

The Essential Ingredient for Exceptional Success

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Advisors often ask me what they have to do to truly excel. They expect an answer based on their value proposition, the prospective clients they focus on, how effectively they get in front of those prospects, or their discipline and work ethic.

A talk I attended last fall provided a clear cut – and surprising – answer.



Bouncing back from setbacks

In the past decade, Israel has emerged as a hotbed of high-tech startups. In November, I attended a talk by the academic director of Technion Israel Institute of Technology, a university that has played a critical role in the growth of that country's tech sector. He discussed a research study in which successful entrepreneurs were asked to identify the single quality most important to their success, from a list of 20 candidates.

The overwhelming first choice was resilience – the ability to bounce back from adversity and withstand setbacks. As an entrepreneur, you can have everything going for you, but if you're unable to deal with the inevitable disappointment and bumps in the road that every start-up encounters, your odds of real success plummet.

And that ability to cope with unexpected reversals is just as important when it comes to financial advisors who aspire to build exceptional businesses. Even if you've done everything else right, if you don't have the conviction and discipline to tough your way through discouragement and setbacks, you won't hit your full potential.

Strategies to build resilience

I saw the importance of resilience first hand at a roundtable with highly successful advisors that I facilitated a couple of years back. One topic was how they'd coped with setbacks on their path to success. In every case, these individuals identified points early in their careers where they'd run into major disappointments, whether these related to existing or prospective clients, investment solutions that blew up or unexpected problems at their firms. And in every case, these advisors described how they'd had to dig deep to find the energy and will to overcome those disappointments.



At one time, there was a view that the ability to bounce back from setbacks is innate – you either have it or you don't. Research over the past 20 years has shown that, while some people do have inherently greater levels of resilience, there are a number of strategies proven to increase the capacity to deal with disappointment:

1. **Anticipate bumps in the road**

The first key to surmounting problems is having a mindset of “*realistic optimism*,” which acknowledges that things will seldom go as smoothly as we'd like.

Some years ago, I attended a talk by sports psychologist Peter Jensen, in which he discussed the perils of optimism. Optimism is universally seen as a positive trait, lauded by people from Winston Churchill (“A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty”) to Helen Keller (“Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence”).

Jensen's take was a bit different. Yes, we have to be optimistic and hopeful to embark on ambitious undertakings. But we also have to introduce reality into that optimistic mindset. Jensen pointed to US prisoners of war in the Vietnam War, locked up in prisons in North Vietnam. The optimists among those soldiers expected that they'd be rescued immediately – each day they woke up thinking that this would be the day. As a result, within a few months they often found themselves struggling with depression and discouragement. The pessimists took the view that the rescue could quite likely be years coming and looked for ways to cope mentally with a long period of imprisonment – and as a result were able to deal with exceptionally difficult circumstances.

The first key to dealing with setbacks is recognizing that we will almost certainly run into adversity. We don't know how, we don't know when – but those setbacks will happen. By adopting that mindset of realistic optimism, we are much better able to cope with unexpected negative events when they actually occur.

2. **Put setbacks in perspective**

The second strategy is to develop the facility to put negative events into context. The academic director of Technion discussed some of the hurdles that Israeli entrepreneurs had run into:

- Delays in getting financing – One entrepreneur invested 12 months negotiating financing, only to have it fall through at the last moment.



- Challenges with competitors – Another encountered a well-financed competitor coming to market with a similar solution weeks before his own was planned to launch.
- Acrimonious splits with partners, sometimes with threats of lawsuits on ownership of key technology.
- Key initial sales falling through – often these had been cultivated over a long period of time and seemed “in the bag.”

Those setbacks had the potential to destroy the conviction and confidence of these entrepreneurs. One of the strategies that avoided this was “*framing*” these problems – putting them in perspective. The first step is to anticipate setbacks; the next is to step back when they occur and take a deep breath.

Then you need to analyze the real damage that’s been done and look at your options, reminding yourself that most successful advisors have encountered problems that are equal or worse than yours. As an extreme example of framing, Victor Frankl was an Austrian psychiatrist imprisoned in a concentration camp during the Holocaust. In his book *Man’s Search for Meaning* he observed fellow inmates who lost hope often died shortly afterwards. Frankl focused his energy on maintaining hope and planned for the lectures he would give after his release. In his own mind, he turned what many would have seen as a hopeless situation into a source of rich experiences.

3. **Take action**

One of the biggest challenges after a significant setback is the immediate shock and sense of being overwhelmed and the paralysis that often follows – look no further than how American business shut down in the aftermath of the 9/11 bombings.

It’s easy to be swept away by the emotions that follow a major disappointment – the issue is how to harness those emotions. The American Psychological Association has published an online brochure, *The Road to Resilience*. One key trait they identified to help people bounce back from unexpected loss is taking small steps, with a view to reestablish momentum and movement.

In talking to advisors who’ve bounced back from the unexpected loss of a big client, they typically experienced the five stages of grief identified by Swiss psychiatrist Elisabeth Kubler-Ross (denial, anger, bargaining, depression and acceptance).

The issue is how quickly you move through the first four to get to acceptance, so that you can harness the energy that might be consumed by the first four stages and move on. One way to do this is to focus on steps that will turn inertia into action



– rather than trying to solve the entire problem, focus on a specific action that can help move you in the right direction.

Lean on your network

When I talk to successful advisors, many point to a strong network as instrumental to their business growth – not just friends and family, but also former colleagues, peers and veteran advisors in their office.

A strong support network with which to discuss issues is a big asset at every stage ... but it's in challenging times that it makes the biggest difference. Being able to tap into support from people you trust and like is a critical factor to recovering from the inevitable tough periods we all encounter.

A good network takes time to build – for it to be there to help see you through periods of business challenges, you have to invest the effort to develop it before you actually need it.

The last key ingredient to resilience is “*taking care of yourself.*”

Exercise, sleep and diet are important elements of peak performance in every environment – but are especially critical when your stress levels are elevated.

If you have ambitious goals for business success, certainly put in place plans to drive growth in your business. Remember, though, that you will hit setbacks – so have strategies to develop the resilience to work through those periods.

In the meantime, here's the link to [The Road to Resilience](http://www.apa.org/helpcenter/road-resilience.aspx).
<http://www.apa.org/helpcenter/road-resilience.aspx>

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