter of 2009 we added Michael Demouy, Financial Planning Associate, to our team.

In April of 2009 we held a workshop open to all of our clients entitled, "How To Handle A Bear Market." Feedback from this event was overwhelmingly positive. This initial gathering spawned our workshop series, "Discovering Financial Strategies For Maintaining Your Lifestyle," held once every 60 days.

Also, during this extremely intense period of introspection, we evaluated our capacity to serve. Our business plan calls for us to selectively add 12 relationships over the next year to the clients we now serve.

2 - Systemization

Second, we explored ways to systematize our service offerings.

Here we took our findings from the evaluation process, along with our more than 56 years of combined experience, to create a thoroughly defined service offering for our clients. We refer to this step as "packaging or systemization." The outcome was a clearly delineated wealth management process, our money management process, and our client priority tracking system.

You can see the details of our wealth management process at www.abelwelthmanagement.com/6-pillar-process.html

Our clients' confidence levels have risen as our system helps them create customized, step-by-step action plans which move them in the direction of their lifestyle goals.

3 - Promotion

We are energetically sharing our comprehensive approach to wealth and investment management with prospective new relationships in order to provide people with an understanding of our approach. Equally important, we want to ensure that our offerings are consistent with prospects' aims.

Highlights of our promotional activities are our workshop series, our new website at www.abelwealthmanagement.com and our complimentary report "Helping You Preserve And Manage Wealth With Principled Investing" (available on our website).

We are in the process of scheduling two workshops this fall. On September 16, 2010, from 11 AM to 1 PM at the Bonefish Grill we will do one for women and on November 5th from 11 AM to 1 PM at the Bonefish Grill we will do another for business owners.

I admire people who exhibit optimism in an extreme climate of pessimism. To me, this optimism is logical given the record of economic history. Translated, this means that all crises end. Uncertainty is a reality of life. To the extent that we embrace it, though, and remain open to learning, it provides tremendous opportunity.

Two Key Questions

How did you "embrace" uncertainty? How did you seize upon obvious opportunities in an environment of dramatically lower pricing on nearly all assets?

We invite clients and those just becoming familiar with our services to a no-obligation, personal Wealth Review. The Wealth Review can help you discover how you can preserve and manage your wealth for the long term.

To schedule your Wealth Review please contact my assistant Patricia Crawford at patricia.crawford@raymondjames.com or call 225-408-4000.

Cordially,

Leo

Leo G. Abel, CFP®

leo.abel@raymondjames.com

Abel Financial Services, Inc. - An Independent Firm

Securities offered through:

Raymond James Financial Services, Inc., Member FINRA/SIPC

9270 Siegen Lane, Suite 301

Baton Rouge, LA 70810

225-408-4000

The information contained in this e-mail is believed to be reliable. In accordance to industry standards, we do not accept trade orders via e-mail. If you wish to place a trade, please call us at the telephone number listed above.

Raymond James Financial Services **does not accept orders and/or instructions regarding your account by e-mail, voice mail, fax or any alternate method.** Transactional details do not supersede normal trade confirmations or statements. E-mail sent through the Internet is not secure or confidential. Raymond James Financial Services reserves the right to monitor all e-mail.

Any information provided in this e-mail has been prepared from sources believed to be reliable, but is not guaranteed by Raymond James Financial Services and is not a complete summary or statement of all available data necessary for making an investment decision. Any information provided is for informational purposes only and does not constitute a recommendation. Raymond James Financial Services and its employees may own options, rights or warrants to purchase any of the securities mentioned in e-mail. This e-mail is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, or dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this message in error, please contact the sender immediately and delete the material from your computer.